

# Appendix L

## 2021 Economic Impact of Wekiva Trail Extension Economic Study



# East Central Florida Regional Planning Council

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From: Luis Nieves-Ruiz, AICP *LNR*  
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To: Tracy Garcia, CEcD, EcDMP  
Director  
Elevate Lake

Re: **Economic Impact of the Wekiva Trail Extension in Lake County**

The purpose of this analysis is to estimate the economic impact of a Wekiva Trail Extension in Lake County. The 14-foot-wide trail will extend 11.5 miles and connect the cities of Tavares, Mount Dora, and the unincorporated communities of Mt. Plymouth and Sorrento. This project is also the missing link needed to connect five major existing trail corridors in Lake, Orange, and Seminole counties including the Green Mountain Scenic Byway. The new trail will not only be a source of recreation for the residents of these rural communities, but could also help to increase tourism in north Lake County.

This analysis estimates the economic impact that the construction of this project will have on Lake County and the State of Florida's economies based on the trail's construction costs and visitor expenditures. The East Central Florida Regional Planning Council (ECFRPC) calculated the impact of this project using Regional Economic Models, Inc. Policy Insight (REMI PI+) modeling software. The next sections of the report explain the data and assumptions used to build this model.

## Construction

According to Lake County, the Wekiva Trail will cost \$25 million to complete. These costs will include both the design and construction of the project. The ECFRPC entered these investment figures into the mode as Detailed Industry Sales Exogenous Production for the Construction of Transportation Structures and Architectural, Engineering, and Related Services. According to Lake County, these activities will be taking place between 2022 and 2027.

Number of Visitors

The second step in developing this simulation was to derive the potential number of riders that would be using the new facility. There are two types of trails visitors: day and overnight. The Day visitor count includes the number of Metro Orlando residents that will be using the new facility. Overnight visitors include people from outside the region that stay at least one night within the study area. The ECFRPC estimated the potential number of visitors in different ways.

According to Lake County, there were 117,176 occupied room nights within the study area (Tavares, Mt. Dora, and Eustis) during the 2018-19 fiscal year. The ECFRPC used the average party size (2.4 people) and length of stay (2.9 nights) information for Metro Orlando leisure visitors to turn these hotel nights into total visitors. Using this information, the ECFRPC estimates that just over 146,600 people stayed within the study area during this timeframe. Assuming that 20 percent of these visitors would use this amenity would yield a total of 21,994 trail riders.

**Table 1: Number of Trail Riders**

<b>Visitor Type</b>	<b>Total Number of Visitors</b>
<b>Overngiht</b>	<b>51,400</b>
<b>Day</b>	<b>21,994</b>
<b>Total</b>	<b>73,394</b>

Source: ECFRPC calculations, Lake County

To estimate day visitors, the ECFRPC used trail visitor counts provided by Lake County for the Green Mountain Scenic Overlook and Trail Head. This area received just over 102,000 visitors between 2019 and 2020. This would be an average of 51,400 visitors per year. The ECFRPC decided to use this number as the daily visitor count for the Wekiva Trail Extension.

Based on this information, the ECFRPC estimates that the Wekiva Trail Extension will receive over just over 73,406 visitors annually. These numbers are summarized in Table 1.

Estimating Visitor Expenditures

The next step in this process is to estimate the total expenditures for these visitors. In 2011, the ECFRPC published the “Economic Impact Analysis of Orange County Trails. Based on interviews and surveys to trail riders, the ECFRPC determined that the average spending per trail user was \$20 in 2011. The ECFRPC used the U.S. Bureau of Labor Statistics CPI Inflation Calculator to adjust this number for inflation purposes. Based on this tool, Lake County trail visitors spent on average \$23.64 per visit. This means that day visitor will spend about \$1.21 million annually.

This number would apply only to day riders because it does not include lodging expenses. To calculate the overnight expenditures, the ECFRPC added this number to the daily hotel night rate for this period. According to Lake County, the average hotel night rate for this period was \$95 dollars. The ECFRPC divided this number by the average party size to get the average lodging expense. This number was \$39.58 which was added to the average trail visitor expenditure rate. Based on this information, overnight visitors would spend \$1.39 million.

Visitor expenditures were distributed among several consumer spending categories based on the findings of the survey completed as part of the original trail study. These categories are food and beverage (retail and restaurants), transportation, bike rentals, other retail, and lodging (overnight visitors). For day visitors, all these numbers were entered as a reallocation of consumer spending. Overnight visitor expenditures were entered as sales/exogenous production.

