



**Economic Impact Report for Northwest Florida Regional Aquatic Center**

**A Report to the Niceville Community Redevelopment Agency**

**Prepared By:**

**Matrix Design Group, Inc.**

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## Executive Summary

Commissioned by the Niceville Community Redevelopment Agency (CRA) and its partners, this report provides the projected economic impacts associated with the opening of an aquatic center in Okaloosa County. The report considers the impacts of a basic option, a mid-level option, and a top-tier option. **While all three options would fulfill the stated mission of improving the “health, water safety, and the aquatic education of Northwest Florida citizens and aquatic organizations,” our cost-benefit assessment strongly suggests that the Commission proceed with the mid-level option.** Estimated to cost approximately \$21 million to build, the facility should include a 50-meter by 25-yard competition pool, a separate 25-yard programming pool with five lanes, spectator seating for 1,000, a concession area, and locker room space. Ten years after opening, the mid-sized aquatic center is projected to support over 457 jobs and will have cumulatively generated \$234.7 million of economic impact and \$18.4 million of tax revenue. To be sure, the construction costs associated with the basic option, which would feature just a single 50-meter by 25-yard competition pool, would be significantly lower, at around \$12 million. However, its inability to attract a significant number of regional and national events would severely limit its economic impact. On the other hand, the upfront costs associated with the top-tier option, estimated at \$32 million, are likely too steep to garner funding support. **Overall, the economic assessment strongly indicates that an aquatic center capable of drawing athletes and others from throughout the Southeastern U.S. would be an economic boon for Northwest Florida.**

**“Ten years after opening, the mid-sized aquatic center is projected to support over 457 jobs and will have cumulatively generated \$234.7 million of economic impact and \$18.4 million of tax revenue.”**

By selecting the mid-level option, estimated to cost approximately \$21 million, the facility can cater to a wide range of aquatic needs while attracting regional and national events. **With proper management and operations, the projected tourism and resulting economic impact generated by the aquatic center, including tax revenue, would help compensate for the facility’s construction and operational costs, raising the prospect that the facility will be cost-neutral in the long run.** Moreover, beyond the economic benefits, the aquatic center would contribute to improving the health, water safety, and aquatic education of Northwest Florida citizens and organizations.

We utilized the economic analysis software IMPLAN (IMPact analysis for PLANning) to model the aquatic center's economic impacts. IMPLAN is a multi-regional input-output model with the ability to estimate interrelated economic impacts of businesses and institutions within a specific region. Since we are chiefly concerned about local economic impacts, our analysis focused on Okaloosa and Walton Counties.

To gather the necessary data for our economic analysis, we employed a mixed methods approach to data collection. Firstly, Matrix conducted a thorough review of existing literature and comparable economic studies related to aquatic centers. This literature review allowed us to gain insights into the economic impacts of similar facilities and understand the factors that contribute to their success. Specifically, the case studies of various aquatic centers throughout the U.S. provided insight into the financial scope of large recreational facilities.

Additionally, we conducted a review of USA Swimming and NCAA Swimming documentation to better understand the impacts of aquatic centers on swimming programs and related activities. This information was vital in assessing the potential benefits and outcomes associated with the establishment of an aquatic center. In particular, we learned about the minimum facility standards required to host these events.

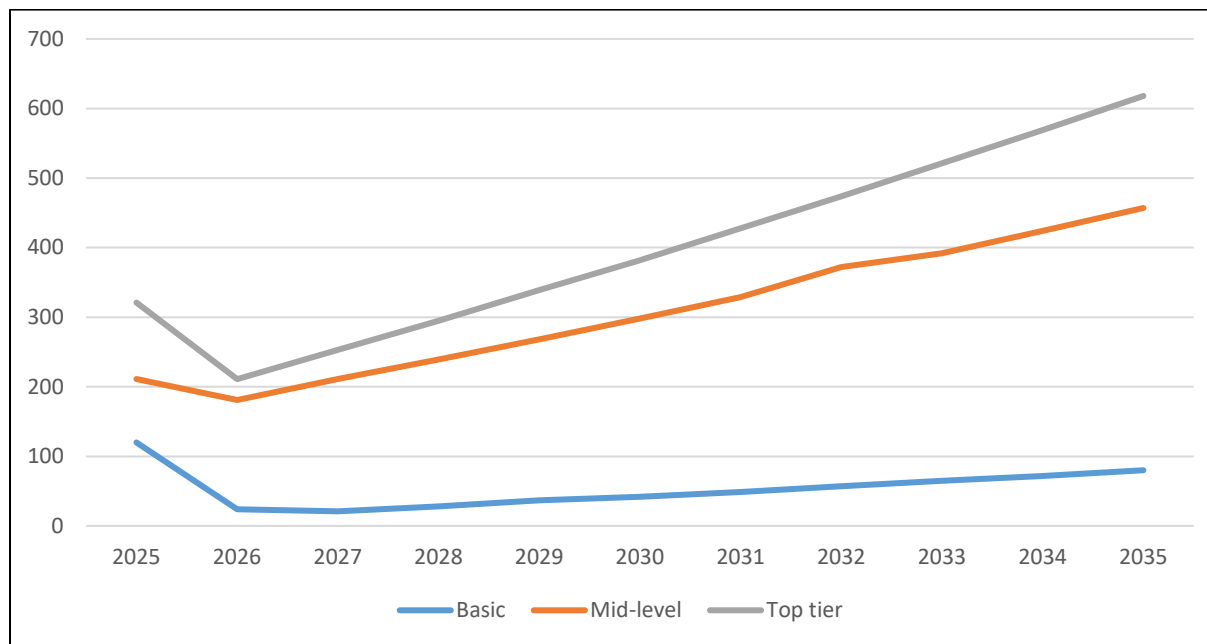
To supplement the literature review, Matrix engaged in both formal and informal interviews with industry experts and practitioners. We engaged individuals identified in the CRA's Feasibility Assessment—such as Brian Haddad, Director of Operations for Southeastern Local Swim Clubs—and others based throughout the identified service area. By consulting these experts, we aimed to determine realistic cost/benefit assumptions and obtain other relevant financial data necessary for our economic analysis.

The insights gained from the literature review and interviews with industry experts informed our estimation of various metrics, such as the number of additional visitors the aquatic center would attract, the average length of stay of visitors, their spending patterns during an aquatic event, and the potential increase in operational expenditures of other aquatics-related activities. Crucially, we were conservative in our assumptions so as not to paint an unrealistic picture of the aquatic center's impacts.



**Employment Impact.** Figure 1 displays the number of jobs that each type of facility is projected to support over the construction period (assumed to be 2025) and the first 10 years of operation. **Construction of our recommended option would create 211 jobs, and in its tenth year of operation, the facility would support 457 jobs.** By then, about 22% of the jobs supported by the facility would be indirect or induced in nature. Indirect and induced jobs are the result of business-to-business transactions and employee spending in the local economy, respectively.

**Figure 1. Total Employment Impacts in Okaloosa County by Facility Type, 2025 to 2035**

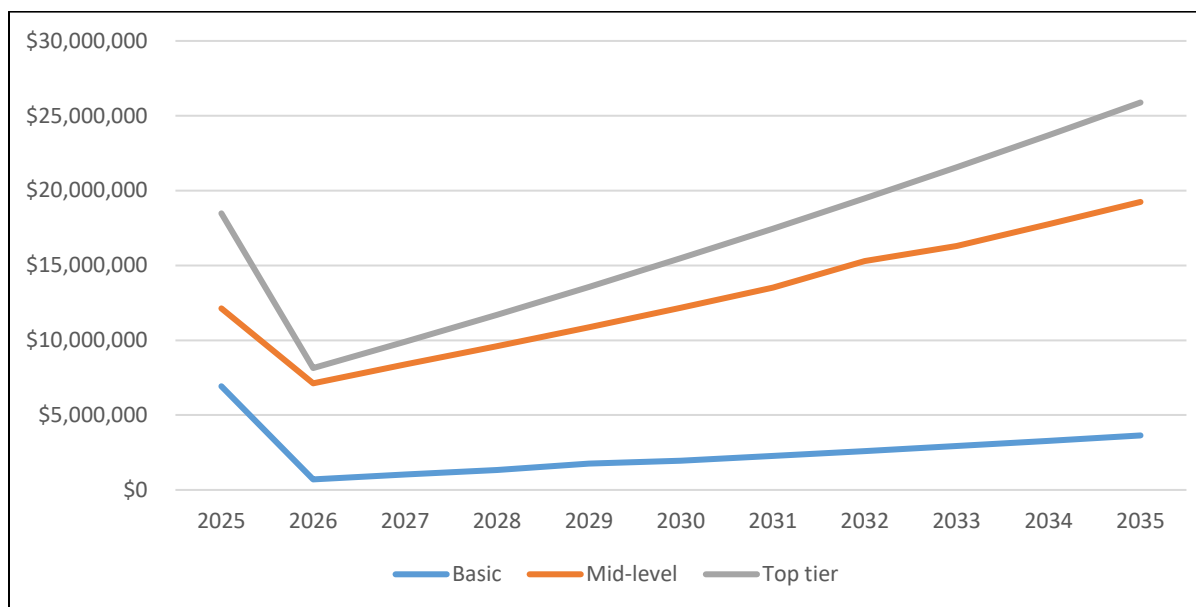


**Source:** Matrix Design Group, Inc.

**Note:** Estimates are for Okaloosa County and were generated using IMPLAN.

**Labor Income Impact.** Construction of our recommended option would produce \$12.1 million of labor income (see Figure 2). Labor income will fall sharply after construction ends, but it will quickly recover as the facility draws events and tourists. In 2030, the facility would generate \$12.2 million of labor income, before rising to \$5.8 million five years later. **We estimate that the mid-level facility would generate \$142.4 million of labor income over the 11-year period.**

**Figure 2. Total Labor Income Impacts in Okaloosa County by Facility Type, 2025 to 2035**



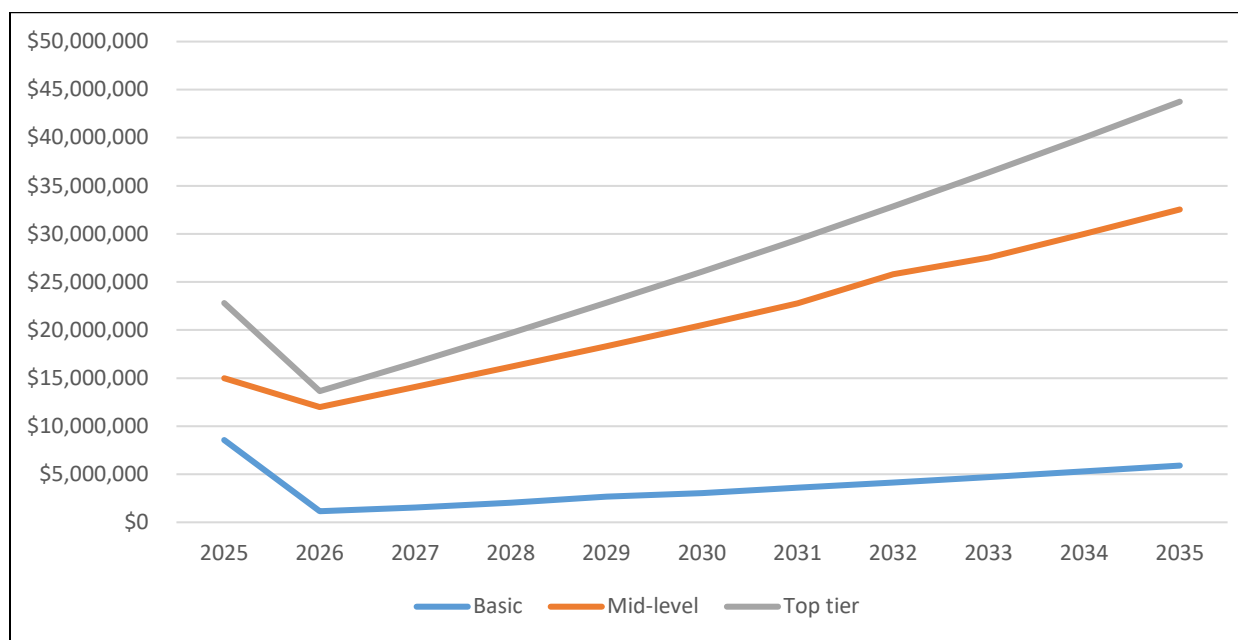
**Source:** Matrix Design Group, Inc.

