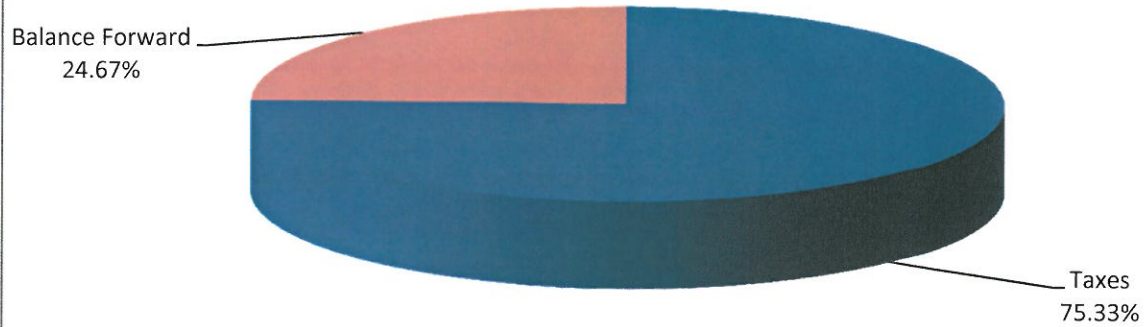


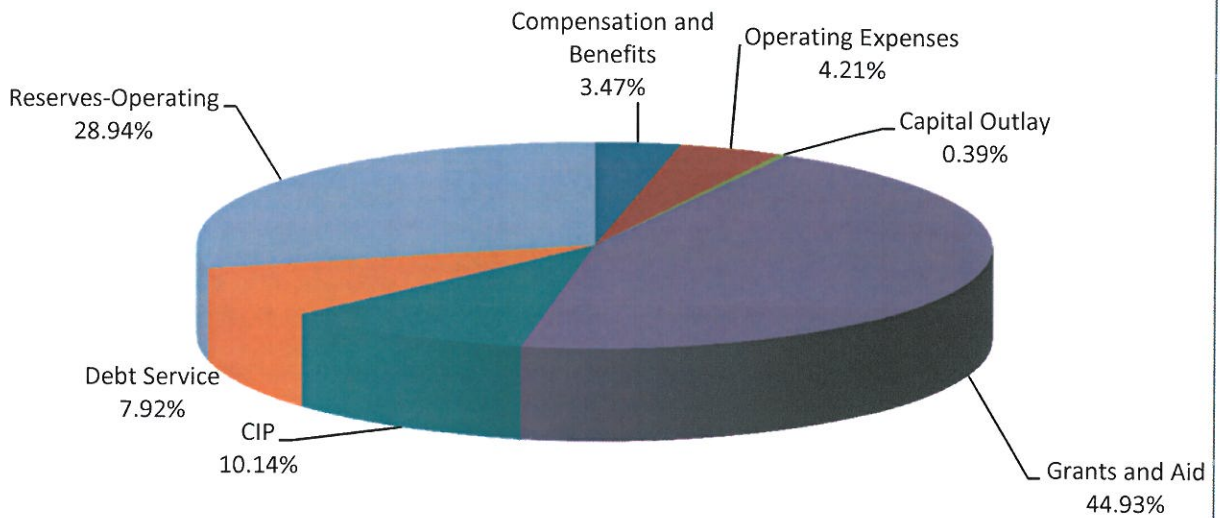
NORTH BREVARD ECONOMIC DEVELOPMENT ZONE

REVENUE (SOURCES)



ADOPTED BUDGET FY2016-2017 \$3,894,829

EXPENDITURES (USES)



NORTH BREVARD ECONOMIC DEVELOPMENT ZONE (NBEDZ) DEPARTMENT SUMMARY

MISSION STATEMENT:

The North Brevard Economic Development Zone (NBEDZ) 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 the overall employment in the county and aiding in the long-term expansion of the tax base.

By inducing economic development activities to go forward, whether through the provision of financial or technical assistance or both, it is the intent of the NBEDZ to increase economic opportunities for the residents of Brevard County.

