

Economic, Fiscal, and Market Analysis of Potential Sale of Canal Street Building and +/- 36 Acres on SR44

Expert Report
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Assignment

- Quantify the economic and fiscal impacts of the potential sale and redevelopment of properties owned by NSBU.
- The Properties considered for sale:
 - Administration Building at 200 Canal Street
 - +/- 36 acres on SR44
- Economic impacts measure jobs, earnings, and value added from the redevelopment.
- Fiscal impacts measure the revenues and costs to New Smyrna Beach from the redevelopment.

Methodology

- Determine the highest and best use for the Properties.
- Applied the development/discounted cash flow method to quantify the value of the land in its highest and best use.
 - Physically possible.
 - Legally permissible.
 - Economically feasible.
 - Maximally productive.
- Economic impact measured using IMPLAN.
- Fiscal impacts quantified using FIAM.

Highest and Best Use of the Properties

- 200 Canal Street
 - Retail/Commercial uses on the ground floor.
 - 23 Condominiums on the upper 2 floors.
 - Potential to add an additional floor with more condominiums.
- +/- 36 Acres on SR44
 - 6 Outparcels on 8 Acres
 - 300 Apartments on 28 Acres

Fair Market Value of the Land at Highest/Best Use

PROPERTY	VALUE
200 CANAL STEET	\$5,700,000
8-ACRE PARCEL	\$2,800,000
28-ACRE PARCEL	\$9,200,000
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TOTAL	\$17,700,000

Economic and Fiscal Impacts

Economic Impact

IMPACT	EMPLOYMENT	LABOR INCOME	VALUE ADDED
DIRECT	158	\$4,985,954	\$7,568,694
INDIRECT	19	\$960,769	\$1,382,154
INDUCED	119	\$5,383,226	\$10,480,553
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TOTAL	296	\$11,329,949	\$19,431,401

Fiscal Impact

YEAR	ASSESSED VALUES	AD VALOREM	TOTAL OPERATING REVENUE	TOTAL OPERATING EXPENDITURE	NET FISCAL IMPACT
2030	\$130,264,445	\$487,463	\$1,612,546	\$968,084	\$644,462

Economic Impact Summary

- Substantial job creation
 - +/- 300 direct and indirect jobs supported
 - Primarily driven by increased local spending from the condominiums and apartments
 - Significant contributions from retail sales on Canal and SR44
- Canal redevelopment will stimulate additional redevelopment in the City core which is not included fully in the impact totals

Fiscal Impact Summary

- Substantial contributions to City revenue
 - \$130 million increase in ad valorem tax base
 - Generates nearly \$500,000/year in new property taxes
- City service requirements for new growth more than offset by total revenue generated by the new growth
- Net fiscal impact (revenue – cost) = > \$600,000 per year
- This net fiscal impact can fund improved services and/or lower taxes

Summary of Community Impacts

- Redevelopment of Canal Street HQ stimulates downtown core economy and promotes vitality and sustainability
- The program generates significant fiscal benefit to the City's budget of > \$600,000 / year which can be used to fund additional services, facilities, and/or to lower taxes
- Consolidation and updating of NSBU facilities achieving greater productivity and enhanced sustainability