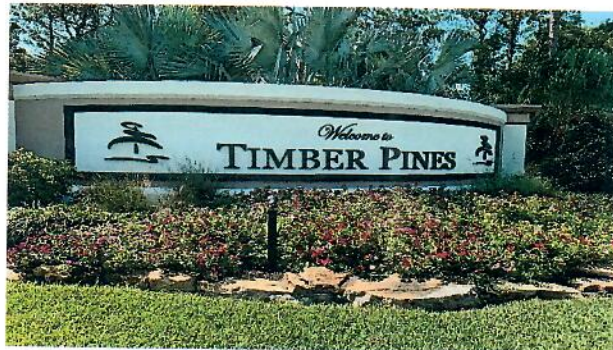


ECONOMIC IMPACT OF TIMBER PINES ON HERNANDO COUNTY



About Hernando County

Hernando County was established in 1843 and named in honor of Spanish explorer Hernando de Soto. Now known as Florida's Adventure Coast, the freshwater rivers and springs, state forests and preserves and Gulf waters provide opportunities for many land and water adventures for residents and tourists.

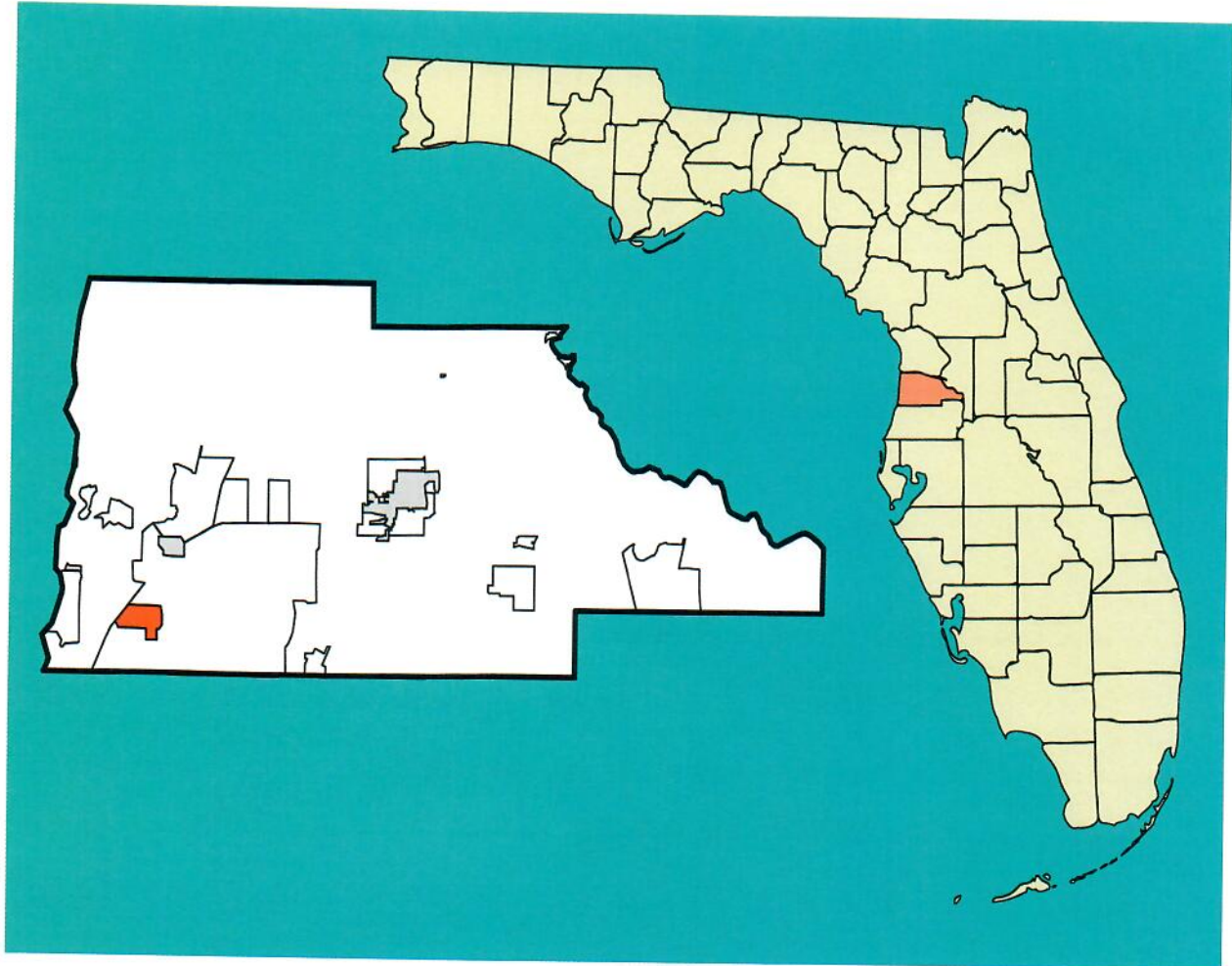
Hernando County is the geographic center of the state and is located on the central-west coast of Florida. Businesses are drawn to this location because of affordability, accessibility, and abundant space to relocate or expand. It's a place where community and commerce thrive.

