

Prepared by the North Brevard Economic Development Zone (NBEDZ)

Regional Economic Assessment

North Brevard

(A region including the City of Titusville, Florida and surrounding, unincorporated communities in the northern portion of Brevard County)

Summer 2018 Version 4.2

For community/statistical data on the area, visit www.NorthBrevard.biz

For more information on the NBEDZ, visit www.NBEDZ.org

Introduction

The following report was prepared by the **North Brevard Economic Development Zone (NBEDZ)** to help identify and understand the dynamics of the local economy operating within the northern part of Brevard County, Florida.

“North Brevard,” which is comprised of a municipality (Titusville) and unincorporated areas of Brevard County, does not exist as a separate political jurisdiction; however, for the purposes of this report, it is considered one region, and is referred to throughout the report as either “**North Brevard**” or the “**North Brevard Market Area (MA)**.”

The report is divided into six sections, which examine the region by assessing:

Demographics and local economic conditions – a review of select statistical information on the market area;

Current economic development activity – a review of recent business activity in the region;

Future trends and developments – a forecast of expected or planned developments;

Community attributes – a brief summary of the area’s “quality of life;”

Development capacities – a listing of resources to induce business investment in the area.

Entrepreneurial support – an analysis of the entrepreneurial eco-system in the area.

Please note that the view of the local economy presented herein is that of the NBEDZ staff, which prepared this assessment using select demographic data, and information obtained from conversations with local officials and field observations of activities taking place within the region. Source data has been referenced in the body of the report, or provided in footnotes.

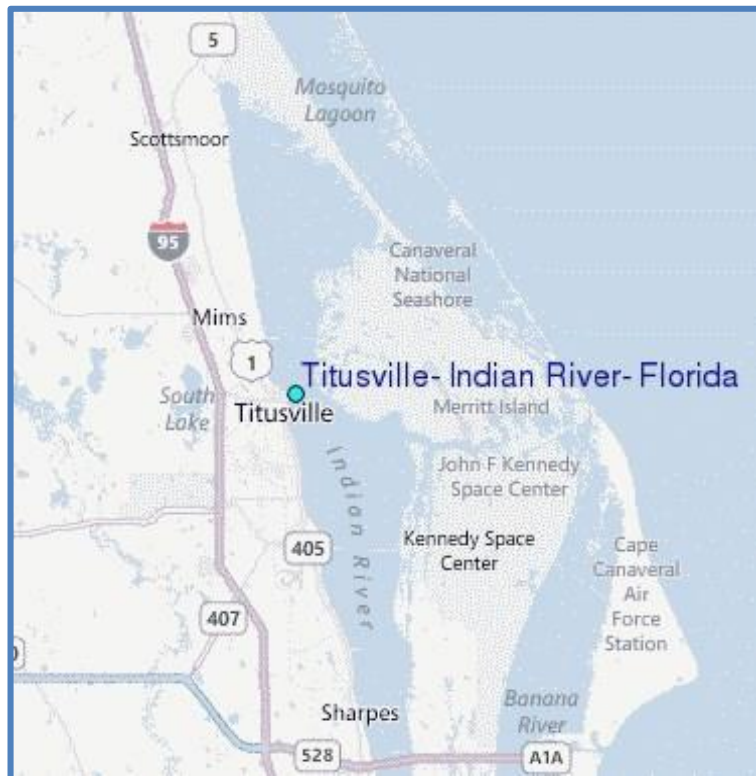
Note: All information presented herein is deemed reliable, but not guaranteed.

Demographics and Local Economic Conditions

(Review of Select Statistical Data)

According to statistics compiled by Applied Geographic Solutions (AGS) in a January 2018 data report, the **North Brevard Market Area (MA)** contains a population of 149,367.¹ This analysis included demographic characteristics within a 20-mile radius of downtown Titusville. [AGS data for the year 2010 listed a total population within the same geographic area of 144,645; that year saw great upheaval in the local economy, due primarily to downsizing activities at NASA’s Kennedy Space Center, which are described later in this report.]

