HAMilton County Economic Development Analysis: Executive Summary

Introduction

Hamilton County is a rural county bordering the Florida-Georgia state line. Over 25 percent of all private sector jobs, and 29 percent of property tax revenue, come from mining—specifically, phosphate mining. Phosphate mining has been a principal revenue generator for the county since the 1960s, but deposits are projected to be depleted in approximately six years. Our team is tasked with estimating the tax loss associated with the inevitable departure of phosphate mining operations; proposing multiple scenarios in which both the employment and tax losses could be offset in a post-mining economy; and exploring how to attract new businesses to the county.

Industry Impact

We explore the tax streams that will be lost once operations cease.

**Severance Tax:** This is collected by the state and distributed back to the local government; it is an annual excise tax applied to the total dry tonnage of phosphate rock severed from the earth. From the Florida Department of Revenue's tax distributions, we find that the county received $700,000 in such tax in 2022.

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**Ad Valorem Taxes**

**Real Estate:** Using the Hamilton County Property Appraiser database, we sift through the 300 parcels allotted to phosphate mining. Operations generated $1.02 million in real estate taxes in 2022. After considering agricultural reversion scenarios, we estimate that the county will lose $830,000 in such taxes.

**Tangible Personal Property (TPP):** This is the tax on the industry's equipment and supplies—from administrative supplies like desks and chairs to mining equipment like draglines and tractors. From the tax collector, we find that the county received $4.4 million in such taxes from phosphate operations in 2022.
Hamilton County would need to generate \textbf{\$5.93 million} in taxes and 800 jobs from the expansion or recruitment of other industries.

**Methodology**

After calculating the total loss, we use Input-Output modeling to explore two aggressive industry expansion scenarios that would lessen the \$5.93 million loss:

- **Scenario 1:** Increasing Output
- **Scenario 2:** Expanding Employment

Using IMPLAN, we are able to calculate the direct, indirect, and induced effects of a post-mining economy. We consider each scenario in regards to manufacturing, agriculture and forestry, wholesale trade, transportation and warehousing, and construction industries. Quarterly Census of Employment and Wages (QCEW) and County Business Patterns (CBP) data are used to identify attractive new industries and estimate future output and employment.

**Findings**

We offer two aggressive, but feasible, employment and output expansion scenarios that would make up half of the loss. Paired with decreased county expenditures and new business attraction to the area, these scenarios will help the county make up 50\% of the 5.93 million annual loss by 2029.

- **Expand the workforce in each sector by 50\%**
  - Direct Jobs: 961
  - Indirect Jobs: 184
  - Induced Jobs: 62
  - County Taxes: $2.8 million
  - Total: 1,207 jobs added

- **Increase output in each sector by 55\%**
  - Direct Jobs: 979
  - Indirect Jobs: 195
  - Induced Jobs: 65
  - County Taxes: $3.0 million
  - Total: 1,239 jobs added

If Hamilton County can increase employment in each sector by 50 percent and output in each sector by 55 percent by the time phosphate operations halt in 2029, half of the annual tax revenue lost would be replaced. Continued expansion over the same 6-year time frame post-2029, with annual compounding, would allow the county to break-even and even exceed the loss by 2035.
Executive Summary

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INTRODUCTION: HAMILTON COUNTY

Referred to as the "front porch of Florida", Hamilton County is the first county people pass through when taking I-75 to get to Florida. With a population of 13,764, Hamilton County is the fifth least populated county in Florida [1]. A significant portion of the county's employment and tax revenue currently depends on phosphate mining and phosphatic fertilizer manufacturing, but deposits within the county lines are projected to be depleted in approximately six years [2].

Our objective is to quantify what this industry generates for the county in terms of employment and tax revenue, and then offer the county several scenarios that would offset this future loss. We consider the optimal usage for three of the county's advertised parcels with highway or interstate frontage, keeping in mind the needs of the community, workforce patterns, targeted industries, and feasibility. With booming regional economic development projects; pro-business governments; affordable land, labor, and capital; and prime connectivity –this region is attractive to manufacturing, construction, transportation, and warehousing businesses looking to expand operations or relocate.

Phosphatic Fertilizer Process

Phosphorus is one of the primary minerals used in plant and crop production. 90 percent of phosphorus is used for fertilizer, while the remaining 10 percent is used for miscellaneous products like soft drinks and toothpaste [3]. The mining process begins when the dragline digs into the earth and acquires phosphate ore that is mixed with clay and sand. The material is then put in high-pressureized water that is sent to a beneficiation plant.

Once here, the clay is separated from the ore and is sent back to the mine to be used as materials for reclamation efforts. The remaining phosphate is then converted into phosphoric acid to be used in fertilizer [4].

Figure 1: Photo of dragline at Hamilton County mine taken by our team
In 1975, the Florida Legislature required that any land being mined would be required to be reclaimed. Upon depletion of phosphates, the reclamation process begins. A major byproduct of the mining process is phosphogypsum—a radioactive waste that is left behind.

Phosphogypsum contains uranium, thorium, and radium, and has been regulated by the Environmental Protection Agency (EPA) since 1989 [4]. Per EPA regulations, once mined, phosphogypsum is stored in large piles called phosphogypsum stacks, or gypstacks, where the top of the stack is eventually covered in water. While the stack starts with a watery base, the stack hardens over time and the amount of radon is reduced. During this process, water is known to leak and seriously pollute the local groundwater.

Phosphogypsum can pose serious environmental and health threats and lead to risk of illnesses such as cancer and kidney failure [4]. There was even a documented case of a phosphogypsum stack causing a sinkhole in central Florida in 2016. Unless phosphogypsum waste can be proven to emit minimal radioactivity, any and all uses of it are banned by the EPA [4]. Florida has specific laws guiding the shutdown of mining operations, as well as safe long-term storage of the phosphogypsum stacks. We look at examples of other mining towns and discuss potential uses for the Hamilton site in Appendices 1 and 2.

**Successful Reclamation**

Streamsong Resort in Central Florida is an example of a phosphate mine revitalized into a different form of revenue generation. With an $80 million investment, the site was turned into a luxurious golf course and resort that generates almost $40 million annually. This resort shows the elevated potential of how land as damaged as a phosphate mine can be transformed into a premier revenue-generating attraction with the right investment [5].
Prevalence of Mining in Florida

The state of Florida contains two major phosphate mining areas, totaling 27 mines. The larger of the two areas spans four central Florida counties—the smaller is Hamilton County. Nine of the mines are currently active, and another nine have undergone reclamation. The mining industry in Florida is so robust that these mines produce 75 percent of the United States phosphate supply, and 25 percent of the global phosphate supply [3]. Central Florida holds the larger mining area, which covers nearly 1.3 million acres of land in what is known as “Bone Valley”. The industry originated in 1883 near Gainesville, FL and extended southwest across the state to Citrus County. The lack of technology hindered production and efficiency until the turn of the century when mechanized excavation began with steam shovels [4]. Draglines eventually came along in the 1920s, and completely revolutionized the industry, increasing efficiency by 12-fold [4]. Draglines are still the main tool used for phosphate mining today.

Operations

Phosphate mining began in Hamilton County in the 1960s, and has grown to be the biggest driver of the local economy today. Unfortunately, the county’s economy is in severe near-term danger, as phosphate deposits within the county limits are projected to run out by the end of the decade. One local op-ed speculated that Nutrien, the mine operator, could potentially move across the county line, into the southern-bordering Columbia County, which would stifle a large percentage of the employment benefits and tax revenue that these jobs currently generate for Hamilton County [2]. In the mid 1970’s, a chemical company located in Hamilton County attempted to get mining permits in the neighboring county, but was ultimately denied. It is unclear whether Columbia County would now be willing to grant these permits 50 years later.

Nutrien is very involved in Hamilton County’s local community and investments. In December 2022, Nutrien announced a 3-year partnership with Hamilton County High School, donating $150,000 and a tractor to the agriculture program at the school [6]. This provided a major investment for the agriculture lab at HCHS.

Prior to 2018, the phosphate mining premises in Hamilton County were owned by PCS Phosphate, part of Potash Corporation. In 2018, a merger agreement between Potash Corporation and Agrium was finalized, creating Nutrien Ltd., the largest corporation for crop services in the world [6].
Current Economy

Florida counties don’t collect income tax, which means their main source of revenue is their physical landscape — not their people, although people are necessary to generate that value.

Counties cannot make more land to tax, but they can draw people to improve existing land in order to glean more revenue from it. This is a challenge for Hamilton County because of its small population, low concentration of workers, and high number of commuters who build the revenue base of surrounding counties via their labor.

In 2023, Hamilton County’s largest industry is phosphatic fertilizer manufacturing. Generating $5.93 million in tax revenue for the county and employing nearly 460 full-time equivalent (FTE) positions, the phosphatic fertilizer industry is responsible for nearly 30 percent of the county’s property tax revenue [7][8][9]. The ceasing of this industry’s operations will be followed by a loss of $5.23 million in property taxes [7]. With 39,000 acres of land, White Springs Agriculture Chemical Inc., a subsidiary of Nutrien, has a total taxable property value, including tangible personal property, exceeding $340 million [10]. With residential property only attributable for 18.4 percent of the county’s total property value, this industry is the county’s leading property tax generator [8].