The City of Brooksville is the county seat and is rich in history and traditions. Weeki Wachee, the only other city in the county, incorporated many decades ago to appear on Florida maps to promote the Weeki Wachee Springs as the "City of Mermaids." Unincorporated areas include Spring Hill, Ridge Manor, Ridge Manor West, Masaryktown, Bayport, Aripeka, Lake Lindsey and Hernando Beach.

While Hernando County is located on the West coast of Florida, it is still considered part of the Tampa-St Petersburg-Clearwater metropolitan statistical area. As of 2021, the population surpassed 200,000 people. The county has low unemployment and fast growth. New communities are presently being built, or added to, with emphasis on middle to high-priced homes.

As part of Florida's Beautiful Nature Coast, Timber Pines is nestled in a serene, natural setting. Close to the Gulf of Mexico and surrounded by natural springs and nature preserves with easy access to major highways to Tampa, St. Petersburg, and Orlando. International airports, gulf beaches, shopping and nightlife are all nearby. Growth in the county was very slow until 1967 with the planned community of Spring Hill. Most construction in the county is less than 50 years old. One of the largest and early neighborhoods in Spring Hill is Timber Pines. Timber Pines is now built out and has no current new construction within the gated neighborhood. However, a recently completed Fitness Center provides services to residents and job opportunities to county residents.

Where is Timber Pines?



Quick Facts about Timber Pines:

- Established in 1982 dedicated to providing their active Members, 55 years and older, an exceptional lifestyle
- Fully developed community of 3,452 homes and villas, situated on 1,400 acres
- Top-notch amenities including four golf courses, racquet sports, an activity center, community pools, country club dining, a performing arts center, and wellness center



Timber Pines

Nestled in the heart of Florida's Nature Coast, Timber Pines is a 55+ community offering an active country club lifestyle featuring resort-style amenities which are completely owned by the Association. Timber Pines Community Association was established in 1982 dedicated to providing their active members, an exceptional lifestyle. Timber Pines Community Association prides itself on the quality of their facilities and the beauty of the manicured grounds. Members value the safe open spaces, natural beauty, and wildlife within private neighborhoods that is unique from traditional gated communities. The 57 neighborhoods feature 70 unique floor plans ranging from one-bedroom villas to three-bedroom homes providing the community with character and charm.

The fully developed community of 3,452 homes and villas, situated on 1,400 acres, is debt free and maintains a healthy reserve fund for future repair and replacement. Timber Pines offers top-notch amenities including four golf courses, racquet sports, an activity center, community pools, country club dining, a performing arts center, a wellness center and many social and recreational events.

Timber Pines Economic Impact and Analysis

Abstract:

Situation: Healthy housing is vital to the society in which we live. Homeownership remains the cornerstone of the American dream – providing families with a sense of emotional and financial stability and, historically, boosting household wealth through equity and appreciation over time. Homeownership also plays a vital role in helping to build strong, stable communities. In addition to it bolstering a community's treasury through taxes, research shows the many social benefits it provides, including increased volunteerism, improved health, and less crime. Homeowners have a much greater stake in their neighborhoods than renters, they become more involved in the community. In addition to financial incentives of home value appreciation, homeowners remain in their homes longer, adding a degree of stability to their neighborhood. They spend more time and money maintaining the residence, which contributes to the quality of the surrounding community. (NAR 2012.)

Methodology: In partnership with Hernando County Government and the Timber Pines Community Association, an Economic Resource Impact Study was completed to determine the economic impact of this community in Hernando County. A comprehensive survey (copy included) was developed to measure the amount of resources Timber Pines infuses into the broader local community, based on spending by individual households and the Association. The number of local full time equivalent (FTE) jobs are supported by this spending, and the philanthropic support given back to the community through residents' volunteerism. The survey was anonymous and voluntary, had no identifying information, and residents were asked to consider spending outside the community in a given or partial (seasonal residents) year.

