

## **NORTH BREVARD ECONOMIC DEVELOPMENT ZONE SUMMARY**

### **MISSION STATEMENT:**

The North Brevard Economic Development Zone (or, the “Zone”) special dependent district works in conjunction with various economic development organizations at the local, state, or national level to drive commerce and economic development in the northern part of the County through targeted investments that directly and demonstrably result in the creation and/or retention of quality employment and capital investment, thereby increasing employment in the county and aiding in the long-term expansion and diversification of the tax base. By inducing economic development activities to go forward, through financial and/or technical assistance, it is the Zone’s focus to increase economic opportunities for the residents of Brevard County.

### **PROGRAMS AND SERVICES:**

### **ACCOMPLISHMENTS, INITIATIVES, TRENDS AND ISSUES AND SERVICE LEVEL IMPACTS:**

#### ***North Brevard Economic Development Zone (The Zone):***

- Advance commerce and industry in the northern portion of the county
- Promote the advantages of the local economy to corporate real estate (C R E) professionals and the national site consultant community
- Increase the diversification of the economy through the recruitment and development of unique industry types
- Operate an economic incentive program to drive economic development in the northern portion of the County, with a focus on creating new job opportunities and increasing capital investment in the area
- Pursue strategic initiatives designed to improve the economic assets of the region, including workforce skill sets, available industrial sites, and programs designed to grow small business enterprises

#### **Accomplishments:**

- Approved an incentive package for Project “Data,” a data processing and financial services firm, seeking to construct a new 20-acre office and headquarters campus, with an estimated capital investment of \$20 million and relocation and creation of more than 150 high-wage jobs
- As authorized agent for the County in matters related to the County-owned Spaceport Commerce Park in Titusville, the Zone induced a project involving Merritt Precision Technologies and the construction of a 20,000 square foot manufacturing space and creation of 12 new jobs
- Approved an incentive for the redevelopment of the former Bay Towers property in Titusville, a development project involving the renovation of an existing structure into new retail units and a co-working space; the development firm, DLP Capital Partners, is expected to spend approximately \$18 million on the project

- Approved an incentive package for Project “Beach,” involving a Cocoa Beach-based retailer and real estate development company for the redevelopment of a four-acre parcel on Garden Street in Titusville, at the gateway to the Merritt Island National Wildlife Refuge; the project is expected to result in a capital investment of more than \$2 million, and the creation of 15 new jobs
- Approved an incentive package for Project “Moon,” an environmentally-friendly chemical producer based in Kentucky, which is expected to build a new 15,000 square foot manufacturing facility near Mims, employing approximately 20 people
- Placed an Entrepreneurial Kiosk (a rack display holding literature and help-aids on starting a business) in a local coffee shop, with plans for placing additional kiosks at the Titusville and Mims library buildings
- Completed another year of operation for the co-work space established by the Zone in downtown Titusville called **CoLaunch**, a shared work environment consisting of more than 2,500 square feet for entrepreneurs and newly-launched enterprises; the initiative currently has over 35 members/entrepreneurs, including a new start-up aerospace firm (United Frontiers) that is working with small rocket technology under a D A R P A grant
- Met with tenants of the County-owned Spaceport Commerce Park in Titusville through a series of meetings and networking events, discussing issues at the business park, including signage and landscaping; updated information on the Zone-controlled website, and on a printed brochure and tenant directory on the park
- Continued the practice of marketing the area and building relationships at key industry trade shows, including the *M R O Americas* show (which highlights the aviation industry) and the International Council of Shopping Centers’ *Florida Show* (with its focus on retail development)
- Represented the Zone at numerous local networking functions and served as a participant for forums held by N A S A, Port Canaveral, the local chambers of commerce, the League of Women Voters, and other institutional agencies and organizations
- Assisted efforts of both the Economic Development Commission (E D C) of Florida’s Space Coast and the state’s Department of Economic Opportunity in working with development prospects and projects interested in the area;
- Worked with a LEAD Brevard team and the County’s Emergency Management division on creating a new organizational structure for staffing Emergency Support Function 18 (business and industry liaison) at the E O C during and after an activation event
- Updated reports and Zone-produced publications, including economic impact analyses on various projects and the Zone’s annual Economic Assessment report, and published new editions of the newsletter, “**North Brevard Business Review**”, the latter of which is used to market the area and highlight recent developments
- Continued work with Kamm Consulting and the Space Coast Workforce Apprenticeship program by helping to submit a \$400,000 grant request and application to the Partnership to Advance