The breakdown of Hamilton County’s ad valorem taxes in 2022 is as follows: 58.1 percent allocated to the county, 36.5 percent allocated to the schools, and 3.3 percent to municipalities. In terms of the phosphate industry, this is $3.04 million to the county, $1.91 million to the school district, and $172,590 to municipalities [8].

Another way counties glean value from their physical landscape is through severance taxes collected by the state and partially returned to the county to compensate for extracted natural resources. Hamilton County’s phosphate industry paid $706,913 in such taxes in the 2022 fiscal year [8].

Florida counties also collect gas taxes and sales tax. In Hamilton County, sales tax revenue is 1 percent of the total 7 percent charged on discretionary purchases, with the remaining 6 percent going to the state. But the bulk of the county’s budget comes from property taxes, specifically non-residential. The loss of the lucrative phosphate industry will be detrimental to the economic situation in Hamilton County.
Proposed Plan

To combat this future loss, we explore ways that Hamilton County can match the expected loss in revenue, $5.93 million. The two main routes: increasing the value of property and generating more sales tax. This is particularly hard in a place like Hamilton County, which lacks the population growth of Florida’s wealthier counties.

Finding industrial uses for land currently zoned as agricultural is Hamilton County’s best option for replacing the property tax revenue that will be lost when the phosphate industry leaves.

Additionally, converting any of the current fertilizer manufacturing facilities into facilities for new businesses upon ceasing of operations would be a way to maintain some of the value of closed mining properties. For the parts of the property that cannot be used for industrial operations, any reversion to agricultural land – timberland, cropland, pastureland – would lessen some of the $5.93 million loss.

Hamilton County has already considered the need to increase property value; we will discuss three parcels along I-75 and Highway 41 that are being advertised as ideal lots for warehousing, manufacturing, and transportation.

To supply the labor force for these potential new entities, we target three segments: residents commuting out-of-county for jobs in retail, accommodations, food service, or warehousing; workers in the active phosphate industry; and non-working residents who can be incentivized to work. We perform an analysis on the workforce demographics and commuting patterns in the county to get a better sense of which populations to target.

Hamilton County residents who commute to other counties are a valuable potential resource even if they personally generate very little tax revenue for the county. For example, retail workers who commute out of county could instead work along the I-75 corridor in Hamilton County, serving tourists entering Florida and generating sales tax for their home county.

Warehouse workers – most notably, those commuting to Valdosta, GA – could be incentivized to remain in-county if such businesses take over properties currently being advertised for that purpose. These jobs also might be attractive to workers who will lose employment when phosphatic operations cease. While many of these workers come from out-of-county and pay no property taxes, they remain valuable as a pool of skilled labor to build out future industries in Hamilton County.
These are important portions of the workforce to target, as they are workers who are already qualified and willing to work.

The final segment we target are the non-working residents of Hamilton County. If at least half of this population can be compelled to work through job training programs, Hamilton County could double its workforce.

**COUNTY POSITIONING**

With a population of 13,764 residents, Hamilton County consists of the towns Jennings and White Springs, as well as the city of Jasper. The county is situated in North Central Florida, hugging the FL-GA state line. Essentially the gateway to Florida, Hamilton County is well-positioned for regional trade.

**Local Assets**

There are several major US highways and interstate systems that run either directly though, or just south of, Hamilton County. I-75, a heavily trafficked strategic intermodal system that runs from South Florida to North Michigan, has its first three exits in Florida all within Hamilton County. Parallel to I-75 is US Highway 41, also running directly through the county. Daily, more than 1.2 million miles are travelled by vehicles that drive through Hamilton County on I-75, generating fuel and food purchases for the local economy [11]. Additionally, Norfolk Southern Railway has a rail line running through the county, providing rail-based freight transportation services. The Nutrien phosphate mine and agricultural fertilizer facility are located in the Southeast quadrant of the county, between Jasper and White Springs.
Regional Assets

To get a sense of Hamilton County’s nearby assets, our team examines a 3-hr radius from the county seat, Jasper. With several metropolitan areas such as Jacksonville, Orlando, and Tampa falling into this scope, our search reached over 7 million people [12]. We also look at nearby ports, airports, and educational opportunities that could attract businesses to the area.

Within roughly an hour and a half, two major commercial airports are accessible — Jacksonville International Airport and Tallahassee International Airport. Valdosta and Gainesville regional airports are both within a one-hour drive. Orlando, Tampa, and Daytona Beach are within three hours and have major international airports.

In the same radius reside two major seaports — JAXPORT (Jacksonville Port Authority) and Port Tampa Bay, which hold annual operating revenues of over $100 million combined [13][14].

A major Class I railway runs through Hamilton County — the Norfolk Southern Railway — connecting the entire east coast of the United States. Class I railways are the highest revenue generating railroads in the market, requiring the carrier to produce over $250 million in revenue annually [15]. A powerful asset, this railway runs through the entirety of Hamilton, parallel to I-75.

Norfolk Southern Railway has most of Florida real estate in Hamilton

Figure 7: Red route shows NSR line in Hamilton [15]
With I-75 arguably the county's most valuable asset, Hamilton County is also very close to Interstate 10, an east-west interstate highway running from Jacksonville, FL to Santa Monica, CA. While I-10 does not travel through Hamilton County, it intersects the surrounding Madison, Suwannee, and Columbia counties. The I-10/I-75 interchange sits just 7 miles south of the county line.

Figure 8: I-10 just south of Hamilton County

Several prestigious universities are located within this radius — University of Florida and Florida State University. Both are top 20 public schools in the United States and are within an hour and a half drive. Valdosta State University, a comprehensive state university in Georgia, is a quick 40 minute drive from Jasper. UCF, USF, UNF, and many other universities are within a 3-hour drive.

There are also 15 community colleges and 23 technical schools within a 3-hour radius of Hamilton County on the Florida side. Notable local technical schools include RiverOak Technical College and Big Bend technical college, specializing in trades such as electrical, welding, and automotive technology. With its proximity to valuable schools, Hamilton County is a mid-point in a hotbed of educational prowess.

Despite its rural makeup, Hamilton County is a short drive to booming metropolitan areas. Downtown Jacksonville, Orlando, and Tampa have populations of 1.7 million, 2.7 million, and 3.2 million, respectively. Hamilton County has quick access to some of the country's most flourishing and expansive economies [12].

EMPLOYMENT LANDSCAPE

Over the past five years, Hamilton County has seen a 4.6 percent decrease in their population. Their current population is 13,764 residents [17].

County sees overall decline in population

![Graph showing population decline from 2015 to 2022.]

Figure 9: Hamilton County population by year [17]

Workforce Overview

Hamilton County’s workforce is just 4,012 people, roughly one-third of its 16-and-up population of 10,843 [17]. This compares to a much larger concentration of workers nationally and even statewide, despite Florida’s large retiree populations. Workers make up 59 percent of the statewide population and 63.1 percent of the national population [17]. As might be expected, the percentage of women who work generally is lower, at 54.8 percent statewide and 58.7 percent nationally [17]. But, in Hamilton County, this traditional dynamic is reversed, with 43.7 percent of women 16 and up holding jobs, compared to 37 percent of the overall working-age population [17].

Hamilton County’s low workforce participation is not the result of an aged population, as might be expected in other parts of Florida (Appendix 3). People 65 or older make up just 18.6 percent of Hamilton County’s population, compared to 21.1 percent statewide and 16.8 percent nationally [17]. But it can be at least partially attributed to a relatively high disabled population: 13.3 percent of people under 65, compared to 8.7 percent statewide and nationally [17].
As a result of Hamilton County’s significant non-working population, the percentage of people in poverty is 25.7 percent, nearly double the statewide level of 13.1 percent. Nationally, the percentage is 11.6 percent (Appendix 4)[17].

Nevertheless, Hamilton County’s homeownership rate is higher than the state and nation, at 72 percent versus 67 percent statewide and nationally [17]. This is helped along by Hamilton County’s much lower median home value: $87,000, versus $249,000 statewide and $245,000 nationally [17].

Laborshed Analysis

Most of Hamilton County’s 4,012 workers must travel out of the county for their jobs. Just 1,046, or 26 percent, stay in the county to work; while 2,966 leave for surrounding counties and other locations [17]. At the same time, 1,441 out-of-county workers commute to Hamilton County, claiming 57.9 percent of its 2,487 jobs, for a net outflow of 1,525 jobs daily [17]. By getting a sense of who is leaving, where they are commuting, and what industries they work in, we are able to determine the new industries for Hamilton County to target. Knowing the current skillset of a workforce and regional competition is important to consider for a post-mining economy.

![Laborshed Analysis Diagram](image_url)

**Figure 10: Hamilton County laborshed Venn diagram [17]**
We explore exactly which counties these 2,966 commuting residents are being drawn to and which counties the 1,441 workers are coming from. With the average commute time of Hamilton County residents at 26 minutes, we limit our scope to the five adjacent counties to Hamilton - Madison, FL; Suwannee, FL; Columbia, FL; Echols, GA; Lowndes, GA – but it’s important to note that residents commute as far east as Duval County, home to Jacksonville, and as far south as Alachua County, home to Gainesville.