North Brevard is a geographic area measuring approximately 200 square miles on Florida’s east central coast, and includes the City of Titusville and areas contiguous with the northern municipal boundary of the City of Cocoa, along with the unincorporated communities of Mims, Scottsmoor, and Port St. John. A portion of Merritt Island – located across the Indian River Lagoon and home to NASA’s Kennedy Space Center – is also included in this geography.



¹ Report generated by Applied Geographic Services (AGS), and supplied by the Economic Development Commission of Florida’s Space Coast. That analysis uses postal codes, which may include demographics from other, neighboring MSAs. Typically, the Titusville Market Area represents postal codes: 32780 and 32796 (both of which include Titusville), 32927 (the community of Port St. John), 32926 (parts of the city of Cocoa), 32754 (the community of Mims), 32759 (the community of Scottsmoor), 32709 (areas west of Titusville), and 32953 (the northern part of Merritt Island).

The **North Brevard MA** is comprised primarily of the following Census Tracts: #060100, #060200, #060300, #060400, #060500, #060600, #060700, #060800, #060900, #061002, #061001, #061100, and #071400. Additional statistical information can be found by accessing the 2010 U.S. Census Bureau for these particular tracts, along with interim updates from that federal agency.

Comparing the market area's population to that of the county overall, the region accounted for more than 27% of the total number of persons living in Brevard County (which had a population of 543,376 in the 2010 U.S. Census, making it the 9th most populated county in Florida). During the same time period, the state's population was 18,801,310, and its population increase from year 2000 to 2010 made Florida the third fastest-growing state in the Union, trailing only Texas and California.²

Despite the effects of reduced missions at NASA's nearby Kennedy Space Center (principally the idling of the Space Shuttle program in 2011) and the nation's recovery from the Great Recession (2009-2012), the population of the **North Brevard MA** has continued to increase. Indeed, from year 2000 to 2013 – the period of the greatest economic upheaval for the area in recent decades – the market area's population still rose by 9.5%.³ It is estimated that within just four years (by 2022), the region's population will be over 164,000 – a 10% increase⁴ over the current year.

The market area's population characteristics reveal other noteworthy indicators. Among those is the percent of persons in the county aged 25 years or older with *at least a high school degree* or equivalent – 91%, one of the highest in the state, and an increase from the year 2010 Census numbers. For the state, the figure was 85%. Furthermore, more than 35% of the population in the **North Brevard MA** hold an associate's degree or higher.⁵

The median age for the market area is 46.3 years. Of the area's total population, 74,024 were listed as male (with a median age of 44.9), and 75,345 as female (with a median age of 47.6).⁶

Housing

In 2018, the homeownership rate in the market area was 69.8%, representing 47,400 owner-occupied households.⁷ This rate was equal to the state's average, as reported in the 2010 U.S. Census (at 69.0%). The population by family type included 66% or 41,099 family households (with an average family household size of 2.9 members), and 34% classified as "non-family" households (with an average size of 1.2 persons).⁸ The market area supports three public high schools (Titusville High, Astronaut High, and Space Coast Junior/Senior High), each with a student

² U.S. Census Bureau, 2010 Census.

³ The 2000 U.S. Census population figure for the market area was 132,627.

⁴ AGS data report, 2018. Projected 2022 population.

⁵ AGS data report, 2018. A total of 38,951 persons.

⁶ AGS data report, 2018.

⁷ AGS data report, 2018.

⁸ AGS data report, 2018.

population of approximately 1,400. [NOTE: Space Coast Junior/Senior High includes two middle school grades, 7th and 8th.]

The daytime population of persons classified as “employees” in 2018 was 48,935.⁹ Data on commuting patterns obtained from the Brevard County Transportation Planning Office estimate that approximately 20% of the area’s daytime population are residents traveling to the area from neighboring counties.

