

Predictive Economic Impact Study for the Mount Dora to Seminole Wekiva Trail



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Objective

The objective of this report is to estimate the economic impacts that could reasonably be expected to accrue to the City of Mount Dora, Florida, as a result of a trail running through downtown Mount Dora, connecting to the proposed Wekiva Parkway Trail, the Seminole Wekiva Trail and eventually the West Orange Trail. Two trails were chosen as comparable benchmarks for this study: the Dunedin portion of the Pinellas Trail and the Winter Garden trail in Orange County, Florida. The East Central Florida Planning Council was gracious enough to provide survey data from their analysis of Orange County Trails, in support of these efforts.

Projected Economic Contribution of Downtown Mount Dora Trail

Executive Summary

Over the last three decades the State of Florida and the U.S. Department of Transportation (USDOT) have been funding trail projects throughout Florida. There is a growing body research throughout Florida and the rest of the U.S. elucidating the beneficial impacts relative to investment in these projects. While access to natural lands, health and fitness, and alternative transportation options are extremely important; one of the significant and important aspects of trails has been the positive economic impacts they afford local communities.

This analysis provides the estimated economic contribution of the downtown segment of the proposed Mount Dora Trail. The proposed trail is planned to run through downtown Mount Dora, connecting to the proposed Wekiva Parkway Trail, the Seminole Wekiva Trail and eventually the West Orange Trail. The downtown trail, with its connectivity to existing trails and addition of increased bicyclist traffic, will represent a significant enhancement to the existing Lake County Trail System. The Balmoral Group was retained by the Florida Greenways and Trails Foundation to estimate the economic contribution for the downtown segment only, based on data obtained by the East Central Florida Regional Planning Council in its recent analysis of three Orange County trails, information from Dunedin, FL (a Pinellas Trail Community) and other publications.

Estimated economic benefits include:

- \$3 to \$12.7 million total benefits for businesses and workers along the downtown trail segment, including
- \$1.9 to \$8 million of retail spending is anticipated to be spent at food and beverage vendors, and restaurants on the trail; and
- \$1.1 to \$1.6 million in spending annually on other retail goods and services along the trail; and
- 75 to 153 jobs supported by spending on the downtown trail segment.

The estimates of up to \$12 million in local spending benefits may be considered a “lower bound” - non-recreational visits may generate additional spending from the trail visitor who returns later for a dinner or outing with friends, which is not counted in direct spending benefits.

Fiscal benefits attributable to the estimated property value impacts from projected retail spending and the total benefits include:

- \$4.8 to \$6.35 million increase to property values along the downtown trail segment;
- \$24 to \$32 thousand in annual Ad Valorem revenue to the City of Mount Dora;
- \$23 to \$30 thousand in annual Ad Valorem revenue to Lake County Government;
- \$36 to \$48 thousand in annual Ad Valorem revenue to Lake County Schools; and
- \$676.9 to \$889 thousand in annual Sales Tax revenue.

This study used GIS and econometric analysis to estimate the number of downtown trail users, calculate total annual trail use, estimate retail spending per trip, and identify the economic and fiscal contributions to the City of Mount Dora, Lake County, and Florida. The analysis relied on

Survey data reported in “Economic Impact Analysis of Orange County Trails,” which was provided by the East Central Florida Regional Planning Council; Pre- and post- trail information from the City of Dunedin, Florida; and National and State trail reports.

Based on behavioral and spending information obtained from the ECFRPC’s survey of Orange County Trail users, approximately 57,140 people can be expected to use the downtown Mount Dora trails at least one time each calendar year. In total, it is estimated that 448,275 trips would be made on the trails. These trail users are expected to travel an average of 22 miles each trip and spend \$21.57. Spending would be expected to total more than \$9.6 million each year.