**Top Destination Counties [17]:**
- Columbia: 494 workers daily
- Suwannee: 490 workers daily
- Lowndes: 153 workers daily
- Madison: 143 workers daily

**Top Origin Counties [17]:**
- Suwannee: 378 workers daily
- Columbia: 300 workers daily
- Lowndes: 170 workers daily

Of the residents who work out-of-county, over 50 percent of them fall within the 30 - 54 age group. We see the same pattern for both non-residents who commute to Hamilton County for work and residents who remain in-county for work. With this age group dominating the workforce population, this finding was expected. Across all age groups, around 50 percent or more commute from Hamilton to surrounding counties. The age group with the greatest ratio of workers either entering or remaining in Hamilton County to work is those 55 years of age or older. This gives us insight into the types of industries currently dominating employment in the county [17].

**Age group 30-54 comprises 50% of outflow population**

![Graph showing outflow demographics by age group]

**Figure 11: Inflow/outflow groups broken down by age group [17]**
Workforce Income

Median household income, in 2023 dollars, is $44,161, well below the state median of $69,336 and the national median of $77,467 [17]. Of those residents earning $40,000 a year or more, twice as many left Hamilton County to do it, with 983 commuting out of county and 408 working within its bounds [17]. An additional 822 made $40,000 a year or more by commuting into Hamilton County [17]. A sector-by-sector breakdown of jobs in Hamilton County suggests that many of these incomers were drawn to agricultural and manufacturing jobs, but it’s unclear exactly how jobs were distributed between residents and non-residents. More obvious are the sectors that drew Hamilton County residents out of county for their jobs. The biggest ones: health care, retail, administration, construction, and food service & accommodations.

Of Hamilton County’s 2,966 out-of-county workers, 1,284, or 43 percent, earned between $15,000 and $40,000 a year; and 699, or 24 percent, earned less than that [17]. 33 percent earned $40,000 or more [17]. By contrast, 57 percent of incoming workers earned $40,000 or more [17].

Majority of Hamilton County residents with higher-wage jobs commute to other counties

![Bar chart showing income distribution](image)

Figure 12: Income breakdown by inflow/outflow status [17]
Industry Snapshot

The two following tables show the main industries that Hamilton County residents are employed in. Our analysis is limited in that we don’t know how many residents hold jobs in these sectors in-county versus out-of-county. Therefore, we examine: the total number of jobs offered by sector in-county; the total number of residents holding these jobs, working either in-county or out-of-county; and the minimum number of non-residents who commute to Hamilton County, or residents who commute out-of-county — respectively — for these jobs, assuming all residents remain in-county to work.

Manufacturing jobs occupy the largest number of jobs offered in Hamilton County

<table>
<thead>
<tr>
<th></th>
<th>Hamilton County jobs, by sector</th>
<th>Residents working in sector*</th>
<th>Minimum inflow of commuters</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Manufacturing</strong></td>
<td>697</td>
<td>454</td>
<td>243</td>
</tr>
<tr>
<td><strong>Agriculture, Forestry, Fishing, Hunting</strong></td>
<td>175</td>
<td>141</td>
<td>34</td>
</tr>
</tbody>
</table>

*Residents may work in or out of county

Figure 13: The two industries with net inflow of commuters [17]

Hamilton County employed more people in these two sectors than there were residents working in these sectors, which means there was a net inflow of workers from other counties into these sectors. The actual number of out-of-county workers may be higher than the minimum inflow, depending on how many Hamilton County residents traveled out-of-county to work in these sectors. These in-flowing workers currently benefit the Hamilton County tax base because their labor produces revenue for industrial and agricultural entities that pay the bulk of Hamilton County property taxes. Hamilton County should try to retain these workers and redirect them into other skilled jobs in Hamilton County.
Construction, transportation, and warehousing jobs have room to expand

<table>
<thead>
<tr>
<th>Sector</th>
<th>Hamilton County jobs, by sector</th>
<th>Residents working in sector*</th>
<th>Minimum outflow of commuters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Trade</td>
<td>284</td>
<td>569</td>
<td>285</td>
</tr>
<tr>
<td>Health care &amp; Social Assistance</td>
<td>171</td>
<td>524</td>
<td>353</td>
</tr>
<tr>
<td>Public Administration</td>
<td>387</td>
<td>464</td>
<td>77</td>
</tr>
<tr>
<td>Educational Services</td>
<td>308</td>
<td>342</td>
<td>34</td>
</tr>
<tr>
<td>Food and Accommodations</td>
<td>135</td>
<td>328</td>
<td>193</td>
</tr>
<tr>
<td>Construction</td>
<td>57</td>
<td>231</td>
<td>174</td>
</tr>
<tr>
<td>Administration, Waste Management, Remediation</td>
<td>14</td>
<td>221</td>
<td>207</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>94</td>
<td>162</td>
<td>68</td>
</tr>
<tr>
<td>Professional, Scientific, Technical</td>
<td>41</td>
<td>132</td>
<td>91</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>36</td>
<td>130</td>
<td>94</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
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<td>69</td>
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<tr>
<td>Arts, Entertainment, Recreation</td>
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<td>54</td>
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<tr>
<td>Real Estate, Rental, Leasing</td>
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<td>33</td>
<td>31</td>
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<tr>
<td>Information</td>
<td>3</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>Other</td>
<td>30</td>
<td>135</td>
<td>105</td>
</tr>
</tbody>
</table>

*Residents may work in or out of county

Figure 14: The industries with net outflow of commuters [17]

More Hamilton County workers were employed in the above sectors than the number of Hamilton County jobs in these sectors, which means there was a net outflow of workers to other counties for these sectors. The actual number of residents commuting out-of-county may be higher than the minimum outflow, depending on how many in-county jobs were held by commuters from outside Hamilton County. This out-flowing labor force — particularly the lower-paid portion — is potentially valuable to new businesses that might relocate to Hamilton County, because it is motivated and at least minimally skilled.

For example, there are only 94 transportation and warehousing jobs offered in Hamilton County, but 162 qualified workers. With over 70 percent more qualified residents than available in-county jobs, many of these valuable workers are having to commute out-of-county. Using this available workforce to attract businesses in this industry to Hamilton County could be a way to match the tax losses post-mining. The higher-paid portion is likely too established in out-of-county jobs to be worth pursuing.
Demographic Profile

While we are unable to break down who commutes by race or gender, it appears that non-white workers and women are very likely to commute out-of-county.

Black people make up 33 percent of Hamilton County’s population and 27.7 percent of its workforce, while holding just 20.9 percent of the jobs in the county [17]. At least half of Hamilton County’s 1,111 black workers have jobs outside the county. White people, meanwhile, make up 62 percent of the population and 69.5 percent of its workforce, while holding 76.4 percent of the 2,487 jobs in the county [17]. The white population includes people who identify as Hispanic, but more than half of the county’s 339 Hispanic workers leave the county for their jobs. It is unclear how many white workers commute into and out of the county, but the overall effect is a whiter in-county workforce.

One-third or less of each major racial/ethnic group are employed in Hamilton County

Females make up 41.5 percent of Hamilton County’s population and 48.3 percent of its workforce, while holding 40.9 percent of the jobs in the county [17]. Males make up 58.5 percent of the population and 51.7 percent of its workforce, while holding 59.1 percent of the jobs in the county [17]. This reflects an influx of male commuters from surrounding counties; reduced labor participation among in-county males; and increased labor participation among in-county females.

These demographics are unusually skewed compared to the state and nation. Black people comprise 17 percent of the state population and 13.6 percent of the national population, compared to their 33 percent share in Hamilton County [17]. Hispanics are just 11 percent of the population, compared to 26.8 percent statewide and 18.9 percent nationally [17]. And females comprise a little more than half of the state and national population, while making up just 41.5 percent of Hamilton County’s [17]. This makes their 48.3 percent share of the county workforce somewhat remarkable.
Women make up greater percentage of county workforce than county population

![Gender Breakdown Chart]

Figure 16: Gender breakdown in Hamilton County [17]

These factors suggest a lack of employment options among black and Hispanic workers in Hamilton County; some factor, possibly disability, that suppresses the labor participation of male residents; and room to improve in-county employment options for women. These issues persist while the phosphate industry remains operational in Hamilton County and would be exacerbated when it closes. It’s pertinent to note, however, that only 26 percent of Hamilton County workers remain in-county for employment, so the effect of closures would be distributed over the region and not just in Hamilton County. Out-of-county residents comprise 58 percent of in-county workers.
Educational Attainment

Nearly one-fourth of Hamilton County’s working-age population lacks a high-school diploma, compared to one-tenth of the U.S. working-age population [18]. This relationship is reversed for college attainment. More than one-third of the U.S. working-age population holds a bachelor’s degree or higher, compared to less than one-tenth of Hamilton County’s working-age population [18].

Over 75% of Hamilton County workers hold at least a high school degree

![Graph showing educational attainment](image)

Figure 17: Educational attainment in Hamilton County compared to the nation [18]

Nationally, 18- to 24-year-olds are nearly as likely as those those 25 or older to have graduated high school or attained equivalency, 88.3 percent versus 89.4, reflecting steady commitment to this standard [18]. But in Hamilton County, high dropout rates plague the younger group, with only 58.4 percent graduating or achieving equivalency, compared to 75.9 percent of those 25 or older [18].

The most educated age group in Hamilton County is those 65 and up, 12.4 percent of whom hold a bachelor’s degree or higher [18]. This compares to 30.3 percent of the same age group nationally [18].
While significantly lower than the national rate, this high-for-Hamilton County rate potentially reflects the county’s affordability as a retirement destination and not educational opportunities within the county, especially given no college within county lines.