Despite the lingering effects of the Great Recession on the national economy, the local housing market has improved. According to a 2018 report from the Space Coast Association of REALTORS, the median sales price for a Brevard County single-family home was up 5.6% for the third quarter of the year, at \$235,000; last year during that quarter, the median sales price was \$222,500. New pending home sales in the county were down slightly (-10.2%), but new listings were up 13.4% for the quarter; closed sales for the quarter were up 0.8% over the same period last year. The number of months’ supply of inventory – a key indicator of the available housing stock for buyers - was 3.3 months; in 2017, this figure was 2.7 months.¹⁰

In terms of foreclosure activity, Brevard County appears to have recovered from the effects of the housing bubble that crippled the residential housing market in 2008-2011. From a statistical high of 9,772 foreclosure filings in 2009 (county-wide), the number of foreclosures dwindled to less than 3,000 in 2015; the median sales price for those foreclosures in that year was \$99,950. According to the Space Coast Association of REALTORS, foreclosures in the current year (2018) dropped by 37% from the previous year; the median sales price for these foreclosures in 2018 was \$130,200. Short sale closings have also been down for the year, by 62.5% from last year, with a median sales price of \$170,000.¹¹ [For additional information on foreclosure activity in the county, see footnote below.]¹²

Income

The median household income for the **North Brevard MA** in 2018 was reported as \$51,786, with an average household income of \$63,789.¹³ The average family income was reported as \$76,081 for the current year.

[Per capita income figures are available for the cities of Titusville and Cocoa, but segregated figures for the immediate, surrounding unincorporated areas are not available.]

By comparison, the median household income for the state of Florida was \$47,827 in 2010.

⁹ AGS data report, 2018.

¹⁰ 2018 MLS Statistics, distributed by Space Coast Association of REALTORS, August 2018.

¹¹ Space Coast Association of REALTORS, 2018. Additional information, including stats on townhomes and condos, can be viewed at www.SpaceCoastMLS.com.

¹² Brevard County Clerk’s Office. Statistics can be found at “reports/judicial statistics” at www.brevardclerk.us.

¹³ AGS data report, 2018.

Local Taxation

Property taxes in the region are affected by whether a parcel is located within the corporate limits of Titusville or in the unincorporated areas surrounding the city. Within Titusville and the unincorporated area, the total amount of property tax collected by the county in 2018 increased, due to increasing property values;¹⁴ the total millage for 2018 in Titusville was 22.308 (per \$1,000 of assessed value). Currently, Titusville has set its general property tax rate at 7.9011 mils (a slight increase over the rate of the previous fiscal year), but the overall property tax rate for all taxing authorities (county general fund rate, mosquito control, schools, recreation, and environmentally sensitive lands) decreased slightly.

For the unincorporated areas of the region (and depending upon the applicable taxing authorities under which the parcel lies for services such as fire protection and recreation), the total millage for 2018 ranged from 13.94 to 14.41 mils.

The total sales tax levied on consumer goods in the region is 7%, with a half-cent allocation recently added to fund efforts to maintain the health of the Indian River Lagoon. This overall sales tax levy contrasts with rates in the region's neighboring counties, namely: 6.5% in Orange County, 7.0% in Osceola County, and 6.5% in Volusia County. The current 7% figure includes a half-cent sales tax referendum approved in 2014 to support capital improvement projects within the Brevard Public School System (K-12).

There is no local or state personal income ("occupational") tax levy.

Employment

According to a report generated by ESRI's Community Analyst data tool, North Brevard's number of employed persons (equivalent of the BLS's Civilian Labor Force) totaled 93,900 in 2016; however, this number included a geographic area larger than the zip code geographic analysis used by AGS. [The City of Cocoa, and portions of the City of Rockledge, were included in that analysis.] By contrast, the AGS report for 2018 showed a total civilian labor force in North Brevard of 64,138.¹⁵

The unemployment rate for the City of Titusville rose slightly over the summer from the last quarter reported (March 2018); according to the Florida Department of Economic Opportunity, the city's unemployment rate for July 2018 was 4% (not seasonally adjusted data), up from 3.9% in March. However, unemployment totals continue to hover around the lowest levels posted in the aftermath of the Great Recession (2009-2011). In addition, the city's total civilian labor force size, of 21,213, represented a workforce increase of almost 2.3% over numbers posted in the spring – reflecting more job opportunities in the local market.

For Brevard County, the unemployment rate was 3.9% (10,754 persons unemployed, out of a total civilian work force of 275,667), which also witnessed its total labor force size increase. Florida's

¹⁴ [Brevard County releases proposed \\$1.02 billion budget](#), *Florida Today*, July 13, 2015.

