

Economic & Fiscal Impact Analysis

ANALYSIS AND OBSERVATIONS PREPARED BY THE
NORTH BREVARD ECONOMIC DEVELOPMENT ZONE



Olympian LED

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Economic & Fiscal Impact Analysis: Olympian LED

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Prepared By: North Brevard Economic Development Zone (NBEDZ), 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 System¹.

Project Overview²

Founded in 2014, Olympian LED, Inc., is a local sign manufacturer and supplier currently operating out of an approximately 4,000 SF building on 3620 South Hopkins Avenue in Titusville, Florida.

The company designs and builds signage with electronic display boards and distributes its own brand of LED displays, offering a web-based sign control system that allows clients to create, edit and schedule content on their sign from any location. The company also supplies parts to other LED manufacturers, and has a second branch in Guangdong, China, from where it serves a global market.

In October 2022, to support growing operations, the company expressed an interest in constructing its own manufacturing and fabrication facility in Titusville, Florida. In November 2023, Olympian LED purchased Parcel 23-35-04-NN-E.13, a 4.5-acre lot at the Spaceport Commerce Park, with the intention of building an approximately 20,000 SF manufacturing facility to fabricate and assemble exterior signage, designed to be suitable for further expansions, including a 13,300 SF addition to the east of the building. The company also planned to build two additional industrial buildings (approximately 30,000 SF and 27,000 SF, respectively) on the southern portion of the lot, which would be intended for either expanding operations or future industrial tenants.

Upon design review, the 4.5-acre lot was not deemed large enough to allow for sufficient stormwater and parking for the planned future buildings on the property, so in August 2024, Olympian LED formally requested to purchase an additional 3-acres of land adjacent to their property, which included the north-western portion of Parcel 23-35-04-NN-E.2.

Olympian LED currently employs a staff of 4 full time employees and anticipates creating 5 additional positions after the first building becomes operational.

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

¹ For more detailed information on RIMS II multipliers, please visit www.bea.gov/resources/methodologies.

² <https://www.linkedin.com/company/olympian-led/about/>

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.

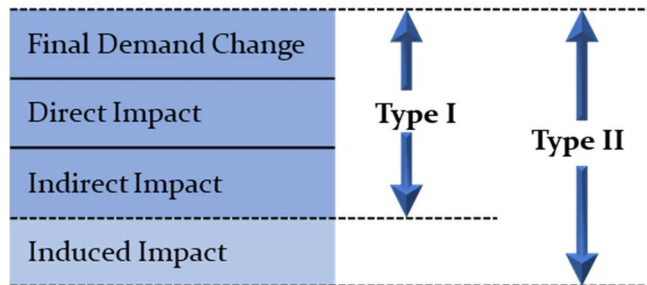


Figure 1: RIMS II Terminology – Table modified from BEA RIMS II User Guide.

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.

Olympian LED: 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 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:

- **Final Demand Industry: Construction (Industry Aggregate #7)**
- **Final Demand Change: \$7,043,400**
 - Structural Steel Frame Construction³ (\$78/SF)
 - Building #1: 33,300 SF
 - Building #2: 30,000 SF
 - Building #3: 27,000 SF

Operation Phase⁴:

- **Estimated Start of Operations: Jan 2028**
- **Final Demand Industry: 339950 Sign Manufacturing**
- **Final Demand Change: \$400,000**
 - Current Annual Revenue⁵: \$4M
 - Expected Sales (10% increase): \$4.4M
- **Direct Effect Employment Change: 5 Employees**
- **Direct Effect Earnings Change (excluding benefits): \$200,000**
 - \$40,000 average annual wages
 - 5 new Employees

³ <https://estimatorflorida.com/warehouse-construction-cost>. Construction estimated to be between \$58.50 to \$78 per square foot. Rising construction costs are likely to trend higher than this estimate.

⁴ Buildings #2 and #3 may be used for Olympian LED's growth, however, the company may lease these spaces to other tenants. Therefore, the economic impact of any future businesses operating out of these buildings, including revenue, employment, or earnings changes, has not been factored into this report.

