



**Project Mod – Manufacturer
Tax Abatement Application
Economic Impact Analysis**

**Prepared by
Indian River County Chamber of Commerce**

**Report to Indian River County
Economic Development Council**

January 30, 2024

Project Mod has requested confidentiality, as per Section 288.075, Florida Statutes. As explained by the owner, the industry in which it involved is highly competitive. Project Mod is a newly formed manufacturing firm currently based in North Palm Beach, operating under the owner's "umbrella" company. The owner and sole officer is Mr. George Robb.

The company purchased ten acres of industrial land in Sebastian, off Roseland Road, which includes a 35,000sf existing building. (The former Ford Wire & Cable Company building.)

The company manufactures steel-enforced ready-made modular units to be used as components in the construction of affordable multi-family housing complexes. The units are 1100sf, with wiring and plumbing already installed and ready to connect to the main lines.

The owner plans to market his product regionally and statewide, eventually expanding to the Southwest U.S. as production ramps up in the next few years. As a manufacturer, Project Mod is eligible to apply for the Indian River County Jobs Grant incentive and the County's Tax Abatement program. A Jobs Grant application was recently submitted to the County and will be reviewed by the EDC in the near future.

Background

As noted, Project Mod is a relatively new company, formed in 8/2023. However, the owner, George Robb, and his primary business, Robb Construction, has been operating for ten years.

The existing building was retrofitted to accommodate an on-site watchman's quarters as well as the warehousing of raw material and finished goods. The owner is constructing a second building on site, 40,000sf, for the production operations. The City of Sebastian Planning & Zoning Commission recently approved site plans for the new building in a unanimous 6-0 decision.

Capital Investment

The total capital investment is \$4 million, which includes \$1.5 million in tangible property (tooling, hydraulics, robotics) and \$2.5 million to construct a 40,000sf building, along with renovations to the existing structure.

Employment

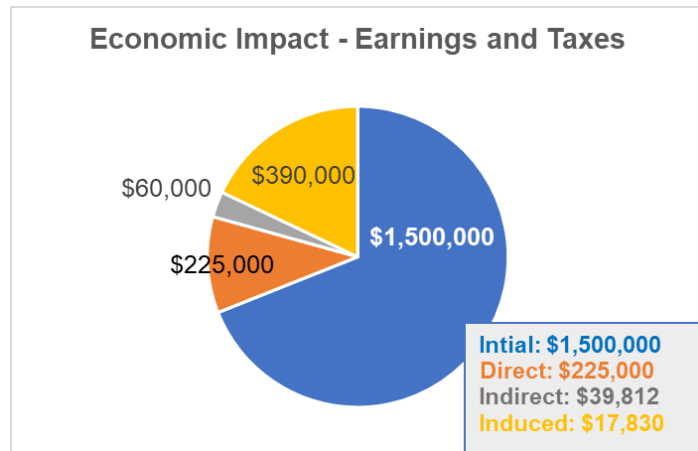
Project Mod anticipates hiring 24 new employees when fully operational in its new facilities, with annual salaries ranging from \$55,000 to \$100,000. The average wage of all new positions is \$62,500, which calculates to approximately \$1,500,000 in new paychecks circulating in our local economy each year.

Overall Impact:

- \$2,175,000 increase in annual earnings, based on a 1.45 multiplier for the manufacturing industry

Economic Impact

Indian River County can expect to see positive spin-off from the new jobs created and capital investment made by the location of Project Mod. IMPLAN's economic modeling platform assisted in calculating the economic impact components, based on the information provided by the employer.



The newly created jobs and estimated capital expenditure will result in:

- Initial impact of \$1.5 million – estimated average annual wage multiplied by the number of anticipated new jobs
- \$225,000 direct impact on earnings (.15 multiplier)
- \$60,000 indirect impact (.04 multiplier)
- \$390,000 Induced (.26 multiplier)

Effect on **local job creation** from adding 24 jobs:

- Direct new jobs (.20 multiplier) = 4.8
- Indirect new jobs (.06 multiplier) = 1.44
- Induced new jobs (.41 multiplier) = 9.84
- Total jobs creation = 40.08, including the 24 new hires

Local Services and Vendors

For a project such as this, payments and purchases applying to the basic operations of the business and property are added benefits to our local economy. Those local services include areas such as:

- Banks and Professional Services, i.e. CPAs, attorney firms
- Basic facility upkeep and maintenance such as janitorial and grounds/lawn maintenance
- Purchases of maintenance and office supplies
- Continued education and training

Conclusion

The location of Project Mod into Indian River County and the City of Sebastian brings both tangible and intangible positive economic attributes that advance our county's goals of economic diversification, job creation and positive economic impact.

The Tax Abatement incentive will freeze - but not reduce - the current taxes on real property, with incremental increases anticipated for the City of Sebastian and Indian River County over the next 7-8 years.

The Indian River County Chamber of Commerce supports the project and recommends that EDC members consider all the positive contributions this project brings to Indian River County, and recommends approval to the Board of County Commissioners.

Definitions

Direct Impact - Direct effects from the initial spending, creating additional activity in the local economy.

Indirect Impact - The impact of business-to-business transactions indirectly caused by the direct effects. Businesses initially benefiting from the direct effects will likely increase spending at other local businesses.

Induced Impact - Induced effects are the results of increased personal income caused by the direct and indirect effects. Businesses experiencing increased revenue from the direct and indirect effects may subsequently increase payroll expenditures (by hiring more employees, increasing payroll hours, raising salaries, etc.). Households may, in turn, increase spending at local businesses.