The older the Hamilton County resident, the more likely he or she is to have graduated from high school or college, with 81.6 percent of those 65 or older achieving this status, compared to 87.4 percent nationally [18]. This does not align with the national pattern. Nationally, the group most likely to have graduated from high school or college is 25- to 34-year-olds, with 92.5 percent achieving this status, and the percentage dropping with each older age group [18].

On the opposite end of educational attainment, the Hamilton County age group least likely to hold a high-school diploma is those aged 18 to 24, which is pretty much in line with the national trend. What’s unusual is just how many 18- to 24-years-olds lack high-school diplomas in Hamilton County: 354 out of 852, or 41.5 percent [18].

**Educational investments in younger workers needed in Hamilton County**

![Bar chart showing educational attainment by age group and region](chart.png)

Figure 18: Educational attainment breakdown by age and region [18]
Workforce Boards

Upon entry of a new business, workers need to be trained to acquire the necessary new skills. Our team explores training programs in North Central Florida. We look at CareerSource North Florida, the workforce board servicing Hamilton, Jefferson, Lafayette, Madison, Suwannee, and Taylor counties. Made up of community leaders, elected officials, educators, business leaders, and economic developers, these groups serve their respective counties by overseeing the job market needs. Some notable institutions represented on the board of CareerSource North Florida board can be found below.

This group serves as a link between community needs and workforce talent. Overseeing career centers, creating workforce development initiatives, and partnering with economic development councils—the board is able to identify trends in the labor market and subsequently target recruitment [19]. To do so, they have established partnerships with schools in the region to foster the in-demand skills.

Across the serviced area, manufacturing is the industry with the most open jobs. With entrance open to all skill and education levels, this workforce board has partnered with Big Bend Technical College, Florida Gateway College, North Florida College, Tallahassee Community College, and RiverOak Technical College to develop on-the-job training opportunities and apprenticeships. Allowing workers to get paid while learning, become fully certified within a year, and eventually enter into an industry with double the pay of other industries in the region, this board has made occupations in maintenance, production, planning, and management attainable for Hamilton County’s residents [20]. Specific targeted occupations with training programs include: electricians, automotive repairers, commercial vehicle drivers, welders, industrial mechanics, diesel systems technicians, and masons [20].
FUNDING

With no state income tax, affordable land and labor, and expedited permitting, Hamilton County is attractive to businesses looking to expand or relocate. Additionally, there are several notable workforce training incentive programs available in Florida that aim to attract and support high impact businesses.

One such program is the High Impact Performance Incentive program, which offers negotiated grants to attract significant projects. To be eligible, projects must belong to industries recommended by Enterprise Florida and approved by the Florida Department of Economic Opportunity (DEO). They must create at least 50 full-time jobs within the state over a three-year period [21].

Another incentive program in Florida is the Capital Investment Tax Credit. This program provides an annual credit against corporate income tax and is open to select industries. Projects applying for this credit must generate 100 jobs and invest a minimum of $25 million in eligible capital costs. These may include: acquisition, construction, and installation expenses [21].

To ensure that workers have the necessary skills to fill these new roles, there are also grants that support workforce training. One example is the Quick Response Training Program (QRT), where new and expanding businesses receive funding to provide training for their new employees. Local training providers like community colleges, technical schools, or universities assist in program development. The grant covers various expenses: trainer salaries, curriculum development, and supplies [21].

There is also the Incumbent Worker Training program, which offers funds to firms to re-train their existing employees to keep up with technological advancements, enhancing their competitiveness in the market [21].

There are even incentive programs that reward businesses for cleaning up hazardous or contaminated land areas, such as phosphatic mine strips. One such program is the Brownfields Redevelopment Act. The program rewards up to $2,500 in tax refunds for every new job created, as long as the industry is on or near a site with a Brownfield Site Rehabilitation agreement [21].

Hamilton County can also benefit from state grants. In 2022, the Florida Administration introduced a $5.4 million grant to Hamilton County through the Florida Job Growth Grant Fund. The grant was intended to support the development of a 57-acre parcel at the intersection of I-75 and SR-6 [22].
RECENT DEVELOPMENT

In the past 6 years, Hamilton County has welcomed several new businesses to the area.

Jan 2018: Swift Straw Buys Land in Jasper [22]
Georgia-based Swift Straw, the largest pine straw distributor in the country, purchases parcel in Jasper for $350,000. Nine full-time positions were created immediately, with more to be made as production picks up. Positions include: warehousing, forklift and tractor operations, machine and equipment operations, and administrative roles. Contracting with Hamilton County companies and vendors, the direct, indirect, and induced effects from this project can already seen.

March 2018: Cultiva Farms USA Expands to Jennings [22]
Family-owned Italian produce company, Cultiva, partnered with largest American producer of ready-to-use, fresh-cut fruits and vegetables, Taylor Farms, to develop a new $10 million cold storage facility on 460-acre ranch in Jennings. With most cultivation occurring in the West due to the strong and short rains, but the greatest consumption clustered in the eastern US, this market was facing higher costs. This expansion into North Central Florida reduces transportation costs and waiting times.

As the first and largest company to produce baby leaf (lettuce variety) in glasshouses, this project is projected to employ 34 residents and will consist of: construction of 800 greenhouses, development of 370 acres of land, and construction of a 2,000 sq ft warehouse that maintains a constant temperature of 2°C (35.6°F). With this fully functioning facility, storage, cooling, and shipment will occur non-stop from October to June.
May 2018: Genoa Industrial Park Welcomes Southland Wood Recycling [22]
Georgia-based Southland Wood Recycling LLC purchases 44-acre parcel for $219,800. Development of a wood processing facility will create 45 new jobs with a capital investment of $7 million. Upon completion, 75 jobs are projected to be created.

Duke Energy completes development of 74.9-megawatt solar power plant – nearly 300,000 solar panels – in Jasper, enough to power over 20,000 homes. Over the course of construction, the project brought new jobs and a boost to local businesses in fuel, food, and other goods.

November 2020: Green Point Research Announces Headquarters [22]
Green Point Research, an international hemp biomass originator and processor, purchases 32-acre parcel in Hamilton County. This will serve as the company’s operational headquarters, as well as their Southeast aggregation and fulfillment center. With 60,000 sq ft of manufacturing and office space, 20 new jobs are expected to be created.

April 2022: Duke Energy Opens Lithium-Ion Battery Site [22]
1.5 miles from the state border, this 5.5 megawatt site in Jennings will improve power reliability through energy storage.
AVAILABLE PARCELS FOR DEVELOPMENT

Hamilton County has three parcels ready to be developed, each with easy access to a highway or interstate. With the county's connectivity, pro-business government, expedited permitting, and affordable land and labor, these parcels are ideal for industries in manufacturing, transportation, distribution, and warehousing.

Available Labor Force

96,118 workers are within a 45-minute drive from each of the parcels listed below [22]. We break this down by target industries:

- **Construction:** 6,334
- **Transportation & Warehousing:** 4,841
- **Manufacturing:** 6,634

Parcel 1: Duke Energy Industrial Site [22]

With 1,082 feet of U.S. Highway 41 frontage, this parcel is located on the property of Duke Energy. This vacant land has had no previous land use.

- 45 acres
- Highway 41 frontage
- 2,366 ft of rail along eastern boundary (spur construction necessary)
- Ownership: Hamilton County Development Authority
- Zoning: Commercial, Highway Intensive
- Coordinates: 39.5, -82.9
- 3.5 miles to I-75
- 12.5 miles to I-10
Parcel 2: Logistics Park at I-75 [22]

800 feet from I-75’s second exit in Florida, this parcel is located at the intersection of I-75 and SR 6. From this parcel, both the Florida/Georgia State line and I-10 can be reached within minutes. Attractive transportation and warehousing industries include: General Freight Trucking (NAICS 4841), Freight Transportation Arrangement (NAICS 4885), and Support Activities for Transportation (NAICS 4889). Attractive manufacturing industries include: Wood Product Manufacturing (NAICS 3219) and Converted Paper Product Manufacturing (NAICS 3222).

- 58 acres
- I-75 frontage
- Received a $5.4 million grant in 2022 for site preparation and infrastructure improvements
- Ownership: Hamilton County Development Authority

Zoning: Commercial, Highway Intensive
Primary Land Use: Distribution Freight/Logistics
Secondary Land Use: Business Park
Water and sewer available
Parcel 3: White Springs Highway 41 Industrial Site [22]

Located 120 feet off U.S. Highway 41, this parcel is the closest available parcel to Nutrien’s agricultural fertilizer manufacturing plant. This parcel was previously a phosphate mine but has since been reclaimed. Attractive transportation and warehousing industries include: General Freight Trucking (NAICS 4841), Freight Transportation Arrangement (NAICS 4885), Support Activities for Transportation (NAICS 4889), and Warehousing and Storage (NAICS 4931). Attractive manufacturing industries include: Converted Paper Product Manufacturing (NAICS 3222).