Youth Apprenticeship (P A Y A) for help in creating a European-style apprenticeship program in North Brevard

- Submitted a grant application to the U.S. Environmental Protection Agency (E P A) for cleanup funds to be used on the former state correctional facility in Port St. John, a 100-acre property that could potentially be transformed into a new light industrial business park
- Contracted with civil engineering firm Bussen-Meyer on plans for developing another pad-ready site within the County-owned industrial park (Spaceport Commerce Park), in an attempt to improve marketability of those lots to industry
- Approved a matching grant to be used in connection with an application made by the East Central Florida Regional Planning Commission to the U.S. Economic Development Administration, for the conduct of an economic impact analysis of the State Road 405 drawbridge (N A S A Causeway)

#### Initiatives:

- To keep providing updated reports and statistical analysis on the resources and assets of the Zone's service area, and use the Zone's statistical data website, other social media tools, and traditional outlets to promote the area
- To continue working with Enterprise Florida, Space Florida, and the Economic Development Commission of Florida's Space Coast (E D C) and other local partners to attract new business investment to the Zone's service area through the provision of incentive awards and technical assistance
- To further use of the Zone's redevelopment assistance program, which is geared toward small business projects (in accordance with the Zone's written Economic Development Plan) by making funds available for certain types of redevelopment, with the intent of combining Zone assistance with financing from other institutions and agencies for business development
- To consider opportunities for the creation of a new business park in Titusville near the Space Coast Regional Airport on approximately 150 acres of land owned by the City of Titusville and Flagler Industries
- To continue the provision of assistance in redeveloping existing, blighted commercial or industrial properties
- To explore the possibility of a natural gas line extension from State Road 405 to the County-owned Spaceport Commerce Park, to better serve the industrial needs of business tenants there
- To analyze opportunities utilizing state and Federal incentives and grants in connection with business development activities, particularly as it relates to the possible re-use of the former state correctional facility site now owned by the county as a light industrial business park
- To continue work on developing a building pad and concrete foundation for a 50,000 square foot industrial building in the county-owned Spaceport Commerce Park, to address the need for industrial space in the area that can be finished and certified for occupancy in less than six months

## Trends and Issues:

As noted in the last couple of years, while significant economic gains have been made in the northern part of the county in recent years, the Zone service area continues to depend upon a narrow base of industry types for its economic health, namely, both public-sector and private-sector driven aerospace. The danger from this lack of economic diversification was made most apparent following N A S A's decision to end its Space Shuttle program in 2011. The reduction of jobs at NASA's Kennedy Space Center (K S C) between the years 2009 - 2012 left the area with a number of unemployed and underemployed people, many of whom had worked in the public sector-driven aerospace program. Some of those workers have been able to transition into new jobs offered by private sector aerospace firms, but others have either moved out of the area in pursuit of employment, or have taken jobs locally that utilize less than the full range of skills they possess (underemployment). To lessen this reliance upon the aerospace industry in particular, the Zone has worked with its economic development partners to attract and nurture firms in other industry sectors, such as the marine/fishing industry, the distribution/logistics industry, and the advanced manufacturing industry – to name just a few. Recent projects this past year such as Merritt Precision Technologies and Red Canyon Software have helped the area add employers not dependent upon the aerospace industry. However, as a worldwide site leader in the aerospace community, it is equally important that “North Brevard” continue to help aerospace companies such as Space X, Blue Origin, Orbital A T K, and others remain viable. To that end, the Zone has worked to provide financial and/or technical assistance to those companies as well. Reiterating last year's budget narrative, another challenge faced by north Brevard County is a limitation on the amount of land that can be developed either commercially or industrially. Much of this is due to the control of land by the Federal government for alternative purposes, such as national wildlife areas (as in the case of Canaveral National Seashore or the St. John's River National Wildlife Refuge) or for the national defense and space exploration (Kennedy Space Center and the Cape Canaveral Air Force Station). Limited land for commercial development necessitates redeveloping existing commercial parcels, which can often be an expensive undertaking for a business or developer. Making such redevelopment projects more feasible to a developer underscores the importance of the Zone and the programs it operates. In addition to the land limitation, there remains a perception (though less than just a couple of years ago) among certain groups outside the area, such as real estate site consultants, brokers, and retail developers – that, despite the successes of Space X and the U L A (private launch companies) – N A S A has severely downsized its operations at the Cape. While that perception is false, Zone staff continues to encounter this viewpoint among uninformed persons outside the area, and so, must work to correct the view with information on the changes/developments that are occurring within the local economy, and particularly, within private-sector driven aerospace. For these reasons, the Zone will continue to focus its efforts in the next fiscal year on: The redevelopment of existing commercial and industrial property, the diversification of the local economy by aiding and the incentivizing of projects that represent a departure for the area's traditional industry sectors; and the growing and nurturing of those industry sectors that form its economic base, namely aerospace and artisan (specialized craft) manufacturing.