**Note:** Estimates are for Okaloosa County and were generated using IMPLAN.



**Economic (Value Added) Impact.** Economic impact is best measured as “value added,” defined as the difference between gross output and intermediate consumption. **Our recommended option would create \$234.7 million in total economic impact from 2025 to 2035.** Figure 3 presents the year-by-year breakdown of this cumulative impact. Crucially, our estimates hinge on the assumption that the facility would be able to attract additional events over time. In 2035, when we anticipate that the facility would host 30 events, it is projected to generate \$32.5 million in total economic impact, including a combined \$9.4 million in indirect and induced impacts.

**Figure 3. Total Economic Impact (Value Added) by Facility Type in Okaloosa County, 2025 to 2035**

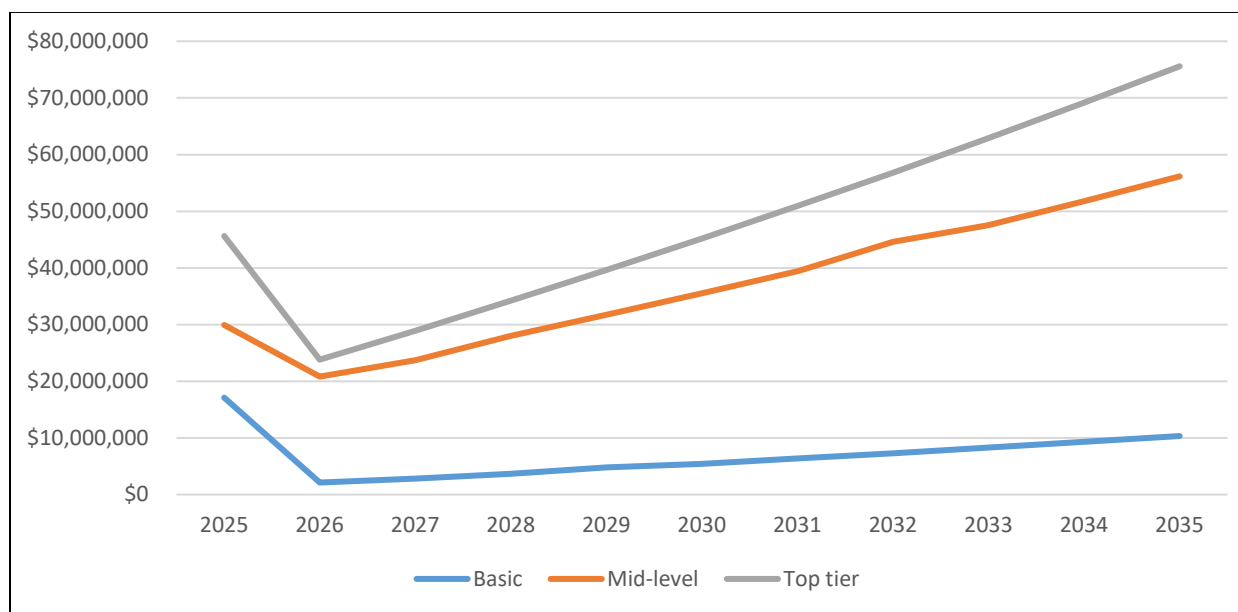


Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN.

**Gross Output.** From 2025 to 2035, our recommended option would yield \$409.3 million in gross output (see Figure 4). While direct outputs would be the most significant contributor to this total, it is important not to understate the indirect and induced outputs the facility is projected to produce. Over the course of this period, the facility is predicted to generate \$123.2 million in indirect or induced outputs.

**Figure 4. Gross Output by Facility Type in Okaloosa County, 2025 to 2035**



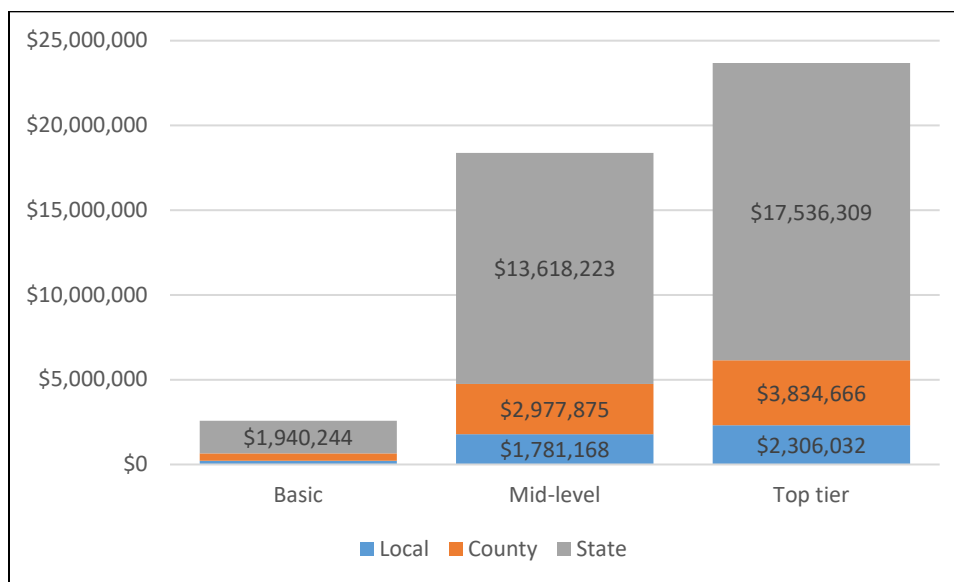
**Source:** Matrix Design Group, Inc.

**Note:** Estimates are for Okaloosa County and were generated using IMPLAN.

**Tax Revenue Impact.** Figure 5 displays the tax revenue that each facility is expected to generate from 2025 to 2035. The most basic option is predicted to produce \$2.6 million in state, local, and county revenue. As the sales tax will be the primary revenue source, the state is set to be the largest beneficiary, collecting \$1.9 million. The mid-level and top-tier facilities are anticipated to produce \$18.4 million and \$23.7 million of

total revenue, respectively. The mid-level facility will raise \$13.6 million for Tallahassee, while the top-tier option will yield \$17.5 million. These findings suggest the state would see a significant return on investment if it were to help finance the latter two projects.

**Figure 5. Cumulative Estimated Tax Revenues by Facility Type, 2025 to 2035**



**Source:** Matrix Design Group, Inc.

**Note:** Estimates are for Okaloosa County and were generated using IMPLAN.

**Funding Opportunities.** In projecting economic impacts and proposing a funding model, this report provides grant writers with the economic and financial information necessary for regional grant applications. We believe the aquatic center would be especially competitive for Triumph Gulf Coast, Inc. grants. Other potential funding sources include local governments, the Florida Department of Economic Opportunity, the Okaloosa County Tourist Development Department, and private sector contributions.

## Introduction and Background

Matrix Design Group was commissioned by the Niceville Community Redevelopment Agency (CRA) and its partners to study the economic impacts associated with the opening of an aquatic center in Okaloosa County. The team was also tasked with studying opportunities to assist the region with funding the aquatic center’s construction, staffing, and annual maintenance. This is not the first study the CRA has commissioned related to this opportunity. A feasibility study was conducted in 2022 to determine the optimal location and configuration for the aquatic center. The assessment examined comparable aquatic centers to learn best practices and to develop preliminary cost estimates.

The report considers three facilities of varying size, function, and cost. Table 1 provides an overview of each facility.

**Table 1. Overview of Aquatic Center Facilities Under Consideration**

Facility Type	Estimated Construction Cost	Features
Basic	\$12 million	50-meter by 25-yard competition pool
Mid-level	\$21 million	50-meter by 25-yard competition pool, 25-yard programming pool with five lanes, spectator seating for 1,000, concession area, and limited locker room space
Top tier	\$32 million	50-meter by 25-yard competition pool, 25-yard programming pool with five lanes, dive well, spectator seating for 1,500, and spacious lobby and locker room areas

Understanding the economic impacts associated with each facility is a crucial step in advancing the project. The study that follows provides the Niceville CRA with a business decision-making tool that allows its members to fully understand the implications of the funding decisions. The report consists of two primary sections (Economic Analysis and Funding Opportunities), followed by an appendix.

The economic analysis section provides a detailed breakout of job, labor income, value added, and gross output impacts for the aquatic center, as well as estimated impacts associated with general admittance and hosting aquatic events. These impacts are comprehensive in nature, consisting of the direct, indirect, and induced effects resulting from the economic multiplier effect. To calculate these estimates, the study employs the widely used IMPLAN input-output economic modeling software. In addition, the report considers the facility's other tangible and intangible benefits.

The results of the economic impact analysis, combined with our understanding of the construction costs associated with each facility, lead us to propose that the Commission proceed with the mid-level option. In our view, although such a facility would require an estimated \$21 million upfront cost, its significant economic impacts, as well as other tangible and intangible benefits, would make it worth the investment. **After 10 years of operation, the facility would support 457 direct, indirect, and induced jobs and yield a cumulative economic impact of \$234.7 million.**

Finally, the report concludes with a discussion of additional funding opportunities such as Triumph Gulf Coast, as well as industry and government contributions. The research team examined the funding structures of comparable aquatic centers in order to provide crucial context for the Commission as it weighs its options

The Niceville Aquatic Center is a proposed recreational facility that will feature various water-related activities, including water safety, recreational and competition swimming, water aerobics, water polo, and synchronized swimming. The center is designed to provide a safe and enjoyable environment for individuals of all ages to participate in aquatic sports and activities.

The center is planned to be built in Niceville, a city in Okaloosa County, Florida, USA. The location is intended to provide easy access for residents of Niceville, as well as visitors to the area.

The aquatic center Matrix recommends would feature a large indoor swimming pool and a smaller programming pool. We are convinced that an indoor pool is most practical given that the region's subtropical climate is known for its high humidity, frequent rain showers, and occasional extreme weather events, which can pose challenges for outdoor recreational activities. By providing an indoor pool, residents and visiting competitors alike will have the opportunity to enjoy swimming and aquatic exercises throughout the year, irrespective of the weather conditions outside, particularly during the winter months. The pools will be equipped with filtration and heating systems, ensuring that the water is clean, safe, and comfortable for users. The center will also include a lobby, visitor seating, offices, locker rooms, and a concession area.