45-minute radius

- 100 acres
- Highway 41 frontage
- Norfolk Southern Railway rail line on site (spur construction necessary)
- Ownership: Hamilton County Board of County Commissioners
- Coordinates: 30.4, -82.8
- Zoning: Agricultural (32-week rezoning to Industrial, Light, and Warehousing)
- Primary Land Use: Light Industrial
- Secondary Land Use: Heavy Agribusiness
- 9.3 miles to I-75
- 14.2 miles to I-10

*Engineering Assessment Completed (see Appendix 5)*

With these county-owned site-ready parcels, qualified businesses in the targeted industries may acquire this land at no cost. Additionally, from our laborshed and employment landscape analysis, we see that there is a sizable, qualified workforce in the surrounding region—we explore this region to determine the specific industries that would enable the county to capitalize on these assets.
SURROUNDING COUNTY COMPETITION

In order to attract new businesses, there must be available land and labor. From the previous section, we see that the county has a number of parcels that are already ready for development, not to mention the 39,000 acres of Nutrien property once operations cease and reclamation is complete. To address the available labor, we return to our laborshed analysis from earlier. With a better idea of the type of workforce available in Hamilton County—skillsets, educational attainment, demographics, and wages—we can use the analysis we completed on where residents primarily commute to for work to get a sense of exactly which industries Hamilton County is losing them to. We look at the surrounding counties—Madison, FL; Suwannee, FL; Columbia, FL; and Lowndes, GA—to get a sense of their major industries and successful development projects in the recent years.

Madison

143 people commute from Hamilton County to Madison County every day. Similarly to Hamilton, Madison has a lower cost of living. Their median home price of $110,000 compares to the $87,000 of Hamilton [23]. Though Madison does have a college within its county lines—North Florida College—the educational opportunities are comparable to those of Hamilton County. Similarly to Hamilton County's I-75, Madison county has I-10 access. It is important to note that Madison only has a Class III rail, while Hamilton County has a Class I rail. Madison's 100+ acres of advertised industrial parks compare to those of Hamilton County. Just like Hamilton County, Madison County is currently partnering with Duke Energy Solar Company to construct a new solar farm. The one-year project is expected to generate between 200 to 300 jobs.

Madison's major industries include: manufacturing, logistics and distribution, agriculture, and logging and timber. Their most notable employers: Compass Sleep Products mattress manufacturing, Birdsong peanuts, Full Circle Dairy milk production, BlueTriton bottling facility, and Gray Logging [23].

In 2018, the county received almost $200,000 from the National Science Foundation to develop an advanced manufacturing dual enrollment program for local high schools, introducing students to higher-skilled manufacturing [23]. With the younger population in Hamilton County facing lower graduation rates, a program like this one could be what the county needs to revitalize these industries.
Suwannee

490 people commute from Hamilton County to Suwannee County every day. With a population three times that of Hamilton –45,675 – and a labor force of 18,567, their unemployment rate is only 3.7 percent [24]. With two colleges within county lines – RiverOak Technical and North Florida – the county’s 82 percent holding a high school degree or higher is not much higher than Hamilton County’s 75 percent. The county advertises itself as ideal for: manufacturing, agri-business, clean tech, transportation, tourism, retirement facilities, and lumber – all of which can also be said for Hamilton.

The county’s largest industries are: services, at 3,473 workers; retail trade, at 2,617 workers; and transportation and communications, at 1,327 workers [25]. Only 284 residents work in manufacturing. With such a large retail sector, this is likely where some of Hamilton County’s 285 out-of-county retail workers are commuting to.

We discuss some of Suwannee’s largest employers below, many of which attribute their decision to establish themselves in the county to Suwannee’s ease of connectivity. With two interstates, two highways, 373 miles of rail, and four commercial airports within 100 miles of the county, this type of attraction bodes well for Hamilton County, which possesses all of the aforementioned assets.

Ash Grove Cement produces over one million tons of cement annually, and employs 90 workers [24]. Gwinn Brothers Farms owns 800 acres of grain and 600 acres of peanuts, partnering with major producers such as Hershey’s [24]. The Suwannee Valley Electric Cooperative (SVEC) services several counties, including Hamilton, and maintains over 4,000 miles of electric distribution lines [38]. They are currently helping establish broadband access in surrounding counties, including Hamilton (Appendix 6).

The most notable aspect of Suwannee is their Industrial Catalyst Site. At 500 acres and 0.5 miles from an I-10 interchange, this parcel already has water, electrical power, natural gas, fiber, and a rail spur [24]. The county received $1.9 million in state funding to extend water lines in 2022 [24]. The potential for this site has already brought companies like Rhino Inc., a floating dock manufacturer, to the vicinity. Bringing a $17 million capital investment and 50 new jobs, this partnership shows that developing fully-equipped parcels like this one is advantageous for counties seeking economic development [24].
Columbia

494 people commute from Hamilton County to Columbia County every day. The county has a population of 70,981, a 3.2 percent unemployment rate, and 86 percent with a high school degree or higher [26]. The county advertises itself as ideal for: manufacturing, food and beverage production, and distribution centers, citing once again its convenient access, with over 90,000 vehicles passing through every day [26]. The county does home the active I-10 and I-75 convergence. This results in a steady stream of revenue for retailers, restaurants, and hotels.

The county is also home to Hong Kong Aircraft Engineering Company Limited (HAECO) –the region's largest airframe maintenance and repair facility –which employs 500 people [26]. Some notable employers besides HAECO are: Walmart, with 500 workers; Lowe's, at 300 workers; and a Target Distribution Center, at 250 workers [26]. These businesses are a likely destination for Hamilton County retail and warehouse workers.

The largest industries in Columbia are: services, at 9,886 workers; retail trade, at 5,068 workers; mining, at 2,911 workers; finance, insurance, and real estate, at 2,040 workers; transportation and communications, at 1,755 workers; and construction, at 1,476 workers [25]. Just from this data, we see that Columbia is more developed than Hamilton, due to a larger volume of higher-skilled jobs. However, it is important to note that many of the 2,911 people in mining likely work in Hamilton. If Hamilton County attracts a business that can use this skillset, they may be able to retain this population from Columbia.

Lowndes

153 people commute from Hamilton to Lowndes County every day. The largest county in our scope, its most densely populated area is Valdosta, GA. A 20 to 45 minute drive-time from Hamilton –across the FL-GA state line –Lowndes is home to 119,739 people [18].

With the highest cost of living in the region, Lowndes’ median home price sits at $247,000. They have Valdosta State University, one of Georgia’s premiere state universities with enrollment north of 12,000, offering quality higher education.
The largest industries are: accommodations and food services, health care and social assistance, construction, wholesale trade, and transportation and warehousing. Some notable employers in the county are: Packaging Corporation of America, Lowe's Distribution Center, Home Depot Distribution Center, and Dillard's Distribution Center. Lowe's and Home Depot alone total over 1,500 employees [27]. With several distribution centers and manufacturing facilities, Lowndes capitalizes on its access to I-75.

While both Lowndes and Hamilton have dozens of miles of I-75, Hamilton has more to offer with its closer proximity to I-10, saving approximately half an hour for any trip east or west. Additionally, Florida's 0 percent income tax beats out Georgia's 5.49, making it a more attractive option for potential employees. Commercial land is also much cheaper in Hamilton County for any corporation looking to install a distribution center. The current price per acre of commercial land in Lowndes County is approximately $84,485 per acre, while commercial land in Hamilton County is currently going for approximately $7,536 per acre [28][29].

With the recent development of these surrounding counties in mind, we see that Hamilton County has opportunities as well. From similarly-sized Madison –Hamilton could expand its usage of its Class I rail and develop school programs that get younger residents learning about manufacturing operations. From Suwannee –Hamilton could apply for more infrastructure improvement grants that would further develop their site-ready parcels in order to attract larger capital investments. From Columbia –where most residents commute to –Hamilton could attract retailers and distributors that would incentive those commuting to Columbia to remain in-county. And from Lowndes –Hamilton could capitalize on its I-75 access to expand distribution operations. Based off of this surrounding region analysis, the construction of one distribution center could single-handedly offset the full-time equivalent (FTE) loss that Hamilton County faces once phosphatic operations cease.
METHODOLOGY:
ECONOMIC IMPACT ANALYSIS

Before we can recommend revenue-matching scenarios to Hamilton County, we need to estimate the total loss the county faces. Once we determine the loss, we use Input-Output modeling to explore industry expansion scenarios that offset the loss: increasing current output and expanding employment.

Using IMPLAN, we are able to calculate the direct, indirect, and induced effects of a post-mining economy. In this case, the direct effects are the production and employment changes made by producers upon implementation of our models. The indirect effects are the business to business transactions in the supply chain that result from the direct effects. The induced effects are the changes in spending patterns generated by the employees of these expanded businesses. We use this software to examine the ripple effects of employment and output expansion across several sectors in Hamilton County.

We consider each scenario in regards to manufacturing, wholesale trade, transportation and warehousing, agriculture and forestry, and construction industries. Quarterly Census of Employment and Wages (QCEW) and County Business Patterns (CBP) data are used to identify attractive new industries and estimate future output and employment. Knowing the tax loss that the county must reach to offset the future loss, we test several inputs to determine which models get the county the closest to their target, while remaining realistic.

Phosphate Industry Impact

The phosphate industry's operations generate two types of taxes – severance and ad valorem.

**Severance Tax:** This is collected by the state and distributed back to the local government; it is an annual excise tax applied to the total dry tonnage of phosphate rock severed from the earth. From the Florida Department of Revenue's tax distributions, we find that the county received $700,000 in such tax in 2022 [8]. Some of this tax is allocated to the Development Authority; ramifications will be felt in the realm of economic development without this tax.
Ad Valorem Taxes

The ad valorem taxes are further broken down into real estate and personal property. Both of these are annually assessed. The real estate ad valorem is the normal tax on land value; the ad valorem tangible personal property tax is the tax on businesses – ranging from administrative supplies like desks and chairs, to mining equipment like tractors and draglines. Using the Hamilton County Property Appraiser database, we sift through the 300 parcels allotted to phosphate mining to determine what the industry generates annually in these taxes.

