

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, the Zone helps 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 (CRE) 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 “Mims Industrial,” a redevelopment project seeking to restore a five-acre industrial Brownfield site in the community of Mims, at a projected cost of more than \$1.2 million
- Approved an incentive package for Project “LEN novation,” the redevelopment of a commercial Brownfield site in south Titusville into a light manufacturing facility for drone technology, which is expected to create 10 new jobs and cost approximately \$1.1 million in capital expenditures
- Approved an incentive package for Project “Tower,” an economic development project involving the construction of an express elevator and creation of an observation deck and café on top of a six-story building in Titusville and overlooking the Indian River Lagoon, to serve as a destination for tourists and residents wishing to dine and watch rocket launches from NASA’s Kennedy Space Center

- As authorized agent for the county in matters related to the county-owned Spaceport Commerce Park in Titusville, the Zone induced a project involving the purchase of land by MJW Consolidated for the construction of approximately 15,000 square feet of manufacturing space and creation of 8 to 12 new jobs
- Approved an incentive package for Project “Green,” an infrastructure improvement project involving a new irrigation system and water reclamation component, estimated to cost approximately \$1 million, that is expected to retain 60 employment positions and create 10 new jobs
- Approved an incentive package for Project “Nevins,” involving the redevelopment of a former 75,000 square feet fruit packing facility in Mims into a light industrial and commercial center that is expected to result in a capital investment of approximately \$3 million and the creation of 40 new jobs
- Successfully transitioned the coworking space established by the Zone in downtown Titusville called **CoLaunch** to a privately-owned concept called **Office Members Only**, which is continuing the shared work environment concept. The Office Members Only will continue using 2,500 square feet for entrepreneurs and newly-launched enterprises
- Continued practice of holding periodic meetings 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
- Marketed the North Brevard area at three key industry trade shows, including the International Council of Shopping Centers’ annual *Florida Show* (with its focus on retail development)
- Represented the Zone at numerous local networking functions and served as participant for forums held by NASA, Port Canaveral, the local chambers of commerce, and other institutional agencies and organizations
- Assisted efforts of both the Economic Development Commission (EDC) 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 Lean Six Sigma team examining a better job tracking system for economic development projects involving grants or inducements from the county
- Created new social media tools, including the establishment of a LinkedIn page for the Zone
- 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
- Worked with civil engineering firm Hanson on plans to develop a pad-ready site within the county-owned industrial park (Spaceport Commerce Park), in an attempt to improve marketability of those lots to industry
- Worked with the East Central Florida Regional Planning Commission to the U.S. Economic Development Administration on the conduct of an economic impact analysis of the State Road

405 drawbridge (NASA Causeway), as part of documentation required for a U.S. Economic Development Administration grant request

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 (EDC) 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 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 prepare a study proposal for a light industrial business incubator facility that could also serve as a disaster relief center during times of emergency

Trends and Issues:

While significant economic gains have been made in the northern part of the county (pre-COVID-19), 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 NASA's decision to end its Space Shuttle program in 2011. The reduction of jobs at NASA's Kennedy Space Center (KSC) 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 Correct Craft/Watershed, LEN novation, and MJW Consolidated 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 ATK, and others remain viable. To that end, the Zone has worked to provide financial and/or technical assistance to companies in the aerospace sector as well. 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. Lastly, the COVID-19 pandemic threatens to erode the gains made by the business community and the Zone in North Brevard. If that trend continues, businesses may be forced to scale back operations in order to comply with public health dictates, or in an effort to preserve cash. This could, in turn, limit the number and scale of new development projects in the area. For these reasons, the Zone will focus its efforts in the next fiscal year on: (1) inducing the redevelopment of existing commercial and industrial property; (2) promoting the diversification of the local economy, by aiding and incentivizing projects that represent a departure for the area’s traditional industry sectors; and, (3) growing and nurturing those industry sectors that form its economic base, namely aerospace and artisan (specialized craft) manufacturing, particularly those enterprises emerging from COVID-19.