Trail User Spending (Millions of Current Dollars)	
Restaurants	\$ 5.622
Food and Beverage	\$ 2.407
Rental Fees	\$ 1.031
Guide Maps/books	\$ 0.271
Other Spending	\$ 0.339
Total	\$ 9.670

Trail user spending in downtown Mount Dora would support between 75 and 153 jobs, \$2-3 million in personal income, and \$3-13 million in additional local economic output. Ranges are provided due to the variation in assumptions that can be applied to the original survey data, as described in more detail in the following pages.

Total Economic Support	
Employment	75 – 153 Jobs
Personal Income¹	\$ 1.90 – 2.97 Million
Total Income²	\$ 3.08 – 12.7 Million

¹ Total wages and income received by workers along the trail.

² The total value of all goods and services, including personal income.

Methodology and Analysis

The Balmoral Group (TBG) conducted the analysis of economic impact in three steps:

1. Trip demand estimation;
2. Retail demand estimation; and
3. Economic impact quantification.

A non-technical discussion of the methodology used in each of these steps follows.

Trip Demand

Trip demand was estimated using a two-step process:

1. Estimate the regional population of trail users;
2. Estimate the user-trips to downtown Mount Dora and

Regional Trail Users

Estimates of the regional user population are based on review of national, state, and local trail reports. ECFRPC (2011) indicates that Orange County trails are visited by 1.7 million people each year. Comparing Orange County trail use with trips per user, it is estimated that there were approximately 159,563 persons in the region who have used Orange County trails within the past year. These users represent approximately 7.5% of the population of the Orlando Metropolitan Statistical Area's (MSA) 2010 population (Census 2010).

Trail use in Orange County is comparable to reported trail use in the City of Dunedin, Florida. According to the Dunedin's Director of Community Redevelopment, approximately 156,000 people travel through downtown Dunedin on the Pinellas Trail (Harnik 1997 p. 177). Comparing Dunedin trail users to the 1990 and 2000 population of the Tampa-St. Petersburg-Clearwater MSA (Census 1990, 2000), suggests between 7.5% and 6.5% of the regional population uses the Dunedin trail.

Librett, Yore, and Schmidt (2006) report a survey national survey of trail use and physical activity levels. Their analysis found evidence that 11.2% of women and 14.3% of men use a walking, hiking, or biking trail at least once per month.

Together, the previously identified trail user surveys bound the estimate of Central Florida trail users between 12.5% and 7.5% of the populations. The Mount Dora trail would represent a new option among choices a trail user could make. The ECFRPC (2011) survey results indicate the distances which trail users currently travel to use the three existing trails studied. Given the heavy overlap in population within the distance gradient, a reasonable estimate is that one-fourth to one-third of trail users may choose to utilize the Mount Dora trail for any given trip. To be conservative, a value of 4% was used to estimate regional trail users.

Trail-User Trips

Trail-user trips were estimated using reported visitation rates in the ECFRPC (2011) study. To facilitate the forecast, a GIS and econometric model was developed that predicted trail-visits per user based on trail attributes and the distance (in five mile increments) between the trail and the zip code the in which the respondents resides.

The demographics of the population expected to use the Mount Dora Trail closely resemble those of the three Orange County trails. As such, the results of the survey analysis were combined with 2010 Census counts of local populations in Lake County, Orange County, and Seminole County to predict trips per user to the downtown Mount Dora trail. Summary of predicted trail users and user-trips by distance from downtown Mount Dora are presented in Table 1.

Table 1. Predicted Annual Trail users and User-Trips by Distance Traveled

	0-5 Miles	6-10 Miles	11-15 Miles	16-20 Miles	21-25 Miles	26-30 Miles	31-35 Miles
Population	28,513	96,525	92,066	336,905	376,612	338,537	159,366
Trail users	1,141	3,861	3,683	13,476	15,064	13,541	6,375
User-trips	14,209	42,493	36,514	117,899	114,217	87,828	35,116

Economic Contribution

User-trips were combined with reported spending habits by distance traveled to obtain estimates of retail sales and the economic contribution of the downtown Mount Dora trail. To estimate spending, TBG stratified spending habits reported in ECFRPC (2011) by the distance traveled by survey respondents. A series of spending multipliers for restaurant, food and beverage, equipment rentals, and books and maps were then applied to the user-trips reported in Table 1. Total spending by distance traveled is reported in Table 2.