PROGRAMS AND SERVICES:

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

ECONOMIC DEVELOPMENT

Accomplishments:

- Approved an incentive package for OneWeb Satellites (Project “Sabel”), a satellite manufacturing concern, to induce the construction of a new 100,000 sq. ft. manufacturing facility in Exploration Park that is expected to create approximately 250 new jobs, at an average annual wage of \$65,000
- Approved an incentive package for Precision Shapes (Project “PSI”), a machine shop and tooling operation, to induce a capital expenditure project valued at more than \$1 million which will involve new capital equipment acquisition and building improvements, is expected to create more than 10 new jobs
- Approved a preservation of inducement for Project “Flotilla,” which proposes to spend approximately \$1.5 million on a new manufacturing facility for the production of marine products, a project that could create 65 new jobs
- Finalized and executed an incentive package for Embraer Aero Seating Technologies (Project “Eagle”), an entity created by Embraer’s acquisition of a California-based manufacturing company which is currently building two structures in the county-owned Spaceport Commerce Park, for the manufacture of aviation seats and component parts which is expected to cost more than \$8 million, and create approximately 150 new jobs, paying an average annual wage of \$48,000
- Finalized and executed a financial incentive package for the aerospace firm Blue Origin (Project “Panther”), to induce the location of the company’s rocket engine manufacturing facility in Exploration Park on Merritt Island which will result in the construction of a new 150,000 sq. ft. manufacturing facility, that will employ up to 330 individuals, paying an average annual salary of \$90,000
- Finalized and executed an incentive package for Paragon Plastics (Project “Plastics”), a local firm that is expanding its operations with the construction of a new 65,000 sq. ft. manufacturing facility in the Spaceport Commerce Park which is expected to retain approximately 30 jobs in the county, and lead to the creation of 10 new positions over the next few years with a total project cost is expected to exceed \$3 million
- Finalized and executed an incentive package for Lockheed-Martin (Project “Landmark”), a project representing a major capital investment of approximately \$80 million by Lockheed-Martin in an existing facility in the Titusville area, which could create more than 300 jobs over the next few years, paying an annual average salary of \$89,000
- Finalized and executed a financial assistance package for The BRIX Brewery & Distillery, which is redeveloping a 12,000 sq. ft. industrial building on U.S. Highway 1 into a brewery and packaging operation for beverage products and is expected to create more than 20 new jobs, and result in a \$5 million capital expenditure

NORTH BREVARD ECONOMIC DEVELOPMENT ZONE (NBEDZ) DEPARTMENT SUMMARY

- Under the area of small business development, established a cowork space in downtown Titusville called **CoLaunch** (www.CoLaunch.biz) consisting of more than 2,500 sq. ft., which will house entrepreneurs and newly-launched enterprises, and provide access to training, education, and technical assistance (via Career Source Brevard and Florida Institute of Technology)
- Grew the NBEDZ's entrepreneurial MeetUp.com group on social media to more than 100 members
- Continued to market the area at trade shows and conferences, including the ICSC Florida Show and the "Meet The Consultants" forum hosted by the Southern Economic Development Council (SEDC)
- Represented the NBEDZ at numerous networking functions and served as participant for forums held by NASA, the Space Congress, local chambers of commerce, and other bodies
- Produced several reports, including economic impact analyses on various projects – including one for a proposed downtown Titusville hotel project – along with an update to the NBEDZ's Economic Assessment report, and quarterly publications of the *North Brevard Business Review*, the latter of which is used to market the area and highlight recent developments
- Over the last two years (2014-2015), the NBEDZ has leveraged its assistance programs to induce economic development projects expected to create more than 2,000 new jobs in North Brevard, and to result in a capital investment of more than \$314 million

Initiatives:

- To update data reports and statistical analysis on the resources and assets of the NBEDZ service area, and use the NBEDZ's statistical data website (www.northbrevard.biz), other social media tools, and traditional outlets to promote the area
- To continue working with Enterprise Florida and the Economic Development Commission of Florida's Space Coast (EDC) to attract new business investment to the NBEDZ service area through the provision of incentive awards
- To develop a micro-loan/capital assistance program, in accordance with the NBEDZ's written Economic Development Plan, for the provision of low interest loan funds to be used in combination with other financing for small business development