¹⁵ AGS data report, 2018.

unemployment rate was 4%, reflecting a total of 9,910,000 persons employed, and 408,000 persons classified as unemployed.¹⁶

Of the Titusville/Melbourne/Palm Bay MSA's total workforce (total non-agricultural employment) according to the US Bureau of Labor Statistics (and reported by the Florida Department of Economic Opportunity) totaled 218,800.¹⁷ This number included 39,300 workers classified as "good producing" and 179,500 classified as "service providing." In addition to these totals, 28,000 persons in the local workforce were identified as "government" workers, 36,900 were classified as "education and health services" employees, and 26,900 were listed as "leisure and hospitality" workers."¹⁸ The North Brevard workforce represents approximately 30% of the MSA's total.

The median hourly wage for the area was listed by the U.S. Bureau of Labor Statistics (according to 2017 survey data) as \$16.85 for "all occupations," with an annual mean wage of \$44,544, based upon a 40-hour work week.¹⁹ The MSA, since 2013, has continued to be listed in Forbes magazine as one of the best places in the nation to do business, and has continued to rank high (when compared to other MSAs) for workers' educational attainment,²⁰ particularly given its high concentration of engineering specialists.

For more detailed information on the MSA workforce – including employment numbers by occupation sector – can be found at the website for the U.S. Bureau of Labor Statistics:

http://www.bls.gov/oes/current/oes_37340.htm

In 2018, the top major industries/sectors in the northern part of the county²¹ (in terms of total employment) were the following firms:

- Kennedy Space Center (NASA) – space exploration/services – 8,500 employees
 - Includes federal employees and contract labor positions
- Parrish Medical Center (PMC) – health services provider – 1,200 employees
- Knight's Armament – weapons/firearms/munitions manufacturer – 280 employees
- Professional Aircraft Accessories – aviation components manufacturer – 170 employees
- Boeing – aerospace (office) – 125 employees
- Barn Light Electric – electrical fixtures manufacturer – 120 employees
- Ecklers' Industries – automotive parts and components – 110 employees
- Blue Origin – rocket manufacturer – 105 employees
- Astrotech (Lockheed Martin) – aerospace components assembly – 100 employees
- SpaceX – rocket manufacturer/launch operations – 75 employees
- Paragon Plastics – thermos-formed plastics maker – 75 employees

¹⁶ U.S. Bureau of Labor Statistics, 2018.

¹⁷ Florida Department of Economic Opportunity (DE)), 2018.

¹⁸ IBID.

¹⁹ U. S. Bureau of Labor Statistics, 2018.

²⁰ Forbes, 2013 Listing of Best Places for Business and Careers.

²¹ All employment numbers reported are approximate; numbers also reflect "provisional" labor pool, employees used on a contract basis. Among retailers, employee turnover can be much higher, causing greater fluctuation in employment numbers.

- Vectorworks Marine – boat manufacturer – 65 employees
- Precision Shapes – machine shop – 50 employees
- MAG Aerospace – technical services for defense industry – 50 employees
- Gold Tone – manufacturer of musical instruments – 35 employees
- Gold Tone – musical instrument manufacturer – 35 employees

The top retail sector employers²² in the northern portion of the county were:

- Wal-Mart – 450 employees
- Publix (combined workforce at three locations) – 355 employees
- Lowe’s – 210 employees
- Winn-Dixie (combined workforce at three locations) – 185 employees
- Home Depot – 175 employees
- Hobby Lobby at Titus Landing – 90 employees
- Beall’s at Titus Landing – 85 employees
- Epic Theatres at Titus Landing – 40 employees

Construction Data

According to the City of Titusville, the number of commercial and industrial building permits issued last year (2017) represented an infusion of new capital investment totaling more than \$25 million. A large part of this total included additional construction at Titus Landing (including completion of the 55,000 sq. ft. Epic Theatres complex), and construction on several retail sites at Exit No. 215 of I-95, including a new Marriott Towne Place Suites hotel.²³ Located just outside city limits was a new health care facility, Palm Point Behavioral, built for an estimated \$10 million. Although building permit data is not available for that portion of the unincorporated area around the City of Titusville, field observations have noted increased commercial building activity along U.S. Highway 1 in Port St. John to the south, and in Mims to the north.

