

Estimated Economic Impact

for

The Villages Mixed-Use Redevelopment Project



Prepared for
Boynton Beach Community Redevelopment Agency
By
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Department of Housing and Economic Development

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Executive Summary

The Boynton Beach Community Redevelopment Agency (CRA) requested a five-year (2027-2031) and twenty-year (2027-2046) estimated economic impact for The Villages mixed-use rental housing redevelopment project (The Villages). This 3.37-acre project consists of 336 multi-family residential rental units, 668 parking spaces, and 8,000 square feet of commercial space located at 405 E. Ocean Avenue, Boynton Beach, Florida 33435. It is anticipated that construction will commence in 2025 and will be completed in 2027.

This report estimates the economic impacts of the construction of the mixed-use rental housing redevelopment project as well as the new jobs created by the various businesses that will be occupying the commercial component. The resulting estimates are based on projected construction costs of \$132.41 million and the creation of 25 new permanent commercial jobs.

- The **five-year economic impact** to Palm Beach County, including the City of Boynton Beach, is estimated to create **1,123 direct, indirect, and induced temporary construction jobs** and **40 direct, indirect, and induced permanent jobs annually**, with a total combined economic output of **\$325.41 million**.
- The **twenty-year economic impact** to Palm Beach County, including the City of Boynton Beach, is estimated to create **1,123 direct, indirect and induced temporary construction jobs**, and **41 direct, indirect, and induced permanent jobs annually**, with a total combined economic output of **\$551.93 million**.

Introduction

This report estimates the **five-year (2027-2031) and twenty-year (2027-2046) economic impact** for The Villages mixed-use rental housing redevelopment project (The Villages). This 3.37-acre project consists of 336 multi-family residential rental units, 668 parking spaces, and 8,000 square feet of commercial space located at 405 E. Ocean Avenue, Boynton Beach, Florida 33435. It is anticipated that construction of this project will commence in 2025 and completion of the project is anticipated for 2027.

Methodology

The estimated economic impact was performed using the **Regional Economic Model, Inc. (REMI) Policy Insight Model** designed for the South Florida Economic Forecasting Partnership. This is a model that has been built and calibrated for the Southeast Florida region, which includes specific inputs and data for seven counties, including Palm Beach County. The customized county model utilizes data from the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Department of Energy, the U.S. Census Bureau and other public sources.

In order to estimate the total economic impact of The Villages in the county, REMI developed a model with detailed employment, population, personal income and other data specific to Palm Beach County. REMI provides a year-by-year comparison of the effects of the businesses against a baseline control. REMI also generates the regional baseline forecast and then uses the information to develop an alternative forecast that occurs due to the type and location of the businesses. The results in **Table 2** measure/quantify both the direct and indirect impacts of these businesses on the economy of the county, regardless of whether it is projected to grow or contract.

General Assumptions:

Direct, Indirect, and Induced Jobs: A direct job is employment created to fulfill the demand for a product or service. An indirect job is a job that is created to produce the goods and services needed by the workers with direct jobs. Employment created by the additional personal spending (e.g., purchases such as groceries, housing expenses, etc.) by both direct and indirect workers is classified as an induced job.

Temporary Construction Jobs: The estimated number of temporary direct, indirect, and induced jobs created by construction of the proposed mixed-use project were based on the number of direct jobs through dividing construction cost by the labor productivity value related to a construction job. The calculation for construction jobs was based on a year by year percentage of the total construction cost, 25% in 2025, 50% in 2026, and 25% in 2027.

Permanent Commercial Jobs: Staff assumed the number of new jobs based off the provided square footage for each use by industry divided by the average square footage an employee would occupy, per the U.S. Energy Information Administration (EIA) Guidelines, and jobs provided by the CRA. Assumptions are that each business is fully staffed for the five-year and twenty-year period upon certificate of occupancy.

Multiplier effect: An economic "multiplier effect" generally refers to the phenomenon where an initial injection of money into a regional economy generates a ripple effect, leading to additional rounds of spending and economic activity, resulting in a total economic impact that is greater than the initial investment. For every dollar earned by permanent employees (direct jobs), or invested in temporary construction jobs or other local business expenditures, additional (indirect) jobs are created in other industries of the local economy. Payments to contractors and suppliers to build structures directly stimulate the economy. Contractors and suppliers pay their

employees who, in turn, buy groceries and pay mortgages. These payments to supermarkets and other local businesses support more employees, and so on. The cumulative impact of these jobs, earnings and spending is known as the multiplier effect. This transfer of money also generates taxes to support all levels of government.

Direct Jobs Created

Table 1 breaks down the estimate of temporary jobs created during the construction phase (2025-2027) of the project as well as the estimated 25 new permanent commercial jobs created within the project’s targeted industries.

