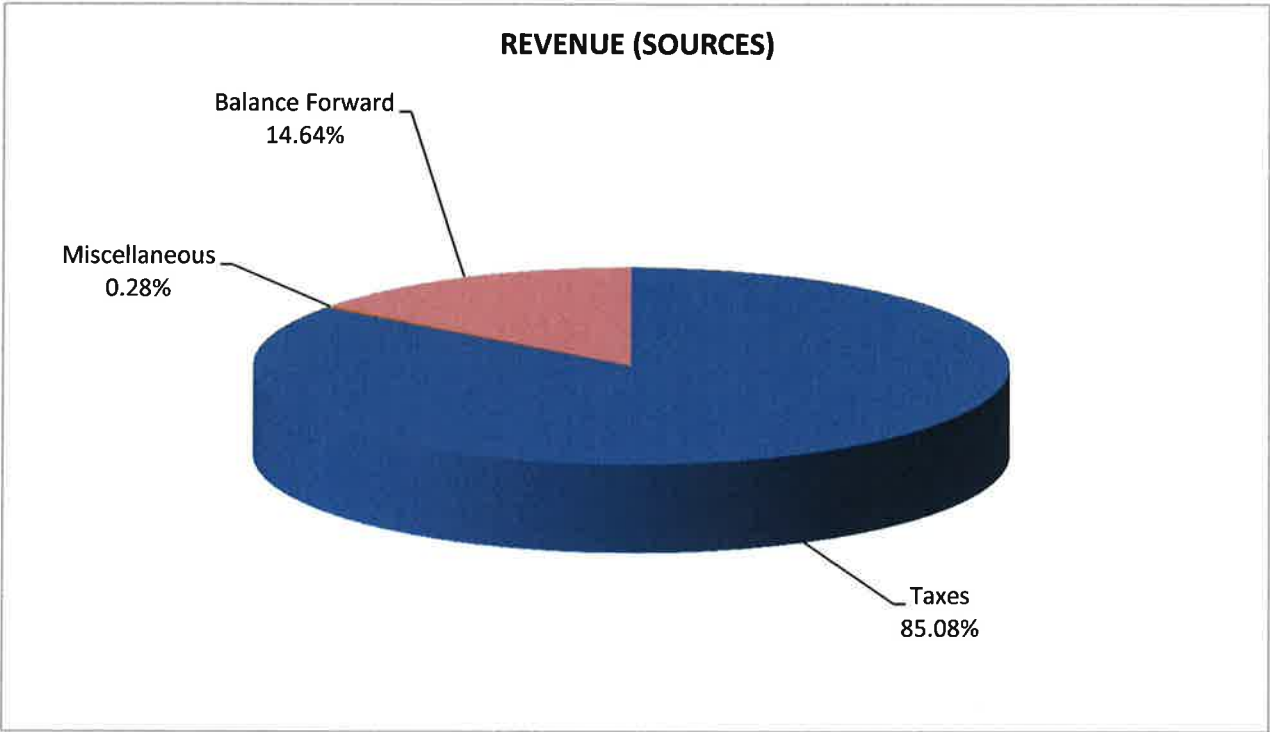
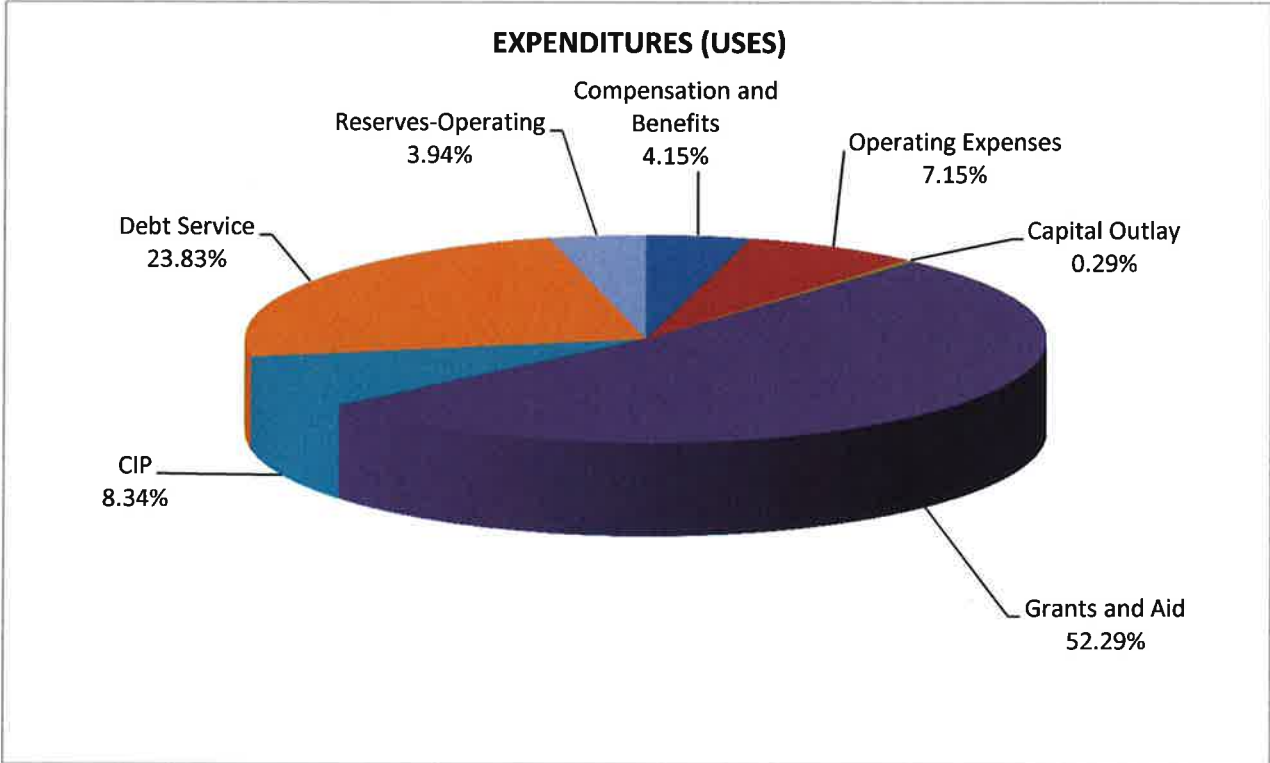