Results: The survey results determined residents in 2021 spent (regionally and locally) \$13,808,000 per year on health care, \$24,087,953 on retail expenditures, \$7,767,000 on property maintenance, \$9,320,400 on Dining, and \$1,391,156 on charity for a direct impact of \$56,374,509, primarily within the boundaries of Hernando County. Once the direct economic impact was determined, the expenditure multiplier was used to estimate the effect this spending will have on the local economy. Applying this expenditure multiplier resulted in a total regional economic impact of \$306.3 million dollars.

Summary/Conclusions: This study helped to quantify the value of Timber Pines in terms of likely economic impact on the region and individual county. Governments, regulatory agencies, and key stakeholders will benefit in their decision making by receiving objective analysis detailing the economic impacts likely to be generated by infrastructure development projects. This study quantifies and shows the expected economic impacts including economic output generated (business volume), job creation, residents' personal spending habits, etc., together with potential fiscal impacts to be generated via the infrastructure development and the associated business and population expansions.

2021 Regional Economic Impact: \$306.3 Million

Residents*

Full Time	2300
Part Time	1152
Total Households/Residents	3452/6000*

* Based on Survey Results

Revenue

Residents:	\$276,160,000
Total:	\$276,160,000

Association

Employees	102
Security	30
Food/Bev	65
	197

Employment Impact

Indirect Jobs	2,694
Av Salary*	\$26,520

*Census Data (2020)

Association Expenditures

Personnel:	\$5,704,963
Grounds:	\$1,274,470
Admin/Other	\$5,810,441
Capital Invest	\$2,000,000
Total Expenditures	\$14,789,874

Local Expenditures

Health Care	\$13,808,000
Retail	\$24,087,953
Prop Maint.	\$ 7,767,000
Dining	\$ 9,320,400
Charity	\$ 1,391,156
Total:	\$56,374,509

Value of Volunteering	\$ 295,284
Expenditures (Community/Residents)	\$ 71,164,383
Value of Job Creation	\$234,842,464
Total Economic Impact	\$306,302,131

2023 Regional Economic Impact: \$348.5 Million

(Cost of Living 2021-2023 increase)

Residents*

Full Time	2300
<u>Part Time</u>	<u>1152</u>
Total Households/Residents	3452/6000*

* Based on Survey Results

Revenue

<u>Residents:</u>	<u>\$276,160,000</u>
Total:	\$276,160,000

Association

Employees	102
Security	30
<u>Food/Bev</u>	<u>65</u>
	197

Employment Impact

Indirect Jobs	2,694
Av Salary*	\$26,520

*Census Data (2020)

Association Expenditures

Personnel:	\$5,704,963
Grounds:	\$1,274,470
Admin/Other	\$5,810,441
<u>Capital Invest</u>	<u>\$2,000,000</u>
Total Expenditures	\$14,789,874

Local Expenditures

Health Care	\$13,808,000
Retail	\$24,087,953
Prop Maint.	\$ 7,767,000
Dining	\$ 9,320,400
<u>Charity</u>	<u>\$ 1,391,156</u>
Total:	\$56,374,509

Value of Volunteering **\$ 295,284**

Expenditures (Community/Residents) **\$ 80,985,068**

Value of Job Creation **\$267,250,724**

Total Economic Impact **\$348,531,076**

Timber Pines Direct Dollar Benefit to Hernando County (Yearly)

Road Maintenance schedule of County: \$7,517 (x35) **\$263,095**

Road Maintenance Timber Pines: \$14,067 (x35) **\$492,345**

Tax Base: **\$2475** per home, for a total of **\$8,543,700**.

Wellness Center Impact: **\$126,880** in payroll, **\$24,000** in contracted services to YMCA for a total of **\$150,880**.

Timber Pines Real Estate Activity (Local Area Comparisons): when comparing similar aged property, roughly a **10% higher** volume in resales is seen, with average value of home sale of **\$352,529** versus **\$322,257** in surrounding area.

TRIM Statement: School Assessments - **\$3,844,665** (and no impact on schools)

Crime Rate Value: Avg of **2.4 LE/1000** residents, **6000 residents**, savings of **\$898,500 per year** based on \$62,400 average salary for Deputy.

Grand Total of Recognizable Benefit of Timber Pines to Hernando County: **\$13,700,840**.

