Mitchell Ranch

The Tampa Bay Regional Planning Council (TBRPC) has conducted an analysis on a development scenario for Mitchell Ranch in Pasco County. The project comprises 854,980 gross leasable square feet of commercial uses, and is projected to yield $235 million in annual sales by 2018. TBRPC utilized the IMPLAN model to generate the employment forecasts.

Mitchell Ranch Background

Mitchell Ranch is a 330 acre project located at the southwest corner of State Road 54 and Little Road in Pasco County. According to the International Council of Shopping Centers, the project is ‘super-regional,’ with a trade area of 5-25 miles around the project site. Given its size and scope, the project is comparable to South Tampa’s Hyde Park or Wesley Chapel’s The Shops at Wiregrass.

The project will include six hundred to eight hundred residential units, a hotel, specialty grocery store, a wine superstore, a 12-screen movie theater, a fitness center, department stores and specialty markets such as sports goods and home decor, at least 10 restaurants and a town square. The plan also calls for a big-box warehouse store at the corner of S.R. 54 and Welbilt Boulevard.
Employment Impacts

In addition to direct employment of 2,560 employees in office work, restaurants and entertainment venues and shopping, an additional 640 jobs are anticipated through indirect and induced employment in Pasco County. These combined jobs generate $78.7 million in personal income annually.

Total new employment would contribute $152 million in Value Added to the Pasco County economy. Sales tax revenue estimates are based on the estimated sales of the businesses at Mitchell Ranch.

<table>
<thead>
<tr>
<th>Pasco County Impacts</th>
<th>Impact</th>
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<tbody>
<tr>
<td>Direct Employment</td>
<td>2,560</td>
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<tr>
<td>Indirect/Induced Employment</td>
<td>640</td>
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<tr>
<td>Total Employment</td>
<td>3,200</td>
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<tr>
<td>Value Added ($ Millions)</td>
<td>$152</td>
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<tr>
<td>Personal Income ($ Millions)</td>
<td>$78.7</td>
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<tr>
<td>County Sales Tax Revenue ($ Millions)</td>
<td>$2.7</td>
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<tr>
<td>State Sales Tax Revenue ($ Millions)</td>
<td>$16.1</td>
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<tr>
<td>Total Sales Tax Revenue ($ Millions)</td>
<td>$18.8</td>
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All figures are in nominal U.S. Dollars.

Methodology

The client provided the mix of uses, square footage and estimates of sales by use to TBRPC. Using the IMPLAN model maintained by the Council, each component of the project was entered into a custom built regional model of Pasco County on a sales basis, using gross retail margin assumptions built into the model. Gross retail margin assumptions are simply purchaser prices and not producer prices. This distinction is made to ensure that the share of locally produced goods and services versus those brought in from outside Pasco County are properly accounted for in the model.

TBRPC modeled inputs provided by the client. Without specifying proprietary information, TBRPC considered client’s assumptions on retail sales to be conservative and comparable to Urban Land Institute studies of similar projects in the United Statesii.

IMPLAN reports out three different kinds of employment impact. Direct employment is employment by each of the employers in Mitchell Ranch project. That number is based on sales information provided by the client and rests on IMPLAN model assumptions of sales per employee, which vary by industry. Indirect employment is employment that is produced when the businesses in Mitchell Ranch purchase local goods and services. For example, offices and other businesses in Mitchell Ranch require office supplies that are purchased from an outlet of a retail chain. Those purchases generate indirect jobs.

Induced jobs, on the other hand, are generated by the household spending patterns of the direct job employment. Groceries, gasoline, medical and professional services –among many others—yield
jobs when their goods and services are bought by employees at Mitchell Ranch.

Gross value added is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer, industry or sector. Personal income is simply the total of all income from direct, indirect and induced employment.

In terms of sales tax revenue, the state’s six percent share yields $16.1 million and the County’s one percent share yields $2.7 million. A portion of those County revenues come from hotel revenues, of which 2 percent are subject to the County bed tax. While some businesses do sell tax-exempt items, such as a proposed grocery store, the County sales tax revenues are consistent with total sales.

About IMPLAN Professional

IMPLAN Professional® is an economic impact assessment software system. IMPLAN Professional, combined with IMPLAN® Data Files, allows the user to develop local level input-output models that the user can estimate the economic impact of new firms or industry moving into an area, recreation and tourism, and many more economic activities.

IMPLAN combines a set of extensive databases concerning economic factors, multipliers and demographic statistics with a highly refined and detailed system of modeling software. IMPLAN allows the user to develop local-level input-output models that can estimate the economic impact of new firms moving into an area as well as the impacts of professional sports teams, recreation and tourism, and residential development. The model accomplishes this by identifying direct impacts by sector, then developing a set of indirect and induced impacts by sector through the use of industry-specific multipliers, local purchase coefficients, income-to-output ratios, and other factors and relationships.

There are two major components to IMPLAN: data files and software. An impact analysis using IMPLAN starts by identifying expenditures in terms of the sectoring scheme for the model. Each spending category becomes a “group” of “events” in IMPLAN, where each event specifies the portion of price allocated to a specific IMPLAN sector. Groups of events can then be used to run impact analysis individually or can be combined into a project consisting of several groups. The overall movement of specific jobs and contractor jobs into Pasco County is defined as the direct economic impact. Once the direct economic impacts have been identified, IMPLAN can calculate the indirect and induced impacts based on a set of multipliers and additional factors.

The hallmark of IMPLAN is the specificity of its economic datasets. The database includes information for five-hundred-and-twenty-eight different industries (generally at the four or five digit North American Industrial Classification level), and twenty-one different economic variables. Along with these data files, national input-output structural matrices detail the interrelationships between and among these sectors. The database also contains a full schedule of Social Accounting Matrix (SAM) data. All of this data is available at the national, state, and county level.

Another strength of the IMPLAN system is its flexibility. It allows the user to augment any of the data or algorithmic relationships within each model in order to more precisely account for regional relationships. This includes inputting different output-to-income ratios for a given industry, different wage rates, and different multipliers where appropriate. IMPLAN also provides the user with a choice of trade-flow assumptions, including the modification of regional purchase
coefficients, which determine the mix of goods and services purchased locally with each dollar in each sector.

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ii For example, see http://uli.org/wp-content/uploads/ULI-Documents/HOUSTON_citycenter_jan2015_F.pdf