INFRASTRUCTURE DEVELOPMENT

Accomplishments:

- Partnered again (first time in 2015) with the county on the submission of a grant request to the U.S. Environmental Protection Agency (EPA) for funds to assess Brownfield sites in the NBEDZ service area
- Completed preliminary engineering work and soil testing on another pad-ready site within the county-owned industrial park known as Spaceport Commerce Park, in attempt to improve marketability of lots to industry

Initiatives:

- To work on developing a "virtual" speculative building – a project consisting of a pad-ready site and a set of approved architectural plans, but no actual building – at the county-owned Spaceport Commerce Park in Titusville
- In conjunction with local manufacturers, the Economic Development Commission of Florida's Space Coast (EDC), and Eastern Florida State College, to guide efforts to establish an advanced manufacturing training program for the benefit of the area's workforce and businesses
- To analyze opportunities to utilize state and Federal incentives and grants in connection with business development activities
- To consider opportunities to create new business park properties in the NBEDZ service area

NORTH BREVARD ECONOMIC DEVELOPMENT ZONE (NBEDZ) DEPARTMENT SUMMARY

- To continue assistance in redeveloping the former Miracle City Mall site in Titusville and other existing commercial or industrial properties
- To continue reviewing grant opportunities for establishing a community garden and “kitchen incubator” (a commercial kitchen and food prep area available for small entrepreneurs to use on a limited basis) next to Wild Ocean Seafood market in Titusville

Trends and Issues:

While significant economic gains have been made in the northern part of the county over the last year, the NBEDZ service area continues to suffer from the adverse impact of 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. Although the City of Titusville’s unemployment rate is only slightly above the county’s rate (at 5.4%, unadjusted, in March 2016, compared to the county’s rate of 5.2% for the same time period), its total civilian labor force number totals just 18,824. Eight years ago - before the Shuttle layoffs and “The Great Recession” – the city’s total civilian labor force numbered more than 21,000.

In addition to the employment impact, the north Brevard County area suffers from 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).

Lastly, there remains a perception – most notably among groups located outside the area, such as real estate site consultants, brokers, and retail developers – that KSC is “closed” and that little or no economic activity is taking place on Florida’s “space coast.” While that perception is false, NBEDZ staff frequently encounters this view among uninformed persons outside the area, and must work to correct the view with information on the changes/developments that are occurring within the local economy.

For these reasons, the NBEDZ will continue to focus its efforts in the new 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 those industry sectors that form its economic base, namely aerospace and artisan (specialized craft) manufacturing.

Service Level Impacts:

As the NBEDZ enters its sixth year of existence, the agency will return to the revenue level it experienced in FY 2014/15 (totaling approximately \$3 million), in which it received an allocation from the property taxes collected on the Florida Power & Light facility in Port St. John. With that anticipated revenue stream, funding levels will permit the NBEDZ to implement 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, Spec Building Development, Site Marketing, and Job Creation Infrastructure.

In 2016, construction began on the new Titus Landing retail center (on the site of the former Miracle City Mall), and it is likely that the elements necessary to trigger a NBEDZ incentive payment to the developers will be completed by the end of the calendar year (2016). If that occurs, the NBEDZ will start providing funds to the City of Titusville to aid that municipality

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE (NBEDZ)
DEPARTMENT SUMMARY**

in its efforts to satisfy the debt instrument to be incurred by the city to honor the incentive commitment. That NBEDZ obligation is expected to last at least 10 years.