### Service Level Impacts:

As the Zone enters its ninth year of existence, funding levels should permit the Zone to continue implementation of its program of work, as described herein and set forth in its written Economic Development Plan, created in 2012. That plan detailed specific program initiatives, such as a Job Opportunity Program, Pad-Ready Infrastructure, Redevelopment, Spec Building Development, Site Marketing, and Job Creation Infrastructure. It also contained a section specifically challenging the Zone to work on “Strategic Initiatives,” such as workforce development. In the last fiscal year (F Y 18-19), the Zone continued to honor its incentive obligation on the redevelopment of the former Miracle City Mall site (the commercial center now known as “Titus Landing”), per a 2014 agreement reached between the County, the developer, and the City. For F Y 19-20, the Zone expects to expend \$733,649 in principal and interest payments to the City for this project. The last payment due for this assistance provision, in accordance with an amortization schedule provided by the City of Titusville, is 2027. Project Landmark (Lockheed Martin) announced in F Y 18-19 that it had attained the first benchmark for qualification of its incentive award, which involves a commitment from the Zone and County totaling \$1.75 million. Should the company continue to reach its employment goal of 300 new jobs in the Titusville area by 2025, the Zone will be allocating funds over the next five to six fiscal years, for use in honoring that incentive commitment. For F Y 19-20, the Zone anticipates an initial grant award totaling \$175,000, under that incentive obligation. Following a series of legal challenges in 2018, it was determined that the incentive payment to the company Blue Origin would follow a six-year payment schedule, per an incentive agreement entered into with the company and the County in 2016. Toward the end of the previous fiscal year (F Y 17-18), the first installment payment was made, totaling \$1,379,296. During F Y 18-19, a second installment payment – for the same dollar amount – was made. In F Y 19-20, another \$1,379,296 will be disbursed to the company, with the intention of making one final incentive award payment to the company in F Y 22-23.