Table 2. Retail Spending by Distance Traveled (Millions of Current Dollars)

	0-5 Miles	6-10 Miles	11-15 Miles	16-20 Miles	21-25 Miles	26-30 Miles
Restaurant	\$0.062	\$0.393	\$0.365	\$1.179	\$1.428	\$2.196
Food & Bev.	\$0.056	\$0.324	\$0.313	\$0.589	\$0.685	\$0.439
Rentals	\$0.014	\$0.073	\$0.000	\$0.943	\$0.000	\$0.000
Books & Maps	\$0.003	\$0.040	\$0.000	\$0.000	\$0.228	\$0.000
Other Spending	\$0.033	\$0.269	\$0.037	\$0.000	\$0.000	\$0.000
Total	\$0.168	\$1.099	\$0.715	\$2.712	\$2.341	\$2.635

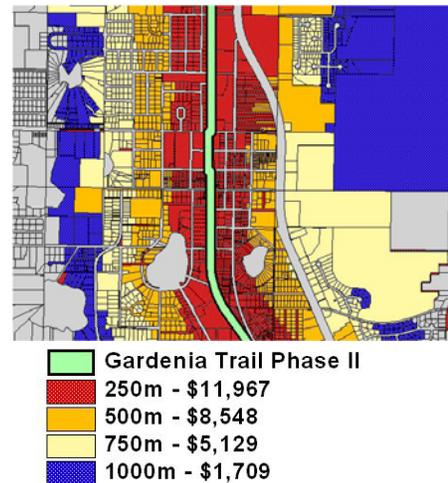
The total economic contribution the downtown Mount Dora trail can be expected to impart on the City of Mount Dora was estimated. These figures were estimated based on a set of multipliers developed using reported spending and economic impacts reported in ECFRPC (2011). According to ECFRPC (2011) every \$1 million in retail spending supported about 15.85 jobs, \$307 thousand in personal income, and an additional \$309 thousand in economic output. For a lower bound estimate, direct personal income was calculated based on the average retail wage of \$25,440 for Lake County applied to downtown Winter Garden employment estimates from ECFRPC (2011). Multipliers were then applied to estimate total economic output.

Other Studies

Studies conducted throughout Florida and the United States have found that trails generally have a positive economic impact on surrounding properties:

- In Winter Garden, FL, before the West Orange Trail, the downtown area was considered “blighted.” Since completion of the trail, downtown Winter Garden is revitalized and is now nearly 100% storefront occupied.
- In Dunedin, FL, before the Pinellas Trail developed, downtown occupancy was 35%. Since trail arrival in the early 1990s, the downtown occupancy has been nearly 100%.
- A recent (2008) study in Ohio suggests that house prices increase by \$7.05 for every foot closer a property is located to a trail. The gradient map to the right shows how similar property value increases might affect a sample of properties along Gardenia Trail (Phase II) proposed for downtown Fruitland Park.

Potential Trail Values to Neighboring
Parcels - Downtown Fruitland Park



- A study of 372 “rails to trails” projects found that converting an abandoned rail corridor to a trail reduces crime by cleaning up the landscape and attracting people who use the trail for recreation and transportation.
- In the Denver metro area, 73 percent of surveyed real estate agents believed a home near a trail was easier to sell.
- In Massachusetts, a study of seven towns through which the Minuteman Bikeway and Nashua River Rail Trail run found that homes near these rail trails sold in an average of 29.3 days as compared to 50.4 days for other homes; homes near rail trails sold at 99.3% of the list price as compared to 98.1% of the list price for other homes sold in these towns
- In North Carolina, a study of the bicycle facilities along the Northern Outer Banks found that approximately \$9 was generated for every \$1 investment in bicycle facilities.

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