Nutrien's footprint in Hamilton County

![Figure 19: 300-acre phosphate mine in southeast Hamilton [10]](image)

The above map illustrates just how much of Hamilton’s land is used for phosphate mining. With an assessed land value totaling $65.5 million and tangible personal property valued at $275 million, this is a lucrative 39,000-acre property [10].

We use the Hamilton County Tax Collector to compile the tax receipts paid by each parcel in 2022. Across all 300 parcels, Nutrien paid $1.02 million in regular property taxes [7]. With a total of 39,000 acres, this comes out to an average of $26.15 in county property taxes per acre. With the median taxes per acre coming out to $19.07 per acre, this eight dollar disparity is likely a result of buildings and chemical plants on-site that skew the average upwards.

\[
\frac{\$1.02 \text{ million}}{39,000 \text{ acres}} = \$26.15 \text{ / acre}
\]
We look at one of the parcels responsible for this upward bias – parcel 2345-010. At 580 acres, this parcel alone has a taxable value of $12.9 million and paid nearly $200,000 in 2022 real estate taxes. Coming out to $343 in taxes per acre, this explains much of the upward bias we found. When we inspect the parcel further, we find that it has a building on it with a value of $11.4 million – likely one of Nutrien’s phosphatic fertilizer manufacturing plants. When we remove this one parcel, the $26.15 average figure drops down to $21.47 in taxes per acre – much closer to the median rate [10].

The $1.02 million Nutrien pays in real estate property taxes will not all be lost once operations cease. We consider what will happen to the strip once operations halt. Instead of losing all value, it is likely that the land will be reclassified as agricultural: timberland, pastureland, or cropland.

We look at the largest parcels in the county for each of these agricultural reversion scenarios and, using the same method, find that on average, they return about $5 per acre in county taxes [7][10]. Assuming the land reverts to one of these agricultural classifications, the value will depreciate from $26.15 on average to $5 on average. This is a loss of $21.15 per acre in taxes. With Nutrien’s 39,000 acres, this is a total loss of almost $830,000 in county ad valorem real estate taxes. With this assumption, the land currently occupied by phosphate mine will retain a portion of its value and the $1.02 million deficit will shrink to $830,000.

\[
\left( \frac{26.15}{\text{acre}} \right) \times \left( \frac{5}{\text{acre}} \right) \times 39,000 \text{ acres} = \text{Loss of } 830,000
\]

**Tangible Personal Property (TPP):** This is where the predominant loss will be felt. TPP is the tax on the industry’s equipment and supplies – from administrative supplies like desks and chairs to mining equipment like draglines and tractors. From the tax collector, we find that the county received $4.4 million in such taxes from phosphate operations in 2022 [7].
With these three taxes—severance, real estate, and tangible personal property—Hamilton County is projected to lose $5.93 million once phosphate deposits are depleted.

Hamilton County will need to generate $5.93 million in taxes and 800 jobs from the expansion or recruitment of other industries.

Post-Mining Models

With this $5.93 million loss, we use Input-Output modeling to explore industry expansion scenarios that offset the aforementioned loss: increasing current output and expanding employment.

We consider each scenario in regards to manufacturing, agriculture and forestry, wholesale trade, transportation and warehousing, and construction industries. We choose these to be our target industries because of the available skillset in the county and surrounding region, the various workforce training initiatives that are applicable, the capital-intensive characteristics of many that would generate TPP for the county, their suitability for the advertised parcels, and their established presence in the county.

We go through two forecasts below that would allow Hamilton to match their annual loss by 2035, just six years post-mining.

Employment Expansion

To obtain the inputs for our employment expansion scenario, we use the most recent data available in IMPLAN, year 2021. The current employment levels for our target industries are listed below [9].

<table>
<thead>
<tr>
<th>Industry</th>
<th>Current Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>757</td>
</tr>
<tr>
<td>Agriculture &amp; Forestry</td>
<td>648</td>
</tr>
<tr>
<td>Construction</td>
<td>172</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>151</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>82</td>
</tr>
</tbody>
</table>
For this model's inputs, we increase each sector's employment by 10 percent, with a total of 181 direct jobs added across these sectors. The change within each sector is broken down below.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs Added</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>+ 76 jobs</td>
</tr>
<tr>
<td>Agriculture &amp; Forestry</td>
<td>+ 66 jobs</td>
</tr>
<tr>
<td>Construction</td>
<td>+ 17 jobs</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>+ 15 jobs</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>+ 8 jobs</td>
</tr>
</tbody>
</table>

**Workforce Expansion**

229 Total Jobs

- 181 Direct Jobs
- 36 Indirect Jobs
- 12 Induced Jobs

**Tax Revenue**

Total: $4 million

- Federal: $2.15 million
- State: $661,491
- County: $556,622
- Sub County Special: $544,295
- Sub County General: $83,060

Figure 20: 1-year economic impact of 10% employment expansion, 2024 dollars [9]

We focus on the county taxes ~$556,622 in the above flowchart. Though this only gets Hamilton to 9.3 percent of their $5.93 million target, this is a realistic one-year expansion scenario, with the available workforce in mind. If the county implements this same model over a 12-year period, they will reach 50 percent of the loss by 2029, match it by 2034, and surpass it by 2035.

**NOTE:** We implement the same 10 percent employment expansion, or 181-job increase, each year, but each subsequent year is adjusted for inflation. The cumulative county tax revenue is tracked over the 12-year period, in effect six years after Nutrien plans to cease operations.
10% Annual Employment Expansion Reaches Target in 2033

The year-by-year breakdown is detailed in Appendix 7. Within the first year—2024 in this model—the county sees 229 new jobs and $556,622 in tax revenue. During 2025, the 181 additional direct jobs brings the cumulative job count to 458 and cumulative county tax revenue to $1.12 million. This continues over our 12-year range. After the first six years—in 2029—Hamilton will see 1,374 new jobs and $3.38 million in revenue—over halfway to the target value. It is at this point that Nutrien expects deposits to be depleted, operations to cease, and the post-mining transition to start. After four more cycles—in 2033—the county will hit their $5.93 million target. By 2035—the end of our 12-year projection—Hamilton will have created 2,748 new jobs and will be generating $6.87 million annually across the sectors.

**Workforce Expansion**

- 2,748 Total Jobs
  - 2,172 Direct Jobs
  - 432 Indirect Jobs
  - 144 Induced Jobs

**Tax Revenue**

- Total: $49.34 million
  - Federal: $26.57 million
  - State: $8.16 million
  - County: $6.87 million
  - Sub County Special: $6.71 million
  - Sub County General: $1.02 million

Figure 22: Total economic impact of 10% employment expansion [9]
Increasing Output

To obtain the inputs for our output expansion scenario, we use the most recent data available in IMPLAN, year 2021. The current output levels for our target industries are listed below [9].

<table>
<thead>
<tr>
<th>Industry</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>$451.4 million</td>
</tr>
<tr>
<td>Agriculture &amp; Forestry</td>
<td>$62.4 million</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>$25.0 million</td>
</tr>
<tr>
<td>Construction</td>
<td>$20.2 million</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>$19.9 million</td>
</tr>
</tbody>
</table>

For this model's inputs, we increase each sector's output by 10 percent, with a total of $57.9 million in output added across these sectors. The change within each sector is broken down below.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>+ $45.1 million</td>
</tr>
<tr>
<td>Agriculture &amp; Forestry</td>
<td>+ $6.2 million</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>+ $2.5 million</td>
</tr>
<tr>
<td>Construction</td>
<td>+ $2.0 million</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>+ $2.0 million</td>
</tr>
</tbody>
</table>

Workforce Expansion

- **225 Total Jobs**
  - **178 Direct Jobs**
  - **35 Indirect Jobs**
  - **12 Induced Jobs**

Tax Revenue

- **Total: $4 million**
  - **Federal: $2.11 million**
  - **State: $659,327**
  - **County: $555,737**
  - **Sub County Special: $543,424**
  - **Sub County General: $82,929**

*Figure 23: 1-year economic impact of 10% output expansion, 2024 dollars [9]*
We focus on the county taxes −$555,737 in the above flowchart. Though this only gets Hamilton to 9.3 percent of their $5.93 million target, this is a realistic one-year expansion scenario, with current output levels in mind. If the county implements this same model over a 12-year period, they will reach 50 percent of the loss by 2029, match it by 2034, and surpass it by 2035.

**NOTE:** We implement the same 10 percent output expansion, or $57.9 million production increase, each year, but each subsequent year is adjusted for inflation. The cumulative county tax revenue is tracked over the 12-year period, in effect six years after Nutrien plans to cease operations.

The growth is nearly identical to our employment expansion scenario. This is because as the number of jobs increase, there will be more human capital, resulting in higher production levels. The same is true for the reverse: as output increases, businesses will need to hire more workers to sustain the growth, resulting in more jobs. Since these expansion scenarios influence each other, the growth is nearly identical.