**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE**



**ADOPTED BUDGET FY2018-2019  
\$3,415,351**



## NORTH BREVARD ECONOMIC DEVELOPMENT ZONE SUMMARY

### MISSION STATEMENT:

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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 the overall 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, whether through the provision of financial or technical assistance or both, it is the intent of the Zone to increase economic opportunities for the residents of Brevard County.

### PROGRAMS AND SERVICES:

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

#### *Accomplishments:*

- Approved an incentive package for Project "Lock," an adhesive manufacturing firm seeking to acquire and construct a 15,000 sq. ft. manufacturing facility in Titusville;
- As authorized agent for the county in matters related to the county-owned Spaceport Commerce Park in Titusville, the Zone induced a project involving Paragon Plastics' acquisition of an industrial lot in the park, to permit an expansion project estimated to cost more than \$1.5 million and result in the construction of a new 20,000 sq. ft. warehouse and distribution facility;
- Approved an incentive for Project "North," a development project involving a hospitality firm based in New York State that optioned a six-acre lot in the Riverfront Center business park in Titusville. The company expects to develop a \$14 million multi-story hotel and office building on the site, once certain infrastructure elements are completed, including the creation of a new interior roadway;
- Working in concert with the economic development planning team at the East Central Florida Regional Planning Commission (RPC), the Zone approved the provision of a local financial match to enable the RPC to apply for grant funds from the U.S. Economic Development Administration (EDA) for the conduct of an economic study on the impact of the aerospace and aviation sectors on the local community;
- Approved an incentive package for Project "K," involving a real estate development firm based in Atlanta (RCG Ventures) and the acquisition and redevelopment of a former Kmart retail store site in Titusville. The six-acre property, which has been vacant for more than five years, was considered by Titusville city planning officials to be one of the most blighted properties in the municipality, given its current state and prominent location on State Road 50;
- Created an "entrepreneurial kiosk," and placed the technical assistance aid in service at the Port St. John library. Plans call for the development of two additional kiosks, to be placed in the Titusville and Mims library buildings;
- Successfully completed another year of operation for a cowork space established by the Zone in downtown Titusville called **CoLaunch** ([www.CoLaunch.biz](http://www.CoLaunch.biz)), a shared work environment consisting of more than 2,500 sq. ft. for entrepreneurs and newly-launched enterprises;
- Continued dialogue with tenants of the county-owned Spaceport Commerce Park in Titusville through a series of meetings and networking events, with the goal of creating a permanent business park association that could eventually take control of improvements at the park, such as signage and landscaping. This year, created a website for the park ([www.spaceportcommercepark.org](http://www.spaceportcommercepark.org)), and leveraged technical assistance from the City of Titusville to create 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 *MRO Americas* show (which highlights the aviation industry), the *iCAST* show (with its focus on the marine and fishing industry), and the International Council of Shopping Centers' *Florida Show* (with its focus on retail development);