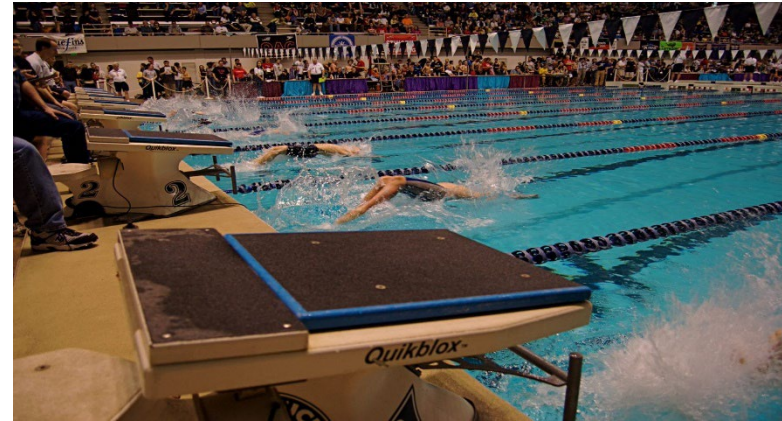
The primary goal of the proposed aquatic center is to meet a growing demand for aquatic sports and training facilities. But the public at large would also benefit, as aquatic sports and activities' propensity to promote healthy living and physical activity are well documented. Crucially, an aquatic center in Okaloosa County will decrease the rate of drownings by providing a safe and controlled environment for swimming education, water safety programs, and lifeguard training, thereby equipping individuals with the necessary skills and awareness to prevent water-related accidents. The center will provide a variety of programs and classes, including swimming lessons, water aerobics, and competitive swimming team activities. The center will also host various events and competitions throughout the year, attracting participants from across the region, **particularly boosting tourism during the winter months.**

The proposed Niceville Aquatic Center has received widespread community support, with many individuals and organizations expressing enthusiasm for the proposed center. The center is expected to be a valuable asset to the community, providing a safe and enjoyable environment for individuals to participate in aquatic activities and promote healthy living.

### Comparable Aquatic Centers

The proposed aquatic center in Okaloosa County is expected to be a facility featuring a 50-meter pool, 25-yard programming pool, among various other amenities, as identified in the feasibility study. Below, we provide an overview of comparable aquatic centers in Florida:

- Frank Brown Park Aquatic Center: This aquatic center is located in Panama City Beach and is a part of the larger Frank Brown Park sports complex. It features a heated indoor pool, a seasonal outdoor pool, a splash pad, and a lazy river. The facility also has a fitness center, a playground, and sports fields.
- City of Tallahassee Trousdell Aquatic Center: This aquatic center is located in Tallahassee and features an Olympic-sized outdoor pool with diving boards, a shallow children's pool with water features, and a water slide. The facility also has a fitness center and offers swim lessons and aquatic fitness classes.
- Crystal River / Inverness YMCA Aquatic Center: This aquatic center is located in Citrus County (southwest of Ocala) and is operated by the YMCA. It features a heated indoor pool, a seasonal outdoor pool, a splash pad, and a water slide. The facility also has a fitness center, a basketball court, and a playground.
- Cocoa Beach/Brevard County Aquatic Center: This aquatic center is located in Cocoa Beach and features an Olympic-sized outdoor pool, a children's pool, and a water slide. The facility also has a fitness center, a playground, and sports fields.
- Sanford/Seminole County Aquatic Center: This aquatic center is located in Sanford and features an Olympic-sized outdoor pool with diving boards, a children's pool with water features, and a water slide. The facility also has a fitness center, a playground, and sports fields.
- Palm Bay/Broward County Aquatic Center: This aquatic center is located in Palm Bay and features an Olympic-sized outdoor pool, a children's pool with water features, and a water slide. The facility also has a fitness center, a playground, and sports fields.



Overall, these aquatic centers offer a range of amenities and activities for visitors of all ages and abilities. From heated indoor pools to seasonal outdoor pools, water slides, and fitness centers, each facility has unique features and programs to meet the needs and interests of its community.

## References

The following industry experts and practitioners provided valuable insights into the aquatic industry through formal and informal interviews, contributing to the understanding of the economic impacts associated with the proposed aquatic centers.

- Frank Busch, former National Team Director for USA Swimming including Athens 2004 and Beijing 2008 and London 2012, in addition NCAA Coach of the Year six times while coaching at U of Arizona: Mr Busch's extensive experience in aquatics proved valuable to this effort across multiple interviews addressing the challenges associated with bringing aquatic centers to communities like Niceville.

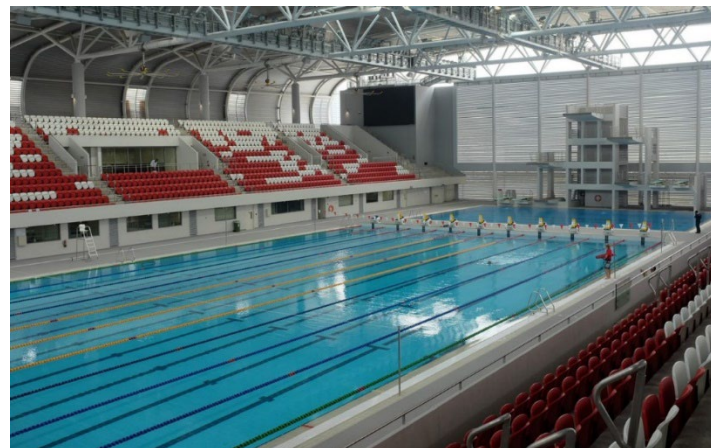
- Brain Haddad, Director of Operations, Southeastern Swimming LSC: Mr. Haddad's extensive experience in the aquatic industry and his role in overseeing operations at Southeastern Swimming LSC brought valuable perspectives to the economic impact analysis.
- Sue and Mick Nelson, Total Aquatics LLC: As industry experts and owners of Total Aquatics LLC, Sue and Mick Nelson offered valuable insights into the operational aspects and financial implications of aquatic centers. Their expertise provided crucial information for the economic impact assessment. We were directed to them by USA Swimming, as they are responsible for the organization's financing and facility programming.
- David Hoover, Greensboro Aquatic Director: With his background as the Aquatic Director in Greensboro, North Carolina, David Hoover shared his knowledge and expertise regarding the economic benefits and considerations associated with operating an aquatic center. His insights were instrumental in understanding best practices and potential outcomes.
- Ric Maylott, Northeast Insurance Center, LLC: As a representative of Northeast Insurance Center, LLC, Ric Maylott provided valuable insights into the insurance considerations and risk management strategies specific to aquatic centers. His expertise helped in assessing the financial aspects related to mitigating potential risks and liabilities.

The contributions of these industry experts and practitioners greatly enhanced the quality and depth of analysis in this economic impact report. Their input provided a comprehensive understanding of the aquatic industry, ensuring that the predicted economic impacts associated with the proposed aquatic center would be as accurate as possible.



## Task 1: Economic Analysis

An aquatic center would yield significant economic benefits for Okaloosa County. **First, the construction and operation of the facility would stimulate job creation.** Potential positions include construction workers, lifeguards, coaches, instructors, and administrative staff. The aquatic center would also create jobs in the businesses from which it makes purchases, such as suppliers, food and beverage vendors, and maintenance contractors. The labor income generated by the aquatic center and related businesses, in turn, would be spent on goods and services in the local economy, creating additional jobs and capital inflow in other, unrelated businesses and industries. **Second, and relatedly, an aquatic center would attract visitors to the area who are interested in swimming and other aquatic activities, thereby generating additional revenue for local businesses such as hotels, restaurants, and retail shops.** This increase



in tourism would also create additional job opportunities and support the local economy. Importantly, we project this facility would stimulate tourism during the region's non-peak periods. **Third, by providing a venue for events and competitions, an aquatic center would attract businesses to the area, further stimulating economic growth. Fourth, the presence of an aquatic center would increase property values in the surrounding area, as the facility would be seen as an attractive and desirable amenity.** This would benefit local property owners and contribute to the overall economic vitality of the community. **Fifth, by offering opportunities for recreation, exercise, and socialization, an aquatic center would improve the health and well-being of local residents, thus reducing healthcare costs and increasing overall productivity.**

Understanding the total economic impacts associated with the establishment of an aquatic center in Okaloosa County is vital to determining whether the project is worth the short- and long-term investment. As such, we forecast the employment, labor income, economic impact, gross output, and tax revenue generated by three hypothetical aquatic centers of varying size and function. Although sometimes discussed interchangeably, economic impact and gross output differ in significant ways. Economic impact, otherwise referred to as "value added," is effectively a business's contribution to GDP, consisting of employee compensation, proprietor income, taxes on production and imports, and other property income. In other words, it represents the wealth created by a business. Conceptualized as the total value of production generated by a business or industry, gross output, or sales, is the sum of value added and intermediate inputs—that is, purchases of goods and services used to produce final goods and services. While both indicators are valuable, it is important to recognize that gross output inherently double counts goods and services and is therefore an inferior indicator of a business' activity.

## Methodology

We quantify economic impacts using the IMPLAN modeling software. An input-output model, IMPLAN measures the effects of spending as it ripples through the economy. More specifically, it provides estimates of direct, indirect, and induced effects. Direct effects are the immediate result of spending and therefore the most common way of measuring economic impacts. In the case of an aquatic center, the direct effects include the new jobs and income for construction workers, architects, engineers, and other professionals involved in the project, as well as the revenue collected from fees, memberships, and program fees. This revenue, in turn, supports the employment of lifeguards, coaches, instructors, and administrative staff. Indirect effects result from the business-to-business transactions that occur in the supply chain. Aquatic centers generate income and jobs for local vendors through the purchase of equipment, supplies, and services, such as pool cleaners, maintenance workers, and food suppliers. Induced effects are the product of employee spending, referring to the jobs and income created from purchases of goods and services by workers. Our study focuses on Okaloosa County and, accordingly, does not present impacts tied to surrounding counties. However, it is almost certainly the case that these spillover effects extend far beyond Okaloosa County's borders. Our economic impact projections cover the year of construction and the first 10 years of the facility's operation.

A challenge we face is that the project has yet to be initiated. In the absence of readily available spending and participant or consumer survey data, researchers are forced to make inferences about relevant factors, including expenditures, capital investment, length of stay, and party size, through interviews with knowledgeable stakeholders and the close study of similar facilities located elsewhere. Over the course of the study period, Matrix conducted several interviews with aquatic industry representatives, whose input informed our assumptions. Where possible, we also relied on data from the Bureau of Labor Statistics, the Department of Energy, the U.S. Census Bureau's American Community Survey, and other credible sources to develop our cost estimates.

Like traditional economic impact assessments, our study considers a variety of spending flows. These spending flows fall into three broad categories: construction costs, operational expenditures, and local expenditures from patrons. These expenditures, and the resulting economic impacts, will vary significantly depending on which aquatic center option local leaders choose to pursue.