Service Level Impacts:

As the Zone enters its tenth year of existence, expected funding levels should permit it to continue implementing its program of work, as described herein and set forth in the 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 and Brownfield redevelopment. In the last fiscal year (2019-2020), 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 Fiscal Year 2020-2021, the Zone expects to expend \$790,617 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) demonstrated in 2019 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 Fiscal Year 2020-2021, the Zone anticipates an initial grant award totaling approximately \$300,000, under that incentive obligation. The Zone also expects to provide \$1.379 million in grant proceeds to Blue

Origin, part of a six-year grant commitment made by the Zone and the county in 2015 to induce the construction of the firm's initial 600,000 square foot manufacturing facility.

NORTH BREVARD ECONOMIC DEVELOPMENT ZONE: SUMMARY

North Brevard Economic Development Zone Revenue & Expense Category	Actual F Y 2018-2019	Current Budget F Y 2019-2020	Requested Budget F Y 2020-2021	Difference	% Change
Taxes Revenue	\$3,235,589	\$3,334,423	\$3,493,975	\$159,552	4.78%
Permits, Fees & Special Assessment Revenue	\$0	\$0	\$0	\$0	0.00%
Intergovernmental Revenue	\$0	\$0	\$0	\$0	0.00%
Charges for Services Revenue	\$12,010	\$0	\$0	\$0	0.00%
Fines and Forfeits Revenue	\$0	\$0	\$0	\$0	0.00%
Miscellaneous Revenue	\$1,912,884	\$36,593	\$106,227	\$69,634	190.29%
Statutory Reduction	\$0	-\$168,551	-\$180,010	-\$11,459	6.80%
Total Operating Revenues	\$5,160,483	\$3,202,465	\$3,420,192	\$217,727	6.80%
Balance Forward Revenue	\$4,027,261	\$6,437,342	\$7,237,442	\$800,100	12.43%
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%
Total Non-Operating Revenues	\$4,027,261	\$6,437,342	\$7,237,442	\$800,100	12.43%
TOTAL REVENUES	\$9,187,744	\$9,639,807	\$10,657,634	\$1,017,827	10.56%
Compensation and Benefits Expense	\$142,681	\$144,221	\$148,172	\$3,951	2.74%
Operating Expense	\$174,970	\$223,098	\$235,997	\$12,899	5.78%
Capital Outlay Expense	\$0	\$3,200	\$2,000	-\$1,200	-37.50%
Operating Expenditures	\$317,652	\$370,519	\$386,169	\$15,650	4.22%
C I P Expense	\$0	\$255,264	\$285,000	\$29,736	11.65%
Debt Service Expense	\$0	\$0	\$0	\$0	0.00%
Reserves-Operating Expense	\$0	\$5,473,478	\$7,295,465	\$1,821,987	33.29%
Reserves - Capital Expense	\$0	\$0	\$0	\$0	0.00%
Reserves - Restricted Expense	\$0	\$0	\$0	\$0	0.00%
Grants and Aid Expense	\$2,432,750	\$3,540,546	\$2,691,000	-\$849,546	-23.99%
Transfers Expense	\$0	\$0	\$0	\$0	0.00%
Total Non-Operating Expenses	\$2,432,750	\$9,269,288	\$10,271,465	\$1,002,177	10.81%
TOTAL EXPENDITURES	\$2,750,402	\$9,639,807	\$10,657,634	\$1,017,827	10.56%