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE: SUMMARY**

North Brevard Economic Development Zone Revenue & Expense Category	Actual F Y 2017-2018	Final Budget F Y 2018-2019	Adopted Budget F Y 2019-2020	Difference	% Change
Taxes Revenue	\$2,893,209	\$3,058,790	\$3,334,423	\$275,633	9.01%
Permits, Fees & Special Assessments Revenue	\$0	\$0	\$0	\$0	0.00%
Intergovernmental Revenue	\$0	\$0	\$0	\$0	0.00%
Charges for Services Revenue	\$12,086	\$0	\$0	\$0	0.00%
Fines and Forfeits Revenue	\$0	\$0	\$0	\$0	0.00%
Miscellaneous Revenue	\$198,866	\$10,000	\$36,593	\$26,593	265.93%
Statutory Reduction	\$0	-\$153,439	-\$168,551	-\$15,112	9.85%
<b>Total Operating Revenues</b>	<b>\$3,104,160</b>	<b>\$2,915,351</b>	<b>\$3,202,465</b>	<b>\$287,114</b>	<b>9.85%</b>
Balance Forward Revenue	\$3,038,759	\$4,027,261	\$3,050,000	-\$977,261	-24.27%
Transfers - General Revenue	\$0	\$0	\$0	\$0	0.00%
Transfers - Other Revenue	\$0	\$0	\$0	\$0	0.00%
Other Finance Source Revenue	\$0	\$0	\$0	\$0	0.00%
<b>Total Non-Operating Revenues</b>	<b>\$3,038,759</b>	<b>\$4,027,261</b>	<b>\$3,050,000</b>	<b>-\$977,261</b>	<b>-24.27%</b>
<b>TOTAL REVENUES</b>	<b>\$6,142,919</b>	<b>\$6,942,612</b>	<b>\$6,252,465</b>	<b>-\$690,147</b>	<b>-9.94%</b>
Compensation and Benefits Expense	\$138,344	\$141,890	\$144,221	\$2,331	1.64%
Operating Expense	\$170,740	\$263,112	\$223,098	-\$40,014	-15.21%
Capital Outlay Expense	\$0	\$9,750	\$3,200	-\$6,550	-67.18%
<b>Operating Expenditures</b>	<b>\$309,084</b>	<b>\$414,752</b>	<b>\$370,519</b>	<b>-\$44,233</b>	<b>-10.66%</b>
C I P Expense	\$0	\$285,000	\$255,264	-\$29,736	-10.43%
Debt Service Expense	\$0	\$0	\$0	\$0	0.00%
Reserves-Operating Expense	\$0	\$2,869,361	\$2,086,136	-\$783,225	-27.30%
Reserves - Capital Expense	\$0	\$0	\$0	\$0	0.00%
Reserves - Restricted Expense	\$0	\$0	\$0	\$0	0.00%
Grants and Aid Expense	\$1,806,574	\$3,373,499	\$3,540,546	\$167,047	4.95%
Transfers Expense	\$0	\$0	\$0	\$0	0.00%
<b>Total Non-Operating Expenses</b>	<b>\$1,806,574</b>	<b>\$6,527,860</b>	<b>\$5,881,946</b>	<b>-\$645,914</b>	<b>-9.89%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$2,115,658</b>	<b>\$6,942,612</b>	<b>\$6,252,465</b>	<b>-\$690,147</b>	<b>-9.94%</b>

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE: BUDGET VARIANCES**

North Brevard Economic Development Zone Revenue and Expense Category	Variance	% Variance	Explanation
Taxes Revenue	\$275,633	9.01%	Attributable to increased commercial property valuations
Permits, Fees & Special Assessments Revenue	\$0	0.00%	
Intergovernmental Revenue	\$0	0.00%	
Charges for Services Revenue	\$0	0.00%	
Fines and Forfeits Revenue	\$0	0.00%	
Miscellaneous Revenue	\$26,593	265.93%	Primarily attributable to increased interest revenue based on higher fund balances
Statutory Reduction	-\$15,112	9.85%	
Balance Forward Revenue	-\$977,261	-24.27%	Primarily due to anticipated incentive awards that will be paid during F Y 2019 if certain benchmarks are reached per agreements
Transfers - General Revenue	\$0	0.00%	
Transfers - Other Revenue	\$0	0.00%	
Other Finance Source Revenue	\$0	0.00%	
Compensation and Benefits Expense	\$2,331	1.64%	Attributable to Cost of Living Adjustments as well as F R S rate increases
Operating Expense	-\$40,014	-15.21%	Attributable to reductions in Travel, Rentals and Leases and Office Supplies expenditures
Capital Outlay Expense	-\$6,550	-67.18%	Attributable to the anticipated completion of several capital purchases in F Y 2019 resulting in decreased capital needs in F Y 2020
Grants and Aid Expense	\$167,047	4.95%	Attributable to the anticipated qualification of incentive awards for several current agreements
C I P Expense	-\$29,736	-10.43%	Attributable to a reduction in planned expenditures related to Spaceport Commerce Park Improvement projects in F Y 2020
Debt Service Expense	\$0	0.00%	
Reserves-Operating Expense	-\$783,225	-27.30%	Primarily due to anticipated incentive awards that will be paid during F Y 2019 if certain benchmarks are reached per agreements