### Construction Costs

Our interviews with industry practitioners and analysis of existing aquatic centers informed our construction cost estimates for the three options under consideration. **Note that we were careful to adjust for expected inflation and regional differences in labor costs and the prices of relevant goods and services.** The smallest project would result in a facility housing a single 50-meter by 25-yard competition pool and cost approximately \$12 million to complete. Construction costs for a mid-level option, featuring a 50-meter by 25-yard competition pool, a separate 25-yard programming pool with five lanes, spectator seating for 1,000, a concession area, and limited locker room space, would amount to about \$21 million. It would cost an additional \$11 million to build the top-tier option, which would include the aforementioned competition and programming pools, a dive well, spectator seating for 1,500, a larger concession area, and spacious lobby and locker room areas.

### Operational Expenditures

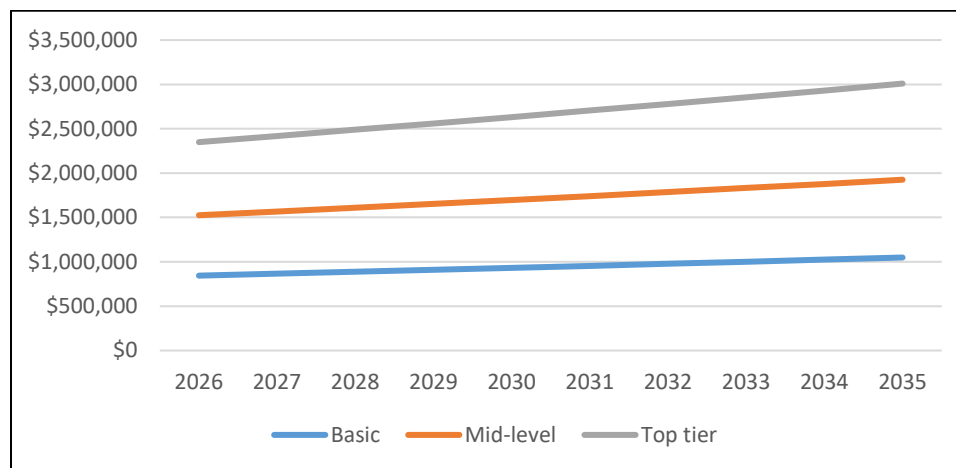
Table 2 presents operating expenditure estimates, divided across 11 subcategories, for the three options in their first year of operation. The results show that a basic aquatic center is projected to produce \$844,248 in annual operating costs, with labor and electricity representing the largest expenditures. A mid-level facility would incur nearly twice the expenditures (\$1,525,409). A top-tier facility would cost an additional \$824,086 to operate. Naturally, due to both expected inflation and the likelihood that the aquatic center would gradually accommodate more events and patrons over time, operating costs are likely to rise from year to year (see Figure 6). By 2035, for instance, the mid-level option’s operating expenditures are projected to increase to just short of two million dollars.

**Table 2. Projected Operating Expenditures in First Year of Operation by Aquatic Center Size**

<b>Expenditure Type</b>	<b>Basic</b>	<b>Mid-level</b>	<b>Top tier</b>
Electricity	\$137,354	\$240,369	\$366,277
Water	\$15,905	\$27,834	\$42,413
Repair and maintenance	\$6,493	\$11,362	\$17,314
Data and communications	\$53,155	\$93,022	\$141,748
Operating supplies	\$31,893	\$55,813	\$85,049
Chemicals	\$45,520	\$79,661	\$121,388
Advertising	\$46,460	\$81,305	\$123,893
Trash	\$6,699	\$6,699	\$6,699
Labor	\$472,825	\$827,444	\$1,260,867
Events	\$4,000	\$60,000	\$120,000
Insurance	\$23,943	\$41,900	\$63,848
<b>Total Operating Expenditures</b>	<b>\$844,248</b>	<b>\$1,525,409</b>	<b>\$2,349,495</b>

Source: Matrix Design Group, Inc.

**Figure 6. Projected Annual Operating Expenditures by Aquatic Center Type, 2026 to 2035**

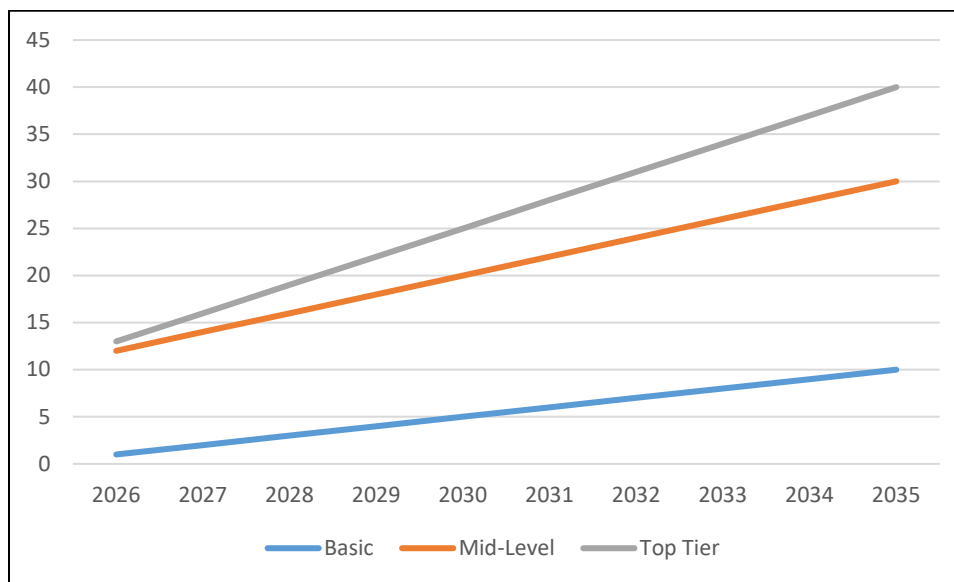


**Source:** Matrix Design Group, Inc.

### Consumer Spending Assumptions

As previously mentioned, Matrix developed assumptions to estimate the data points used to determine economic impacts. These assumptions were derived from relevant scientific and applied economic literature, interviews with national industry experts and practitioners, our analysis of comparable aquatic centers, and appropriate local, regional, and state economic and tourism data. To avoid overestimating the facility’s economic impacts and setting unrealistic expectations, our assumptions were intentionally conservative. As such, it is possible that the actual impacts will be larger than anticipated. The aquatic center’s economic impact in the years following its construction would be driven primarily by the regional and national events it is able to attract. The facility can entice event organizers by offering customized packages, such as group discounts, VIP access, and sponsorship opportunities. The resulting tourism would generate significant consumer spending on food, lodging, transportation, and entertainment. Figure 7 displays the number of events that we anticipate each type of facility would be able to attract through 2035. Consistent with our view that the basic option would almost exclusively serve the local population, we expect that such a facility would only be able to draw one event in its first year of operation. Further, we assume it would only add one event per year, meaning it would host a total of 10 events in 2035. Our interviews with industry experts suggest it is feasible for the number of events hosted by a mid-level aquatic center to increase from 12 to 30 over a ten-year period. We anticipate that a top-tier facility would start at 13 events and add an average of three events per year as it becomes better known throughout the Southeastern United States. Considering that top aquatic centers host events on a near weekly basis, we believe these projections are reasonable.

**Figure 7. Expected Number of Hosted Events by Aquatic Center Type, 2026 to 2035**



**Source:** Matrix Design Group, Inc.

Additionally, we assume that average attendance would vary depending on facility type. According to aquatic industry experts, a facility akin to the mid-level or top-tier options can expect to draw 800 athletes per event, on average. We assumed the average athlete would be accompanied by two supporters (typically parents), resulting in a total attendance of 2,400. Using a similar methodology, we inferred that events hosted by the basic facility would attract half as many attendees, on average.

Guided by the assumption that the average length of stay would be three nights, we estimated the spending habits of the typical tourist. We factored into our estimates an annual inflation rate of one or two percent, depending on the good or service. We arrived at our estimated starting nightly lodging rate of \$159 after studying the prices of a sample of hotels in the Niceville area. We assumed that the typical room would be occupied by two guests. The government per diem rate for meals and incidentals in Okaloosa and Walton Counties, which currently amounts to \$69 but will likely increase by the time the facility opens, informed our dining cost estimates. Finally, we researched typical rental care rates in the area to estimate transportation costs. We determined the average daily rental car rate to be \$106. We assumed that half of the athletes’ parties would opt to rent cars.

Finally, we assumed that 10% of athletes and their supporters would stay two additional days, perhaps to visit Destin. During this time, we estimate that each party would spend just over \$50 per day on entertainment or recreational activities. Table 3 summarizes the assumptions that informed our analysis.

**Table 3. Assumptions Used to Estimate Economic Impacts in the First Year of Operation by Facility Type**

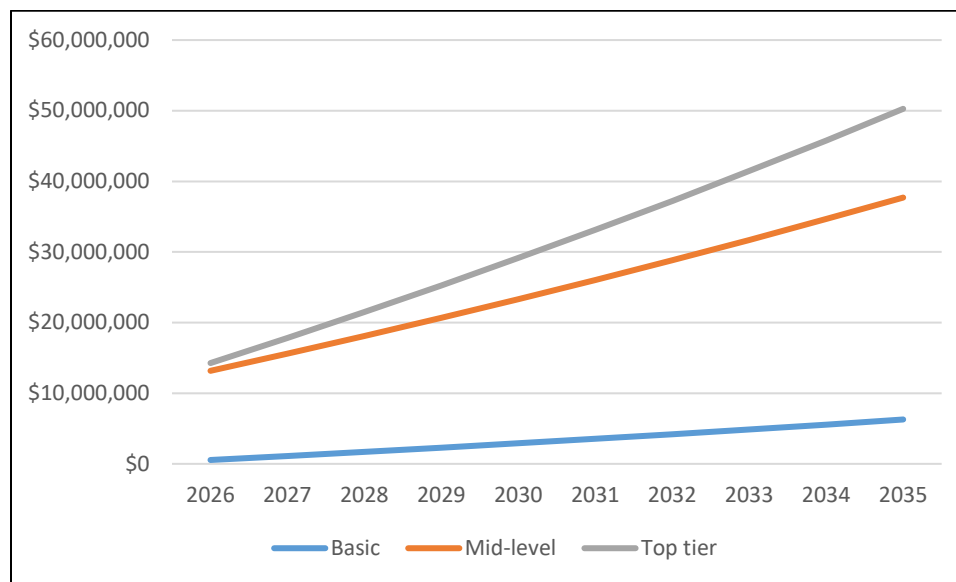
Variable	Basic	Mid-Level	Top-Tier
Number of events	1 (increasing by one annually)	12 (increasing by two annually)	13 (increasing by three annually)
Number of athletes per event	400	800	800
Number of supporters per event	800	1,600	1,600
Length of stay	Three nights: 90% of parties Five nights: 10% of parties	Three nights: 90% of parties Five nights: 10% of parties	Three nights: 90% of parties Five nights: 10% of parties
Daily lodging rate	\$159 (increasing by 2% annually)	\$159 (increasing by 2% annually)	\$159 (increasing by 2% annually)
Daily rental car rate	\$106 (increasing by 2% annually)	\$106 (increasing by 2% annually)	\$106 (increasing by 2% annually)
Per diem (meals and incidentals)	\$71 (increasing by 1% annually)	\$71 (increasing by 1% annually)	\$71 (increasing by 1% annually)
Daily entertainment and recreation rate	\$53 (increasing by 2% annually)	\$53 (increasing by 2% annually)	\$53 (increasing by 2% annually)

**Source:** Matrix Design Group, Inc.

**Note:** Dollar values reflect expected 2026 dollars.

Figure 8 displays estimates of projected consumer spending by facility type. **We expect that a top-tier facility would generate over \$14 million of spending on commodities in 2026, compared to \$13.1 million for a mid-level facility and a mere \$548,903 for the basic option.** While spending will rise over time regardless of which option leaders choose to pursue, the increases will be far steeper for the former two facilities. Once construction is complete, consumer spending in the local economy, particularly from nonresidents, is likely to be the main driver of an aquatic center’s economic impacts.

