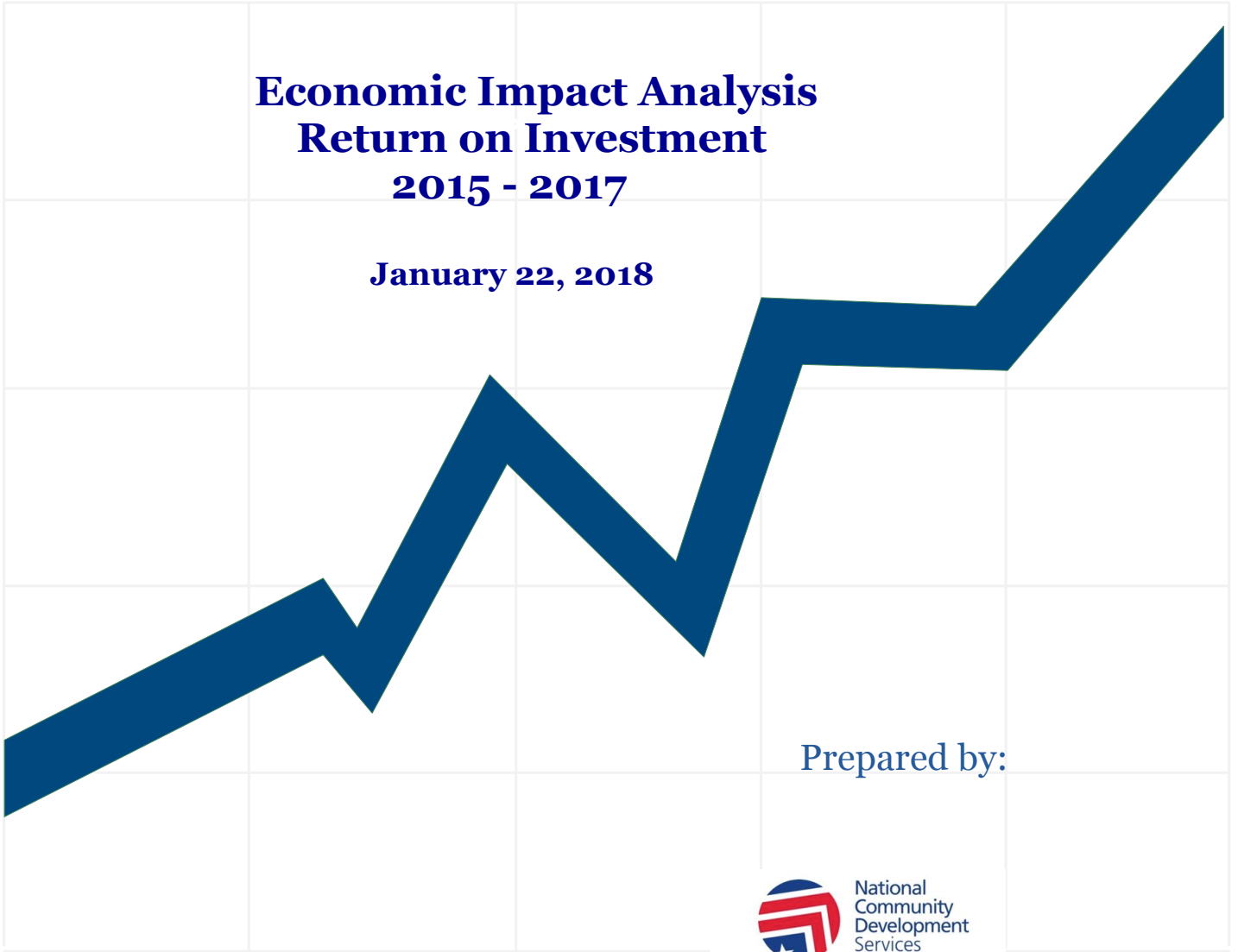


**Economic Impact Analysis
Return on Investment
2015 - 2017**

January 22, 2018



Prepared by:



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Strategy Center**

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Note: * 2015 through 2017 business attractions and expansions.

Introduction

This analysis computes the economic impact of the Economic Development Council, *EDC* of St. Lucie County from 2015 through 2017. During this period the *EDC* worked on 29 projects that retained and created 2,867 jobs. The analysis includes the economic impacts of these 29 projects and an impact analysis for Maverick Boat Group’s current expansion, the largest of the 29 projects (see **Appendix IV**). The analysis also includes the impact of Tradition Medical Center including both phase I and phase II (see **Appendix V**). Tradition Medical Center is part of a growing healthcare industry in St. Lucie County and this growth is documented (see **Appendix VI**).

Economic impacts were computed by an Input/Output (I/O) model created for St. Lucie County. The model is based on IMPLAN®, data for 2016, just released in November of 2017. IMPLAN® is the most widely used system in the USA to compute impacts. This analysis incorporates revisions of IMPLAN® to increase industry details and incorporate newly released data. The IMPLAN® data has 536 possible industry sectors. The model created for St. Lucie County has 246 sectors.

Economic impacts are measured by: jobs, income, value added, and output (new business). Income includes both wage and salary income from direct and indirect jobs, and proprietor income. Value added includes labor income and indirect business taxes, like sales taxes. Value added also includes other income, such as rent. Output is the total of value added (e.g. labor) and the value of all goods used in production and is “new business”. Impacts also include spending and savings from disposable income, and new sales and property taxes.

Table 1 summarizes the total annual economic impacts (direct, indirect, and induced) as of 2018 from the *EDC*’s projects during 2015 through 2017. **Table 1** shows that total annual impacts from 2,867 jobs are projected to be 4,714 total jobs and these jobs will create \$194.7 million in new income and \$758.4 million in new output.

All of the other impacts, including: spending, savings deposit potential, taxes returned to St. Lucie County, its municipalities, and special tax districts are shown in **Table 1**. Both public and private sector returns on investment are also shown.

Table 1
The EDC’s Annual Economic Impact
2018

Impact Measure	Total Impact
Jobs	4,714
Income	\$194,708,958
Value Added	\$280,494,128
Output	\$758,363,391
Disposable Income	\$170,603,989
Consumer Spending	\$156,546,220
Savings Deposit Potential	\$8,325,475
St. Lucie County Tax Revenue	\$4,304,336
St. Lucie County - Municipalities Tax Revenue	\$3,901,901
St. Lucie County - Special Taxing Districts Tax Revenue	\$5,569,700
Private Sector Return on Investment	\$59.88 profits for \$1.00 invested
Public Sector Return on Investment	\$13.78 in taxes for \$1.00 invested

Source: NCDS, ESC I/O model for St. Lucie County, Florida.

Executive Summary

Return on investment in the *EDC* is very positive. From 2015-2017 private sector investors had \$59.88 returned in average corporate profits for every \$1.00 invested. Public sector investors have seen tax revenue returned to St. Lucie County, its municipalities and special tax districts that equal \$13.78 in taxes for every \$1.00 invested. By 2018 St. Lucie County will receive \$4,304,336 in new county taxes each year, while the County's cities, townships and villages will receive \$3,901,901 each year. Special tax districts throughout the County, like school and fire will receive \$5,569,700.

During the past three years 2015-2017, the *EDC* worked with 29 companies that invested over \$32.3 million, creating 1,688 jobs and retaining an additional 1,179 jobs, for a total of 2,867 jobs. The 2,867 direct jobs are creating annual income of \$131.3 million and new output of \$535.1 million. These are the initial and "direct" impacts that multiply to create 4,714 new jobs, a multiplier of 1.64, and \$194.7 million of new income, a multiplier of 1.48. Value added will multiply by 1.69 to total \$280.5 million, and output will multiply by 1.42 to total \$758.4 million. Annual new income of \$194,708,958 from jobs means new disposable income of \$170,603,989. This disposable income will create \$156,546,220 in consumer expenditures and \$8,325,475 in savings deposit potential.

Maverick Boat Group is building a new \$6.7 million boat manufacturing facility in Fort Pierce, creating 100 new jobs and retaining 273. The *EDC* assembled a state and local incentive package that totals \$1,270,203 over 10 years through 2026. St. Lucie County provided \$770,203, and the State of Florida, \$500,000. St. Lucie County is receiving \$742,174 in new County taxes each year, while its cities, townships and villages are receiving \$673,514, and special tax districts \$964,153. The entire public sector multi-year investment incentive of \$1,270,203 will be paid back in less than four months, because the first year total annual taxes received by the government units that provided the incentives are \$4,211,529. By 2026 the State of Florida will receive \$38.43 in taxes for every \$1.00 invested and St. Lucie County, its municipalities and special tax districts will receive \$32.41 for every \$1.00 invested. The total impact of 373 jobs by 2018 is 670 jobs, \$31.2 million of new income, \$43.4 million of new value added, and \$140.6 million of new output (new business).

Tradition Medical Center just completed a major expansion. When the original costs to construct phase I are added to the new phase II, the total cost of construction including equipment and furnishings is \$229,339,587. Local construction spending including design and furnishings totaled \$132,515,968, over half (57.8%) of the total. Total construction spending multiplied through the economy to create short-term temporary impacts that equate to 1,419 jobs, \$55.2 million of new income and \$188.4 million of total new output. The annual employment and operations of Tradition Medical Center also multiply to create annual impacts that equate to 1,368 jobs, \$71.1 million of new income and \$180.9 million of total annual new output. Construction impacts for phases I and phase II are about equal to 1-year of long term impacts from Tradition Medical Center's employment and operations.

The healthcare sector has experienced steady growth in St. Lucie County. Paid employees in the healthcare industry increased from 7,155 in 2000 to 11,225 in 2015, an increase of 56.9%. During the same period employment in all industries in St. Lucie County increased by 38.3%. So employment in the healthcare industry increased by 18.6% more than all employment in the County. Healthcare in St. Lucie County accounted for 21.7% of the payrolls in 2000 and 25.7% in 2015.

Economic Impact Analysis

A. St. Lucie County and the Metropolitan Area.

The Economic Development Council, *EDC* of St. Lucie County is a non-profit membership organization working to enrich the economic vitality of the County by creating more, high-paying jobs for residents. The *EDC* is a collaboration between public and private partners who promote the retention and expansion of existing businesses, as well as attracting new ones to St. Lucie County.



St. Lucie County’s *EDC* partners span the full spectrum of the public and private sectors, including every municipality in the county, as well as organizations representing education, workforce training, and other business and industry interests.

This analysis uses St. Lucie County data for its economic model. Employment increases in St. Lucie County are the direct impacts that generate additional indirect, business-to-business impacts. Then spending creates more induced employment, income and business activity. A central question is, “where will these impacts occur?” Neighboring counties will receive some indirect and induced impacts, and demographics are good indicators of how impacts will be distributed.