Economic Impact: \$242.2 Million

Residents*

Full Time	2300
Part Time	1152
Total Residents	3452

* Based on Survey Results

Revenue

Residents:	\$276,160,000
Total:	\$276,160,000

Association

Employees	102
-----------	-----

Employment Impact

Indirect Jobs	2,132
Av Salary*	\$26,520

*Census Data (2020)

Association Expenditures

Personnel:	\$5,704,963
Grounds:	\$1,274,470
Admin/Other	\$5,810,441
Total Expenditures	\$12,789,874

Local Expenditures

Health Care	\$13,808,000
Retail	\$24,087,953
Prop Maint.	\$ 3,413,320
Dining	\$ 776,700
Charity	\$ 1,391,156
Total:	\$43,477,129

Value of Volunteering	\$ 295,284
Expenditures (Community/Residents)	\$ 56,267,003
Value of Job Creation	\$185,681,110
Total Economic Impact	\$242,243,397

ECONOMIC IMPACT OF TIMBER PINES ON HERNANDO COUNTY

(Local)

Florida has no income tax and relies on sales and real estate taxes to finance the government, therefore property taxes are a main source of income for Hernando County Government. Sales taxes also contribute a sizeable proportion of income. Because Timber Pines was built as up-scale housing, property values have kept up with new construction.

Timber Pines average house value	\$304,000.00
Hernando County average house value	\$310,266.00

(source: Realtor.com)

Although Timber Pines is a gated community, they are still taxed as CWES (County Wide Emergency Services), with average Ad Valorem taxes per residence at \$2,475. Timber Pines provides its own road maintenance to provide the level of road quality desired by the community. This provides a savings to the County of \$263,095 per year. As a gated community, they require less law enforcement participation due to their demographic makeup and internal security programs, resulting in a savings of over 898,000 per year. As an over-55 community, they generate negligible impact onto the school system, as there are no students of school age, resulting in a direct benefit of \$3.8 million per year. Although the location of Timber Pines lends itself to a wider area of impact, our study found about 80% of the regional impact occurs in Hernando County.

Timber Pines was developed beginning in 1982. Therefore, the impact on Hernando County infrastructure in 2023 is more focused on maintenance and replacement (as needed) of major home systems such as Heating, Ventilation, Air Conditioning (HVAC), roof, and major interior appliances and modifications, than those communities currently being developed.

While this study primarily focused on an average spending year by household, some recognition of large system replacement needs to be recognized. Industry standards for HVAC and roof systems in Florida average approximately 15 years, and most interior appliances are approximately the same time frame. Therefore, it is reasonable to assume that these systems have been replaced two times since the community was developed. These system replacement expenditures were not necessarily collected by the scope of our survey, however when replaced, their impact cannot be overlooked.

While Timber Pines has four private golf courses and other member only amenities not normally open to the public, their staffing, maintenance and upkeep are still contributing to the local economy through labor and upkeep costs. Our study identified these contributions within the Association Expenditures and Employment section of the Impact Statement.

2021 Local Economic Impact \$204.8 Million

Revenue

Residents \$276,160,000

Employment Impact

Indirect Jobs 1,705
 Association Employees 102
 Average Salary \$26,520

Local Expenditures

Residents \$34,781,000
 Association 12,783,000
 \$47,564,000

Hernando Taxable Expenditures \$35,300,000
 Taxes paid @ 6.5% \$2,298,400

Value of Volunteering	\$ 295,000
Expenditures (Association & Residents)	47,564,000
Value of Job Creation	<u>156,961,000</u>
Hernando County Total Economic Impact	\$204,820,000

2023 Local Economic Impact \$233.1 Million

Revenue

Residents \$276,160,000

Employment Impact

Indirect Jobs 1,705
 Association Employees 102
 Average Salary \$26,520

Local Expenditures

Residents \$34,781,000
 Association 12,783,000
 \$47,564,000

Hernando Taxable Expenditures \$35,300,000
 Taxes paid @ 6.5% \$2,298,400

Value of Volunteering	\$ 295,000
Expenditures (Association & Residents)	54,127,832
Value of Job Creation	<u>178,621,618</u>
Hernando County Total Economic Impact	\$233,044,450

Summary/Highlights

With almost 1,500 surveys returned representing 3,452 households, the return rate was over 57%. Given that a good survey response rate ranges between 5% and 30% and an excellent response rate is 50% or higher, there was obvious enthusiasm from residents to help make this study as accurate as possible. This success can be attributed to the concerted efforts by both the survey creator (Hernando County Extension) and the great feedback from members of the community putting together a survey that was both comprehensive but not cumbersome. This collaboration to quantify both the social and economic benefits of this community create a great strategic partnership between the community, local government, The University of Florida, and Hernando County Extension.

