Economic & Fiscal Impact Analysis

ANALYSIS AND OBSERVATIONS PREPARED BY THE NORTH BREVARD ECONOMIC DEVELOPMENT ZONE

MJW Consolidated

January 2025

Economic & Fiscal Impact Analysis: MJW

Date Prepared: January 2025 – Updated September 2025
Prepared By: Former North Brevard Economic Development Zone (NBEDZ) staff, using final-demand and direct-effect economic multipliers from the U.S. Department of Commerce's Bureau of Economic Analysis RIMS II Regional Input/Output Modeling System[1].

Project Overview[2]

MJW Consolidated is the parent company of three businesses specializing in different disciplines that work together to deliver a full range of construction, engineering, and fire protection services:

- **MJW Company**, est. 1969, full-service general and mechanical contractor
- **MJW Fire Protection**, est. 1991, full-service design-build contractor delivering fire protection, fire alarm and fire suppression systems
- **MJW Engineering,** est. 2004, design-build support to fire protection company

MJW Consolidated has completed projects in 22 states and 17 countries. With corporate offices in Jacksonville, Florida, their local clients include the Department of Defense, NASA, ULA, Blue Origin, Praxair, and Air Liquide, as well as other general contractors serving the Space Coast.

In August 2022, MJW Consolidated constructed a 13,400 SF facility on a 5-acre lot at the Spaceport Commerce Park, estimating that their team of 8 employees would grow to a team of 16 within two years. As of December 2024, however, the company had 25 people working out of the facility and another 41 employees working in field operations. The facility produces high-quality piping fabrication, and for some time, the shop had to open 10 hours per day, 6 days a week to keep up with demand. The company has put in an offer to purchase approximately 3 acres of the northwestern most portion of parcel 23-35-03-NN-C at the Spaceport Commerce Park, with the intention of building a 20,600 SF building to support current and anticipated future growth.

Based on a cost estimate provided by the company, the construction budget of this project will be around $3.6 million. The company expects to grow their workforce by adding around 39-44 full time employees in three years with average wages of $45/hour. Annual sales are expected to increase by $8-15 million after the new building is constructed.

North Brevard Economic Development Zone staff have prepared this analysis to outline the project's potential economic and fiscal impacts throughout Brevard County.

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[1] For more detailed information on RIMS II multipliers, please visit www.bea.gov/resources/methodologies.
[2] https://www.mjwood.com/who-we-are

Use of RIMS II Multipliers – Bureau of Economic Analysis

The analysis used in this report utilizes economic multipliers from the Bureau of Economic Analysis (BEA), a federal agency under the U.S. Department of Commerce that provides macroeconomic and industry statistics at the national, state, and municipal levels.

An economic 'multiplier' is a numerical value, calculated to represent the degree to which an initial economic change impacts the creation of other economic changes in a region. These multipliers are calculated with data from national make, use and import tables compiled by the U.S. Bureau of Labor Statistics. They are adjusted to represent industry presence in smaller geographic regions by using location coefficients derived from regional data collected by the U.S. Census Bureau. RIMS II provides two types of multipliers:

(1) Final-Demand Multipliers
(2) Direct-Effect Multipliers

Final-Demand Multipliers

Final-Demand Multipliers represent the degree to which a final demand change in economic activity impacts final demand changes or outputs throughout all industries and final users in the region. These are characterized as change 'per output' ratios.

A 'final demand change' is a change in the purchases of commodities or services by final users. 'Final demand' or 'final use' refers to purchases of goods that are not used as intermediate inputs in the production process, but those which are purchased for use in their final form. A 'final demand industry' refers to the industry which will be initially affected by the change.

Final uses are grouped into four categories: (1) Purchases by consumers outside the region (exports), (2) Investments in buildings and capital equipment, (3) Purchases by government, and (4) Purchases by households.

Direct-Effect Multipliers

Direct-Effect Multipliers represent the degree to which the initial change in earnings or employment impact the total change in earnings or employment, respectively, across all industries in the region. These are characterized as 'jobs per jobs' or 'earnings per earnings' ratios.

Both **Final Demand** and **Direct Effect** multipliers are further divided into "Type I" and "Type II". An illustration of the impacts included in these multipliers is provided in **Figure 1**.

Type I

Type I multipliers account for the inter-industry (direct and indirect) impacts of a final-demand change. A 'direct' impact is the value of inputs purchased in the first round of spending by the final demand industry. An 'indirect' impact is the value of inputs purchased in subsequent rounds of spending by supporting industries.