Residential construction activity has also improved in recent years in Titusville, with more than 100 permits issued last year (2017) for new single-family residential construction - projects totaling more than \$30 million.²⁴ Recent field observations have revealed construction activity in several subdivisions within the city, including the new Forest Trace (133 lots) and Indian River Landings (22 lots). Permitting has been issued for Brookshire (170 units) and Madera Preserve (with 80 lots). In the unincorporated areas around Titusville, permitting has been issued by Brevard County for Panther Ridge (212 lots) near the community of Sharpes, and for Indian River Preserve near Mims, which has the capacity for 1,100 single-family home sites.

Recently completed apartment development Solamere Grand opened 210 units in early 2018, and permitting has been issued by the city for 84 new rental units at Luna Trails.

²² Retail numbers include part-time worker totals and shift numbers, but not employees hired seasonally.

²³ City of Titusville – Economic Development Department.

²⁴ City of Titusville – Economic Development Department.

Unique Characteristics of North Brevard Metropolitan Area (MA)

The **North Brevard MA**, wholly contained within Brevard County, is part of the US Census Bureau's "Titusville/Melbourne/Palm Bay" Metropolitan Statistical Area (MSA), which covers the entire county on Florida's east coast. The MSA, and the northern portion of it, features several unique characteristics:

- **First**, the MSA, and in particular the northern part, encompasses a large area of government-controlled lands, property set aside either for use as conservation areas or for Federal, state, or local public installations and facilities (NASA, Patrick Air Force Base, and Port Canaveral). Given this, the amount of land remaining for privately-held commercial and industrial development is limited, but not non-existent. Indeed, there remains an abundance of under-utilized and vacant developed property that contains all utilities and already has in place the public infrastructure (roads, storm sewers) to support development. "Greenfield" sites (those not been previously disturbed and utilized for a development) do exist in the market area, and a few of those sites are listed under the "Development Capacity" section of this report.
- **Second**, there are several major economic drivers in the MSA beyond the NASA complex, although the aerospace industry – both public sector and private sector aerospace - does represent a significant percentage of all jobs available in the MSA (estimated at approximately 35%).

In addition to NASA, the dock facilities and corporate presence at Port Canaveral – consistently ranked as the 2nd busiest port for cruise (recreational) ships in the nation, with more than 4.5 million passengers annually – currently employs more than 200 people directly, but impacts more than 20,000 jobs indirectly.²⁵ Combined, the cruise and tourism traffic at the port accounts for more than \$2.2 billion in impact to the local and regional economy. To view the port's 2017/2018 annual report, visit:

<https://www.portcanaveral.com/Publications>.

- **Third**, despite its close proximity to Orlando (located in adjacent Orange County), the area does operate as a separate region and economy. Although approximately 20% of Space Coast residents travel outside the county for employment (the single biggest destination being neighboring Orange County), the majority works within county lines, traveling north and south, with the highest areas of employment concentrated in the incorporated jurisdictions and along the Atlantic Coast (and State Road A1A).²⁶

The bulk of Brevard County's 275,000-person workforce reported living and working within the county, evidencing that the county operates as a separate local economy from its central Florida neighbor. [The same 2010 Census from which FDOT drew its statistical

²⁵ The 2017/2018 Directory - Port Canaveral, 2017.

²⁶ "Commuting Flow Trends in Florida," FDOT Trends and Conditions, 2013.

information reported that Brevard County residents had a mean travel time to work of 23.9 minutes.]

As a general summary, the economy for the **North Brevard MA** is comprised of aerospace, aviation, manufacturing, healthcare, boat/marine production, and tourism. Due to the presence of the Kennedy Space Center, the Cape Canaveral Air Force Station, and Patrick Air Force Base, there is also a significant defense industry sector represented in the region. One example of this can be seen in Titusville, where in 2017, a US Navy contractor took possession of a 20,000 sq. ft. industrial building (a former equipment rental business) for conversion into a naval lab.

In particular, Patrick Air Force Base (located between Satellite Beach and Cocoa Beach) has a significant impact on the entire county. Home to the 45th Space Wing and the Air Force Space Command base, it has a resident population of approximately 1,200.²⁷ Since the air station works with the National Oceanic and Atmospheric Administration (NOAA) as well as NASA, activity at the base pulls in private military contractors. [The base is also home to the 920th Rescue Wing, part of the Air Force Reserve Command.] It is also estimated that more than 100 service members separate each year from the base and seek employment locally before considering other options.