St. Lucie and Martin County make up the official St. Lucie County Metropolitan Statistical Area MSA, but the other two counties adjacent to St. Lucie County, Indian River and Okeechobee, are important to the MSA’s economy. **Table 2** shows the population, number of firms and retail sales for St. Lucie County and each of the three adjacent counties.

Table 2
St. Lucie Four County Area
Population and Retail Sales

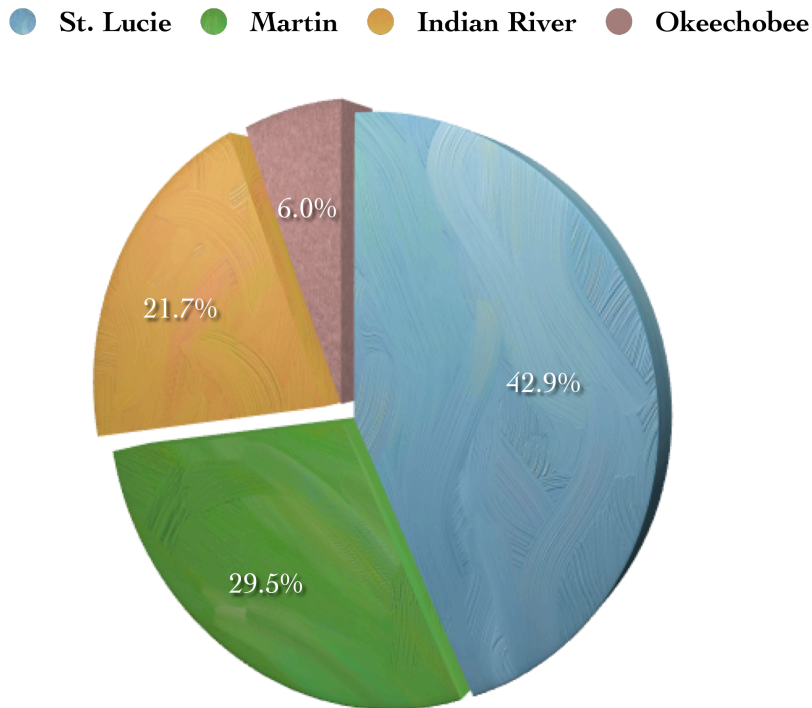
County	Population Estimates July 1, 2016	% of 4-County Population	Retail Sales Census 2012 (\$1,000)	% of Total Retail
Martin	158,701	24.2%	\$2,553,285	29.5%
St. Lucie	306,507	46.6%	\$3,709,492	42.9%
Indian River	151,563	23.1%	\$1,881,271	21.7%
Okeechobee	40,314	6.1%	\$508,073	6.0%
Total	657,085	100.0%	\$8,652,121	100.0%

Source: U.S. Census.

St. Lucie County has 46.6% of the population, and 42.9% of retail sales in the 4-county area. St. Lucie County's percent of retail sales, 46.6%, is larger than the other counties, but Martin County has 29.5% and Indian River County has 21.7%. This means that while each of the four counties may have direct impacts from EDC projects and jobs, indirect and induced impacts will tend to occur in St. Lucie County followed by Martin, Indian River and Okeechobee.

Chart 1 illustrates the percent of retail sales relative to the total for all four counties.

Chart 1
St. Lucie Four County Area
Percent of Retail Sales by County



Source: Table 2.

County populations and retail sales give some indication of where economic impacts may occur, and commuting patterns provide additional information about how *EDC* project impacts are affected by employer locations.

Table 3 shows the number of commuters by residence-county and the total number commuting to each of the 5 counties bordering Martin County and St. Lucie County. This adds Palm Beach to the 4-county area because so many persons are employed in Palm Beach including 8,716 people living in St. Lucie County who commute to Palm Beach County.

Table 3
St. Lucie Five County Area
Commuting Patterns
Residence County to Workplace County

Residence County	Work in Martin	Work in Palm Beach	Work in St. Lucie	Work in Indian River	Work In Okeechobee	Total Commuting*	Work in Residence County %
Martin	37,296	12,240	4,936	141	151	54,764	68.1%
Palm Beach	3,133	505,952	1,111	278	158	510,632	99.1%
St. Lucie	16,838	8,716	70,020	4,884	484	100,942	69.4%
Indian River	271	450	3,612	42,256	94	46,683	90.5%
Okeechobee	555	634	548	65	10,383	12,185	85.2%

Source: U. S. Census, American Community Survey interviews, County to County Commuting Flows, 2009-2013. Data confidence level is greater than 90%. Latest data available.

Table 3 shows that there are 70,020 persons who live and commute to work in St. Lucie County, 69.4% of the 100,942 St. Lucie County commuters. So 30.6% of commuters in St. Lucie County commute to other surrounding counties for work. These commuters will spend some income in other counties where they work, and this also indicates that there are significant business-to-business relationships in neighboring counties. This means that while all direct impacts due to *EDC* projects will happen in St. Lucie County some indirect and induced impacts will occur outside the County, especially Martin County.

Table 3 also shows that St. Lucie County employs 4,936 commuters from Martin County, more than the other counties. Another 3,612 travel for jobs from Indian River to St. Lucie County.

When commuters in these five counties are totaled by County, 99.1% of Palm Beach County commuters work in Palm Beach County. So among these five counties Palm Beach ranks 1st in terms of the percent of commuters who work in the county where they live. Indian River ranks 2nd with 90.5 % of commuters who work where they live, and Okeechobee ranks 3rd with 85.2%. Martin County with 68.1% and St. Lucie County with 69.4% have a similar percentage of commuters working where they live, and each have almost a third of commuters going to other counties.

B. The Input/Output Model

This analysis quantifies the economic impacts of *EDC* initiatives. Employment increases in certain sectors are the direct impacts (inputs) that generate additional indirect and induced employment, income and business activity in many other sectors.

The Input/Output model computes sector-to-sector trade flows in St. Lucie County. Socio-economic data was assembled to create the “*St. Lucie County Input/Output Model*”, in other words, the “Input/Output” or I/O model shown in **Table 4**. The model, summarized in **Table 4** is based on 2016 data for IMPLAN® released in November 2017. IMPLAN® is the most widely used system to compute impacts. This analysis incorporates revisions of IMPLAN® to increase industry details and incorporate newly released data. It also incorporates revisions to the National Income and Product Accounts, and new data from the Census Bureau. The IMPLAN® system has 536 possible sectors.

The model computed total new output for 229 of 246 sectors in the model. Sectors in the model are defined by groups of NAICS codes, the *North American Industry Classification System*.

Table 4 also shows that St. Lucie County has a very strong economic base. Exports, which are sales to households and firms located outside St. Lucie County, are \$3.6 billion, while imports, purchases of goods and services from sources outside the study area, are a negative \$9.9 billion.

**Table 4
St. Lucie County
Input/Output Model
Summary Information**

Model Year ¹	2016
Gross Regional Product ²	\$7,516,896,569
Total Output ³	\$14,220,370,000
Total Personal Income	\$11,182,422,016
Total Employment	112,396
Exports	\$3,575,670,188
Imports	(\$9,870,225,486)
Total Possible Sectors	536
Number of Sectors in Model	246
Number of Sectors with New Output	229
Land Area (square miles)	572
Population	306,507
Total Households	112,887
Average Household Income ⁴	\$99,059

Source: NCDS, ESC. MIG, Inc., IMPLAN®.

- Note: 1) Data was released November 2017 for model year 2016 “tax split” data. This tax split data includes the ability to separate state and local tax impacts. See **Table 11**.
- 2) Gross regional product is the market value of the goods and services produced by labor and property located in the county.
- 3) Output measures the value of all sales of goods and services, therefore it is the sum of final purchases and intermediate inputs, which results in the double counting of intermediate purchases. Output is the only way to measure impacts on all businesses, including suppliers to OEMs. Output is always larger than gross regional product.
- 4) Average household income in this model is much different than U.S. Census definitions for median household income. This is because “IMPLAN®” data used in the model includes other forms of income. It includes imputed income resulting from home ownership (the largest portion by far), free checking, services provided by non-profits to households, and some other “income” type items.

C. Economic Development Council Projects: 2015 - 2017

During the past three years the *EDC* worked with 29 companies that invested over \$32.3 million. **Table 5** shows that these investments created 1,688 jobs and retained and additional 1,179 jobs, for a total of 2,867 jobs. These 29 companies actually invested more than \$32.3 million because some to the companies did not report capital investment as shown in **Table 5**.

Table 5 also shows the sectors that define the company’s product or service. Sectors are used as inputs to the I/O model that measures impacts.

Table 5
St. Lucie Economic Development Council
Business Attraction & Expansion Activity
2015 - 2017

	Name of Firm/Project	Jobs Created	Jobs Retained	Capital Investment	Sector	Sector Defined
1.	A-1 Roof Trusses	27	225	\$1,500,000	137	Engineered wood trusses
2.	ABC Home Medical Supply	65			401	Health and personal care stores
3.	ABC Home Medical Supply	35		\$85,000	401	Health and personal care stores
4.	A&G Pools	10	50		61	Other residential structures
5.	A-Ventures	-	-		-	(Technical assistance) Construction and Hardware Materials
6.	Builders FirstSource	40		\$3,500,000	399	Building material and garden equipment stores
7.	Expert Shutters	34	31	\$2,100,000	240	Metal Window and Door Manufacturing
8.	GraphTec		5		63	Residential maintenance and repair
9.	Indian River Biodiesel	25	5	\$2,500,000	160	Petroleum and coal products mfg.
10.	Islamorada Brewing Company	10		\$3,900,000	108	Breweries
11.	iVox Solutions	300			465	Business support services
12.	Liberty Medical	-	-		-	(Technical assistance) Health and personal care stores
13.	Maverick Boat Group	100	273	\$6,697,000	364	Boat building
14.	McKesson	150			465	Business support services
15.	Nature's Ground	80	80		469	Landscape and horticultural services
16.	Powerlift Hydraulics	-	-		-	(Technical assistance) Specialty Construction Trade Contractors
17.	Precast Specialties	150			209	Other concrete product manufacturing
18.	Pursuit Boats	40	320	\$2,500,000	364	Boat building
19.	Radical Cosmetics	50		\$1,800,000	395	Health and Personal Care Wholesale
20.	Remetronix		23		506	Electronic and precision equipment repair and maintenance
21.	Rocla Industries	42		\$1,000,000	209	Other concrete product manufacturing
22.	Ross Mixing	60	50	\$5,000,000	271	All other industrial machinery manufacturing

23.	Seacoast Curb and Adapters	10			238	Fabricated structural metal manufacturing
24.	Silver Line Plastics	11	70		190	Plastics pipe and pipe fitting manufacturing
25.	Tattoo Yachts	49		\$1,500,000	364	Boat building
26.	Teleperformance USA	300			465	Business support services
27.	TentLogix	100		\$150,000	443	General and consumer goods rental
28.	Twin Vee	-	-		-	(Technical assistance) Boat building
29.	Whiticar Boat Works		47	\$40,000	363	Ship building and repairing
	Total	1,688	1,179	\$32,272,000		
	Total Jobs		2,867			

Source: St. Lucie EDC.