## NORTH BREVARD ECONOMIC DEVELOPMENT ZONE SUMMARY

- Represented the Zone at numerous local networking functions and served as participant for forums held by NASA, Port Canaveral, the local chambers of commerce, the League of Women Voters, and other institutional agencies and organizations;
- Assisted efforts of the state's Department of Economic Opportunity and the local Emergency Management Office (EOC) in delivering communications to area businesses impacted by Hurricane Irma, and informing those affected firms of how to access financial and technical aid available from state and federal officials;
- Made annual updates to several reports, including economic impact analyses on various projects and the Zone's annual Economic Assessment report, and published new editions of the **North Brevard Business Review**, the latter of which is used to market the area and highlight recent developments; and,
- In recognition of these accomplishments, and those recorded in recent years, the Zone was honored in 2017 by the International Economic Development Council (IEDC) with the IEDC Bronze Award for the best "Multi-Year Economic Development Program" in the nation.
- Worked with Swiss firm RUAG and Kamm Consulting to create a pathway for a workforce training program modeled after a European-style apprenticeship program. Effort involved meeting with potential business partners and educational institutions, including Eastern Florida State College, to determine funding costs and operational needs;
- Explored feasibility of converting the former state correctional site near Port St. John into a light industrial park, including the submission of an application for financial assistance from the U.S. Environmental Protection Agency (which was initially not approved, but is now being re-evaluated);
- Continued Zone support of Titusville's "maker space" program established in the spring of 2017, a venture labeled the Space Coast Fab Lab ([www.spacecoastfablab.org](http://www.spacecoastfablab.org)). In addition to providing certification programs for workforce development, the Fab Lab also serves as a laboratory for new entrepreneurial firms; and,
- Initiated engineering 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.

### *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 ([www.northbrevard.biz](http://www.northbrevard.biz)), 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; and,
- To create a redevelopment assistance program geared toward small business projects, in accordance with the Zone's written Economic Development Plan, 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 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 (in Port St. John) as a business park;
- To consider opportunities for the creation of other new business park properties in the Zone service area, whether initiated by private developers or a public sector entity;
- To continue the provision of assistance in redeveloping existing, blighted commercial or industrial properties; and,
- To work on developing a building pad and concrete foundation for a 50,000 sq. ft. 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:*

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. The danger that emanates 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

## NORTH BREVARD ECONOMIC DEVELOPMENT ZONE SUMMARY

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, 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 such as Barn Light Electric, Warburton Music, Precision Shapes, and Ecklers' Industries have helped the area add employers not tied to the success and growth of 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 SpaceX, Blue Origin, Orbital ATK, and others remain viable. To that end, the Zone has worked to provide financial and/or technical assistance to those companies as well.

As cited in previous budget narratives from the Zone, 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). Limited land for commercial development necessitates redeveloping existing commercial parcels, which can often be an expensive undertaking for a business or developer.

And, there continues to be a lingering perception held by groups outside the area, such as real estate site consultants, brokers, and retail developers – that, despite the successes of SpaceX and ULA (private launch companies) – KSC and NASA have essentially "closed down" government-sponsored space operations at the Cape. While that perception is false, Zone staff still 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.

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 eighth 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 January of 2018, a planning session was held by the Zone board of directors to review the Economic Development Plan, and address any changes needed. [The process of amending the plan would involve approval by the Zone board of directors and concurrence from both the City of Titusville and from the county's Board of Commissioners.] The board, however, voted to continue utilizing the existing programs under the "plan," though it did leave open the possibility of seeking an amendment to the plan in future program years.

Last fiscal year represented the first year for making repayments to the City of Titusville for monies it provided to the developer of the former Miracle City Mall site (Titus Landing), per an agreement reached between the county, the developer, and the city in 2014. For FY 18-19, the Zone expects to expend \$806,771 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.

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

Also anticipated during FY 18-19 are payments due on the assistance package for Blue Origin. This project involves the “monetization” of an incentive (the provision of the incentive in lump sum amount, thus necessitating the borrowing of funds to make the payment possible), as approved by the Board of Commissioners in 2015. During FY 17-18, the company completed construction on its 600,000 sq. ft. manufacturing center in Exploration Park, thus triggering the incentive from the Zone. A one-time payment of \$1,379,296 was approved for disbursement in FY 17-18, while a validation suit on the provision of the incentive worked its way through the state court system. The billing for legal costs and professional fees associated with this suit are expected to be due in FY 18-19, thus necessitating the Zone to budget \$50,000 under its general ledger account “professional fees” to cover these costs – an increase of 67% over the previous year’s budgeted amount. If permitted to bond the debt, the Zone anticipates a principal/interest cost of \$814,000 annually (approximately). [Note: the principal balance on this note is expected to be \$6.6 million.]