²⁷ See www.patrick.af.mil.

Current Economic Development Activity

(Recent Business Activity in the Region)

Development occurred on many fronts last year (2017), particularly in the manufacturing sector. Some of those developments were the result of new entrants into the North Brevard economy.

Astro Pak Corporation, a leading California-based provider of precision cleaning and passivation services (making products less affected or corroded by environmental factors), recently acquired an existing 44,000 sq. ft. industrial building in Titusville's Spaceport Commerce Park for use as the company's eastern U.S. operations hub. The building, located on a prominent street in the industrial park, had been vacant for four years prior to purchase. According to the company's chief executive officer, Ken Verheyen, the firm intends to spend approximately \$3 million on renovations to the structure. The company also plans to purchase Mims-based **Chemko Technical Services**, to better serve its aerospace clients. The project, which was made possible with site selection assistance from the Economic Development Commission of Florida's Space Coast (EDC) and financial assistance from the North Brevard Economic Development Zone (NBEDZ), anticipates creating 17 new jobs over the next few years, with an average annual wage of \$45,000. Astro Pak began operations in 1959, and services the aerospace and defense industry markets, along with manufacturing clients in the medical device, semiconductor, and bio-pharmaceutical industry sectors. For more information on the company, please visit www.AstroPak.com.

USA Yacht Stabilizers recently moved into a 15,000 sq. ft. industrial facility in Titusville near the Space Coast Regional Airport; the building property had been vacant in recent years. The company, which started operations in Brevard County in 2016, is the only mobile-based service provider dedicated to the retro-fit of Seakeeper Gryo Units in Florida. [The "Seakeeper" brand is a computer controlled gyroscope that eliminates most boat roll, including the anxiety and sea sickness that often accompanies it.] With a management team that has over sixty years in the marine industry, the company travels to where the client is located, performing installation and repair on marine stabilizers throughout the state. USA Yacht Stabilizers employs approximately 10 people. Visit www.USAstabilizers.com to learn more about the firm.

According to the [Orlando Business Journal](#), aerospace leader **Lockheed Martin** is planning to relocate approximately 300 jobs to the Port Canaveral area in North Brevard over the next few years. The jobs fall under the company's fleet ballistic missile program, and will involve positions that are currently situated in California; this announcement follows a similar one made last year by the company for adding more positions at **Astrotech**, a Lockheed Martin company located in Titusville. Another 350 jobs in the ballistic missile program will be transitioned to the Colorado area. Currently, Lockheed Martin has over 600 employees in Cape Canaveral, supporting the U.S. Navy's Trident II D5 Fleet Ballistic Missile, which can be found on U.S. Navy submarines. Those existing positions, along with the newly created jobs, will be housed in a recently renovated facility at the cape. For information on the company, visit www.lockheedmartin.com.

Warburton Music Products, a local manufacturing company that has developed a world-wide reputation for making mouthpieces and components for musical instruments, has announced plans to move into an existing 12,000 sq. ft. industrial building, as part of an ongoing expansion

project. The Mims-based firm, which began operations more than forty years ago in central Florida, relocated to Brevard County in 2010 and currently occupies a 7,600 sq. ft. building on US Highway 1. Now employing approximately 15 people – many of whom have been with the business for more than ten years – owner Terry Warburton expects the new facility to provide the company with more space for its machining shop and retail desk. Using precision-guided CNC machining to make complete lines of mouthpieces for instruments such as the trombone, tuba, and French horn, Warburton is also known in music circles for its technology and artisan craft in making woodwind instruments, including its famed “Woody Mute,” a device that fits inside a trumpet or trombone to give the instrument a unique sound.

For more information on the company, visit www.warburton-usa.com.