D. Economic Impact of EDC Projects 2015 - 2017

As shown in **Table 5**, the St. Lucie County EDC worked on 29 projects that retained and created 2,867 jobs. Each of the 29 projects was assigned to a sector and jobs for the project were entered into that sector as inputs to the I/O model.

Table 6 shows a summary of the impacts created these jobs. **Table 6** shows the “direct” job totals and the total of “direct, indirect, and induced” impacts. The direct impact is the 2,867 jobs retained or created. Indirect impacts come from the purchases of goods and services, business-to-business. As all those impacted by the new jobs spend their earnings, there will be “induced” impacts.

Direct, indirect and induced impacts in **Table 6** are measured by: jobs, income, value added, and output. Income includes both wage and salary income from direct and indirect jobs, and proprietor income to those owners and self employed persons affected by indirect and induced spending. Value added includes labor income and indirect business taxes, like sales taxes. Value added also includes other income, such as rent. Output is the total of value added (e.g. labor) and the value of all goods used in production. Impacts also include spending and savings from disposable income, and new sales and property taxes.

The total annual impact of 2,867 jobs in 2018 is 4,714 jobs, \$194.7 million of new income, \$280.5 million of value added, and \$758.4 million of output.

Chart 2, which follows, shows how 2,867 jobs will multiply through the economy to create 4,714 area jobs.

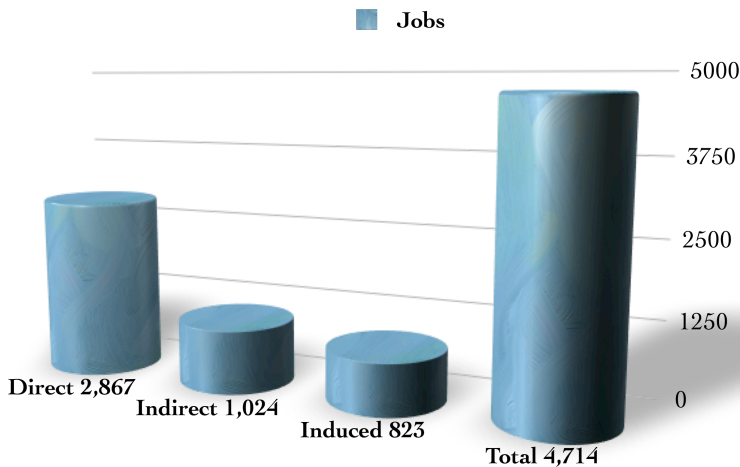
**Table 6
Annual Impacts
St. Lucie EDC Projects: 2018**

Impact Type	Jobs	Income ⁴	Value Added ⁵	Output ⁶
Direct Impact ¹	2,867	\$131,322,340	\$165,603,257	\$535,055,194
Indirect Impact ²	1,024	\$35,521,436	\$61,392,190	\$125,955,350
Induced Impact ³	823	\$27,865,183	\$53,498,681	\$97,352,847
Total Impact	4,714	\$194,708,958	\$280,494,128	\$758,363,391

Sources: NCDS I/O model for St. Lucie County, Florida. County data, MIG, Inc., IMPLAN®.

- Notes:
1. **Direct Impact:** Impact generated directly from the jobs created.
 2. **Indirect Impact:** Changes in employment, income, and output (business sales) in various industry sectors of the local economy supplying goods and services to the companies that expanded.
 3. **Induced Impact:** The ripple effect of increased income as employees spend.
 4. **Income:** Employee compensation + proprietor income (owner wages).
 5. **Value Added:** Labor income + indirect business taxes + other property type income.
 6. **Output:** Value Added + intermediate inputs (goods used in production) = total business.

**Chart 2
St. Lucie County EDC Projects
2,867 Jobs Multiply to 4,714 Area Jobs**



Source: Table 6

E. Jobs and Spending Multiply Through the Economy

The ripple effect of new jobs is computed based on multipliers. These multipliers show the impacts of sales, income, spending and saving, which in turn increase the employment and earnings of other business sectors. **Table 7**, below, shows that 2,867 direct jobs will create income of \$131.3 million, value added of \$165.6 million and new output of \$535.1 million.

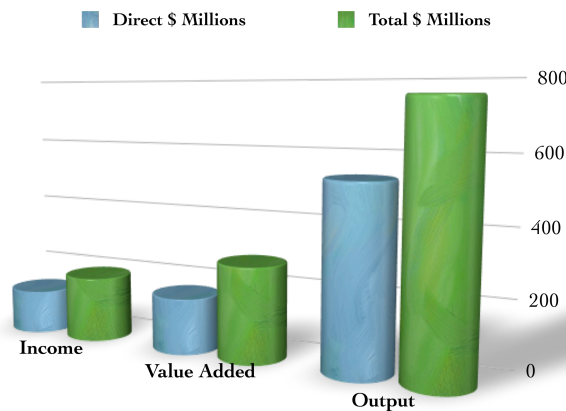
These are the initial and “direct” impacts. Then as indirect impacts accumulate through business-to-business purchasing, and all those affected spend new income (induced impacts), the initial impacts multiply to create 4,714 new jobs, a multiplier of 1.64, and \$194.7 million of new income, a multiplier of 1.48. Value added will multiply by 1.69 to total \$280.5 million and output by 1.42 to total \$758.4 million. **Chart 3** illustrates these multiplied impacts.

**Table 7
St. Lucie EDC Projects
Jobs, Income, Value Added and Output
Multiply for Greater Annual Impact**

	Jobs	Income	Value Added	Output
Direct Impact	2,867	\$131,322,340	\$165,603,257	\$535,055,194
Multiplier	1.64	1.48	1.69	1.42
Total Impact	4,714	\$194,708,958	\$280,494,128	\$758,363,391

Sources: NCDS I/O model for St. Lucie County, Florida. County data, MIG, Inc., IMPLAN®.

**Chart 3
St. Lucie County EDC
Direct Impacts
Multiply to Total Impacts**



Source: Table 7

F. Spending From Jobs - Making an Impact

Annual new income of \$194,708,958 from jobs means new disposable income, spending and savings. New income and spending also means new federal, state and local taxes.

Table 8 shows that in 2018 new income will create disposable income of \$170,603,989. This disposable income will create \$156,546,220 in consumer expenditures and \$8,325,475 in savings deposit potential. **Table 8** also shows that new annual St. Lucie County taxes will be \$4,304,336, while its municipalities will receive \$3,901,901 and its special taxing districts \$5,569,700.

The detailed impacts on St. Lucie County tax revenue appear in **APPENDIX I**. In addition to new sales and property taxes, these include: excise taxes, customs duties, motor vehicle licenses, severance taxes; and other taxes, fees and special assessments.

Table 8
St. Lucie EDC Projects
Jobs and Payrolls Generate
Annual Spending, Savings, and Taxes
2018

Total New Income	\$194,708,958
Disposable Personal Income¹	\$170,603,989
Consumer Expenditures²	\$156,546,220
Savings Deposit Potential³	\$8,325,475
St. Lucie County - County Taxes⁴	\$4,304,336
St. Lucie County - Cities, Townships, etc.⁴	\$3,901,901
St. Lucie County - School Districts, Fire, etc.⁴	\$5,569,700

Sources: National Community Development Services Input/Output model for St. Lucie County, Florida. County data, MIG, Inc., IMPLAN®, 2016. DPI, PCE and savings deposit percent of income, Bureau of Economic Analysis, 2015-2017, 10-quarter averages. Last revision October 27, 2017.

- Notes:
- 1. Disposable Personal Income:** Personal income less taxes. Latest 10-quarter average annual percent, Bureau of Economic Analysis.
 - 2. Consumer Expenditures:** Disposable personal income less interest, personal transfer payments, and personal savings. Latest 10-quarter average annual percent, Bureau of Economic Analysis.
 - 3. Savings Deposit Potential:** Personal savings rate average annual percent over latest 10 quarters.
 - 4. For St. Lucie County:** county, municipalities and special districts details, see **Table 11**.

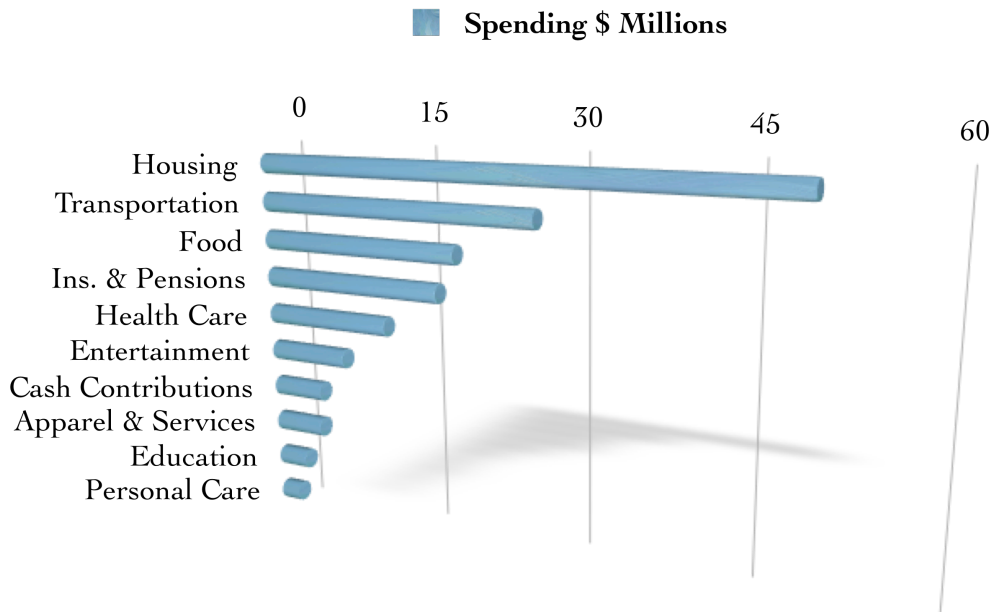
Table 9
St. Lucie County EDC
Annual Spending by Category: 2018

Rank	Spending Category	Spending in Millions
1	Housing	\$50.4
2	Transportation	\$27.7
3	Food	\$20.0
4	Personal insurance and pensions	\$18.2
5	Health care	\$12.7
6	Entertainment	\$8.0
7	Cash contributions	\$5.2
8	Apparel and services	\$5.0
9	Education	\$3.0
10	Personal care	\$1.9

Sources: NCDS Input/Output model for St. Lucie County. Bureau of Labor Statistics, Consumer Expenditure Survey, Midwest, 2016, released August 2017. See **Appendix III**.

The projected impact of new jobs is increasing consumer expenditures in the St. Lucie County area, a benefit to all businesses. **Table 9** shows the top 10 spending categories, led by housing.