**Figure 8. Projected Annual Consumer Spending by Facility Type**



Source: Matrix Design Group, Inc.

### Employment

To what extent would each type of facility stimulate job creation over time? Tables 4 through 6 provide insight into this question, providing yearly estimates of the number of direct, indirect, and induced jobs the facility’s construction and operation would support. Note that job impacts are not cumulative in nature, meaning it would be incorrect to sum the estimates across years. **In 2025 (the presumed year of construction), each project is projected to generate significant numbers of jobs.** We estimate that a \$12,000 construction project would produce 92 direct jobs. Further, the purchases of materials, supplies, equipment, fuel, and other goods and services used to complete the project would create 11 indirect jobs. 17 additional, induced jobs would result from employee spending on goods and services in the local economy. As expected, larger projects would yield even greater impacts. A mid-level aquatic center, estimated to cost \$21 million to build, is predicted to generate 161 direct jobs, 20 indirect jobs, and 30 induced jobs, for a total of 211 jobs, while a top-tier facility would create a combined 321 jobs. **In short, construction alone is likely to add a substantial number of jobs to Okaloosa County’s economy.**

After construction ends, the facility would continue to generate jobs. **We anticipate that the opening of the facility in 2026 would create between 19 and 167 direct jobs, depending on facility type.** Over time, as both the clientele and number of hosted events grow, so too will the number of direct jobs created by the facility. In the tenth year of operation (2035), the number of direct jobs supported by the facility will range from 62 to 482. Similarly, business-to-business transactions and employee spending will increase as the facility matures, stimulating additional indirect and induced jobs. A mid-level facility, for instance, is projected to generate 39 indirect or induced jobs in its first year of operation, before reaching 101 at the 10-year mark—a 159% increase. By comparison, a top-tier facility would support 136 indirect or induced jobs at that same point in time. **Particularly as time progresses, the total employment impacts of the mid-level and top-tier options would dwarf that of the basic option. In 2035, the top-tier and mid-level options would support 457 and 618 total jobs, respectively, compared to just 80 for the basic option.**

**Table 4. Employment Impacts of a Basic Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	92	11	17	120
2026	19	3	2	24
2027	17	2	2	21
2028	22	3	3	28
2029	29	4	4	37
2030	33	5	4	42
2031	38	6	5	49
2032	44	7	6	57
2033	50	8	7	65
2034	56	9	7	72
2035	62	10	8	80

Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN.



**Table 5. Employment Impacts of a Mid-Level Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	161	20	30	<b>211</b>
2026	142	23	16	<b>181</b>
2027	166	26	19	<b>211</b>
2028	188	30	21	<b>239</b>
2029	210	34	24	<b>268</b>
2030	233	38	27	<b>298</b>
2031	257	42	30	<b>329</b>
2032	291	47	34	<b>372</b>
2033	306	50	36	<b>392</b>
2034	331	54	39	<b>424</b>
2035	356	59	42	<b>457</b>

**Source:** Matrix Design Group, Inc.

**Note:** Estimates are for Okaloosa County and were generated using IMPLAN.

**Table 6. Employment Impacts of a Top-Tier Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	245	30	46	<b>321</b>
2026	167	26	18	<b>211</b>
2027	199	32	22	<b>253</b>
2028	232	37	26	<b>295</b>
2029	266	43	30	<b>339</b>
2030	300	48	34	<b>382</b>
2031	335	54	39	<b>428</b>
2032	371	60	43	<b>474</b>
2033	407	66	48	<b>521</b>
2034	444	73	52	<b>569</b>
2035	482	79	57	<b>618</b>

**Source:** Matrix Design Group, Inc.

**Note:** Estimates are for Okaloosa County and were generated using IMPLAN.

### Labor Income

Not surprisingly, the three facilities are also projected to produce radically different amounts of labor income. Table 7 demonstrates that in the 11-year period from 2025 to 2035, the basic option’s combined cumulative impact would be approximately \$28.4 million. 74% of the generated labor income will be the result of the direct jobs created by the facility. **Over the same timeframe, a mid-level facility would generate \$142.4 million in labor income—an over fivefold increase compared to the basic option (see Table 8).** \$22.8 million and \$16.5 million of that income will originate from indirect and induced jobs, respectively. The top-tier option would yield a combined cumulative impact of \$185.3 million (see Table 9). Via its direct, indirect, and induced impacts, the facility would inject \$8.1 million into workers’ pockets in its first year of operation. This figure would grow to nearly \$20 million in 2035.

**Table 7. Labor Income Impacts of a Basic Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	\$5,338,180	\$717,966	\$870,389	<b>\$6,926,535</b>
2026	\$496,752	\$128,422	\$79,670	<b>\$704,844</b>
2027	\$775,797	\$139,302	\$124,601	<b>\$1,039,700</b>
2028	\$989,230	\$186,511	\$158,509	<b>\$1,334,250</b>
2029	\$1,296,638	\$246,817	\$207,882	<b>\$1,751,337</b>
2030	\$1,434,160	\$285,536	\$229,413	<b>\$1,949,109</b>
2031	\$1,665,977	\$337,287	\$266,306	<b>\$2,269,570</b>
2032	\$1,904,220	\$390,647	\$304,262	<b>\$2,599,129</b>
2033	\$2,149,041	\$445,663	\$343,309	<b>\$2,938,013</b>
2034	\$2,400,599	\$502,384	\$383,478	<b>\$3,286,461</b>
2035	\$2,659,055	\$560,858	\$424,803	<b>\$3,644,716</b>
<b>Cumulative Impact</b>	<b>\$21,109,649</b>	<b>\$3,941,393</b>	<b>\$3,392,622</b>	<b>\$28,443,664</b>

Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN.

**Table 8. Labor Income Impacts of a Mid-Level Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	\$9,341,815	\$1,256,441	\$1,523,181	<b>\$12,121,437</b>
2026	\$5,126,563	\$1,182,106	\$814,374	<b>\$7,123,043</b>
2027	\$6,035,932	\$1,385,538	\$958,351	<b>\$8,379,821</b>
2028	\$6,922,918	\$1,587,848	\$1,099,703	<b>\$9,610,469</b>
2029	\$7,834,276	\$1,796,499	\$1,245,254	<b>\$10,876,029</b>
2030	\$8,770,584	\$2,011,682	\$1,395,133	<b>\$12,177,399</b>
2031	\$9,732,660	\$2,232,807	\$1,548,628	<b>\$13,514,095</b>
2032	\$11,025,430	\$2,522,414	\$1,751,642	<b>\$15,299,486</b>
2033	\$11,736,035	\$2,695,380	\$1,868,834	<b>\$16,300,249</b>
2034	\$12,778,595	\$2,937,219	\$2,035,794	<b>\$17,751,608</b>
2035	\$13,849,267	\$3,186,361	\$2,207,494	<b>\$19,243,122</b>
<b>Cumulative Impact</b>	<b>\$103,154,075</b>	<b>\$22,794,295</b>	<b>\$16,448,388</b>	<b>\$142,396,758</b>

Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN.

**Table 9. Labor Income Impacts of a Top-Tier Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	\$14,235,147	\$1,914,577	\$2,321,038	<b>\$18,470,762</b>
2026	\$5,854,878	\$1,358,909	\$930,088	\$8,143,875
2027	\$7,124,313	\$1,646,712	\$1,131,701	\$9,902,726
2028	\$8,429,016	\$1,943,606	\$1,339,327	\$11,711,949
2029	\$9,769,827	\$2,249,863	\$1,553,150	\$13,572,840
2030	\$11,147,607	\$2,565,766	\$1,773,362	\$15,486,735
2031	\$12,563,524	\$2,890,650	\$1,999,108	\$17,453,282
2032	\$14,018,265	\$3,225,453	\$2,231,308	\$19,475,026
2033	\$15,512,757	\$3,570,460	\$2,470,142	\$21,553,359
2034	\$17,047,949	\$3,925,965	\$2,715,797	\$23,689,711
2035	\$18,624,808	\$4,292,268	\$2,968,466	\$25,885,542
<b>Cumulative Impact</b>	<b>\$134,328,091</b>	<b>\$29,584,229</b>	<b>\$21,433,487</b>	<b>\$185,345,807</b>

Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN

### Economic Impact

Recall that “value added,” which represents gross output (sales) less intermediate consumption, quantifies a business’s true economic impact. Tables 10 through 12 display the economic impacts associated with each type of facility. **The construction projects are expected to contribute between \$8.6 million and \$22.8 million to Okaloosa County’s economy.** After construction is complete, these impacts will diminish, before approaching previous levels. In the first year of operation, the total economic impact of a basic aquatic center will be \$1.2 million, compared to \$12 million for a mid-level facility and \$13.6 million for a top-tier facility. The economic impact of a basic facility will rise at an average annual rate of 20% through 2035, when it is projected to reach \$5.9 million. Due in large part to its enhanced ability to attract events and, by extension, tourists, the mid-level facility will generate significantly more economic impact, amounting to \$20.5 million in 2030 and \$32.5 million in 2035. **In total, the mid-level aquatic center’s construction and first 10 years of operation would generate \$234.7 million in economic impact, making it a powerful stimulator of economic development.**

**Table 10. Economic (Value Added) Impacts of a Basic Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	\$5,667,388	\$1,126,709	\$1,763,250	<b>\$8,557,347</b>
2026	\$770,455	\$221,766	\$161,318	<b>\$1,153,539</b>
2027	\$1,062,817	\$214,145	\$252,433	<b>\$1,529,395</b>
2028	\$1,414,845	\$285,866	\$321,173	<b>\$2,021,884</b>
2029	\$1,871,005	\$377,866	\$421,300	<b>\$2,670,171</b>
2030	\$2,150,287	\$436,250	\$465,000	<b>\$3,051,537</b>
2031	\$2,534,229	\$514,816	\$540,025	<b>\$3,589,070</b>
2032	\$2,929,345	\$595,807	\$617,276	<b>\$4,142,428</b>
2033	\$3,335,912	\$679,294	\$696,816	<b>\$4,712,022</b>
2034	\$3,754,218	\$765,347	\$778,709	<b>\$5,298,274</b>
2035	\$4,184,553	\$854,040	\$863,023	<b>\$5,901,616</b>
<b>Cumulative Impact</b>	<b>\$29,675,054</b>	<b>\$6,071,906</b>	<b>\$6,880,323</b>	<b>\$42,627,283</b>

Source: Matrix Design Group, Inc.