Type II

Type II multipliers account for both the inter-industry impacts as well as the household spending (induced) impacts of a final-demand change. An 'induced' impact is one that results from the spending of increased household earnings. Type II multipliers are used when it is reasonably expected that most household earnings resulting from the economic change will be spent locally.

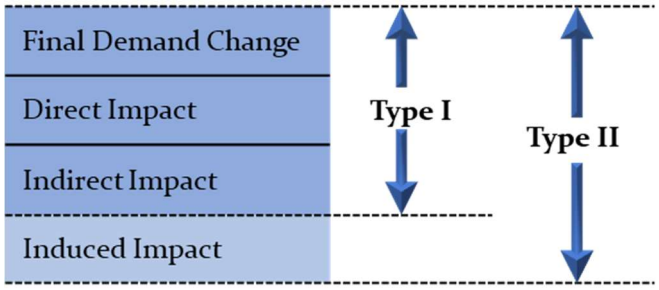

Figure 1: *RIMS II Terminology – Table modified from BEA RIMS II User Guide.*

The analysis that follows uses both final demand and direct effect multipliers from RIMS II. The multipliers used in this report are based on 2017 national benchmark input-output data, and 2022 regional data specific to the Brevard County MSA. They are also specific to the final demand industries identified for the construction and operation phases proposed for this project. Therefore, the data in this report is specific to the local market, and the local industries affected by this project.

Impacts calculated from using the above multipliers are expressed in terms of gross output, value-added (GDP), earnings, and employment. Please visit the BEA website, www.bea.gov, for more information on the calculation and derivation of multipliers, and the assumptions and data used in the RIMS II input-output model.

MJW: Input Variables

The economic impact analysis that follows is divided into two phases. The first analysis estimates economic impacts during the construction phase of the project, and the second estimates impacts once the construction phase is over, and manufacturing operations commence at the new facility.

The inputs described below were applied to the RIMS II multipliers for Brevard County and used to forecast the impacts for both phases of the project:

Construction Phase (Estimated Timeline 2025-2026):

- **Final Demand Industry: Construction (Industry Aggregate #7)**

- **Final Demand Change: $2,490,000**
  - Construction Budget: $3,600,000
  - Excludes Lot Purchase, Permits/Fees, Landscaping, Contingency, Phones/IT/Security/Fire Alarm, Welding Machines & Shop Equipment

Operation Phase (Estimated Timeline January 2027):

- **Final Demand Industries:**

  - **332996 Fabricated Pipe and Pipe Fitting Manufacturing** - Process Piping Fabrication & Installation (60%)
  - **33399A Other General Purpose Machinery Manufacturing**[3] - Fire Sprinkler Fabrication & Installation (25%)
  - **335313 Switchgear and Switchboard Apparatus Manufacturing** - Hydraulic/Pneumatic Control Panel Fabrication (15%)

- **Final Demand Change: $8,000,000**
  - Current Annual Sales: $30,000,000
  - Expected Annual Sales: $38,000,000

- **Direct Effect Employment Change: 39 Employees**

	Current	Expected	Change
Office Employees:	4	12	8
Pipefitters & Welders:	21	38	17
Field Craftsmen:	41	55	14

- **Direct Effect Earnings Change (excluding benefits): $3,650,400**
  - $45.00/Hr. Average Wages
  - $93,600 Annual Average Wages
  - 39 new Employees

[3] IBIS World: NAICS Code 333999 – Includes Fire Sprinkler Systems Manufacturing

MJW: Forecasted Construction Impacts

RIMS II Multipliers: Type I & Type II for Construction Industry

Table 1 provides a list of the Type I and Type II multipliers that were retrieved from the RIMS II data set. These multipliers are specific to the construction industry in Brevard County and were used to estimate the impacts from the purchases made during the construction phase of this project.

	Industry Aggregation: #7 Construction	
	Type I Multipliers	**Type II Multipliers**
Final Demand Output	1.2869	1.5848
Final Demand Earnings	0.4278	0.5194
Final Demand Employment	7.5835	9.7927
Final Demand Value-Added	0.6884	0.8700

Table 1: *Type I and Type II Multipliers for Construction Industry Aggregate, Brevard County, 2017 US Benchmark I-O Data, 2022 Regional Data*

Type II multipliers were included in this analysis because it was assumed the construction phase of the project would utilize existing local workforce expected to spend most of their earnings within the county, which would in turn stimulate household spending and create an induced impact.