Chart 4
St. Lucie County EDC
Distribution of Annual Spending
Major Categories: 2018



Source: Table 9

Table 9 shows that housing with \$50.4 million leads the list of 10 major spending categories, followed by transportation and food. Health care and entertainment are in the middle and personal care ranks last among major categories. **Chart 4** shows the distribution of spending by category based on **Table 9**. For detailed spending by category, please see **Appendix II**.

G. Output by Sector

The St. Lucie County EDC’s projects retained and created 2,867 direct jobs, which multiplied to 4,714 total jobs. The projects also created \$758,363,391 in total output, which is “new business”. Output measures the value of all sales of goods and services at every level. Therefore it is the sum of final purchases and intermediate inputs. This results in the double counting of intermediate purchases, which is correct when describing every business transaction, but it is different than “Gross Regional Product”. Gross Regional Product is the final market value of the goods and services produced by labor and property, without the intermediate sales. Output is always larger than gross regional product (see **Table 4**).

Detailed outputs from new jobs come from the I/O model built for St. Lucie County. Output by sector differs from spending categories due to definitions and the way data is collected and structured. For example, housing is the largest spending category with \$50.4 million (see **Table 9**) based on Bureau of Labor Statistics BLS, surveys, and also ranks 1st in this I/O model, with \$16.2 million in new output based on the way the National Income and Product Accounts (NIPAs) are assembled and what is included in “housing”. The definitions of “housing spending” and “housing output” are much different. Housing spending as defined by the BLS is much larger than output because it includes spending for utilities, operations, supplies, furnishings and equipment.

The model computed total output for 229 business sectors that had new output adjusted to 2018. Sectors in the model are defined by groups of NAICS codes. **Table 10** shows the “top 10” sectors impacted.

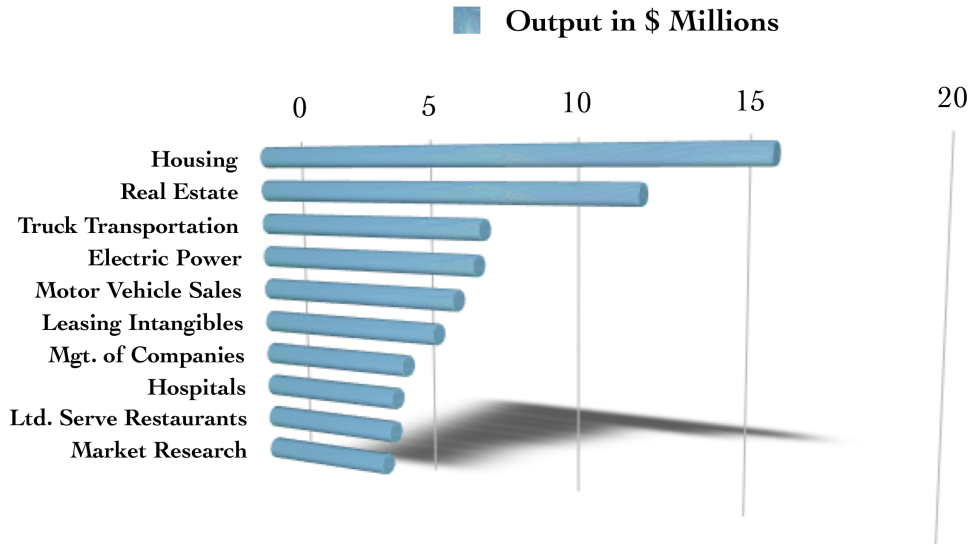
Table 10
St. Lucie County EDC
New Annual Output
Top 10 Sectors
2018

Rank	Output Category	Output in Millions
1	Housing	\$16.2
2	Real estate	\$12.7
3	Truck transportation	\$7.9
4	Electric power transmission	\$7.7
5	Motor vehicle & parts sales	\$7.0
6	Leasing intangible assets	\$6.3
7	Management of companies	\$5.2
8	Hospitals	\$4.8
9	Limited service restaurants	\$4.7
10	Marketing research	\$4.4

Sources: NCDS ESC Input/Output model for St. Lucie County, Florida. County data, MIG, Inc., MPLAN®.
 See **Appendix III**.

Chart 5

**St. Lucie County EDC
Annual Output by Sector
Top 10 Business-to-Business Impacts
2018**



Source: Table 10

Chart 5 was created from **Table 10**, and illustrates the top 10 business-to-business impacts by sector from new jobs ranked by total output. Sectors with direct impacts (inputs) from new jobs are not included in **Table 10** or the chart because they are used to compute indirect and induced impacts, the very important business-to-business impacts. See **Appendix III** with 25 input sectors shaded.

Housing, with \$16.2 million in new output leads the list followed by real estate, with \$12.7 million in new output. Truck transportation, electric power, and motor vehicle sales are all in the top 5. Leasing intangibles (trademarks, etc.) ranks 6th in total impact, followed by: management of companies, hospitals, and limited-service restaurants (fast food). Marketing research companies round out the “top 10”. **Appendix III** lists many other sectors with new business output.

H. Tax Impacts

EDC success from 2015 through 2017, including large projects like Maverick Boat Group created and retained 2,867 jobs that multiplied to 4,714. As jobs multiply through the economy taxes are generated for St. Lucie County, its municipalities and special tax districts like schools and fire.

Table 11 shows that St. Lucie County and its taxing subdivisions are receiving \$13,775,937 in new annual sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special fees and assessments. New and retained jobs are generating

\$4,304,336 in new County taxes each year, while St. Lucie County’s cites, townships and villages are receiving \$3,901,901 each year. Special districts are receiving \$5,569,700, more than the County or its municipalities, primarily due to property taxes for schools.

While St. Lucie County and its taxing units will be receiving \$13,775,937 in new annual taxes, the State of Florida will receive \$10,766,966, close to half (43.9%) of \$24,542,903 in new annual State and local taxes. Most State of Florida tax revenue comes from the State sales tax. The federal government (not shown) will receive the most, with \$47,414,098 in new taxes primarily due to social security and income taxes.

**Table 11
Annual Taxes Received by
St. Lucie County and Taxing Subdivisions
2018**

Governmental Unit¹	Tax on Production & Imports²	Households	Corporate	Total²
St. Lucie County	\$4,100,065	\$181,278	\$22,993	\$4,304,336
St. Lucie County cities, townships, villages, etc.	\$3,745,067	\$146,368	\$10,466	\$3,901,901
St. Lucie County school districts, fire districts, etc.	\$5,521,556	\$40,956	\$7,188	\$5,569,700
Sub-Total				\$13,775,937
State of Florida	\$9,269,450	\$1,097,292	\$400,224	\$10,766,966
Total				\$24,542,903

Source: NCDS, ESC, I/O model, IMPLAN®.

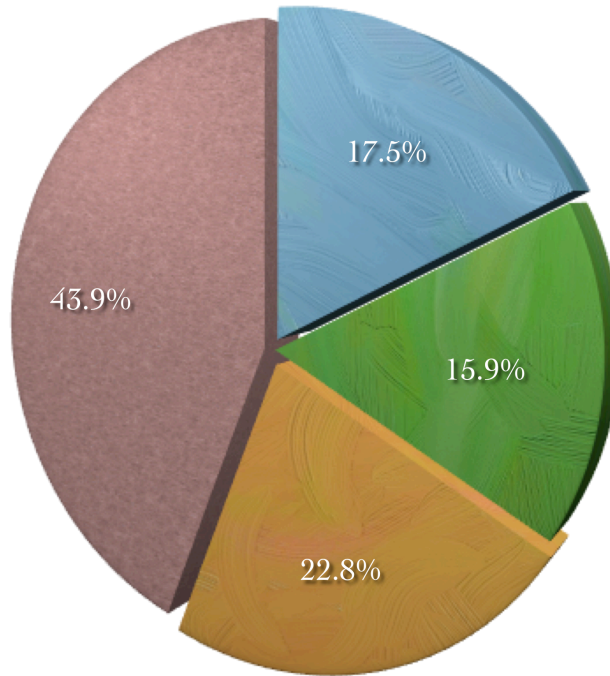
- Notes: 1) The federal government will receive \$47,414,098.
 2) “Tax on production & imports less subsidies that are netted out.” As part of the 2003 NIPA revision, this replaced indirect business taxes and non-tax payments as one of the three components of value added. This component (column) includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments. It excludes most non-tax payments, and subsidies are netted out. State & Local Non-taxes such as fees and assessments are included.

Chart 6, which follows, shows how annual new taxes will be distributed among the State of Florida, St. Lucie County its municipalities and special taxing units. The State of Florida will receive 43.9% of these taxes, while St. Lucie County will receive 17.5%, St. Lucie County municipalities, 15.9%, and St. Lucie County special taxing districts, 22.8%.

Chart 6

State of Florida
St. Lucie County, Municipalities & Tax Districts
Share of New Annual Taxes
2018

● St. Lucie County ● Municipalities ● Tax Districts
● Florida



Source: Table 11

Return on Investment

Private Sector Return on Investment

The *EDC* of St. Lucie County is a public/private partnership. During the past 3 years this partnership and the *EDC* helped create 2,867 jobs, which multiplied to 4,714 jobs and a total of \$758,363,391 in new output (new business). Both public and private investors made this possible with a combined 3-year budget of \$2,177,890. **Table 12** shows that the private sector contributed \$1,177,890 during this 3-year period and the public sector contributed \$1,000,000.

Table 12
St. Lucie EDC
Private and Public Sector Investments*
2015 - 2017

Income Type	2015	2016	2017	Total
Private Member Dues	\$254,710	\$255,000	\$255,000	\$764,710
New Private Investment		\$60,000	\$65,000	\$125,000
Events	\$25,000			\$25,000
Tickets (member luncheons)		\$6,400	\$7,040	\$13,440
Meeting Sponsors		\$10,000	\$11,000	\$21,000
Leadership Dinner Tickets		\$18,600	\$18,600	\$37,200
Leadership Dinner Sponsors		\$30,000	\$30,000	\$60,000
LOTL Golf Tickets		\$6,000	\$6,000	\$12,000
LOTL Golf Sponsors		\$41,650	\$41,650	\$83,300
Meeting Sponsor	\$6,240			\$6,240
Leadership Sponsors	\$30,000			\$30,000
Total Private				\$1,177,890
Public Grants (County, cities)	\$300,000	\$295,000 ¹	\$305,000	\$900,000
Public Matching Grant		\$50,000 ²	\$50,000 ²	\$100,000
Total Public				\$1,000,000
Total				\$2,177,890

Source: St. Lucie Economic Development Council.

Notes: 1) County \$200,000 Port St. Lucie \$80,000, Ft. Pierce \$15,000.
2) County contract.

From a private sector point of view, return on investment ROI, is based on output (new business) generated from jobs and the profits from that output. New output is \$758,363,391.