⁵ https://rocketreach.co/olympian-led-profile_b428ff83c1f9b777

Olympian LED: 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 Value-Added	0.6884	0.8700
Final Demand Earnings	0.4278	0.5194
Final Demand Employment	7.5835	9.7927

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 \$7M 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 \$7M of purchases that would be felt throughout the local economy.

	Final Demand Change	Inter-Industry Impact	Induced Impact	Total Impact
Gross Output	\$7,043,400	\$9,064,151	\$2,098,229	\$11,162,380
Value-Added		\$4,848,677	\$1,279,081	\$6,127,758
Earnings		\$3,013,167	\$645,175	\$3,658,342
Employment		53	16	69

Table 2: Final Demand impacts of construction phase for new facilities.

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 \$7M during the construction phase of the project would generate around **\$9.1M** 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 **\$2.1M** 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 **\$11.2M** 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.

		Industry Purchases	Final Purchases				Total Commodity Output
			Personal Consumption	Private Fixed Investment	Net Exports	Government Consumption	
Value-Added	Commodities	Intermediate Inputs	Final Uses				
	Salary	Income Generated	GDP				
Taxes							
Gross Surplus							
		Total Industry Output					

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 **\$4.8M** of direct and indirect impacts to the local economy, and an additional **\$1.3M** 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 **\$6.1M**.

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 \$7M in the local construction industry would result in a direct and indirect earnings impact of **\$3M**, 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 **\$645K**. The total impact to earnings from this project would be around **\$3.7M**.

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 **53 direct and indirect jobs**, and an additional **16 induced jobs**, for a total of **69 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.

Olympian LED: Forecasted Operations Impacts

RIMS II Multipliers: Type I & Type II for Sign Manufacturing Industry

Table 3 lists the Type I and Type II multipliers that were retrieved from the RIMS II data set for the 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 after the construction of Building #1.

Detailed Industry: 339950 Sign Manufacturing		
	Type I Multipliers	Type II Multipliers
Final Demand Output	1.2342	1.4773
Final Demand Value-Added	0.5627	0.7108
Direct Effect Earnings	1.2063	1.4654
Direct Effect Employment	1.1469	1.4195

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

Results

The final demand and direct effect multipliers for the sign manufacturing industry, listed in **Table 3**, were applied to the final demand and direct effect changes expected from the initial operations at the new facility (Building #1).

Based on a current annual revenue estimate of \$4M, and a 10% expected increase in sales after Building #1 is fully operational, the final sales change was estimated to be around \$400,000. This number excludes sales from any future tenants or expanded operations in Buildings #2 and #3, which would likely increase the overall project’s total economic impact. Based on an estimate of \$40,000 average wages for new employees, excluding benefits, the total earnings change to the region would be \$200,000 for the 5 new employees.

	Final Demand Change	Inter-Industry Impact	Induced Impact	Total Impact
Gross Output	\$400,000	\$493,680	\$97,240	\$590,920
Value Added		\$225,080	\$59,240	\$284,320
	Direct Effect Change			
Earnings	\$200,000	\$241,260	\$51,820	\$293,080
Employment	5	6	1	7

Table 4: Final Demand and Direct Effect impacts of operation phase of Building #1.

Gross Output

Based on the RIMS II input output data set for the sign manufacturing industry, the industry that would initially be affected in Brevard County, Olympian LED's \$400K increase in annual sales would stimulate the gross output of all industries in the local market by **\$591K**. On top of the **\$494K** of inter-industry impacts, there would be an additional **\$97K** in induced impacts throughout all the industries in the local economy.

Value-Added

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 **\$225K** of direct and indirect impacts to the local economy, and an additional **\$59K** of induced impacts triggered by household spending increases. Olympian LED's operations would yield an economic stimulus that would increase the region's GDP by approximately **\$284K**.

Earnings & Employment

The company expects to add 5 employees to its staff after the expansion. Conservatively, the salaries of these employees would average around \$40,000 annually, excluding benefits.

Based on an additional workforce of 5 employees, the total earnings change to the region once the business achieves full capacity, would be \$200K.