One of the challenges of this particular study was being able to delineate between expenditures by the Association on residents' behalf, (common grounds maintenance, security, etc.) and those that would be only available to residents since it is a gated community. Also, due to the location of the community close to the Hernando/Pasco County border, some regional impact assumptions had to be made concerning the expenditures of residents.

Direct economic impact from residents was \$56,374,509 in 2021 dollars (\$64,154,191 in 2023 dollars), and the survey found that the Timber Pines Community Association contributed another \$14,789,874 (2021), \$16,830,877 (2023) for a total residents and Association impact of \$71,164,383 (2021), \$80,985,068 (2023) into the region. In addition, 197 direct jobs and 2,694 indirect jobs can be attributed to the Timber Pines community. It was also determined that \$295,284 (2021) of support along with charitable giving by residents through volunteering within the Hernando County community.

As a gated community, Timber Pines provides its own road maintenance. The 35 miles of roadway are funded at an annual cost of \$492,345. If Hernando County provided road maintenance to the community, the cost would be \$263,095. Because Timber Pines maintains roadways to a higher standard than Hernando County, the additional \$229,250 benefits residents through nicer roads and more road improvements and infrastructure.

The average Ad Valorem taxes paid by residents is roughly \$2,475, with a total tax base of approximately \$8.5 million dollars going to Hernando County per year. However, because of the "secure nature" of being a gated community, the crime rate within Timber Pines is practically zero. Standard Law Enforcement manning levels are based on population, with the standard being 2.4 officers/1000 residents. With a population of 6000 residents, this lower crime rate equates to a savings of almost \$900,000 per year in law enforcement presence as officers can be assigned to other areas of higher crime activity.

Another benefit to the county from Timber Pines is to the school system. Residents pay approximately \$3,845,000 to support Public Schools through their taxes, there is no impact to the school system as there are no school age children residing within the community.

While the average home value within Timber Pines is slightly below the average home value in Hernando County, the frequency of real estate transactions within the community is 10% higher than within the surrounding community. While there is no revenue benefit to the county from this, the real estate industry within the area of influence of the community benefits from the higher activity.

The opening of the Timber Pines Wellness Center has also had financial impacts to the local area. With three full time employees, along with contracted services with the local YMCA, the impact is over \$150,000 per year.

While spending ranges followed national averages for this demographic (age of community, age of residents', etc.), there were some trends worth noting.

For the survey question concerning vehicle maintenance, most responders use a dealership rather than a local small business or repair shop. With the abundance of dealerships within a close radius to the community, this result reinforces the fact that Timber Pines residents do "shop local."

While not surprising, a majority of responders also eat out (both dining in and take out) more often than cooking. This can be attributed to both not wanting to cook, but also to wanting the social connection with fellow residents. The onsite Country Club of the Pines offers both casual and fine dining menus for members and is complemented by the adjoining grille room.

Many residents have pets and those that do, spend an average of \$1,000 - \$2,999 on each pet. Although slightly higher than the national average spent per pet of \$770 in 2021, it must be stated that the figure for the national average would be substantially higher if it excluded households with no pets at all.

Resources

1. https://www.realtor.com/realestateandhomes-search/Timber-Pines_FL/overview
2. <https://implan.com/data/>
3. <https://www.hernandocounty.us/departments/other-government-agencies/tax-collector>
4. <https://www.hernandopa-fl.us/pawebiste/>
5. <https://www.hernandobusiness.com/>
6. https://en.wikipedia.org/wiki/Timber_Pines%2C_Florida
7. <https://www.timberpines.com/about-us>
8. <https://www.emsisd.com/cms/lib/TX21000533/Centricity/Domain/1538/11.%20Multipliers.ppt>
9. <https://www.studysmarter.us/explanations/macroeconomics/national-income/expenditure-multiplier/>
10. <https://flheatair.com/how-long-do-ac-units-last-in-florida-and-should-you-replace-yours/>
11. <https://www.nationsroof.com/roof-lifespan-florida>
12. <https://www.consumerreports.org/appliances/how-long-will-your-appliances->
13. <https://www.ahs.com/home-matters/repair-maintenance/lifespan-of-modern-home-appliances/>

14. Gutter, Michael. Interview. Conducted by Scott E. Taylor. December 2021. Et al.
15. Ellis, Sarah. Interview. Conducted by Scott E. Taylor. December 2021 – July 2022. Et al.
16. Cantrell, Dr. Randall. Interview. Conducted by Scott E. Taylor. January 10, 2022 – August 31, 2022. Et al.
17. Timber Pines Community Association. Interview. Conducted by Scott E. Taylor. August 2021 – October 2022. Et al.