Net profits from output measure returns to the community and investors. Profit margins vary from one business sector to the other, so a good way to summarize ROI for EDC investors is to define net profits as the “average after tax operating margin” among all firms in the U.S. securities markets today. This average was 9.3% in January of 2017 according to NYU’s Stern School of Business. Dividing net profits returned to the community by the \$1,177,890 private investment in the EDC equals the return on this investment.

Table 13 shows the computations for a return on investment based on average net profits returned to the community divided by the 3-year \$1,177,890 million amount of private investment.

The return on investment in the EDC is very positive. As of 2018, 3 previous years of steady growth in jobs will return \$59.88 to the business community each year in average corporate profits for every \$1.00 invested.

This ROI for the last 3 years, with new output reaching the annual average by 2018 is just part of the ROI because jobs will last well past 2018. Many assume that jobs will last at least 10 years and some public sector incentives that use 12 or 15 years as the minimum expected life of a job, such as in the incentive package for Maverick Boat Group, see **Table IV.2**.

**Table 13
Return on Private Investment
2018**

Net Profit	\$758,363,391 (2018 output) x 9.3% average net profit =	\$70,527,795
ROI	\$70,527,795 net profits/\$1,177,890 investment =	\$59.88 to \$1.00

Source: NCDS, ESC I/O model. ESC assumptions.

Public Sector Return on Investment

From the public sector’s perspective a return on investment can be measured by new taxes. **Table 14** shows how \$13,775,937 in total St. Lucie County public sector tax revenue will occur annually by 2018.

Dividing the projected annual tax revenue of \$13,775,937 by the \$1,000,000 invested by St. Lucie County and its municipalities from 2015-2017 equals the public sector return on investment. For every \$1.00 invested by the St. Lucie County public sector, \$13.78 is being returned in the form of new tax revenue.

The public sector ROI is less than the private sector ROI because, while St. Lucie County and its municipalities are the public investors, the State of Florida and federal tax revenue cannot be included because the State and federal government did not invest in the *EDC*. If Florida’s tax revenue of \$10,766,966 is included, the public sector ROI would be \$24.54 to \$1.00. The public ROI is also understated because jobs last at least 10 years.

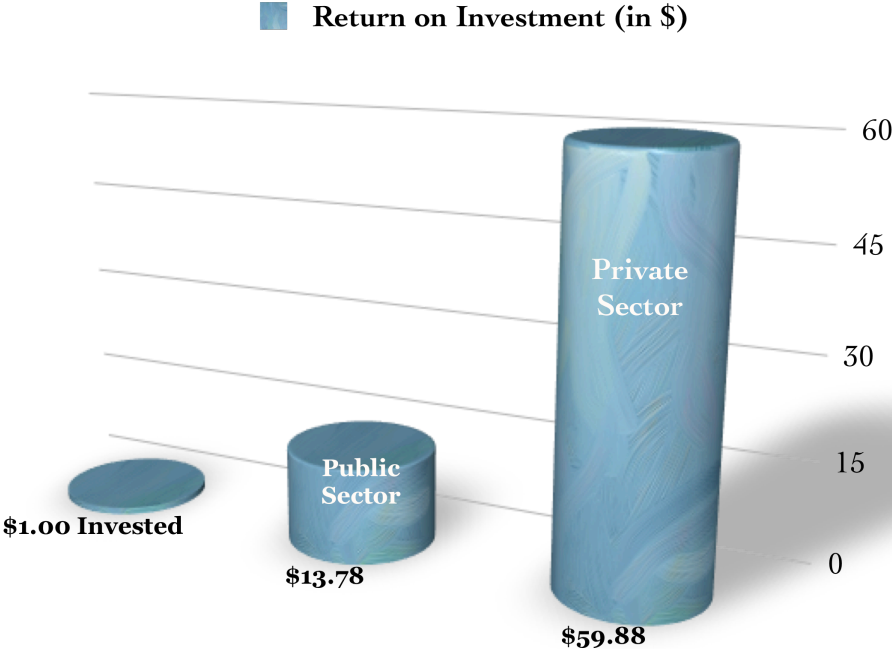
**Table 14
St. Lucie County
St. Lucie County Municipalities
Special Tax Districts
Return on Investment: 2018**

St. Lucie County Taxing Unit	Annual Taxes Returned
St. Lucie County	\$4,304,336
St. Lucie County cities, townships, villages, etc.	\$3,901,901
St. Lucie County school districts, fire districts, etc.	\$5,569,700
Total	\$13,775,937
Public Return on Investment: \$13,775,937/\$1,000,000 =	\$13.78 to \$1.00

Source: NCDS, ESC I/O model.

Chart 7 illustrates the private and public sector returns on investment.

Chart 7
Public and Private Sector
Returns on Investment
2018



Source: Table 13 & 14

APPENDIX I

St. Lucie County Annual Tax Revenue Details 2018

Description	Employee Compensation	Tax on Production and Imports*	Households	Corporations
Dividends				\$22,993
Social Ins Tax- Employee Contribution	\$0			
Social Ins Tax- Employer Contribution	\$0			
Tax on Production and Imports: Sales Tax		\$202,130		
Tax on Production and Imports: Property Tax		\$3,196,711		
Tax on Production and Imports: Motor Vehicle Lic.		\$0		
Tax on Production and Imports: Severance Tax		\$0		
Tax on Production and Imports: Other Taxes		\$220,978		
Tax on Production and Imports: S/L Non-Taxes		\$480,246		
Corporate Profits Tax				\$0
Personal Tax: Income Tax			\$0	
Personal Tax: Non-Taxes (Fines- Fees)			\$152,851	
Personal Tax: Motor Vehicle License			\$0	
Personal Tax: Property Taxes			\$28,427	
Personal Tax: Other Tax (Fish/Hunt)			\$0	
Total State and Local Tax	\$0	\$4,100,065	\$181,278	\$22,993
Total				\$4,304,336

Source: NCDS, ESC Input/Output model for St. Lucie County, Florida. County data, MIG Inc., IMPLAN®, 2016.

Notes: * "Tax on production & imports less subsidies that are netted out." As part of the 2003 NIPA revision, this replaced indirect business taxes and nontax payments as one of the three components of value added. This component (column) includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments. It excludes most nontax payments, and subsidies are netted out. S/L Non-taxes = State & Local Non-taxes such as fees and assessments.

APPENDIX II
Distribution of New Annual Spending: 2018

Categories	Share of Total* (%)	Expenditure Total = \$156,546,220
FOOD	12.8%	\$20,037,916
Food at home	7.2%	\$11,271,328
Food away from home	5.6%	\$8,766,588
HOUSING	32.2%	\$50,407,883
Shelter	17.9%	\$28,021,773
Owned dwellings	10.3%	\$16,124,261
Mortgage interest and charges	5.0%	\$7,827,311
Rented dwellings	6.3%	\$9,862,412
Other lodging	1.4%	\$2,191,647
Utilities, fuels and public services	7.4%	\$11,584,420
Natural gas	.4%	\$626,185
Electricity	3.2%	\$5,009,479
Fuel oil and other fuels	.1%	\$156,546
Telephone services	2.7%	\$4,226,748
Water and other public services	1.1%	\$1,722,008
Household operations	2.5%	\$3,913,656
Housekeeping supplies	1.2%	\$1,878,555
Household furnishings and equipment	3.1%	\$4,852,933
APPAREL AND SERVICES	3.2%	\$5,009,479
TRANSPORTATION	17.7%	\$27,708,681
Vehicle purchases	7.9%	\$12,367,151
Cars and trucks, new	3.9%	\$6,105,303
Cars and trucks, used	3.8%	\$5,948,756
Gasoline and motor oil	3.7%	\$5,792,210
Other vehicle expenses	5.2%	\$8,140,403
Vehicle finance charges	.5%	\$782,731
Maintenance and repairs	1.5%	\$2,348,193
Vehicle insurance	2.4%	\$3,757,109
Vehicle rental and leases	.8%	\$1,252,370
Public transportation	.8%	\$1,252,370
HEALTH CARE	8.1%	\$12,680,244
Health insurance	5.6%	\$8,766,588
Medical services	1.3%	\$2,035,101
Drugs	.9%	\$1,408,916
Medical supplies	.3%	\$469,639
ENTERTAINMENT	5.1%	\$7,983,857
PERSONAL CARE PRODUCTS/SERVICES	1.2%	\$1,878,555
EDUCATION	1.9%	\$2,974,378
CASH CONTRIBUTIONS	3.3%	\$5,166,025
PERSONAL INSURANCE AND PENSIONS	11.6%	\$18,159,362
Life and other personal insurance	.6%	\$939,277
Pensions and Social Security	11.1%	\$17,376,630
OTHER (reading, tobacco, alcohol, misc.)	2.9%	\$4,539,840

Source: Bureau of Labor Statistics, Consumer Expenditure Survey, 2016, Region of Residence, South. BLS data released August, 2017.

Note: * All shares are % of total. Shaded, major categories total 100%.

APPENDIX III

St. Lucie EDC Projects 2015-2017 Annual Output by Sector¹ - 2018 And Top 10 Sectors for Business-to-Business Impacts (Sectors used for direct job impacts are shaded)

Sector	Description	Output (\$)
364	Boat building	\$217,814,258
137	Engineered wood member and tru...	\$52,539,690
209	Other concrete product manufac...	\$47,446,153
465	Business support services	\$37,278,104
395	Wholesale trade	\$36,905,774
271	All other industrial machinery...	\$35,637,837
190	Plastics pipe and pipe fitting...	\$35,632,607
164	Other basic inorganic chemical...	\$21,765,712
61	Construction of other new resi...	\$17,460,319
441 ²	1. Imputed rental activity for owner-occupied dwellings = HOUSING + includes mortgage payments	\$16,215,864
440	2. Real estate establishments: Lessors of industrial commercial and residential real estate, agents & brokers (commissions), REITs, managers' offices, listing services, appraisal services, escrow agencies.	\$12,708,384
240	Metal window and door manufact...	\$12,088,516
401	Retail - Health and personal c...	\$10,747,291
443	General and consumer goods ren...	\$10,070,015
363	Ship building and repairing	\$9,091,877
469	Landscape and horticultural se...	\$8,983,977
411	3. Truck transportation	\$7,936,605
49	4. Electric power transmission	\$7,748,414
396	5. Retail - Motor vehicle and parts sales	\$6,985,033
446	6. Lessors of nonfinancial intangible assets. Establishments in this subsector own the patents, trademarks, and/or franchise agreements that they allow others to use or reproduce for a fee.	\$6,264,956
399	Retail - Building material and...	\$5,533,936
461	7. Management of companies and enterprises	\$5,225,800
482	8. Hospitals	\$4,821,924
502	9. Limited-service restaurants	\$4,698,191
460	10. Marketing research	\$4,435,871
475	Offices of physicians	\$4,101,618
506	Electronic and precision equip...	\$3,993,101
448	Accounting, tax preparation, b...	\$3,731,416
433	Monetary authorities and depository credit intermediation activities = Banks and Credit Unions. Output of commercial banks, savings institutions, and credit unions which includes: 1) funds, trusts, and other financial vehicles, 2) administrative expenses of pension funds, 3) service charges on deposit accounts and cash management, 4) service charges and fees on credit card accounts, 5) loan origination on all other consumer loans, 6) other products supporting financial services, and 7) ATM and other electronic transaction fees.	\$3,725,576
427	Wired telecommunications carri...	\$3,714,062
428	Wireless telecommunications ca...	\$3,388,390
501	Full-service restaurants	\$3,384,161