**North Brevard Economic  
Development Zone Revenue and  
Expense Category**

	<b>Variance</b>	<b>% Variance</b>	<b>Explanation</b>
Reserves - Capital Expense	\$0	0.00%	
Reserves - Restricted Expense	\$0	0.00%	
Transfers Expense	\$0	0.00%	



**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE  
PERFORMANCE MEASURES**

<b>Program</b>	<b>Objective</b>	<b>Measure</b>	<b>Actual F Y 2017- 2018</b>	<b>Estimated F Y 2018- 2019</b>	<b>Projected F Y 2019- 2020</b>
North Brevard Economic Development Zone	Job Opportunity Program, Q T I Program	Induced jobs created	292	339	452
North Brevard Economic Development Zone	Job Opportunity Program, Q T I Program	Capital investment expected	\$364.75 M	\$379 M	\$529 M
North Brevard Economic Development Zone	Small Business Initiatives	Induced jobs created	74	91	110
North Brevard Economic Development Zone	Small Business Initiatives	Capital investment expected	\$12.9 M	\$16.4 M	\$17.41 M
North Brevard Economic Development Zone	Coworking Initiative	Memberhips attained	14	35	55
North Brevard Economic Development Zone	Pad-Ready Site	Lots cleared/graded	0	1	2
North Brevard Economic Development Zone	Commercial Site Redevelopment	Sites identified and assessed for potential development	3	3	3
North Brevard Economic Development Zone	Commercial Site Redevelopment	Induced jobs created	205	386	573
North Brevard Economic Development Zone	Commercial Site Redevelopment	Capital investment expected	\$54.8 M	\$64.2 M	\$79.9 M

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE  
TRAVEL A&B SUMMARY**

<b>Program Name</b>	<b>Description</b>	<b>Position</b>	<b>Destination</b>	<b>Funding Source</b>	<b>Total Cost</b>
North Brevard Economic Development Zone	Southern Economic Development Council (S E D C) "Meet the Consultants"	Executive Director	Atlanta, Georgia	Incremental Taxes	\$1,000
North Brevard Economic Development Zone	Florida Economic Development Council (F E D C) Annual Conference	Executive Director	T B D	Incremental Taxes	\$500
North Brevard Economic Development Zone	I C S C Florida Retail Industry Trade Show	Executive Director	Orlando, Florida	Incremental Taxes	\$1,500
<b>Total Funded For Department</b>					<b>\$3,000</b>

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE  
CAPITAL OUTLAY SUMMARY**

<b>Program Name</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit Cost</b>	<b>Funding Source</b>	<b>Total Cost</b>
North Brevard Economic Development Zone	Desktop printers, scanners	3	\$800	Tax Increment	\$2,400
North Brevard Economic Development Zone	Microsoft Surface Pro (tablet)	1	\$800	Tax Increment	\$800
<b>Total Funded For Department</b>					<b>\$3,200</b>

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE  
CAPITAL IMPROVEMENTS PROGRAM**

<b>Program Name</b>	<b>Description</b>	<b>Funding Source</b>	<b>Total Cost</b>
North Brevard Economic Development Zone	Pad-Ready Site Development	Tax Increment	\$175,000
North Brevard Economic Development Zone	Existing Commercial/Industrial Site Redevelopment	Tax Increment	\$25,000
North Brevard Economic Development Zone	Improvements to Spaceport Commerce Park	Tax Increment	\$20,264
North Brevard Economic Development Zone	Spaceport Commerce Park Signage	Tax Increment	\$35,000
<b>Total Funded For Program</b>			<b>\$255,264</b>