Results

The total expected final demand change, or $2.5M of investment made primarily within the construction industry, was applied to the final demand multipliers referenced above. **Table 2** illustrates the results from the RIMS II model, and provides estimates of the direct, indirect, and induced impacts from the initial $2.5M of purchases that would be felt throughout the local economy.

	Final Demand Change	**Inter-Industry Impact**	**Induced Impact**	**Total Impact**
Gross Output	$2,490,000	$3,204,381	$741,771	$3,946,152
Value Added		$1,714,116	$452,184	$2,166,300
Earnings		$1,065,222	$228,084	$1,293,306
Employment		19	6	24

Table 2*: Final Demand Impacts of Construction Phase of new manufacturing facility.*

Gross Output

The 'gross output' is the sum of all intermediate and final purchases of commodities throughout all industries in the region. This is a duplicative number, as inputs may be purchased multiple times by industries in the production process.

Based on the RIMS II input output and regional data set for the construction industry, in Brevard County, the initial capital investment of $2.5 during the construction phase of the project would generate around **$3.2M** of inter-industry purchases, the majority of which would be made within the construction industry during the first round of spending (direct impacts). This number also includes the purchases that would be made throughout the supporting industries in the region, and subsequent rounds of spending (indirect impacts). Since the construction workforce is expected to be local, the model estimates an additional **$724K** of household spending to be generated in the local economy (induced impacts), suggesting that the construction phase of the project would stimulate a gross output totaling around **$3.9M** throughout the region.

Value-Added

The 'Value-Added' measure is also called the Gross Domestic Product (GDP). It refers to the value that is added to a commodity on top of the combined value of its composition of raw materials, and includes purchases made by industries in excess of purchases that went into production, like employee salaries, taxes on production (less subsidies), and gross surplus (profit). 'Value-Added' is also calculated as the sum of 'Final Use' purchases made by final users in the economy.

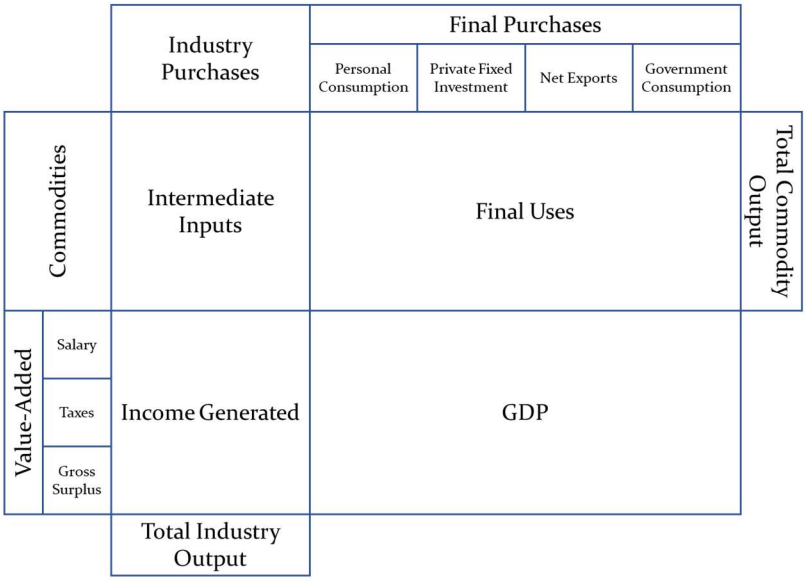

Figure 2: *National Use Table*

Figure 2 represents the flow of purchases throughout the economy, where 'Total Industry Output', or the total purchases made by industries, equals 'Total Commodity Output', or the total purchases of commodities. 'Industry Purchases' include all the purchases that are made by industries for use in the production process, (called 'Intermediate Inputs'), as well as purchases that generate income.

Based on the final demand RIMS II multipliers specific to Brevard County and the construction industry aggregate, the value-added portion of the gross output generated by the construction phase of this project would result in **$1.7M** of direct and indirect impacts to the local economy, and an additional **$452K** of induced impacts. The model estimates that the construction phase of this project would yield an economic stimulus that would increase the region's GDP by **$2.2M**.

Earnings

Earnings are part of the value-added metric. The RIMS II earnings multipliers measure the total change in local household earnings per dollar of final-demand change.

Based on input data entered into the RIMS II model, an initial final demand change of $2.5M in the local construction industry would result in a direct and indirect earnings impact of **$1.1M**, felt throughout the local construction industry, and other supporting industries in the region. The induced earnings resulting from an increase in household spending would be an additional **$228K.** The total impact to earnings from this project would be around **$1.3M**.