105	All other food manufacturing	\$3,366,072
449	Architectural, engineering, an...	\$3,334,436
62	Maintenance and repair constru...	\$3,265,652
416	Warehousing and storage	\$3,251,370
436	Other financial investment act...	\$3,136,163
238	Fabricated structural metal ma...	\$3,130,093
438	Insurance agencies, brokerages...	\$3,065,291
405	Retail - General merchandise s...	\$2,666,001
415	Couriers and messengers	\$2,506,374
447	Legal services	\$2,211,195
457	Advertising, public relations,...	\$2,063,549
468	Services to buildings	\$2,056,795
400	Retail - Food and beverage sto...	\$2,012,650
504	Automotive repair and maintena...	\$1,976,403
439	Funds, trusts, and other finan...	\$1,885,646
454	Management consulting services	\$1,821,662
471	Waste management and remediati...	\$1,764,854
478	Outpatient care centers	\$1,754,043
414	Scenic and sightseeing transpo...	\$1,647,168
63	Maintenance and repair constru...	\$1,563,753
518	Postal service	\$1,490,208
407	Retail - Nonstore retailers	\$1,468,252
43	Electric power generation - Nu...	\$1,175,962
434	Nondepository credit intermedi...	\$1,154,133
464	Employment services	\$1,150,451
526	Other local government enterpr...	\$1,139,430
430	Data processing, hosting, and ...	\$1,135,101
515	Business and professional asso...	\$1,130,642
483	Nursing and community care fac...	\$1,106,066
476	Offices of dentists	\$1,100,554
445	Commercial and industrial mach...	\$1,096,300
467	Investigation and security ser...	\$1,092,859
409	Rail transportation	\$1,051,269
470	Other support services	\$1,046,391
462	Office administrative services	\$992,188
426	Cable and other subscription p...	\$983,171
507	Commercial and industrial mach...	\$877,154
480	Home health care services	\$871,621
402	Retail - Gasoline stores	\$854,689
508	Personal and household goods r...	\$798,427
437	Insurance carriers	\$793,792
403	Retail - Clothing and clothing...	\$783,895
477	Offices of other health practi...	\$741,265
51	Water, sewage and other system...	\$739,397
425	Radio and television broadcast...	\$712,433
509	Personal care services	\$708,913
450	Specialized design services	\$702,606
503	All other food and drinking pl...	\$663,005
516	Labor and civic organizations	\$638,016
206	Ready-mix concrete manufacturi...	\$610,581
406	Retail - Miscellaneous store r...	\$610,246
435	Securities and commodity contr...	\$584,375
463	Facilities support services	\$579,473
412	Transit and ground passenger t...	\$554,767

417	Newspaper publishers	\$543,829
485	Individual and family services	\$528,329
50	Natural gas distribution	\$508,244
489	Commercial Sports Except Racin...	\$487,051
487	Child day care services	\$474,770
442	Automotive equipment rental an...	\$467,777
512	Other personal services	\$450,306
466	Travel arrangement and reserva...	\$447,045
472	Elementary and secondary schoo...	\$444,971
31	Sand and gravel mining	\$438,858
525	Local government electric util...	\$435,859
398	Retail - Electronics and appli...	\$427,301
513	Religious organizations	\$422,934
459	Veterinary services	\$409,155
474	Other educational services	\$390,654
496	Other amusement and recreation...	\$389,412
397	Retail - Furniture and home fu...	\$389,194
479	Medical and diagnostic laborat...	\$383,546
404	Retail - Sporting goods, hobby...	\$363,195
484	Residential mental retardation...	\$352,797
481	Other ambulatory health care s...	\$341,095
492	Independent artists, writers, ...	\$328,508
408	Air transportation	\$317,734
410	Water transportation	\$317,539
453	Other computer related service...	\$303,425
452	Computer systems design servic...	\$298,430
455	Environmental and other techni...	\$292,127
20	Extraction of natural gas and ...	\$286,635
432	Internet publishing and broadc...	\$277,422
491	Promoters of performing arts a...	\$270,526
495	Gambling industries (except ca...	\$261,319
30	Stone mining and quarrying	\$245,343
514	Grantmaking, giving, and socia...	\$242,055
505	Car washes	\$227,841
488	Performing arts companies	\$221,644
4	Fruit farming	\$211,248
497	Fitness and recreational sport...	\$197,220
511	Dry-cleaning and laundry servi...	\$181,500
211	Gypsum product manufacturing	\$173,448
486	Community food, housing, and o...	\$164,561
473	Junior colleges, colleges, uni...	\$160,066
423	Motion picture and video indus...	\$157,653
249	Machine shops	\$152,155
418	Periodical publishers	\$143,075
154	Printing	\$129,883
420	Directory, mailing list, and o...	\$129,536
431	News syndicates, libraries, ar...	\$126,950
510	Death care services	\$123,402
517	Private households	\$112,290
388	Sign manufacturing	\$107,127
456	Scientific research and develo...	\$85,685
207	Concrete block and brick manuf...	\$79,043
198	Other rubber product manufactu...	\$66,889
499	Hotels and motels, including c...	\$63,011

451	Custom computer programming se...	\$62,359
139	Wood windows and door manufact...	\$58,844
12	Dairy cattle and milk producti...	\$55,607
422	Software publishers	\$55,308
493	Museums, historical sites, zoo...	\$54,501
106	Bottled and canned soft drinks...	\$52,005
81	Canned fruits and vegetables m...	\$51,372
19	Support activities for agricul...	\$50,209
213	Cut stone and stone product ma...	\$47,371
66	Other animal food manufacturin...	\$45,278
121	Textile bag and canvas mills	\$44,902
458	Photographic services	\$43,430
177	Paint and coating manufacturin...	\$38,126
429	Satellite, telecommunications ...	\$37,300
145	All other miscellaneous wood p...	\$35,377
142	Wood container and pallet manu...	\$33,461
424	Sound recording industries	\$32,580
166	Plastics material and resin ma...	\$31,214
141	Other millwork, including floo...	\$27,118
288	Air and gas compressor manufac...	\$26,663
261	Other fabricated metal manufac...	\$20,712
494	Amusement parks and arcades	\$18,712
17	Commercial fishing	\$15,348
172	Pesticide and other agricultur...	\$12,573
144	Prefabricated wood building ma...	\$12,541
191	Laminated plastics plate, shee...	\$12,311
241	Sheet metal work manufacturing	\$11,882
14	Animal production, except catt...	\$11,468
94	Bread and bakery product, exce...	\$11,258
394	All other miscellaneous manufa...	\$10,517
	229 sectors with new output. Please contact NCDS ESC for output in sectors with less than \$10,000.	

Source: National Community Development Services Input/Output model for St. Lucie County, Florida. County data, MIG, Inc., IMPLAN®, 2016, data released November, 2017.

- Notes:
1. 33 sectors used to define inputs are shaded and not used in the “top 10 impacts” because these inputs are the direct impacts that create outputs from indirect and induced impacts, the very important business-to-business impacts.
 2. Sector 441 treats homeownership and maintenance like a rental industry and includes purchases made by homeowners for the upkeep of residences and payments on mortgages. This approach was created by the Bureau of Economic Analysis, BEA, to manage home ownership spending in the National Income and Product Accounts, NIPAs.

APPENDIX IV

Maverick Boat Group Expands

1. The Project

Maverick Boat Group MBG, located in Fort Pierce, Florida, is privately owned and operated, and is the manufacturer of: Maverick, Hewes, Pathfinder and Cobia boats. MBG's recent investment of \$7.0 million is the largest during 2015-2017 as shown in **Table 5** and as profiled in **Table IV.1** below.

MBG is building a new boat manufacturing facility in Fort Pierce and creating 100 new jobs. **Table IV.1** shows that Maverick is investing \$6.5 million of the \$6.7 million total in the local economy. MBG outgrew the capacity of existing facilities and needed more room for production. The plan is to be fully operational by this summer, 2018. In the final phase they will be adding a total of 277,000 square feet of new production space. Maverick Boat Group will retain roughly 273 jobs, and hire an additional 100.

The new facility will house larger models and free up capacity at Maverick Boat Group's existing 9.5 acre facility in Ft. Pierce, which will increase production and expand model offerings for each of the company's four brands. The new facility will add an additional 38 acres to their headquarters.

Table IV.1 shows how MBG is investing \$6,527,000 in Florida and \$170,000 outside Florida. Some of the \$6,527,000 spent in Florida is being spent locally in St. Lucie and Martin Counties. "Local spending" is defined as the amount spent in either St. Lucie or Martin County because the two Counties form an area with an integrated economy. Spending in Florida includes spending for land, construction and renovations, and equipment.

Table IV.1
Maverick Boat Group
Capital Investments
2017

Investment	In Florida	Outside Florida	Total
Land purchase	\$675,000		\$675,000
Construction/renovations	\$5,340,000		\$5,340,000
Manufacturing equipment	\$372,000	\$170,000	\$542,000
R & D equipment	0		0
Other equipment: computers, office furniture, etc.	\$140,000		\$140,000
Total	\$6,527,000	\$170,000	\$6,697,000

Source: St. Lucie EDC.

While construction creates very important impacts on jobs, income and output (new business), these are short-term impacts. This analysis computes long-term impacts from jobs retained and created from 2016 through 2017. Short-term impacts of construction are computed separately including the impact on long-term returns to the public sector investors.

Short-term impacts from construction can be computed by entering the amount of local spending (St. Lucie or Martin Counties) for construction and renovations into IMPLAN® sector 53, “Construction of Manufacturing Structures”. Two other sectors are needed for manufacturing and other equipment and then the amount of spending for each sector can be entered into the I/O model.

2. The Incentive Package

The St. Lucie County EDC assembled a state and local incentive package that features property tax abatements, a tax refund, and a job creation grant. **Table IV.2** shows that these incentives total \$1,270,203 over 10 years through 2026. **Table IV.2** also shows the total amount of incentives provided by; St. Lucie County, \$770,203, and the State of Florida, \$500,000.