These earnings and employment changes were applied to the direct-effect multipliers for the primary industry, Sign Manufacturing, listed in **Table 3** to determine impacts.

The RIMS II model estimated that a \$200K earnings change in the sign manufacturing industry in Brevard County would generate a **\$241K** inter-industry earnings impact. There would also be an additional **\$52K** in induced impacts related to increases in household spending. Total earnings impacts felt throughout the county would be around **\$293K**.

Further, it estimated that 5 new jobs would yield **6 direct and indirect jobs**, and an additional **1 induced job**, for a total of **7 jobs** created after operations commence at the new facility. These jobs would represent a mixture of full time and part time employment.

Olympian LED: Fiscal Impact Analysis

Key Project Components⁶

Current Taxable Value of Building

Undeveloped parcel – Spaceport Commerce Park --

Anticipated Capital Investment

Land (\$225K initial 4.5 acres + \$150K 3 additional acres) \$7,418,400
 Construction (\$7 M)

Anticipated Market Value

\$5,934,720

Anticipated Capital Investment (Equipment) \$9,000

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		\$197,845
Est Construction Budget	\$7,043,400	
Est Materials Cost (40%) + Equipment Cost	\$2,826,360	
7% Sales Tax	\$197,845	
Impact Fees		\$231,324
City of Titusville	\$74,818	
Brevard County	\$156,506	
Building Permit		\$211,302
3% Construction Budget	\$211,302	

Taxes Anticipated from Project Implementation (Approx) -ANNUAL

Real Property Tax		\$104,060
Anticipated Market Value	\$5,934,720	
Rate: 17.5341/\$1,000	\$104,060	
Tangible Personal Property Tax		\$158
Equipment	\$9,000	
Rate: 17.5341/\$1,000	\$158	

Initial Annual Fiscal Stimulus \$744,689

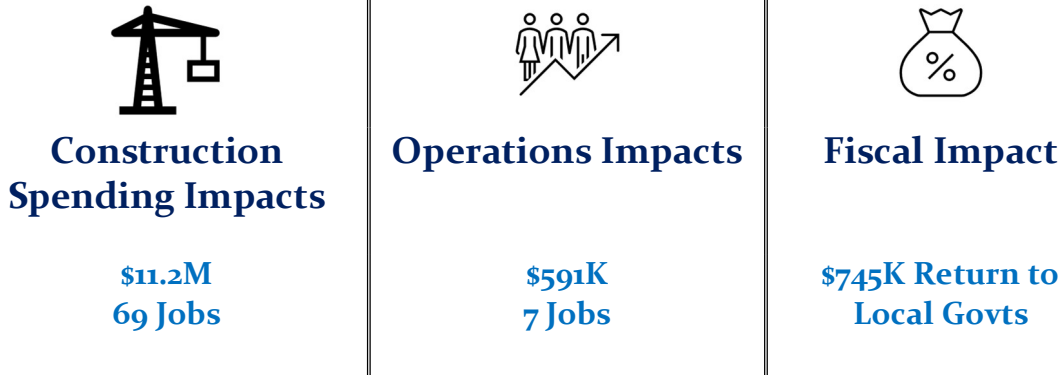
Table 2: Estimated Fiscal Impacts. All figures are estimates and based on available data.

INITIAL ANNUAL FISCAL STIMULUS: \$744,689

⁶ For sales tax estimates, material costs are assumed to be 40% of construction budget.

Olympian LED: Impact Summary

This report provides an estimate of the potential impacts from the construction of three new manufacturing facilities at the Spaceport Commerce Park, and the expansion of Olympian LED’s manufacturing operations and workforce in Brevard County into a 20,000 SF facility at the Spaceport Commerce Park. Future operational expansions or revenues generated from tenants in Buildings #2 and #3 have not been estimated in this report.



Based on the analysis conducted using RIMS II multipliers, this project would create a combined total economic and fiscal impact of around **\$12.5M**, of which \$11.2M would be generated from the construction phase, and \$591K would be realized through the new output produced by the company.

The project would also be expected to result in the creation of around **76 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 **\$745K**. ■

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.