Employment

The final measure that the RIMS II model provides based on final demand change is impacts to jobs in the region. The unit for the multiplier is jobs per $1M of final demand change.

Based on the findings of this analysis, the construction phase of this project would yield **19 direct and indirect jobs**, and an additional **6 induced jobs**, for a total of **24 jobs** created as a result of the construction phase of this project. These jobs would represent a mixture of full time and part time employment.

MJW: Forecasted Operations Impacts

RIMS II Multipliers: Type I & Type II for Manufacturing Industries

Table 3 lists the Type I and Type II multipliers that were retrieved from the RIMS II data set for each final demand industry. These multipliers are specific to Brevard County and were used to estimate the economic impact of the project's first year of operation at full capacity.

	Fabricated Pipe & Pipe Fitting Manufacturing		Other General Purpose Machinery Manufacturing		Switchgear & Switchboard Apparatus Manufacturing	
Multiplier Type	**I**	**II**	**I**	**II**	**I**	**II**
Final Demand Output	1.1502	1.387	1.1955	1.3445	1.221	1.3935
Final Demand Value-Added	0.5724	0.7167	0.5167	0.6076	0.5665	0.6717
Direct Effect Earnings	1.14	1.3849	1.3136	1.5959	1.311	1.5927
Direct Effect Employment	1.1584	1.5509	1.2986	1.713	1.3736	1.8934

***Table 3**: Type I and Type II Multipliers; Brevard County, 2017 US Benchmark I-O Data, 2022 Regional Data*

Results

Three business activities are expected to take place at the new facility:

MJW Business Activity		**Final Demand Change**
(1) Process Piping Fabrication & Installation	**60%**	$4,800,000
(2) Fire Sprinkler Fabrication & Installation	**25%**	$2,000,000
(3) Hydraulic/Pneumatic Control Panel Fabrication	**15%**	$1,200,000
Total Change in Sales		$8,000,000

At the end of 2024, the company reached $30M in annual sales. After the new facility is fully built out and operational, sales are expected to increase to $38-$45M. The change in sales or ($8-$15M) is the total final demand change. For this analysis, the more conservative estimate ($8M) was selected.

To calculate the final demand change for each type of business activity, the total final demand change of $8M was divided based on the percentage of annual sales attributable to each business segment.

The final demand multipliers for the detailed industries corresponding to each of the three business segments, listed in **Table 3**, were applied to the final demand changes expected in each industry, and were used to estimate the gross output and value-added impacts from the project.

Gross Output

	Final Demand Change	Inter-Industry Impact	Induced Impact	Total Impact
Pipe Fitting	$4,800,000	$5,520,960	$1,136,640	$6,657,600
Fire Sprinkler	$2,000,000	$2,391,000	$298,000	$2,689,000
Control Panel	$1,200,000	$1,465,200	$207,000	$1,672,200
Total	**$8,000,000**	**$9,377,160**	**$1,641,640**	**$11,018,800**

***Table 4**: Gross Output Final Demand Impacts of MJW Operations in Brevard County.*

Based on the RIMS II input output data set for the three initial industries that would be affected in Brevard County, MJW's $8M increase in annual sales would stimulate the gross output of all industries in the local market by **$11M**. On top of the **$9.4M** of inter-industry impacts, there would be an additional **$1.6M** in induced impacts throughout all the industries in the local economy.

Value-Added

	Final Demand Change	Inter-Industry Impact	Induced Impact	Total Impact
Pipe Fitting	$4,800,000	$2,747,520	$692,640	$3,440,160
Fire Sprinkler	$2,000,000	$1,033,400	$181,800	$1,215,200
Control Panel	$1,200,000	$679,800	$126,240	$806,040
Total	**$8,000,000**	**$4,460,720**	**$1,000,680**	**$5,461,400**

***Table 5**: Value-Added Final Demand Impacts of MJW Operations in Brevard County.*

Based on the final demand multipliers used in the RIMS II analysis, the value-added portion of the gross output created by this project would result in **$4.5M** of direct and indirect impacts to the local economy, and an additional **$1M** of induced impacts triggered by household spending increases. MJW's operations would yield an economic stimulus that would increase the region's GDP by approximately **$5.5M**.

Earnings & Employment

The company expects to add 8 employees to its office staff, 17 pipefitters and welders to the fabrication shop, and another 14-19 employees to its field operations team, which will include pipefitters, sprinkler fitters, iron workers, millwrights, electricians, and alarm technicians. These will be all full-time employees consisting of highly skilled craftsmen or experienced administrators and managers with average annual wages of $93,600.