NORTH BREVARD ECONOMIC DEVELOPMENT ZONE: DEPARTMENT SUMMARY

PROGRAM REVENUES AND EXPENDITURES

	Actual FY2014-2015	Final Budget FY2015-2016	Adopted Budget FY2016-2017	Difference	% (Inc)/Dec
REVENUES:					
Taxes	\$3,265,219	\$117,241	\$3,088,360	\$2,971,119	2534.20%
Permits, Fees & Spec. Assess.	\$0	\$0	\$0	\$0	0.00%
Intergovernmental	\$0	\$0	\$0	\$0	0.00%
Charges for Services	\$0	\$0	\$0	\$0	0.00%
Fines and Forfeits	\$0	\$0	\$0	\$0	0.00%
Miscellaneous	\$7,534	\$0	\$0	\$0	0.00%
Statutory Reduction	\$0	(\$5,864)	(\$154,419)	(\$148,555)	2533.34%
<i>Operating Revenues</i>	\$3,272,753	\$111,377	\$2,933,941	\$2,822,564	2534.24%
Balance Forward	\$0	\$2,817,282	\$960,888	(\$1,856,394)	(65.89%)
Transfers - General Revenue	\$0	\$0	\$0	\$0	0.00%
Transfers - Other	\$0	\$0	\$0	\$0	0.00%
Other Finance Source	\$0	\$0	\$0	\$0	0.00%
<i>Non-Operating Revenues</i>	\$0	\$2,817,282	\$960,888	(\$1,856,394)	(65.89%)
TOTAL REVENUES	\$3,272,753	\$2,928,659	\$3,894,829	\$966,170	32.99%
EXPENDITURES					
Compensation and Benefits	\$129,699	\$134,014	\$135,335	\$1,321	0.99%
Operating Expenses	\$50,685	\$182,413	\$164,076	(\$18,337)	(10.05%)
Capital Outlay	\$1,679	\$25,000	\$15,000	(\$10,000)	(40.00%)
Grants and Aid	\$45,000	\$1,968,810	\$1,750,000	(\$218,810)	(11.11%)
<i>Operating Expenditures</i>	\$227,064	\$2,310,237	\$2,064,411	(\$245,826)	(10.64%)
CIP	\$75,848	\$325,000	\$395,000	\$70,000	21.54%
Debt Service	\$1,353	\$0	\$308,408	\$308,408	0.00%
Reserves-Operating	\$0	\$293,422	\$1,127,010	\$833,588	284.09%
Reserves - Capital	\$0	\$0	\$0	\$0	0.00%
Reserves - Restricted	\$0	\$0	\$0	\$0	0.00%
Transfers	\$0	\$0	\$0	\$0	0.00%
<i>Non-Operating Expenditures</i>	\$77,201	\$618,422	\$1,830,418	\$1,211,996	195.98%
TOTAL EXPENDITURES	\$304,265	\$2,928,659	\$3,894,829	\$966,170	32.99%
PERSONNEL:					
Full-time positions	1.00	1.00	1.00	0.00	0.00%
Part-time Positions	0.00	0.00	0.00	0.00	0.00%
Full-time Equivalent	1.00	1.00	1.00	0.00	0.00%
Temporary FTE	0.00	0.00	0.00	0.00	0.00%
Seasonal FTE	0.00	0.00	0.00	0.00	0.00%

NORTH BREVARD ECONOMIC DEVELOPMENT ZONE: BUDGET VARIANCES

REVENUES	VARIANCE	% VARIANCE	EXPLANATION
Taxes	\$2,971,119	2534.20%	In FY 2016-17, NBEDZ will realize tax increment revenue based upon appreciation of commercial property values since the base year of 2011 as opposed to New Construction-only related revenue in the prior year
Permits, Fees & Spec. Assess.	\$0	0.00%	
Intergovernmental	\$0	0.00%	
Charges for Services	\$0	0.00%	
Fines and Forfeits	\$0	0.00%	
Miscellaneous	\$0	0.00%	
Statutory Reduction	(\$148,555)	2533.34%	Variance corresponds to the change in Operating Revenue
Balance Forward	(\$1,856,394)	(65.89%)	The payout schedule for incentives in FY 2015-16 will reduce the amount of Balance Forward into the new fiscal year
Transfers - General Revenue	\$0	0.00%	
Transfers - Other	\$0	0.00%	
Other Finance Source	\$0	0.00%	

