

Economic Impact of the Construction of the Hernando Judicial Facility

Introduction

This economic impact analysis estimates the economic activity generated by the construction of a new Judicial Center to accommodate the demand for court rooms and office space in Hernando County. The economic activity is measured or estimated for several indicators including output, value-added, earnings and selected tax revenues.

Employment within the Judicial Center was not calculated in this economic analysis as the project is forecasted to shift employees from the existing judicial center to the new judicial center. The only impact forecasted is of the construction of a new facility.

Impacts

The \$39 million facility creates 665 direct, indirect, and induced full time equivalent jobs for the year. These jobs generate (directly, indirectly, and induced) an estimated \$16.4 million in annual household earnings. The operations generate an estimated \$18.9 million in gross regional product in Hernando County alone.

The Gross County Product is a concept analogous to the national concept of Gross Domestic Product. It is equal to output excluding the intermediate inputs. It represents compensation and profits.

All figures are based on 2007 U.S. Dollars.

Methodology

This analysis reports total impacts that include direct, indirect and induced effects of the economic events. Direct effects are the impacts of the expenditures/sales of the final demand for the event being measured (e.g. a new job baking bagels in a plant). The indirect effects are the result of the new industry purchasing from other industries (e.g., buying cinnamon and raisins for the bagels). Induced effects are the impacts generated by the expenditures of the new household income generated by the wages paid by the direct and indirect beneficiary industries.

The employment estimates of the new and expanded companies were analyzed using both the REMI Policy Insight® (a highly sophisticated econometric model) and IMPLAN Pro® (a basic input/output model) economic models. These models are the best available tools to estimate economic impacts. The analysis involves the use of historical data, input-output tables and general equilibrium models to access the impact of a particular event or industry on the regional economy.

Annual Impact Summary

Total Direct, Indirect and Induced Jobs: 665
Income: \$16.4 Million
Gross County Product: \$18.9 Million



Prepared July 2008 by:

Tampa Bay Regional Planning Council
Economic Analysis Program
Featuring REMI Policy Insight®