**Note:** Estimates are for Okaloosa County and were generated using IMPLAN.

**Table 11. Economic (Value Added) Impacts of a Mid-Level Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	\$9,917,929	\$1,971,741	\$3,085,688	\$14,975,358
2026	\$8,495,337	\$1,841,792	\$1,648,831	\$11,985,960
2027	\$9,989,429	\$2,153,245	\$1,940,776	\$14,083,450
2028	\$11,478,107	\$2,461,495	\$2,227,529	\$16,167,131
2029	\$13,009,584	\$2,779,313	\$2,522,905	\$18,311,802
2030	\$14,584,918	\$3,106,984	\$2,827,168	\$20,519,070
2031	\$16,205,211	\$3,443,670	\$3,139,735	\$22,788,616
2032	\$18,362,798	\$3,890,995	\$3,553,024	\$25,806,817
2033	\$19,585,105	\$4,147,070	\$3,792,571	\$27,524,746
2034	\$21,347,006	\$4,515,637	\$4,133,364	\$29,996,007
2035	\$23,158,456	\$4,894,580	\$4,484,102	\$32,537,138
<b>Cumulative Impact</b>	<b>\$166,133,880</b>	<b>\$35,206,522</b>	<b>\$33,355,693</b>	<b>\$234,696,095</b>

Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN.

**Table 12. Economic (Value Added) Impacts of a Top-Tier Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	\$15,113,034	\$3,004,558	\$4,702,001	\$22,819,593
2026	\$9,624,457	\$2,137,821	\$1,883,104	\$13,645,382
2027	\$11,749,766	\$2,576,788	\$2,291,826	\$16,618,380
2028	\$13,936,917	\$3,029,479	\$2,712,899	\$19,679,295
2029	\$16,187,442	\$3,496,301	\$3,146,703	\$22,830,446
2030	\$18,502,918	\$3,977,675	\$3,593,626	\$26,074,219
2031	\$20,884,978	\$4,472,676	\$4,053,048	\$29,410,702
2032	\$23,335,253	\$4,982,646	\$4,525,994	\$32,843,893
2033	\$25,855,435	\$5,508,011	\$5,012,847	\$36,376,293
2034	\$28,447,254	\$6,049,210	\$5,514,002	\$40,010,466
2035	\$31,112,480	\$6,606,694	\$6,029,866	\$43,749,040
<b>Cumulative Impact</b>	<b>\$210,038,234</b>	<b>\$44,898,787</b>	<b>\$42,533,150</b>	<b>\$297,470,171</b>

Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN.

**Gross Output**

Estimates of gross output, which are computed by summing value added and intermediate inputs, appear in Tables 13 through 15. As previously mentioned, because gross output is susceptible to “double counting,” these values should not be interpreted as true economic impacts. Table 13 reveals that, following construction, the gross output for the basic facility would grow from \$2.1 million to \$10.3 million over a 10-year period. This figure pales in comparison to the gross outputs of the two larger facilities. **The mid-level and top-tier options are anticipated to generate \$56.1 million and \$75.6 million in gross output by the end of the period, respectively.**

**Table 13. Gross Output Impacts of a Basic Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	\$12,000,000	\$2,882,383	\$2,224,970	\$17,107,353
2026	\$1,388,319	\$468,973	\$263,780	\$2,121,072
2027	\$1,969,907	\$416,833	\$412,920	\$2,799,660
2028	\$2,568,605	\$555,326	\$525,533	\$3,649,464
2029	\$3,386,117	\$733,567	\$689,600	\$4,809,284
2030	\$3,819,035	\$845,788	\$761,376	\$5,426,199
2031	\$4,471,634	\$997,390	\$884,255	\$6,353,279
2032	\$5,143,102	\$1,153,649	\$1,010,788	\$7,307,539
2033	\$5,833,909	\$1,314,700	\$1,141,079	\$8,289,688
2034	\$6,544,532	\$1,480,678	\$1,275,234	\$9,300,444
2035	\$7,275,466	\$1,651,726	\$1,413,365	\$10,340,557
<b>Cumulative Impact</b>	<b>\$54,400,626</b>	<b>\$12,501,013</b>	<b>\$10,602,900</b>	<b>\$77,504,539</b>

Source: Matrix Design Group, Inc.

**Note:** Estimates are for Okaloosa County and were generated using IMPLAN.

“Due in large part to its enhanced ability to attract events and, by extension, tourists, the mid-level facility will generate significantly more economic impact, amounting to \$20.5 million in 2030 and \$32.5 million in 2035.”

**Table 14. Gross Output Impacts of a Mid-Level Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	\$21,000,000	\$3,893,698	\$5,044,170	\$29,937,868
2026	\$14,498,865	\$3,623,707	\$2,696,110	\$20,818,682
2027	\$16,534,591	\$4,114,399	\$3,088,636	\$23,737,626
2028	\$19,547,145	\$4,825,693	\$3,644,787	\$28,017,625
2029	\$22,136,398	\$5,441,146	\$4,129,460	\$31,707,004
2030	\$24,799,499	\$6,075,741	\$4,629,001	\$35,504,241
2031	\$27,538,136	\$6,726,901	\$5,140,990	\$39,406,027
2032	\$31,186,878	\$7,598,948	\$5,817,944	\$44,603,770
2033	\$33,249,837	\$8,088,170	\$6,210,452	\$47,548,459
2034	\$36,226,764	\$8,799,394	\$6,768,787	\$51,794,945
2035	\$39,287,057	\$9,531,781	\$7,343,453	\$56,162,291
<b>Cumulative Impact</b>	<b>\$286,005,170</b>	<b>\$68,719,578</b>	<b>\$54,513,790</b>	<b>\$409,238,538</b>

Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN.

**Table 15. Gross Output Impacts of a Top-Tier Aquatic Center, 2025 to 2035**

Year	Direct	Indirect	Induced	Total
2025	\$32,000,000	\$5,933,254	\$7,686,354	\$45,619,608
2026	\$16,495,338	\$4,237,091	\$3,079,184	\$23,811,613
2027	\$20,090,496	\$5,087,267	\$3,748,752	\$28,926,515
2028	\$23,789,799	\$5,964,100	\$4,438,973	\$34,192,872
2029	\$27,595,825	\$6,868,386	\$5,150,483	\$39,614,694
2030	\$31,511,220	\$7,800,944	\$5,883,943	\$45,196,107
2031	\$35,538,522	\$8,758,767	\$6,636,444	\$50,933,733
2032	\$39,680,627	\$9,745,370	\$7,411,149	\$56,837,146
2033	\$43,940,371	\$10,761,571	\$8,208,690	\$62,910,632
2034	\$48,320,662	\$11,808,210	\$9,029,716	\$69,158,588
2035	\$52,824,468	\$12,886,149	\$9,874,894	\$75,585,511
<b>Cumulative Impact</b>	<b>\$371,787,328</b>	<b>\$89,851,109</b>	<b>\$71,148,582</b>	<b>\$532,787,019</b>

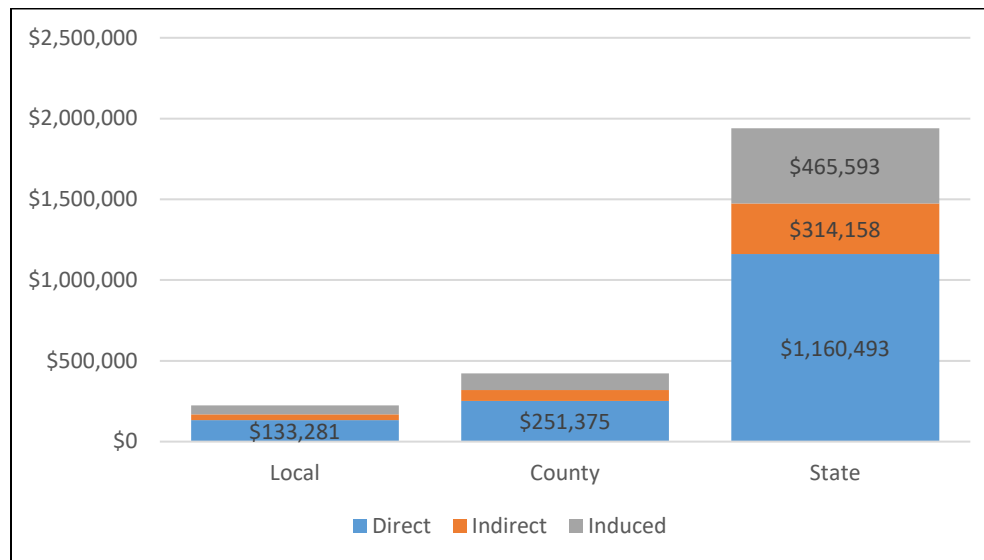
Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN.

**Tax Revenue.**

Estimates of the tax revenue that each facility would generate during the construction period and the first 10 years of operation appear in Figures 9 through 11. State revenues are set to come almost exclusively from the sales tax, while the source of most county and local government revenues will be the property tax. The basic option is predicted to produce \$2.6 million in revenue. While this is not an insignificant sum, the two other options will contribute far more to government coffers. The mid-level option will generate \$18.4 million of total revenue, including \$13.6 million for the state. The facility’s direct impacts would produce \$13.1 million of revenue, compared to \$2.1 million for its indirect impacts and \$3.2 million for its induced impacts. The top-tier option would yield \$23.7 million of total revenue, with the state expected to receive \$17.5 million. The significant revenues generated by the aquatic center would help offset its construction costs and operating expenditures. Additionally, the fact that the state would be a major beneficiary of the facility suggests it is in Tallahassee’s financial interest to help cover construction costs through the Department of Economic Opportunity.