In December of 2016, AstroTech/Lockheed (the project known as “Landmark”) formally requested and received approval for an amendment to its incentive agreement, moving the first threshold for its job creation to December of 2018. If the company does reach this benchmark, the Zone will be required to provide an initial incentive payment totaling \$175,000 in FY 18/19. The Zone anticipates meeting this obligation using its annual revenue allocation, under the general ledger account “grants and aid.”

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE: SUMMARY**

**PROGRAM REVENUES AND EXPENDITURES**

	<b>Actual FY2016-2017</b>	<b>Final Budget FY2017-2018</b>	<b>Adopted Budget FY2018-2019</b>	<b>Difference</b>	<b>% (Inc)/Dec</b>
<b>REVENUES:</b>					
Taxes	\$3,108,626	\$2,889,121	\$3,058,790	\$169,669	5.87%
Permits, Fees & Spec. Assess.	\$0	\$0	\$0	\$0	0.00%
Intergovernmental	\$0	\$0	\$0	\$0	0.00%
Charges for Services	\$10,475	\$0	\$0	\$0	0.00%
Fines and Forfeits	\$0	\$0	\$0	\$0	0.00%
Miscellaneous	\$32,651	\$7,368	\$10,000	\$2,632	35.72%
Statutory Reduction	\$0	(\$144,824)	(\$153,439)	(\$8,615)	5.95%
<i>Operating Revenues</i>	<b>\$3,151,752</b>	<b>\$2,751,665</b>	<b>\$2,915,351</b>	<b>\$163,686</b>	<b>5.95%</b>
Balance Forward	\$1,258,767	\$3,038,759	\$500,000	(\$2,538,759)	(83.55%)
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>	<b>\$1,258,767</b>	<b>\$3,038,759</b>	<b>\$500,000</b>	<b>(\$2,538,759)</b>	<b>(83.55%)</b>
<b>TOTAL REVENUES</b>	<b>\$4,410,519</b>	<b>\$5,790,424</b>	<b>\$3,415,351</b>	<b>(\$2,375,073)</b>	<b>(41.02%)</b>
<b>EXPENDITURES</b>					
Compensation and Benefits	\$134,634	\$139,158	\$141,890	\$2,732	1.96%
Operating Expenses	\$117,294	\$194,203	\$244,322	\$50,119	25.81%
Capital Outlay	\$0	\$17,600	\$9,750	(\$7,850)	(44.60%)
Grants and Aid	\$1,118,332	\$3,999,372	\$1,785,793	(\$2,213,579)	(55.35%)
<i>Operating Expenditures</i>	<b>\$1,370,261</b>	<b>\$4,350,333</b>	<b>\$2,181,755</b>	<b>(\$2,168,578)</b>	<b>(49.85%)</b>
CIP	\$0	\$435,000	\$285,000	(\$150,000)	(34.48%)
Debt Service	\$1,500	\$0	\$814,008	\$814,008	0.00%
Reserves-Operating	\$0	\$1,005,091	\$134,588	(\$870,503)	(86.61%)
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>	<b>\$1,500</b>	<b>\$1,440,091</b>	<b>\$1,233,596</b>	<b>(\$206,495)</b>	<b>(14.34%)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,371,760</b>	<b>\$5,790,424</b>	<b>\$3,415,351</b>	<b>(\$2,375,073)</b>	<b>(41.02%)</b>
<b>PERSONNEL:</b>					
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**

<b>REVENUES</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>	<b>EXPLANATION</b>
Taxes	\$169,669	5.87%	Attributable to an increase in taxable value associated with new construction in the North Brevard Economic Development Zone
Permits, Fees & Spec. Assess.	\$0	0.00%	
Intergovernmental	\$0	0.00%	
Charges for Services	\$0	0.00%	
Fines and Forfeits	\$0	0.00%	
Miscellaneous	\$2,632	35.72%	Due to projected increase in interest revenue earned
Statutory Reduction	(\$8,615)	5.95%	Variance is associated with the change in Operating Revenue
Balance Forward	(\$2,538,759)	(83.55%)	Based on anticipated incentives reaching performance measures in FY 17-18
Transfers - General Revenue	\$0	0.00%	
Transfers - Other	\$0	0.00%	
Other Finance Source	\$0	0.00%	