NORTH BREVARD ECONOMIC DEVELOPMENT ZONE: BUDGET VARIANCES

North Brevard Economic Development Zone Revenue and Expense Category	Variance	% Variance	Explanation
Taxes Revenue	\$159,552	4.78%	Increase based on certified property valuations indicating 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	\$69,634	190.29%	Attributable to increases in Interest Earnings based on historical trends and current fund balance
Statutory Reduction	-\$11,459	6.80%	Corresponds with increases in Operating revenues
Balance Forward Revenue	\$800,100	12.43%	Primarily attributable to less than anticipated incentive awards paid out in Fiscal Year 2020 based on specific benchmark metrics as well as increased Land Sale revenue in Fiscal Year 2020
Transfers - General Revenue	\$0	0.00%	
Transfers - Other Revenue	\$0	0.00%	
Other Finance Source Revenue	\$0	0.00%	
Compensation and Benefits Expense	\$3,951	2.74%	Attributable to Cost of Living Adjustments and FRS rate increases
Operating Expense	\$12,899	5.78%	Primarily attributable to increased Professional Services expenses related to Spaceport Commerce Park as well as increased Cost Allocation Plan expenses offset by a reduction in Rentals and Leases expenses
Capital Outlay Expense	-\$1,200	-37.50%	Attributable to decreased Capital equipment needs in Fiscal Year 2021
Grants and Aid Expense	-\$849,546	-23.99%	Decrease is based on qualification of incentive awards based on achieving benchmark metrics per agreements
C I P Expense	\$29,736	11.65%	Attributable to increased Capital Improvement project expenditures associated with Spaceport Commerce Park in Fiscal Year 2021
Debt Service Expense	\$0	0.00%	
Reserves-Operating Expense	\$1,821,987	33.29%	Primarily attributable to less than anticipated incentive awards paid out in Fiscal Year 2020 based on specific benchmark metrics as well as increased Land Sale revenue in Fiscal Year 2020
Reserves - Capital Expense	\$0	0.00%	
Reserves - Restricted Expense	\$0	0.00%	
Transfers Expense	\$0	0.00%	

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE
PERFORMANCE MEASURES**

PROGRAM	OBJECTIVE	MEASURE	ACTUAL F Y 2018-2019	ESTIMATED F Y 2019-2020	PROJECTED F Y 2020-2021
North Brevard Economic Development Zone	Job Opportunity Program/QTI Program	Direct jobs created*	292**	335	700
North Brevard Economic Development Zone	Job Opportunity Program/QTI Program	Capital investment expected	\$365 M	\$529 M	\$734 M
North Brevard Economic Development Zone	Small Business Initiatives	Direct jobs created	74	96	106
North Brevard Economic Development Zone	Small Business Initiatives	Capital investment expected	\$12.9 M	\$16.4 M	\$18.6 M
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	Direct jobs created	205	336	378
North Brevard Economic Development Zone	Commercial Site Redevelopment	Capital investment expected	\$54.8 M	\$75.2 M	\$83.2 M

(*) Job numbers reported may fluctuate over time, due to local market conditions and talent availability

(**) Numbers cumulative

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE
FISCAL YEAR 2020-2021 TRAVEL A&B SUMMARY**

Program Name	Description	Position	Destination	Funding Source	Total Cost
North Brevard Economic Development Zone	Florida Supply Chain Summit	Executive Director	Orlando, Florida	Incremental Taxes	\$700
North Brevard Economic Development Zone	Florida Economic Development Council Annual Conference	Executive Director	St. Petersburg, Florida	Incremental Taxes	\$800
North Brevard Economic Development Zone	International Council of Shopping Centers Florida Retail Industry Trade Show	Executive Director	Orlando, Florida	Incremental Taxes	\$1,500
Total Funded For Department					\$3,000

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE
FISCAL YEAR 2020-2021 CAPITAL OUTLAY SUMMARY**

Program Name	Description	Quantity	Unit Cost	Funding Source	Total Cost
North Brevard Economic Development Zone	iPad	1	\$900	Tax Increment	\$900
North Brevard Economic Development Zone	iPad Stand	1	\$1,100	Tax Increment	\$1,100
Total Funded For Department					\$2,000

Special Note:

In accordance with Brevard County Board of County Commissioners' Policy BCC-24, Procurement, this form satisfies Directive III. E. 4., requiring a detailed list of approved capital outlay items and equipment to be reviewed and approved by the Board during the Budget process.

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE
FISCAL YEAR 2020-2021 CAPITAL IMPROVEMENTS PROGRAM**

Program Name	Description	Funding Source	Total Cost
North Brevard Economic Development Zone	Pad-ready industrial site at Spaceport Commerce Park	Land Sale Revenue	\$175,000
North Brevard Economic Development Zone	Existing commercial/industrial site redevelopment	Land Sale Revenue	\$25,000
North Brevard Economic Development Zone	Improvements to Spaceport Commerce Park	Land Sale Revenue	\$50,000
North Brevard Economic Development Zone	Spaceport Commerce Park signage	Land Sale Revenue	\$35,000
Total Funded For Program			\$285,000