Table 1

The Villages Direct Jobs Created			
Construction Jobs*			
Industry Description	REMI Industry Description	Detailed Industry	Employment
Construction	Construction		629
		Total Construction Jobs*	629
Permanent Commercial Jobs			
Leasing Office ¹	Real Estate	Other Real Estate	4
Security ¹	Administrative and support services	Investigation/Security	1
Maintenance/Landscapers ¹	Administrative and support services	Facility Support	5
Coffee Shop ²	Food services and drinking places	All other food and drinking places	3
Retail ³	Retail trade		2
Office ³	Administrative and support services		5
Restaurant ³	Food services and drinking places		5
		Total Permanent Commercial Jobs:	25

*Construction employment is temporary and is estimated based on the labor productivity for construction from 2025-27 in REMI

¹ Based on jobs provided by Boynton Beach CRA

² U.S. Energy Information Administration Guidelines

³ Based on assumption that the remaining 7,000 square feet of commercial space will be split evenly between Retail, Office, and Commercial uses. No specific uses provided.

Direct, Indirect, and Induced Impacts of The Villages on the County’s Economy

The direct and indirect impacts of The Villages project is based on the economy of the county which includes the City of Boynton Beach. **Table 2** summarizes the five-year and twenty-year estimates for total jobs (direct, indirect, and induced) created and the estimated economic impact for both the construction phase of the project as well as the creation of the 25 new permanent commercial jobs.

Table 2

Estimated Economic Impact For Commercial Jobs (5 and 20 Years)			
	Year	Jobs: Direct, Indirect & Induced	Estimated Economic Impact
Annual Permanent Commercial Jobs	2027-2031	40	\$53.46 Million
Annual Permanent Commercial Jobs	2027-2046	41	\$279.98 Million
Total Estimated Economic Impact (5 Years)			
	Year	Jobs: Direct, Indirect & Induced	Estimated Economic Impact
Temporary Construction Jobs	2025-2027	1,123	\$271.95 Million
Annual Permanent Commercial Jobs	2027-2031	40	\$53.46 Million
Total Estimated Economic Impact		1,163	\$325.41 Million
Total Estimated Economic Impact (20 Years)			
	Year	Jobs: Direct, Indirect & Induced	Estimated Economic Impact
Temporary Construction Jobs	2025-2027	1,123	\$271.95 Million
Annual Permanent Commercial Jobs	2027-2046	41	\$279.98 Million
Total Estimated Economic Impact		1,164	\$551.93 Million

Jobs: The five-year estimate for The Villages project is estimated to generate an additional 509 indirect and induced jobs beyond the 629 direct temporary construction jobs and 25 new permanent commercial jobs, for a total of 1,163 jobs. The twenty-year estimate generates an additional 510 indirect and induced jobs beyond the 654 direct jobs which result from the construction phase and permanent new jobs for a total of 1,164 jobs. The 509 (five-year estimate) and the 510 (twenty-year estimate) “indirect and induced” jobs are a result of both an intermediate effect (employment that satisfies demand for the provision of goods and services to the businesses: e.g. jobs needed to produce supplies and support services) and an induced effect (resulting from the spending of disposable income: purchases made for groceries, etc.). As highlighted in **Table 2** above, the total direct, indirect, and induced jobs for the permanent commercial component of the project, for both the five-year run and the twenty-year run, is based on the average employment over the course of five and twenty years.

Economic Impact: Based on the information summarized in the **Table 2** above, it is estimated that the overall five-year economic estimate (with construction from 2025-2027) to Palm Beach County, including the City of Boynton Beach, of the project will be \$325.41 million (Based on current dollars). It is estimated that the twenty-year economic impact (with construction from 2025-2027) to Palm Beach County, including the City of Boynton Beach, of the project will be \$551.93 million (based on current dollars). This estimate incorporates the “multiplier effect” and includes earnings associated with construction and permanent new jobs. Economic impact measures the amount of production in dollars, including all intermediate goods purchased, as well as compensation and profits. This can be expressed as additional sales in the county. Similar to the concept of indirect employment, it provides a sense of the multiplier effect that takes place when businesses such as The Villages project are part of the local economy.

Total Estimated Five-Year (2027-31) and Construction Phase Economic Impacts

The five-year economic impact to Palm Beach County, including the City of Boynton Beach, is estimated to create **40 direct, indirect, and induced permanent jobs annually**, and **1,123 direct, indirect, and induced temporary construction jobs**, with a total economic output of **\$325.41 million**.

Total Estimated Twenty-Year (2027-46) and Construction Phase Economic Impacts

The twenty-year economic impact to Palm Beach County, including the City of Boynton Beach, is estimated to create **41 direct, indirect and induced permanent jobs annually**, and **1,123 direct, indirect, and induced temporary construction jobs**, with a total economic output of **\$551.93 million**.