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

<b>EXPENDITURES</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>	<b>EXPLANATION</b>
Compensation and Benefits	\$2,732	1.96%	Attributable to Cost of Living Adjustments and FRS rate increases
Operating Expenses	\$50,119	25.81%	Primarily due to an increase in the professional services budget related to legal costs associated with validation suit
Capital Outlay	(\$7,850)	(44.60%)	Attributable to a decrease in computer equipment/machinery needs associated with the co-work space
Grants and Aid	(\$2,213,579)	(55.35%)	A result of carrying forward monies to pay for incentives once projects have qualified based on performance measures
CIP	(\$150,000)	(34.48%)	Decreased in FY 19 due to increased construction completed on Existing Commercial/Industrial Site Redevelopment CIP in FY 18. Offset by increased costs associated with Pad Ready CIP
Debt Service	\$814,008	0.00%	Primarily based on anticipation of the Blue Origin incentive being funded through the issuance of a bond, resulting in principal and interest payments in FY 18-19
Reserves-Operating	(\$870,503)	(86.61%)	Attributable to appropriating funds in FY 17-18 for incentives that reached milestones as outlined in agreements
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 2016-2017	ESTIMATED FY 2017-2018	PROJECTED FY 2018-2019
Job Opportunity Program/QTI Program	Induced jobs created (*)	215 (**)	440	660
	Capital investment expected	\$214 M	\$243 M	\$265 M
Small Business Initiatives	Induced jobs created	60	74	83
	Capital investment expected	\$12.4 M	\$13.4 M	\$13.9 M
Coworking Initiative	Memberhips attained	14	20	25
Pad-Ready Site	Lots cleared/graded	1	2	2
	Sites identified and assessed for potential development	3	4	6
Commercial Site Redevelopment	Induced jobs created (*)	205	362	535
	Capital investment expected	\$38.3 M	\$42.7 M	\$53.9 M

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

(\*\*) Numbers cumulative

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

<b>DESCRIPTION</b>	<b>POSITION</b>	<b>DESTINATION</b>	<b>FUNDING SOURCE</b>	<b>TOTAL COST</b>
<b>NORTH BREVARD ECONOMIC DEVELOPMENT ZONE</b>				
National Space Symposium	Executive Director	Colorado Springs, CO	Incremental Taxes	\$2,000
<i>Americas MRO</i> Aviation Trade Show	Executive Director	Orlando, FL	Incremental Taxes	\$1,500
SEDC "Meet the Consultants"	Executive Director	Chicago, IL	Incremental Taxes	\$1,600
Florida Economic Development Council (FEDC) Annual Conference	Executive Director	TBA	Incremental Taxes	\$800
<i>iCAST</i> Marine/Fishing Industry Trade Show	Executive Director	Orlando, FL	Incremental Taxes	\$1,500
<i>ICSC Florida</i> Retail Industry Trade Show	Executive Director	Orlando, FL	Incremental Taxes	\$1,500
SEDC Annual Networking Conference	Executive Director	Southeast U.S.	Incremental Taxes	\$1,200
IEDC Economic Development Training	Executive Director	Atlanta, GA	Incremental Taxes	\$1,250
<b>TOTAL FOR DEPARTMENT:</b>				<b>\$11,350</b>

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE  
CAPITAL OUTLAY SUMMARY<sup>1</sup>**

DESCRIPTION	QUANTITY	UNIT COST	FUNDING SOURCE	TOTAL COST
<b>MACHINERY AND EQUIPMENT</b>				
3D printer	1	\$6,000	Ad Valorem Taxes	\$6,000
Desktop printers/scanners	2	\$500	Ad Valorem Taxes	\$1,000
Computer monitor	2	\$500	Ad Valorem Taxes	\$1,000
Laptop	1	\$1,750	Ad Valorem Taxes	\$1,750
<b>TOTAL FUNDED FOR DEPARTMENT:</b>				<b>\$9,750</b>

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**

<b>DESCRIPTION</b>	<b>FUNDING SOURCE</b>	<b>TOTAL COST</b>
<b>INFRASTRUCTURE DEVELOPMENT:</b>		
Pad-ready industrial site at Spaceport Commerce Park	Incremental Taxes	\$150,000
Existing commercial/industrial site redevelopment	Incremental Taxes	\$25,000
Improvements to Spaceport Commerce Park	Incremental Taxes	\$110,000
<b>TOTAL FUNDED FOR DEPARTMENT:</b>		<b>\$285,000</b>