**Table 2: Visitor Expenditures per Category**

<b>Spending Category</b>	<b>Day Visitors</b>	<b>Overnight</b>	<b>Total</b>
<b>Lodging</b>		<b>\$862,131</b>	<b>\$862,131</b>
<b>Food Restaurant</b>	<b>\$729,228</b>	<b>\$194,675</b>	<b>\$923,903</b>
<b>Food Retail</b>	<b>\$243,076</b>	<b>\$83,432</b>	<b>\$326,508</b>
<b>Other Retail</b>	<b>\$72,923</b>	<b>\$55,621</b>	<b>\$128,544</b>
<b>Transportation</b>	<b>\$24,308</b>	<b>\$27,811</b>	<b>\$52,118</b>
<b>Bike and Other Goods Rental</b>	<b>\$145,846</b>	<b>\$166,864</b>	<b>\$312,710</b>
<b>Total</b>	<b>\$1,215,380</b>	<b>\$1,390,534</b>	<b>\$2,605,914</b>

Source: ECFRPC calculations

### Economic Results

The ECFRPC entered these variables into the REMI PI+ model to estimate the economic impact of the Wekiva Trail Extension to the State of Florida and Lake County. The results concentrate on four economic impact indicators: total employment, output/sales, personal income, and gross domestic product (GDP). For reporting purposes, the ECFRPC separated the impacts of the design and construction of the trail and the visitation numbers. All these numbers are reported as annual averages.

According to REMI, the design and construction of the new trail will generate 59 jobs in the State of Florida. These include all full-time, part-time, and temporary positions. It will also contribute \$6.8 million to the county's output. Often referred to as total sales volume, output measures the gross level of business revenue which includes both the costs of labor and materials (intermediate inputs) and value-added activities (compensation and profits). Personal income refers to total earnings from employee compensation, wage supplements, rents, transfer payments, and other business ventures. The design and construction of the trail will generate over \$4 million in personal income for the state's residents. Finally, the trails add almost \$3.67

million to the state’s gross domestic product. This figure represents the total market value of all goods and services produced. Most of these benefits will occur in Lake County. The model estimates that the new construction will generate 42 jobs, almost \$4.2 million in output/sales, and close to \$1.7 million in personal income for the county’s residents. It will also contribute close to \$2.2 million to Lake County’s Gross Domestic Product.

**Table 3: Summary of Economic Results by Jurisdiction**

<b>Economic Indicators</b>	<b>Florida</b>		<b>Lake County</b>	
	<b>Design and Construction</b>	<b>Operation</b>	<b>Design and Construction</b>	<b>Operation</b>
<b>Employment</b>	<b>59</b>	<b>32</b>	<b>42</b>	<b>25</b>
<b>Output</b>	<b>\$6,833,333</b>	<b>\$4,000,000</b>	<b>\$4,166,667</b>	<b>\$2,666,667</b>
<b>Personal Income</b>	<b>\$3,666,667</b>	<b>\$2,666,667</b>	<b>\$1,666,667</b>	<b>\$2,000,000</b>
<b>Gross Domestic Product</b>	<b>\$4,000,000</b>	<b>\$2,000,000</b>	<b>\$2,166,667</b>	<b>\$1,333,333</b>

Source: REMI PI+ East Central Florida Region v 2.4.1

The long-term economic impacts of the Wekiva Trail Extension will be tied to trail visitor spending. According to REMI, the visitor expenditures will create 32 jobs, contribute \$4 million sales, and generate almost \$2.7 million in personal income for Florida residents. Finally, these expenditures will contribute \$2 million to the State’s gross domestic product. Most of these activities will concentrate in Lake County. The model estimates that the county will benefit with 25 new jobs, almost \$2.7 million in output/sales, and \$2 million in personal income. It will also contribute more than to \$1.3 million to Lake County’s Gross Domestic Product.

Based on the results from the REMI PI+ simulation, the construction of the Wekiva Trail Extension will have a positive impact in the State of Florida and Lake County economies. If you have any questions about this analysis, please contact Luis Nieves-Ruiz at 407-245-0300 x 308 or via e-mail at [luis@ecfrpc.org](mailto:luis@ecfrpc.org).