Table IV.2
Maverick Boat Group
Incentive Pro-Forma Analysis Totals
2017 - 2026

Incentive	Governmental Unit	Total
Ad Valorem Tax Exemption (County) ¹	St. Lucie County	\$560,203
Job Growth Investment Grant (JGIG) ²	St. Lucie County	\$210,000
Sub-Total St. Lucie County		\$770,203
Qualified Targeted Industry Tax Refund (QTI) ³	State of Florida	\$500,000
Total		\$1,270,203

Note: 1) The ad-valorem exemption is a 10-year 100% exemption: \$6,022,000 capital expenditures x 9.3026 per \$1,000 (2016 local millage) x 10= \$560,203.
2) \$2,100 per job x 100 jobs = \$210,000. \$100,000 used as local match for the QTI.
3) \$5,000 per job x 100 jobs = \$500,000

3. Economic Impact of Maverick Boat Group

Maverick Boat’s project to add 277,000 square feet of boat manufacturing to its facility in Fort Pierce will retain 273 employees and add an additional 100. **Table IV.3** shows the annual impacts.

Maverick Boat’s project is classified as Industrial Sector 336612 by the *North American Industry Classification System, NAICS*. Industrial Sector 336612 is defined by IMPLAN® sector 364 “boat building”. So 373 jobs were entered into sector 364 of the Input/Output model designed for St. Lucie County and there were major impacts on additional jobs, income and new output (new business).

Table IV.3 shows a summary of the impacts created by 373 boat-building jobs. **Table IV.3** shows the “direct” job totals and the total of “direct, indirect, and induced” impacts. The direct impact is the 373 jobs retained and created. Indirect impacts come from the purchases of goods and services, business-to-business. As all those impacted by the new jobs spend their earnings, there will be “induced” impacts.

**Table IV.3
Annual Impacts
Maverick Boat Group
2018**

Impact Type	Jobs	Income ⁴	Value Added ⁵	Output ⁶ (new business)
Direct Impact¹	373	\$20,542,562	\$23,785,307	\$103,267,061
Indirect Impact²	165	\$6,229,955	\$11,054,275	\$21,719,869
Induced Impact³	132	\$4,468,954	\$8,578,177	\$15,612,203
Total Impact	670	\$31,241,471	\$43,417,760	\$140,599,133

Sources: NCDS I/O model for St. Lucie County, Florida. County data, MIG, Inc., IMPLAN®.

- Notes:
- 1. Direct Impact:** Impact generated directly from the jobs created.
 - 2. Indirect Impact:** Changes in employment, income, and output (business sales) in various industry sectors of the local economy supplying goods and services to the companies that expanded.
 - 3. Induced Impact:** The ripple effect of increased income as employees spend.
 - 4. Income:** Employee compensation + proprietor income (owner wages).
 - 5. Value Added:** Labor income + indirect business taxes + other property type income.
 - 6. Output:** Value Added + intermediate inputs (goods used in production) = total business.

The total impact of 373 jobs by 2018 is 670 jobs, \$31.2 million of new income, \$43.4 million of new value added, and \$140.6 million of new output (new business).

4. Maverick Boat Tax Impacts

Maverick Boat Group is retaining and creating 373 jobs. As jobs multiply through the economy, taxes are generated for the federal government, State of Florida, St. Lucie County, its municipalities and special tax districts like schools and fire. Economic impacts are shown as of 2018, but the tax and other incentives begin in 2017, so all tax impacts are shown as of 2017.

Table IV.4 shows that St. Lucie County and its taxing subdivisions received \$2,379,841 in new annual sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special fees and assessments. New and retained jobs generated \$742,174 in new annual County taxes by 2017, while St. Lucie County's cites, townships and villages received \$673,514. Special districts received \$964,153, more than the County or its municipalities, primarily due to property taxes for schools.

The State of Florida received \$1,831,688 of \$4,211,529 in new annual State and local taxes, so Florida will receive 43.5% of State and local taxes and St. Lucie County, 56.5%. The federal government will receive the most, with \$7,570,987 in new taxes mostly due to social security and income taxes.

Table IV.4
Maverick Boat Group
Annual Taxes Received
State of Florida, St. Lucie County
St. Lucie County Municipalities & Special Districts
2017

Governmental Unit¹	Tax on Production & Imports²	Households	Corporate	Total²
St. Lucie County	\$710,421	\$28,814	\$2,939	\$742,174
St. Lucie County cities, townships, villages, etc.	\$648,911	\$23,265	\$1,338	\$673,514
St. Lucie County school districts, fire districts, etc.	\$956,724	\$6,510	\$919	\$964,153
Sub-Total				\$2,379,841
State of Florida	\$1,606,125	\$174,413	\$51,150	\$1,831,688
Total				\$4,211,529

Source: NCDS, ESC, I/O model, IMPLAN®.

- Notes: 1) The federal government will receive \$7,570,987.
2) "Tax on production & imports less subsidies that are netted out." As part of the 2003 NIPA revision, this replaced indirect business taxes and nontax payments as one of the three components of value added. This component (column) includes sales and excise taxes, customs duties, property taxes, motor vehicle licenses, severance taxes, other taxes, and special assessments. It excludes most nontax payments, and subsidies are netted out. State & local non-taxes such as fees and assessments are included.

5. Public Sector Return on Investment

From the public sector's perspective a return on investment is measured by new taxes. The total investment for each level of government from **Table IV.2** is shown below in **Table IV.5**. **Table IV.5** also shows the annual taxes returned to these governmental units in 2017, and the total annual taxes returned from 2017 through 2026. Total taxes returned divided by total investment equals the return on investment. The period 2017 through 2026 corresponds to the dates of the incentive package.

Table IV.5 also shows that St. Lucie County's special tax districts and municipalities did not participate in the incentive package but taxes received were combined with taxes received by St. Lucie County to total \$2,379,841. Taxes received in 2017 were projected to 2026 including the Input/Output model inflator of 4.9%, to compute total taxes received by 2026. St. Lucie County will receive \$24,964,532 by 2026.

**Table IV.5
Maverick Boat Group
Government Investments
Taxes Returned
2017 - 2026**

Government Unit	Total Investment 2017 - 2026	Annual Taxes Returned 2017	Annual Taxes 2017 - 2026²	Return on Investment
St. Lucie County Tax Exemption	\$560,203			
St. Lucie County Job Growth Investment Grant	\$210,000			
Sub-Total St. Lucie County	\$770,203	\$2,379,841²	\$24,964,532	\$32.41 to \$1.00
State of Florida Targeted Industry Tax Refund	\$500,000	\$1,831,688	\$19,214,407	\$38.43 to \$1.00
Total	\$1,270,203	\$4,211,529		

Source: NCDS, ESC, I/O model, IMPLAN®.

- Notes: 1) Annual taxes 2017- 2026 = annual taxes returned x 10 years x 4.9% (10 year IMPLAN® model inflator).
2) St. Lucie County municipalities and special taxing districts (schools, etc.) combined with St. Lucie County to account for all annual taxes returned.

The entire public sector multi-year investment of \$1,270,203 will be paid back in less than four months, because the total annual taxes received by the government units that provided the incentives are \$4,211,529.

By 2026 the State of Florida will receive \$19,214,407 and when divided by its \$500,000 investment it will receive \$38.43 in taxes for every \$1.00 invested. The same computations show that St. Lucie County, its municipalities, and special tax districts will receive \$32.41 for every \$1.00 invested.

APPENDIX V

Tradition Medical Center Completes Expansion

1. The Project

Martin Health System’s Tradition Medical Center just completed a major phase II expansion. Construction began in November of 2015 and continued until the end of 2017. The expansion project is estimated to cost \$110,894,831, and the construction of the hospital addition is projected to cost \$67,655,352, not including \$22,379,313 of equipment and furnishings.

When the original costs to construct phase I of Tradition Medical Center are added to the recent costs to expand with a phase II, the total cost of construction including equipment and furnishings is \$229,339,587.



Table V.1 shows that local construction spending including design and furnishings totaled \$132,515,968, over half (57.8%) of the total. In order to compute local impacts it is necessary to determine the amounts of local construction and purchasing by sectors in the input/output model.

The Tradition construction project is classified as Industrial Sector 23 “construction” by the *North American Industry Classification System, NAICS*. Industrial Sector 23 is defined as IMPLAN® sector 52 “construction of healthcare structures”. But as shown in **Table V.1**, the design consulting and furnishings portion of the project are defined by two other sectors. Design consulting is defined as IMPLAN® sector 449 “architectural, engineering & related. Furnishings are defined by IMPLAN® sector 397 “furniture and home furnishings.”

Table V.1 shows the amount of local spending entered into sectors 449, 397 and 52.

Table V.1
Tradition Medical Center
Local Construction Spending
Phase I & II

Description	Local Spending	Sector	Sector Defined
Design consulting	\$9,550,562	449	Architectural, engineering & related
Furnishings	\$3,311,127	397	Furniture and home furnishings
Construction	\$119,654,279	52	Construction of healthcare structures
Total	\$132,515,968		

Source: Martin Health System

While short-term construction impacts are important, it is the long-term impacts of Tradition Medical Center that provide jobs, income, value added, and new output (new business) year after year. **Table V.2** shows that total employment at Tradition Medical Center includes both full-time and contracted employees that total 796. These 796 employees were entered into IMPLAN® sector 482 “hospitals”.

**Table V.2
Tradition Medical Center
Employment: 2018**

Description	Number
Full-Time Employed	
Physicians	140
ARNPs & PAs	61
Contracted, Non-Employed	
Physicians	441
ARNPs & PAs	154
Total	796

Source: Martin Health System

2. Economic Impacts

When construction spending from **Table V.1** and the 796 employees from **Table V.2** were entered into the Input/Output model designed for St. Lucie County, there were major impacts on additional jobs, income, value added and new output (new business).

Table V.3 shows that total construction spending for Tradition Medical Center multiplied through the economy to create short-term temporary impacts that equate to 1,419 jobs, \$55.2 million of new income, \$84.4 million of value added and \$188.4 million of total new output. These impacts are adjusted to 2018 dollars.

As of 2018 the employment and operations of Tradition Medical Center multiply through the economy to create annual impacts that equate to 1,368 jobs, \$71.1 million of new income, \$97.0 million of value added and \$180.9 million of total annual new output.

Table V.3 also shows construction spending as a percent of employment and operations for each impact. Construction impacts for both phases I and phase II are about the equivalent of 1-year of Tradition Medical Center’s employment and operations. For jobs and output the impacts are very close. Jobs created through construction were 103.7% of annual operations and output was 104.2%. Income at 77.7% and value added at 87.0% from construction were not as close to annual operations and jobs and output impacts. Construction impacts for income and value added are relatively less due to the types of spending and related trade flows in the 2-county economy.