**10% Annual Output Expansion Reaches Target in 2033**

![Figure 24: 12-year county revenue projections [9]](image)

The year-by-year breakdown is detailed in Appendix 8. Within the first year −2024 in this model −the county sees 225 new jobs and $555,737 in tax revenue. During 2025, the $57.9 million additional output brings the cumulative job count to 450 and cumulative county tax revenue to $1.11 million. This continues over our 12-year range. After the first six years −in 2029 −Hamilton will see 1,350 new jobs and $3.38 million in revenue. After four more cycles −in 2033 −the county will hit their $5.93 million target. By 2035 −the end of our 12-year projection −Hamilton will have created 2,700 new jobs and will be generating $6.85 million annually across the sectors, just $20,000 less than our employment model.
RECOMMENDATIONS

Now that we have expansion scenarios that would allow Hamilton to offset the loss once phosphate operations end, we provide the county with several viable businesses across the following sectors – manufacturing, wholesale trade, and transportation and warehousing. For any new project, there will be an initial construction phase that benefits the county.

Wholesale Trade & Distribution Centers

Florida is already an attractive location for distribution centers, with its ease of access to trade and transportation hubs. These types of businesses require themselves to be in proximity to both their manufacturing plants and their customers to limit transportation costs and delivery times. Florida's affordable land, skilled labor force, and tax incentives – rebates, lack of income tax, and low property taxes – make for a pro-business environment [30]. For a comparison of warehousing versus distribution, see Appendix 6.

For larger distribution centers, only one regional location is necessary. For smaller centers, there can be many locations within the same region. For example, Walmart has distribution centers in Lowndes County, GA; Baker County, FL; and Alachua County, FL. Though a new location in Hamilton may not be necessary for Walmart, it illustrates that there can be multiple locations in the same region. With Lowe's and Home Depot already having major centers in Lowndes, these are unlikely recruits for Hamilton County.
Hamilton's access to I-75 and vicinity to large metropolitan areas would allow businesses such as these to transport goods efficiently and reach a vast customer base.

We offer a suggestion for a business in distribution and wholesale trade that is currently undergoing aggressive expansion—Sam's Club. With their closest distribution centers currently in Atlanta and Lakeland, it's realistic for another one to be added that caters to the North Florida and South Georgia region.

In February of this year, the company announced a $142 million dollar deal with Douglas County, GA to establish a distribution and fulfillment center. It plans to develop five new sites. The partnership is expected to generate 600 jobs in addition to the sizable capital investment. The company chose Douglas County due to its infrastructure and connectivity to major ports, airports and roadways—comparable to that of Hamilton County [31].

If Hamilton can land one of the remaining four centers, or recruit a similar company, they could capitalize on their regional connectivity. Using the projections from Douglas County, this partnership alone would bring Hamilton 30 percent of the way to the 12-year targeted employment of 2,172 direct jobs added, not including the indirect and induced effects. The effects from such a project would ripple through construction and transportation sectors as well.

**Manufacturing Plants**

Manufacturing is already the largest-employing sector in Hamilton, at 697 people [17]. With workers in phosphatic fertilizer manufacturing holding many of these, we can see Hamilton's capabilities in manufacturing. We advise Hamilton to expand and recruit manufacturers that are capital-intensive and relatively simple in terms of intermediate parts.

A capital-intensive industry would come with an increase in tangible personal property. Just like the draglines and bulldozers used in the phosphate industry generated $4.4 million in TPP taxes for the county, a new company that uses large quantities of capital would face the same tax. Any new TPP tax gleaned would shrink the deficit in this tax the county faces.

Attracting a manufacturer with fewer intermediate parts would be better for Hamilton, as much of the value in these firms come from the supply chain. If these businesses require parts from suppliers in other regions, Hamilton won't be able to retain as much of the value. The optimal scenario is one in which the majority of parts are able to be produced within county lines.
With Florida's recent population boom, there are always new residential areas being developed. While future residential developments are plausible for Hamilton County, building materials manufacturing would be more lucrative, given the percentage of the county's budget that comes from TPP taxes.

We suggest a wood-alternative decking manufacturer, Trex, that has made strides in expansion in recent years. With operations expected to begin in 2026, the company is undergoing construction of a $400 million factory in the Little Rock Pork of Arkansas. 500 jobs in decking production, plastic recycling, warehousing and storage, and administrative offices are expected to be created on this 300-acre lot [32]. This will be their third plant in the US—other locations in Virginia and Nevada. With no locations in the Southeast, North Florida would be a compelling site for expansion.

If Hamilton could expand their sawmill and timber processing operations, the byproducts from these industries could be used as inputs for a company like Trex, that use reclaimed wood fiber—like sawdust and scrap wood—and recycled plastic—like shopping bags and film—to produce decking and railing materials. This would provide the county with not only increased employment and output from construction, production, and transportation, but it would allow them to support greener industries.

**Gasoline Services**

The third suggestion we provide Hamilton involves expansion of a current business, rather than recruiting a new one. The parcel off of I-75 that we discussed earlier sits behind a Busy Bee rest stop. Busy Bee has been expanding rapidly across Florida over the past few years, with several new locations in the area undergoing construction.

Besides this location, the nearby franchises are all along I-10. This is good news for Hamilton, as they can capitalize on their I-75 access. With the site at the second I-75 exit in Florida, an expansion of this already established business could cater to tourists and truckers entering and leaving Florida.

Though there are plans for a new location at an exit in Columbia County, this new location would be a 45-minute drive from the one in Hamilton. This is a large enough distance to attract good business—and with the location already there, expansion is feasible.

Projections from another location in the Panhandle report "130 [new] employees, over $5 million payroll yearly, over $300,000 in property taxes and over $1.5 million tax revenue in gas sales" [33].
CONCLUSION

Hamilton County is facing a significant challenge with the impending cessation of phosphate operations, which currently account for 30% of its property tax revenue. It is unlikely that the county will immediately make up the substantial $5.93 million tax revenue loss. To address this issue, we conducted an Input-Output analysis, considering the available workforce and current output levels.

Our findings indicate that a gradual approach is required to offset the revenue loss effectively. By focusing on employment and production expansion, the county can make progress towards its target goal. Over the next 12 years, increasing employment by 10 percent of the current levels annually (181 direct jobs) or boosting output by 10 percent each year ($57.9 million) across five chosen sectors will achieve 50 percent of the target by 2029, aligning with the expected depletion of deposits.

To bridge the five-year deficit period from 2029 to 2034, Hamilton County must implement measures to decrease expenditures and sell land to attract new businesses. The county should aim to draw capital-intensive industries that can help compensate for the lost tangible personal property tax revenue. Our analysis highlights that Hamilton’s current employment landscape aligns well with manufacturing, wholesale trade, and transportation and warehousing industries.

To bolster its workforce, Hamilton County should target residents who currently commute outside the county for work, employees in the active phosphate industry, and non-working residents who can be encouraged to participate in the workforce. This approach will be appealing to businesses seeking expansion or relocation opportunities.

A strategic combination of industry expansion and new business recruitment is the optimal path forward for Hamilton County. Leveraging available state and workforce training incentives, affordable county land, and robust connectivity, the county can successfully make up for the tax revenue loss stemming from the cessation of phosphate operations. By following this prudent and realistic approach, Hamilton County can ensure its economic stability and growth for the long term.
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APPENDIX 1: MINING TOWNS

In order to get an understanding of the predicament Hamilton County is under from the depletion of phosphate deposits, case studies were important to analyze.

Butte, Montana

Butte’s mining history dates back to the late 1800s with the discovery of gold and Silver. The mining town was extremely successful and even gained the title "the richest hill on Earth". This however didn’t last forever, because their mining deposits depleted and as a result experienced economic decline. Butte took several steps in order to re-stabilize their economy. They started investing in education – mainly science and engineering – in order to attract prospective students. Butte also began to invest in startups – mainly tech – in order to attract businesses into their city [34].

Silverton, Colorado

Silverton was known for its mining of silver dating back to the late 1800s. Similarly to Butte, the deposits depleted, so the community of Silverton had to come up with a plan in order to sustain economic stability. The city made improvements to its highway and infrastructure due to its inaccessible mountainous area. They also took advantage of their mountainous landscape in order to promote tourism [35].

Auburndale, Florida

Auburndale proved to be a very interesting case study, because of its location in the Bone Valley region known for its phosphate deposits. The topography has similarities to Hamilton County in that regard. With a population similar to that of Hamilton County, it has managed to turn itself into an economy fueled by sports tourism – home to a $4 million sports stadium. The city has also invested over $2.5 million in water-related sports. It also boasts a prominent RV resort that draws a large population of tourists every year through its events [36].

Not only does Auburndale have a strong tourist economy, but they have also begun to expand and attract businesses. One such prominent business was Coca Cola, establishing the largest power plant built from the ground up. This partnership brought jobs into the city. Other businesses like Amazon and Medline have also recently expanded operations there [36].

The city commission also recently approved a mixed-development research park. It will consist of two development research buildings, as well as a 464,000 square foot e-commerce logistics building [36].
APPENDIX 2: POST-MINING LAND USE

We present the county with two scenarios that the phosphate mine could be developed into post-reclamation. These scenarios would allow the land to get back some of its value – more than it likely would if it reverts to agricultural land.