**Figure 9. Cumulative Tax Revenues Generated by a Basic Aquatic Center, 2025 to 2035**

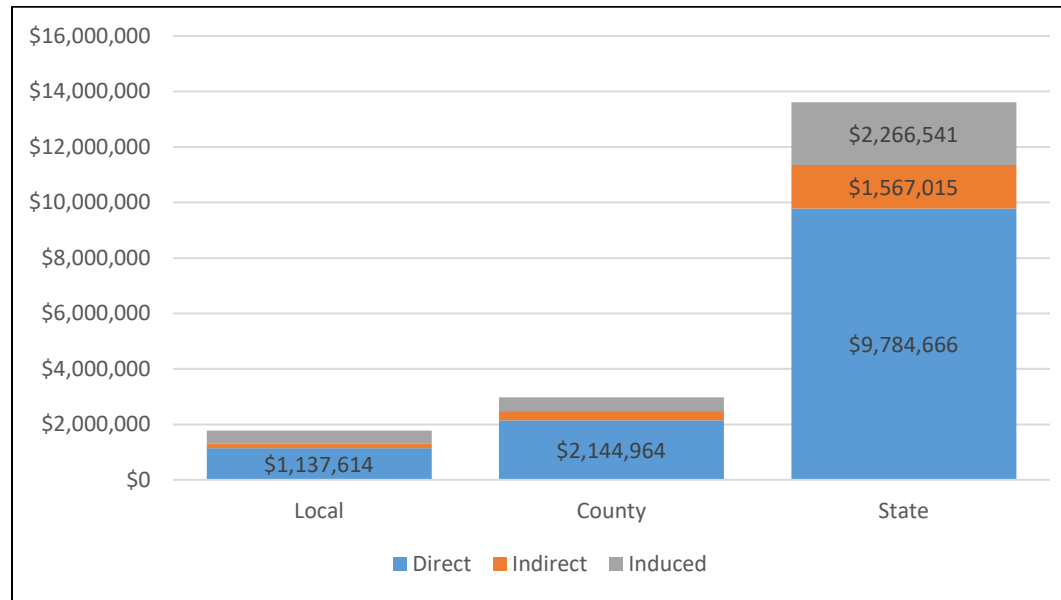


Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN



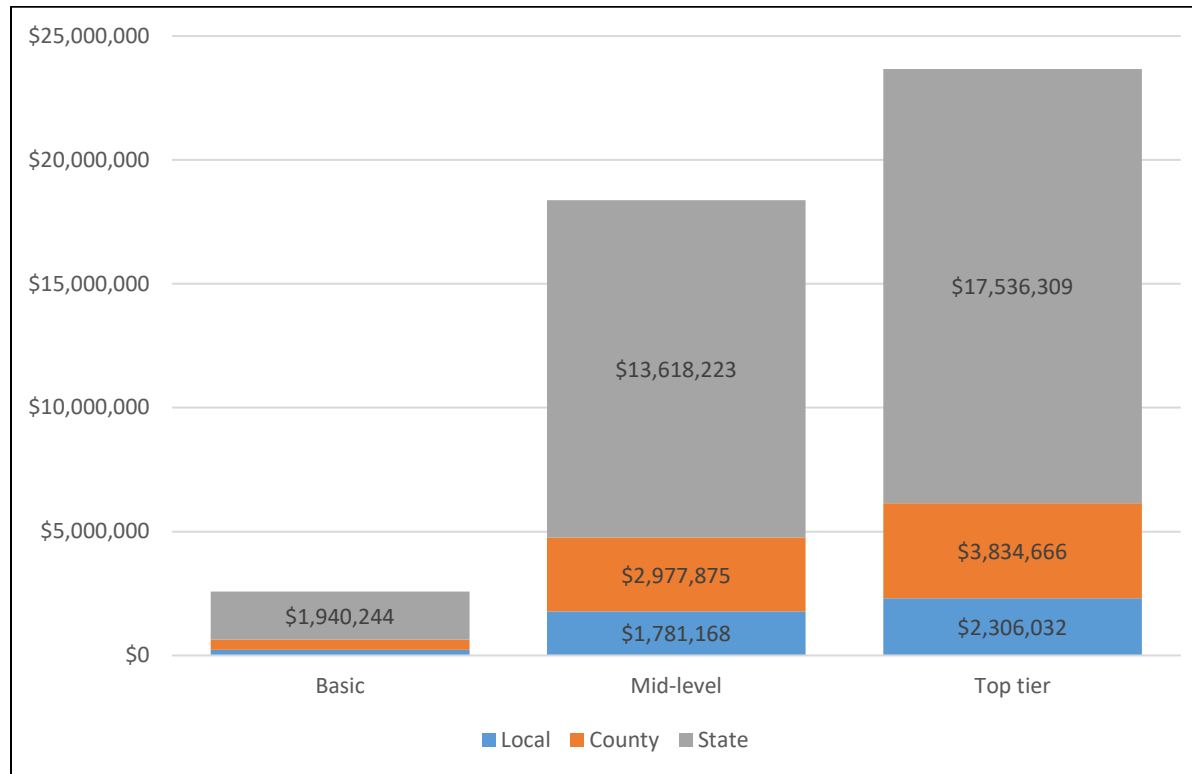
**Figure 10. Cumulative Tax Revenues Generated by a Mid-Level Aquatic Center, 2025 to 2035**



Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN

**Figure 11. Cumulative Tax Revenues Generated by a Top-Tier Aquatic Center, 2025 to 2035**



Source: Matrix Design Group, Inc.

Note: Estimates are for Okaloosa County and were generated using IMPLAN

### Other Tangible and Intangible Impacts



The establishment of an aquatic center in Okaloosa County would yield a multitude of tangible and intangible benefits, complementing the economic impacts generated by such a facility. **First and foremost, the facility and its aquatic instruction services would foster teaching and mentorship, competition, recreation, and public safety in Okaloosa and Walton Counties.** However, beyond these direct benefits, the Northwest Florida Regional Aquatic Center would have a broader impact on the region, enhancing various aspects of the community and contributing to its overall well-being.

The presence of a state-of-the-art aquatic center would provide opportunities for individuals of all ages and abilities to engage in physical activity and exercise. Regular swimming and water-based activities promote cardiovascular health, muscle strength, flexibility, and overall well-being. Moreover, research has shown that

participating in aquatic activities can have a positive impact on mental health, reducing stress, anxiety, and depression. The availability of such a facility would contribute to the physical and mental well-being of the community, leading to healthier and happier residents.

The Northwest Florida Regional Aquatic Center would serve as a hub for community engagement, attracting individuals from diverse backgrounds and fostering social interactions. The facility would host swim meets, water polo tournaments, synchronized swimming performances, and other aquatic events that would bring people together, creating a sense of community pride and unity. Additionally, the center could offer swimming lessons, lifeguard training, and other educational programs, promoting water safety and instilling a sense of responsibility among community members. These activities would strengthen social ties, encourage teamwork, and build a stronger sense of community in Okaloosa County.

The aquatic center would provide a platform for educational opportunities and talent development in the field of aquatics. The facility could host training camps, coaching clinics, and workshops, allowing local coaches and athletes to learn from industry experts and improve their skills. Moreover, the center could collaborate with educational institutions to offer academic programs and scholarships related to aquatics, nurturing

the next generation of swimmers, coaches, and aquatic professionals. These educational initiatives would not only benefit individuals but also contribute to the overall advancement of the community's knowledge base and expertise in aquatic sports and recreation.

In conclusion, the establishment of the Northwest Florida Regional Aquatic Center would bring a wide range of tangible and intangible benefits to Okaloosa and Walton Counties. Beyond the direct economic impacts, the facility would enhance physical and mental health, foster community engagement and social cohesion and provide educational opportunities. The aquatic center would become a valuable asset for the region, contributing to its overall prosperity and quality of life.



## Task 2: Funding Opportunities

A number of funding options are available to the Commission and its partners. Indeed, the region has ample opportunity to fund the proposed aquatic center through grants from Triumph Gulf Coast, Inc, tourist development (“bed”) taxes, and industry contributions. Our team spoke with industry practitioners to better understand these options and how the region might best leverage the millions of dollars in BP oil spill monies flowing into the region over the next several years.

**Triumph Gulf Coast.** Triumph Gulf Coast, Inc. (Triumph) is the non-profit established by Florida legislation to distribute \$1.5 billion in economic damages from the Deepwater Horizon oil spill. These funds are specifically intended for the economic recovery, diversification, and enhancement of the eight Northwest Florida counties disproportionately affected by the spill.

An aquatic center in Niceville would represent a vital community asset and potentially stimulate further economic development. Accordingly, it would be a deserving candidate for Triumph grants, which aim to support economic recovery, diversification, and enhancement efforts in the Northwest Florida counties that were disproportionately affected by the Deepwater Horizon oil spill. The Deepwater Horizon oil spill had far-reaching economic consequences for Northwest Florida counties, including Niceville. As a key player in the local economy, an aquatic center would have the potential to play a crucial role in the region's economic recovery. Triumph grants would enable an aquatic center to expand its operations, create new job opportunities, and further stimulate economic activity. In addition to supporting local recovery efforts, this investment would have a ripple effect, benefiting other local businesses and the community at large.

An aquatic center would have the opportunity to diversify the local economy by expanding its offerings and attracting a broader range of visitors, including in shoulder seasons. With a Triumph grant, the center could invest in innovative programs, such as aqua fitness classes, water therapy sessions, and specialized training camps for competitive swimmers. These additions would attract a diverse audience, including individuals seeking unique aquatic experiences and groups looking for specialized training facilities. By diversifying its offerings, the aquatic center can help reduce the region's reliance on traditional industries and promote a more sustainable and resilient economy.

An aquatic center in Niceville would have a compelling case for being awarded Triumph grants. By leveraging these funds, the center would be able to contribute significantly to the economic recovery, diversification, and enhancement efforts in the Northwest Florida counties affected by the oil spill. With expanded operations, improved facilities, and a focus on sustainability, the aquatic center would not only strengthen its own position but also positively impact the region's economy and community well-being.

**Other Local Governments:** The Niceville Aquatic Center will have far-reaching effects beyond Niceville. It is anticipated that many other local governments will contribute to the project as they will inevitably benefit from its operation.

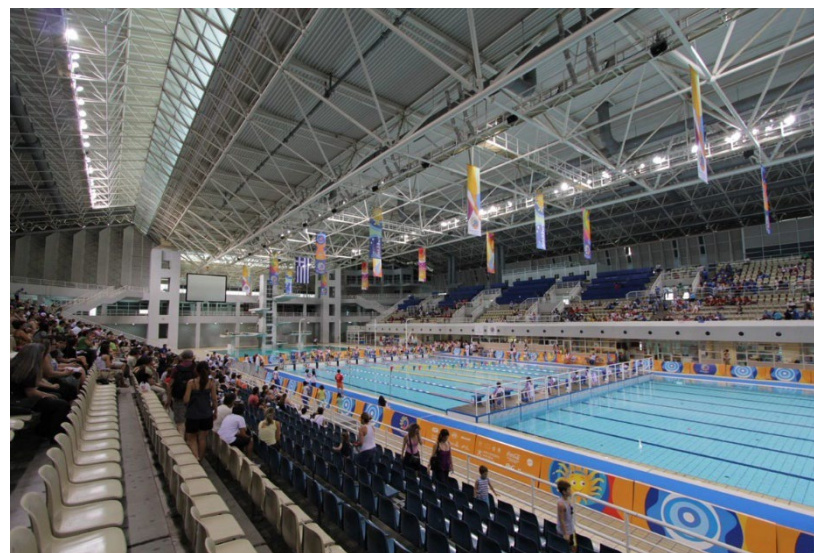
**Florida Department of Economic Opportunity:** The Florida DEO assists the Governor in strengthening Florida's economy by championing the state's economic development vision and by administering state and federal programs and initiatives to help visitors, citizens, businesses, and communities. As the aquatic center will be an economic boon for the state, the DEO will likely be able to contribute to the project.

**Okaloosa Tourist Development Department:** The TDD has a vested interest in this project because of the expected taxes associated from visitors. Also known as "bed taxes," tourist development taxes are levied on accommodations such as hotels, vacation rentals, and campgrounds. These taxes are specifically earmarked for tourism-related initiatives, including the development of recreational facilities such as aquatic centers. By leveraging bed taxes, an aquatic center would be able to tap into a dedicated revenue stream generated by tourists visiting Niceville, Okaloosa County, and surrounding communities. This funding mechanism aligns with the concept that tourists contribute to the local economy and should help support projects that enhance their experience and attract more visitors.

**Private Sector Contributions:** Contributions from local businesses and organizations within the community represent another possible funding avenue. The aquatic center can engage in strategic partnerships with industry stakeholders, including tourism companies, hotels, restaurants, and other businesses that stand to benefit from the facility's presence. Such partnerships can take the form of sponsorship opportunities, naming rights, or financial contributions.