**Table V.3
Total Impacts
Tradition Medical Center Construction*
Tradition Annual Employment & Operations
2018**

Total Impact	Jobs	Income¹	Value Added²	Output³ (new business)
Total Construction (Phase I & Phase II)	1,419	\$55,223,178	\$84,437,054	\$188,402,335
Total Annual Impact Employment & Operations	1,368	\$71,071,423	\$97,005,176	\$180,876,332
Total Construction % of Annual Impacts	103.7%	77.7%	87.0%	104.2%

Sources: NCDS I/O model for St. Lucie County, Florida. County data, MIG, Inc., IMPLAN®.

Notes: * All construction: phase I & phase II.

1. Income: Employee compensation + proprietor income (owner wages).

2. Value Added: Labor income + indirect business taxes + other property type income.

3. Output: Value Added + intermediate inputs (goods used in production) = total business.

3. Tax Impacts

Impacts from construction and Tradition Medical Center employment and operations include tax revenue for St. Lucie County, its municipalities and special taxing districts, and the State of Florida. **Table V.4** shows that taxes from construction total \$2,616,978 for the County, its municipalities and special tax districts. The State and local total is \$4,823,811. The State of Florida received \$2,206,833. These are short-term temporary impacts.

One year of annual impact from Tradition Medical Center's employment and operations are very similar to the total short-term impacts of construction. The total for the County, its municipalities and special tax districts is \$2,626,119, and the State is receiving \$2,257,550 each year for a total of \$4,883,669.

Table V.4 also shows that the tax impacts of construction as a percent of total annual impacts from employment and operations are so similar, each level of taxation compares at almost 100%.

**Table V.4
 Tradition Medical Center
 Annual & Total Taxes Received
 State of Florida, St. Lucie County
 St. Lucie County Municipalities & Special Districts
 2018**

Governmental Unit¹	Total Taxes From Construction	Annual Taxes From Employment & Operations	Construction % of Annual
St. Lucie County	\$826,571	\$834,020	99.1%
St. Lucie County cities, townships, villages, etc.	\$745,229	\$751,129	99.2%
St. Lucie County school districts, fire districts, etc.	\$1,045,178	\$1,040,970	100.4%
Sub-Total	\$2,616,978	\$2,626,119	
State of Florida	\$2,206,833	\$2,257,550	97.8%
Total	\$4,823,811	\$4,883,669	

Source: NCDS, ESC, I/O model, IMPLAN®.

APPENDIX VI

A Growing Healthcare Industry in St. Lucie County

The healthcare sector has experienced steady growth in St. Lucie County since the year 2000. **Table VI.1** shows that paid employees in the healthcare industry increased from 7,155 in 2000 to 11,225 in 2015, an increase of 56.9%. During the same period employment in all industries in St. Lucie County increased by 38.3%. So employment in the healthcare industry increased by 18.6% more than employment in the County. As a result, healthcare is a larger portion of the St. Lucie economy in 2015 than it was in 2000. Based on employment, healthcare increased its share of the County economy from 17.2% to 19.5%, and based on payrolls from 21.7% to 25.7% (see **Chart VI.2**).

Table VI.1
St. Lucie County Healthcare Industry¹
Employment and Earnings: 2000 - 2015

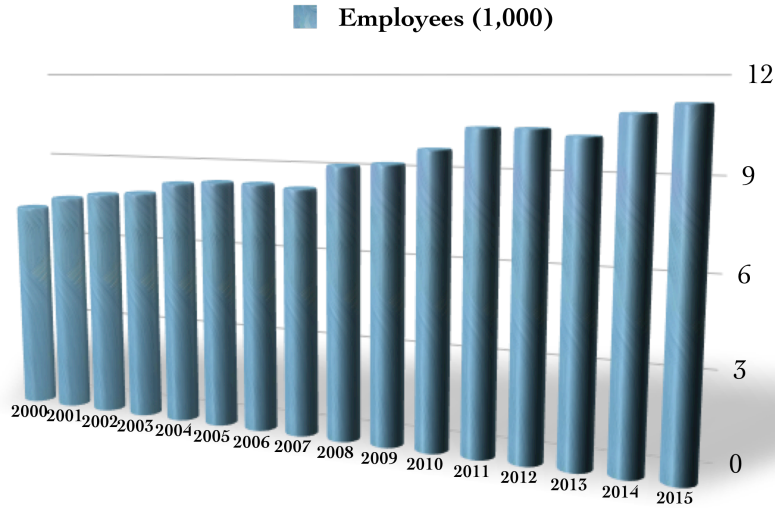
Year	Paid Employees ²	Annual Payroll (\$1,000)
2015	11,225	\$505,839
2014	10,909	\$477,570
2013	10,212	\$442,148
2012	10,389	\$456,743
2011	10,376	\$420,635
2010	9,692	\$389,899
2009	9,244	\$379,895
2008	9,104	\$356,683
2007	8,347	\$333,724
2006	8,428	\$314,106
2005	8,431	\$295,411
2004	8,260	\$273,056
2003	7,884	\$253,538
2002	7,797	\$251,841
2001	7,570	\$231,714
2000	7,155	\$212,691
2000 - 2015 % Change: Healthcare	56.9%	237.8%
2000 - 2015 % Change: Countywide³	38.3%	201.3%

Source: U. S. Census, County Business Patterns, Geography Area Series, St. Lucie County, FL.

- Notes: 1) Healthcare and social assistance classified as NAICS code 62.
 2) Paid employees for the pay period including March 12.
 3) County wide (all NAICS) employment in 2000 = 41,580. In 2015 = 57,491.
 County wide payroll March 12, 2000 = \$979,182. In 2015 = \$1,970,829
 From 2000 to 2015 healthcare increased its share of the St. Lucie County economy from 21.7% (\$212,691/\$979,182) to 25.7% (\$505,839/\$1,970,829) based on annual payroll and from 17.2% (7,155/41,580) to 19.5% (11,225/57,491) based on employees.

Table V.1 also shows that annual payrolls in healthcare have been increasing even more than employment increases. From 2000 to 2015 healthcare annual payrolls have increased by 237.8%. Annual payrolls for all employees increased by 201.3%, which is 36.5% less than healthcare. With healthcare annual payrolls increasing even more than employment, healthcare has increased its share of the St. Lucie economy from 21.7% in 2000 to 25.7% in 2015 based on payrolls. **Chart VI.1** illustrates this steady increase in healthcare employment since 2000.

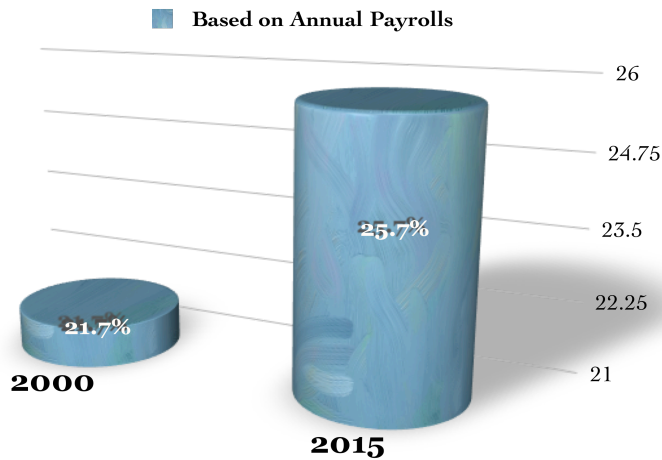
Chart VI.1
St. Lucie County
Healthcare Industry
Total Employment: 2000 - 2015



Source: Table VI.1

The healthcare industry now accounts for 25.7% of the payrolls in St. Lucie County economy. **Chart VI.2** shows how healthcare in St. Lucie County accounted for 21.7% of the payrolls in 2000 and 25.7% in 2015.

Chart VI.2
St. Lucie County, Florida
Healthcare Share of Economy
2000 and 2015



Source: Table VI.1

The growth in healthcare in St. Lucie County has led to employment in a number of healthcare sectors. **Table VI.2** shows all of the IMPLAN® sectors that correspond to “Healthcare” Industry NAICS group 62. “Hospitals”, sector 482, leads the list with 2,623 employees assigned to this sector, followed by physicians with 2,234 and nursing and community care facilities with 1,950.

Total employment in healthcare of 13,526 in **Table VI.2** is a bit different from the 11,225 total shown in **Table VI.1**. Although IMPLAN® uses census data, the data collected for County Business Patterns can be allocated to various NAICS codes that do not completely correspond to IMPLAN® sectors shown in **Table VI.2**, and the data in **Table V.1** is also for 2015.

Table VI.2
St. Lucie County
Healthcare Sectors: 2016

IMPLAN® Sector	Sector Defined	Employees
475	Offices of physicians	2,234
476	Offices of dentists	593
477	Offices of other healthcare practitioners	832
478	Outpatient care	900
479	Medical and diagnostic laboratories	381
480	Home healthcare services	1,863
481	Other ambulatory healthcare services	328
482	Hospitals	2,623
483	Nursing and community care facilities	1,950
484	Residential mental retardation, mental health, substance abuse	706
485	Individual and family services	1,116
	Total	13,526

Source: NCDS ESC Input/Output model for St. Lucie County. Data from IMPLAN®, MIG Inc.

APPENDIX VII

ABOUT NCDS AND THE ECONOMIC STRATEGY CENTER



National Community Development Services, Inc. (NCDS) is a pioneer in nonprofit, community-based fundraising. Since 1977, NCDS has raised over \$1.7 billion for more than 700 organizations, in 44 states across the U.S.

The Economic Strategy Center is the economic research and analysis division of NCDS. The ESC applies research tools and techniques to evaluate the economic impacts of development programs. It conducts in depth research using local, state and national sources. Over 20 years ago, NCDS pioneered the use of economic impact analyses in

fundraising campaigns to convey the Return on Investment, ROI of our clients' programs, based on projected outcomes of new jobs, capital investment, industry sector growth, and other client goals.

The ESC helps clients address three types of issues:

- **Market Analysis** - How will my organization be affected by changes in the economy? What should I do to respond to them?
- **Cost/Benefit Analysis** - What will be the economic impact/benefits and costs of my project/program? What should I do to maximize net value? What is the return on investment?
- **Economic Development Strategy** - How can my project/program affect business growth and attraction? How can I best target my efforts?

The ESC creates:

- **Economic Impact Analysis** - The direct, indirect and induced impacts that multiply to create more jobs, income, value added and output. Impacts of new spending and new output include computations of potential new bank deposits and new local tax revenue. Return on investment ROIs are calculated for both private and public sector investments.
- **Scorecard** - The Economic Impact Analysis of success with job creation and new investment to show impacts and return on investment.
- **Info-graphic** - Summary graphics to illustrate impacts and returns on investment.

The ESC uses the latest data and techniques available. We are members of *C2ER - The Council for Community and Economic Research* (formerly ACCRA), *The International Economic Development Council*, and *The Association of Public Data Users*.

For more information visit: <http://www.ncdsinc.net/ESC.htm>