Off-Road Track

A pile of gypstacks resides on the Hamilton County mine. With Florida known for its lack of elevation, this hill sits at one of the highest elevation points in the entire state. Upon reclamation, an old phosphate mine in Bone Valley converted into a popular ATV park with over a dozen trails and hills. This mine-turned-ATV park grew so popular that the state and county invested additional money to increase the park’s size by 150 percent. With the elevation of the hill in Hamilton County and the success of this example, the county has a low-cost, high-reward investment opportunity in its backyard. With several designated motorsport areas in neighboring Southern Georgia, Northern Florida is far behind its counterpart – presenting Hamilton with the perfect opportunity to enter early. A conversion of this hill and its surrounding area into a ATV, dirt bike, or motocross park could bring visitors from all over the South Georgia and North Florida regions, resulting in additional commerce in the area.

Training Facility

Similarly to Auburndale, Hamilton could use this large swath of land to enter into sports tourism and its related areas. In the bordering Lowndes County, there is a massive football industry. Dubbed “TitleTown USA”, the county is home to 29 state championships. With a perfect location in the heart of college football powerhouses – Florida State, Florida, Georgia, Auburn – this is an example of a county that poured financial investments into the sports industry. With Hamilton County having an excess of land and close proximity to major football locations such as Gainesville (Gators), Tallahassee (Seminoles), Jacksonville (Jaguars), and Valdosta (HS football), an investment in training facilities or sports complexes could be suitable for the county.
Hamilton County’s unemployment rate as of 2021 sits at 6.0 percent, higher than both Florida’s average of 4.6 percent, and the United States average of 5.4 percent. For the large part of the 21st century, each of the three unemployment rates have followed very similar trends, outside of a period from 2002 to 2007 where Hamilton County had a significantly lower unemployment rate than the national average. From 2008 to present day, however, Hamilton County has consistently remained higher than the state and national average, peaking at 11.0 percent in 2010. This is likely attributed to the county’s unique conditions that were discussed in the Employment Landscape section [37].
APPENDIX 4: COUNTY ECONOMICALLY DISADVANTAGED

Hamilton County is among the most economically disadvantaged counties in all of the United States. The graph above shows every single U.S. county, mapped on the size of its labor force and its median household income in percentiles. Approximately 80 percent of all U.S. counties have a larger labor force than Hamilton County and approximately 90 percent of U.S. counties have a higher median household income than Hamilton County. The only county in Florida that holds both a lower median household income and smaller labor force than Hamilton County is Liberty County on the panhandle, which holds a population of less than 8,000 people [37].

The graph above maps every U.S. county on its percentile of population size and labor force size. Out of Hamilton County’s bordering counties, Hamilton is the 2nd smallest, ahead of only Echols County, GA. Lowndes County, GA sits in the top 20 percent of all U.S. counties, and Columbia County, FL sits in the top 25 of counties, holding the cities of both Valdosta and Lake City, respectively. The graph also points out that on average, Hamilton County’s labor force is smaller than it should be given the size of the county population [37].
A valuable and high potential 103-acre engineering site sits right off US-41, just north of White Springs. Roadway construction will be required to improve transportation throughout the site and gain usage to a Norfolk Southern Rail line. The site is currently zoned A-4 Agricultural but is expected to be rezoned to Industrial in 32 weeks. Unfortunately, no potable water infrastructure exists on site. The best option is to install a water line to connect to a county-owned well over half a mile from the site. While sewer infrastructure is in place, a tapping station installation would be necessary for this site to be functional. Luckily, infrastructure is in place to have operating electricity through Duke Energy, although it would require approval from Suwannee Valley Electric. Overall, the site does have worthwhile potential for future industrial development, but will come with a required estimated investment north of $3.4 million. With 90 of the 103 acres being accessible for development, this could be appealing to businesses looking to develop the land while also benefitting county revenue through the form of increased property tax revenue [22].
APPENDIX 6: BROADBAND

The Suwannee Valley Electric Cooperative (SVEC) is currently building a fiber-optic network across its serviced area – Columbia, Lafayette, Hamilton, and Suwannee counties. This project is expected to shorten power outage response times and improve the electric smart grid. It will provide high-speed internet to the receiving counties – 83 percent of households currently have internet in Hamilton, and 67 percent have broadband [17].

The project is expected to take 4 years to complete, and is projected to cost around $93 million. Spanning 4,100 miles, this project will improve business efficiency, encourage more remote work, and improve educational opportunities [38].

APPENDIX 6: WAREHOUSING VS. DISTRIBUTION

Though distribution, warehousing, and fulfillment are all used for storage, orders, and shipments, they have distinct uses.

Warehouse operations are primarily storage facilities – for raw materials, unfinished goods, and finished goods – that can later contract to manufacturers. A key characteristic is their tendency to store goods for long periods of time. They also do not ship products directly to consumers – passing them off to wholesalers or distributors [39].

Fulfillment centers receive and store inventory, fulfill orders, and ship goods directly to consumers [39]. These facilities are used for short-term storage due to high product demand. They ship to both businesses and consumers [39].

Distribution centers service retailers and wholesalers and store goods for shorter periods than warehouses. They receive large volumes of products and "redistribute the products into smaller shipments" that are sent to warehouses and fulfillment centers [39].
APPENDIX 7: EMPLOYMENT EXPANSION

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<th>Employment Projections</th>
<th>Jobs Input: 10% of 2023 employment</th>
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Cumulative Sums: $49,335,446.82, $26,572,175.37, $8,159,288.41, $6,865,754.22, $6,713,709.25, $1,024,519.56

The above tables show the year-by-year breakdown of our employment expansion scenario. The top table shows the level, 181-job increase each year and each additional year’s effect on the county tax revenue, adjusted for inflation. We track the cumulative tax sum in the third column so that we know when the $5.93 million loss is reached. With 2,172 total direct jobs added (181 x 12), employment across our target sectors increases 120% from 2024 to 2035. The bottom table shows the tax contributions broken down by receiving entity. We focus on the county revenue, but it’s important to see the effect these industries have on the state and country [9].
APPENDIX 8: OUTPUT EXPANSION

Output Projections

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<td>$561,293.84</td>
<td>$548,857.89</td>
<td>$83,758.42</td>
</tr>
<tr>
<td>2027</td>
<td>$4,015,657.30</td>
<td>$2,146,552.66</td>
<td>$669,240.28</td>
<td>$564,093.09</td>
<td>$551,595.13</td>
<td>$84,176.13</td>
</tr>
<tr>
<td>2028</td>
<td>$4,035,683.98</td>
<td>$2,157,257.84</td>
<td>$672,577.88</td>
<td>$566,906.31</td>
<td>$554,346.02</td>
<td>$84,595.93</td>
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<tr>
<td>2029</td>
<td>$4,055,810.55</td>
<td>$2,168,016.41</td>
<td>$675,932.13</td>
<td>$569,733.56</td>
<td>$557,110.63</td>
<td>$85,017.83</td>
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<td>2030</td>
<td>$4,076,037.49</td>
<td>$2,178,828.63</td>
<td>$679,303.11</td>
<td>$572,574.91</td>
<td>$559,899.02</td>
<td>$85,441.82</td>
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<tr>
<td>2031</td>
<td>$4,096,365.30</td>
<td>$2,189,694.78</td>
<td>$682,690.89</td>
<td>$575,430.42</td>
<td>$562,681.27</td>
<td>$85,867.93</td>
</tr>
<tr>
<td>2032</td>
<td>$4,116,794.49</td>
<td>$2,200,615.12</td>
<td>$686,095.57</td>
<td>$578,300.18</td>
<td>$565,487.45</td>
<td>$86,296.17</td>
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<tr>
<td>2033</td>
<td>$4,137,325.57</td>
<td>$2,211,589.92</td>
<td>$689,517.24</td>
<td>$581,184.25</td>
<td>$568,307.62</td>
<td>$86,726.54</td>
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<tr>
<td>2034</td>
<td>$4,157,959.03</td>
<td>$2,222,619.45</td>
<td>$692,955.96</td>
<td>$584,082.71</td>
<td>$571,141.85</td>
<td>$87,159.06</td>
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<tr>
<td>2035</td>
<td>$4,178,695.40</td>
<td>$2,233,703.99</td>
<td>$696,411.84</td>
<td>$586,995.61</td>
<td>$573,990.22</td>
<td>$87,593.74</td>
</tr>
<tr>
<td>Cumulative Sums</td>
<td>$48,796,132.21</td>
<td>$26,084,835.59</td>
<td>$8,132,585.36</td>
<td>$6,854,840.28</td>
<td>$6,702,965.45</td>
<td>$1,022,905.54</td>
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</table>

The above tables show the year-by-year breakdown of our output expansion scenario. The top table shows the level, $57.9 million increase in production each year and each additional year's effect on the county tax revenue, adjusted for inflation. We track the cumulative tax sum in the third column so that we know when the $5.93 million loss is reached. With $694.8 million added in output (57.9 million x 12), output across our target sectors increases 120% from 2024 to 2035. The bottom table shows the tax contributions broken down by receiving entity. We focus on the county revenue, but it's important to see the effect these industries have on the state and country [9].
APPENDIX 9: ALTERNATE PROJECTION

We assume that the county population will remain the same when phosphate operations cease. The reality is that the 884 workers and their families may leave the county. With a smaller population, smaller allocations are needed for the county, schools, and municipalities. The $5.9 million target we find assumes that the county keeps current spending patterns. With a smaller population, the target can be brought down. Depending on the new target, we expect the revenue break-even point to occur before the current break-even point in 2033. However, the purpose of this project is to evaluate the impact of this industry and determine what changes are needed to offset the loss from the departure of this industry. We do not quantify how a decrease in population would decrease the associated target revenue, but we recognize this as a plausible scenario.