Based on an additional workforce of 39 employees, the total earnings change to the region once the business achieves full capacity, would be $3.7M.

These earnings and employment changes were applied to the direct-effect multipliers for the primary industry, Fabricated Pipe & Pipe Fitting Manufacturing, listed in **Table 3** to determine impacts. Only the primary industry was selected, as the multipliers account for all occupation types that an industry employs to produce its output.

	Direct Effect Change	Inter-Industry Impact	Induced Impact	Total Impact
Earnings	$3,650,400	$4,161,456	$893,983	$5,055,439
Employment	39	44	10	54

***Table 6**: Earnings and Employment Impacts of MJW Operations in Brevard County.*

The RIMS II model estimated that a $3.7M earnings change in the Fabricated Pipe & Pipe Fitting Manufacturing industry would generate a **$4.2M** inter-industry impact. There would also be an additional **$894K** in induced impacts related to increases in household spending. Total earnings impacts felt throughout the county would be around **$5.1M**.

Further, it estimated that 39 new jobs would yield **44 direct and indirect jobs**, and an additional **10 induced jobs**, for a total of **54 jobs** created after operations commence at the new facility. While the new positions hired by MJW would all be full time, jobs created from indirect or induced impacts related to this hiring process would represent a mixture of full time and part time employment.

MJW: Fiscal Impact Analysis

Key Project Components[4]

Current Taxable Value of Building	
Undeveloped parcel – Spaceport Commerce Park	--
Anticipated Capital Investment	
Land ($190K) Construction ($2.9M)	$3,050,000
Anticipated Market Value	$2,440,000
Anticipated Capital Investment (Equipment)	$550,000

The above project components were used to estimate the potential fiscal impacts to the local public sector.

Taxes Anticipated from Project Implementation (Approx) – ONE TIME

Sales Tax		**$118,580**
Est Construction Budget	$2,860,000	
Est Materials Cost (40%) + Equipment Cost	$1,694,000	
7% Sales Tax	$118,580	
Impact Fees		**$78,460**
City of Titusville	$42,756	
Brevard County	$35,704	
Building Permit		**$85,800**
3% Construction Budget	$85,800	

Taxes Anticipated from Project Implementation (Approx) -ANNUAL

Real Property Tax		**$42,783**
Anticipated Market Value	$2,440,000	
Rate: 17.5341/$1,000	$42,783	
Tangible Personal Property Tax		**$9,644**
Equipment	$550,000	
Rate: 17.5341/$1,000	$9,644	

Initial Annual Fiscal Stimulus	**$335,266**

***Table 2**: Estimated Fiscal Impacts. All figures are estimates and based on available data.*

INITIAL ANNUAL FISCAL STIMULUS: $335,266

[4] Equipment estimate is based on first year; actual equipment cost is expected to exceed $1M. For sales tax estimates, material costs are assumed to be 40% of construction budget.

MJW: Impact Summary

This report provides an estimate of the potential impacts from the construction of a new 20,600 SF manufacturing facility at the Spaceport Commerce Park, and the expansion of MJW's manufacturing operations and workforce in Brevard County, in which the company would hire 39-44 new employees.

Construction Spending Impacts

$3.9M
24 Jobs

Operations Impacts

$11M
54 Jobs

Fiscal Impact

$335K Return to Local Govts

Based on the analysis conducted using RIMS II multipliers, this project would create a combined total economic impact of around **$15M**, of which $3.9M would be generated from the construction phase, and $11M would be realized through the new output produced by the company.

The project would also be expected to result in the creation of around **78 direct, indirect, and induced jobs** throughout the local economy. Purchases made for this project would generate a one-time fiscal stimulus to city, county and state governments through sales taxes and the collection of impact and permitting fees, of approximately **$335K**.

MJW will plan to install state of the art machinery in the new building expansion that will exceed $1M over the next two years. The company also expects their average wages of new jobs to include a $22/hour benefits package. Neither of these figures were included as inputs in this analysis, however, both would likely result in additional impacts.

Lastly, it is worth noting that since 2012, MJW has funded $790,000 to the Scholarship America program, and over $750,000 to various charitable causes, illustrating the company's commitment to making a difference - the effects of which are undoubtedly felt throughout the communities in which the company shares a presence.

Data used in this analysis, including construction budgets, property valuation, projected sales and future employment numbers are estimates and subject to change. The BEA does not endorse estimates and/or conclusions about the economic impact of a proposed change on an area. The calculations in this report were performed by NBEDZ staff. Conclusions are reliable, not guaranteed.