NORTH BREVARD ECONOMIC DEVELOPMENT ZONE: BUDGET VARIANCES

EXPENDITURES	VARIANCE	% VARIANCE	EXPLANATION
Compensation and Benefits	\$1,321	0.99%	Attributable to 1.5% Cost of Living Increase offset by a 4% decrease in Employer's Health Insurance premium
Operating Expenses	(\$18,337)	(10.05%)	Previous fiscal year witnessed certain start-up costs for NBEDZ's coworking space project that are not expected to recur in FY 2016-17
Capital Outlay	(\$10,000)	(40.00%)	Anticipate fewer capital equipment expenditures connected with NBEDZ's coworking space project
Grants and Aid	(\$218,810)	(11.11%)	Reflects anticipated NBEDZ incentive payments, based on existing commitments
CIP	\$70,000	21.54%	Due to expected infrastructure work (fiber, exterior lighting) in Spaceport Commerce Park
Debt Service	\$308,408	0.00%	To satisfy debt instrument incurred by Titusville to honor incentive commitment for Titus Landing
Reserves-Operating	\$833,588	284.09%	Per payout schedule in subsequent years
Reserves - Capital	\$0	0.00%	
Reserves - Restricted	\$0	0.00%	
Transfers	\$0	0.00%	

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE
PERFORMANCE MEASURES**

OBJECTIVE	MEASURE	ACTUAL FY 2014-2015	ESTIMATED FY 2015-2016	PROJECTED FY 2016-2017
Job Opportunity Program	Induced jobs created	50	500	1,000
	Capital investment expected	\$50 million	\$50 million	\$200 million
Small Business Initiatives	Induced jobs created	20	100	100
Pad-Ready Site	Lots cleared/graded	1	1	1
Commercial Site Redevelopment	Sites identified and assessed for potential development	2	2	2
Communications Infrastructure - Titusville and Spaceport Commerce Park	Percentage toward completion	5%	15%	30%

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

DESCRIPTION	POSITION	DESTINATION	FUNDING SOURCE	TOTAL COST
NORTH BREVARD ECONOMIC DEVELOPMENT ZONE				
National Space Symposium	Executive Director	Colorado Springs, CO	Incremental Taxes	\$2,100
ICSC Florida/Southeastern Retail Show	Executive Director	Atlanta, GA	Incremental Taxes	\$1,250
iCAST Trade Show	Executive Director	Orlando, FL	Incremental Taxes	\$1,500
SEDC "Meet the Consultants"	Executive Director	Dallas, TX	Incremental Taxes	\$1,400
Florida Economic Development Council (FEDC) Annual Conference	Executive Director	TBD	Incremental Taxes	\$1,050
SEDC Annual Conference	Executive Director	Charlotee, NC	Incremental Taxes	\$1,200
NABE Data Analytics Annual Meeting	Executive Director	Atlanta, GA	Incremental Taxes	\$1,500
IEDC Training- Tech Led ED	Executive Director	Atlanta, GA	Incremental Taxes	\$1,500
NABE Training	Executive Director	TBD	Incremental Taxes	\$1,000
TOTAL FOR DEPARTMENT:				\$12,500

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE
CAPITAL OUTLAY SUMMARY¹**

DESCRIPTION	QUANTITY	UNIT COST	FUNDING SOURCE	TOTAL COST
INFRASTRUCTURE DEVELOPMENT				
Office Equipment (Cowork Space)	1	\$15,000	Incremental Taxes	\$15,000
TOTAL FOR PROGRAM:				\$15,000

1) Equipment with a value in excess of \$1,000 (computers \$750). Approved items may be purchased using existing Public Sector Purchasing Cooperative contracts awarded through full and open competition when in the best interest of the County.

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

DESCRIPTION	FUNDING SOURCE	TOTAL COST
INFRASTRUCTURE DEVELOPMENT		
Pad-ready industrial site at Spaceport Commerce Park	Incremental Taxes	\$125,000
Commercial/industrial site redevelopment	Incremental Taxes	\$20,000
Improvements to Spaceport Commerce Park	Incremental Taxes	\$250,000
TOTAL FUNDED FOR DEPARTMENT:		\$395,000