**Non-Monetary Contributions:** Our assessment is that an abundance of partnership and collaboration opportunities exist with esteemed organizations such as USA Swimming and individuals like Brian Haddad, Director of Operations for Southeastern Swimming LSC, as well as industry experts like Sue and Mick Nelson of Total Aquatics LLC. Such partnerships would provide the Aquatic Center with valuable expertise and guidance in aquatic sports management. Brian Haddad, as the Director of Operations for Southeastern Swimming LSC, can offer strategic advice and industry insights, drawing on his extensive experience. Similarly, Sue and Mick Nelson can provide specialized knowledge in areas such as swim instruction, curriculum development, and aquatic program design. Their combined expertise can help the Aquatic Center develop and enhance its programming to cater to a diverse range of participants and ensure high-quality experiences.

Partnerships with USA Swimming, U.S. Masters Swimming, and NCAA Swimming can grant the Aquatic Center access to valuable resources and tools. These resources may include coaching education programs, swim meet guidelines, training methodologies, and best practices in swim instruction. By leveraging these resources, the Aquatic Center can elevate the quality of its programs, training, and events, creating a strong foundation for attracting participants, coaches, and visitors. These contributions have the potential to generate significant economic impacts, driving community growth, promoting tourism, and ensuring the long-term success and sustainability of the Aquatic Center.



By leveraging Triumph grants, tourist development (“bed”) taxes, industry contributions, and partnerships with industry experts, Niceville would be able to secure the necessary resources to make the aquatic center a reality. This approach reflects a shared responsibility among the tourism sector, local businesses, and the community, ensuring the sustainability and success of the aquatic center for years to come.

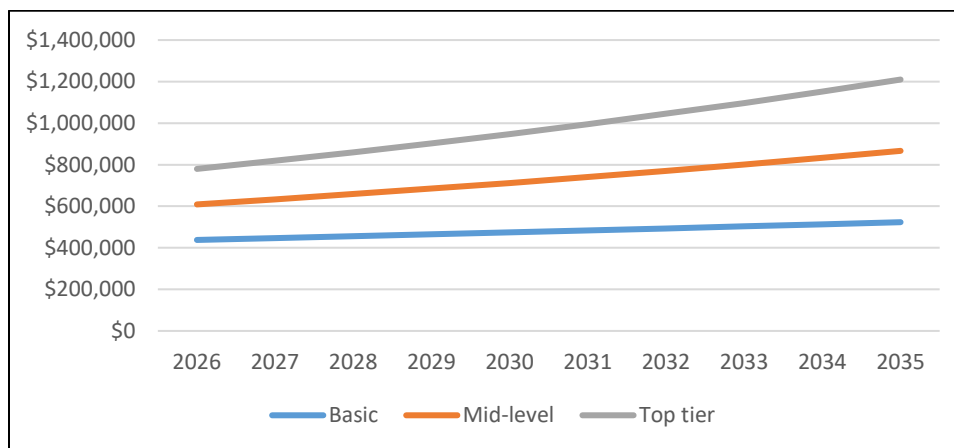
## Appendix I: Financial Analysis

A significant percentage of patron spending will be received as revenue by the aquatic center. Our research revealed that most aquatic center revenues come in the form of admission fees, rental fees, registration fees, memberships, and program fees, such as swimming lessons, aqua aerobics, and lifeguard training. A broad clientele would be drawn to the facility, including families with children to seniors, fitness enthusiasts, and competitive swimmers. In addition to the pricing structure, the quality and type of amenities and services offered are likely to influence the frequency and duration of visits, as well as the likelihood of repeat business. The aquatic center would generate additional revenue from on-site purchases, such as food and beverage, souvenirs, and equipment rentals. The availability and quality of these amenities can enhance the overall customer experience, increase the length of stay, and encourage repeat business. The aquatic center should also consider partnering with local businesses to offer discounts and promotions to patrons, such as nearby hotels, restaurants, and attractions. Finally, an aquatic center may benefit from donations that support the facility's mission and values. These contributions may come from individuals, businesses, or non-profit organizations, and may be used to fund capital improvements, scholarships, outreach programs, and other initiatives that benefit the community. While conducting our research, we confirmed with representatives from USA Swimming and the regional leaders that aquatic centers can be operated profitably if managed soundly. However, it is common for them to operate at deficits.

Revenue estimates by facility type appear in Figure 12. We anticipate that revenues would start at \$779,927 for the top-tier facility and grow by about five percent per year, reaching \$1.2 million in 2035. In its first year of operation, the mid-level facility would generate \$608,927 in sales, and this figure is likely to increase at a more modest rate of four percent annually. For both the mid-level and top-tier options, revenue growth will be catalyzed by the increased number of regional and national events each is able to attract over time. The smallest facility, by contrast, is projected to collect \$437,927 in 2026. Over time, as the facility attracts more members, this figure will rise, but its limited appeal to event organizers will stymie its revenue potential.

**“We anticipate that revenues would start at \$779,927 for the top-tier facility and grow by about five percent per year, reaching \$1.2 million in 2035.”**

**Figure 12. Projected Aquatic Center Revenues by Facility Type, 2026 to 2035**



Source: Matrix Design Group, Inc.

Tables 16 through 18 compare revenues to operating expenses for each of the facilities under consideration. Our interviews with industry experts revealed that aquatic centers often run sizeable deficits, a reality reflected in our models. **The basic option’s annual deficits are projected to range from \$406,321 to \$525,214. The mid-level option’s deficit will start at \$916,482 and grow to over \$1 million by 2035. In its first year of operation, the top-tier option’s deficit will amount to about \$1.6 million, and this figure will proceed to increase by two percent annually, on average. In our view, however, these large deficits are outweighed by the aquatic center’s economic impacts, as well as its other tangible and intangible benefits.**



**Table 16. Financial Model for Basic Aquatic Center, 2026 to 2035**

Year	Revenues	Operating expenses	Net income
2026	\$437,927	\$844,248	(406,321)
2027	\$446,686	\$865,429	(418,743)
2028	\$455,619	\$886,973	(431,354)
2029	\$464,732	\$908,886	(444,154)
2030	\$474,026	\$931,177	(457,151)
2031	\$483,507	\$953,852	(470,345)
2032	\$493,177	\$976,922	(483,745)
2033	\$503,041	\$1,000,394	(497,353)
2034	\$513,102	\$1,024,276	(511,174)
2035	\$523,364	\$1,048,578	(525,214)

Source: Matrix Design Group, Inc.



**Table 17. Financial Model for Mid-Level Aquatic Center, 2026 to 2035**

Year	Revenues	Operating expenses	Net income
2026	\$608,927	\$1,525,409	(\$916,482)
2027	\$633,284	\$1,567,266	(\$933,982)
2028	\$658,616	\$1,609,748	(\$951,132)
2029	\$684,960	\$1,652,866	(\$967,906)
2030	\$712,359	\$1,696,636	(\$984,277)
2031	\$740,853	\$1,741,070	(\$1,000,217)
2032	\$770,487	\$1,786,182	(\$1,015,695)
2033	\$801,307	\$1,831,988	(\$1,030,681)
2034	\$833,359	\$1,878,500	(\$1,045,141)
2035	\$866,693	\$1,925,736	(\$1,059,042)

Source: Matrix Design Group, Inc.

**Table 18. Financial Model for Top-Tier Aquatic Center, 2026 to 2035**

Year	Revenues	Operating expenses	Net income
2026	\$779,927	\$2,349,495	(\$1,569,568)
2027	\$818,924	\$2,418,844	(\$1,599,921)
2028	\$859,870	\$2,489,138	(\$1,629,269)
2029	\$902,863	\$2,560,397	(\$1,657,534)
2030	\$948,006	\$2,632,641	(\$1,684,635)
2031	\$995,407	\$2,705,891	(\$1,710,484)
2032	\$1,045,177	\$2,780,167	(\$1,734,990)
2033	\$1,097,436	\$2,855,491	(\$1,758,055)
2034	\$1,152,308	\$2,931,886	(\$1,779,578)
2035	\$1,209,923	\$3,009,373	(\$1,799,450)

Source: Matrix Design Group, Inc.

## Appendix II: Cost-Benefit Analysis

Matrix conducted a comprehensive cost/benefit analysis (CBA) based on the data outlined above to assess the financial implications of developing an aquatic center in Niceville, Florida. The CBA aimed to compare the costs associated with aquatic center development, ongoing maintenance, and miscellaneous expenses against the estimated economic and fiscal benefits generated by the center (see Tables 19 through 21). The CBA considered a 10-year projection for both costs and benefits, with appropriate discounting factors applied to determine the net present value for each respective year. This analysis enabled us to evaluate the long-term viability and financial sustainability of the aquatic center. Importantly, in addition to the tangible financial aspects, Matrix recognized the significance of intangible benefits, as well as the social and quality-of-life impacts associated with introducing a first-of-its-kind aquatic center. These intangible benefits encompass both quantitative and qualitative factors that contribute to the overall value and desirability of the facility.

After careful consideration of the cost-benefit analyses for various options, Matrix recommends the Commission to opt for a mid-sized aquatic center. This option would feature a 50-meter by 25-yard competition pool, a separate 25-yard programming pool with five lanes, spectator seating for 1,000, a concession area, and locker room space. By choosing this option, the Commission would strike a balance between accommodating different user groups and minimizing costs.

The mid-sized aquatic center option offers substantial benefits to the community. It is expected to contribute significantly to economic development, with a projected cumulative impact of \$234.7 million on Okaloosa County's economy over 10 years of operation. This economic impact far surpasses the approximate \$10 million investment in operational deficit. In contrast, the small single pool option would limit the center's ability to attract a diverse range of users, including new swimmers and participants in elder aquatic aerobics. Moreover, it would have a minimal ability to acquire swimming events, resulting in limited economic impact. On the other hand, the expensive top-tier option, with additional features such as a dive well and larger spectator seating, may not be justified given the low demand for diving and the high upfront costs involved.

By selecting the mid-sized option, the Commission can optimize the utilization of resources, provide versatility for programming, and achieve an optimal balance between investment and functionality. The aquatic center's benefits extend beyond mere financial considerations, positively impacting the health, cohesion, and youth development of the community while enhancing the overall quality of life in Niceville, Florida.

**Table 19. Cost-Benefit Analysis for Basic Option**

Costs	Benefits
\$12 million construction cost	Reduced drownings
Annual deficits ranging from \$406,321 to \$525,214	Improved health, social cohesion, and youth development
	80 jobs supported (after 10 years of operation)
	\$42.6 million of cumulative economic impact (after 10 years of operation)

**Table 20. Cost-Benefit Analysis for Mid-Level Option**

Costs	Benefits
\$21 million construction cost	Reduced drownings
Annual deficits ranging from \$916,482 to \$1.1 million	Improved health, social cohesion, and youth development
	457 jobs supported (after 10 years of operation)
	\$234.7 million of cumulative economic impact (after 10 years of operation)

**Table 21. Cost-Benefit Analysis for Top-Tier Option**

Costs	Benefits
\$32 million construction cost	Reduced drownings
Annual deficits ranging from \$1.6 million to \$1.8 million	Improved health, social cohesion, and youth development
	618 jobs supported (after 10 years of operation)
	\$297.5 million of cumulative economic impact (after 10 years of operation)