Paragon Plastics, a manufacturer of plastic thermoformed parts, has announced plans to purchase four acres of adjoining property to its six-acre lot in Titusville’s Spaceport Commerce Park in Titusville and construct a new 22,000 sq. ft. facility on the site. According to company president David Trout, the company anticipates spending approximately \$1.1 million on the new building, which will provide additional space for manufacturing and warehousing of product. Paragon Plastics sells manufactured plastic parts and packaging products to the marine, automotive, aviation, and aerospace industries. The expansion project is expected to add 18 new jobs over the next few years; the company currently employs 52 people.

For more information on the company, visit www.paragonplastics.net. For information on the Spaceport Commerce Park, go to www.SpaceportCommercePark.org.

Red Canyon Software, a Colorado-based software engineering firm, has announced plans to purchase a group of historic buildings in downtown Titusville for use by the company as its Florida headquarters. Named for the red canyons of Mars, the software company specializes in software applications used by aerospace and defense industry firms, and has worked on several NASA projects related to its deep space exploration missions. According to company president Barry Hamilton, the company will utilize the structures, one of which is the former Walker Apartments building on U.S. Highway 1 in downtown Titusville, to create a live/work environment for its employees. Hamilton cited downtown’s existing complement of stores, restaurants, and parks as amenities that should make downtown living desirable to Red Canyon employees and other tech workers. “We believe Titusville is uniquely positioned to become the Silicon Valley of Space,” added Hamilton.

The company has labeled its revitalization efforts the *Launch Now* campaign, which can be viewed at a separate website created by the company, www.LaunchNow.space. The project was made possible with technical assistance from the EDC, and financial assistance from the NBEDZ.

Marketing Holders, a manufacturer of advertising displays and literature holders, has moved into a 9,000 sq. ft. facility in Mims that once housed noted Titusville business **Barn Light Electric** during its early years. Marketing Holders makes a wide range of molded plastic displays, from business card holders to brochure racks. The firm also makes wooden display racks used in grocery stores and retail locations, along with organizational shelving. The firm re-located to Mims to take advantage of a larger space for its operations. The company, which employs around 10 people,

distributes products throughout the U.S. For more information on the company, visit www.MarketinHolders.com.

Titusville-based **Rocket Crafters, Inc. (RCI)** recently announced that it would receive a research contract totaling \$540,000 from DARPA (the U.S. Defense Advanced Research Projects Agency) to aid the company in further developing its hybrid rocket engine, a design that RCI touts is safer and less expensive than the liquid or solid chemical engines more prevalent in the industry. The company maintains offices at the Titusville-Cocoa Airport, and utilizes a test facility at Florida Institute of Technology in Melbourne. Additional information on RCI can be found at www.RocketCrafters.com.

In late August of 2017, **Orbital ATK** made headlines with the launch from Cape Canaveral of its Minotaur IV rocket, which deployed a satellite into low-Earth orbit. The rocket used a decommissioned intercontinental ballistic missile (ICBM) motor - surplus resources from the Cold War that the company has long championed as a means for delivering cost efficient payloads into space. In related news, it was announced that aerospace giant **Northrop Grumman** (which already has a large presence in Brevard) would acquire Orbital ATK for \$8 billion, thus giving the aerospace leader more capabilities in small satellite deployment. For more information, visit www.NorthropGrumman.com.

Despite the impacts from Hurricane Irma, several area construction projects continued on pace for completion in 2018. Included on that list: the new 750,000 sq. ft. **Blue Origin** manufacturing facility in Exploration Park, and the new 100,000 sq. ft. assembly building under construction for **OneWeb Satellites**, also situated in Exploration Park. Once completed, the two facilities are expected to create more than 500 new direct jobs combined for the area, and more than 1,000 indirect jobs.

Blue Origin's Jeff Bezos announces company's intention
to build manufacturing facility in North Brevard, at Exploration Park

[Space Florida approves launch pad, land for Blue Origin](#)

Raider Outboards, a manufacturer of high performance outboard engines, moved into a vacant 10,000 sq. ft. facility in the Spaceport Commerce Park. The firm's lightweight, two-cylinder engines are specifically designed to be used in military applications. Raider employs approximately 10 people. [Raider Outboards – Multi-Fuel Submersible Electyric Start Outboard Engines](http://www.raideroutboards.com) (www.raideroutboards.com).

In addition to these industrial sector announcements, the area saw an increase in retail development activity, led by more new construction at **Titus Landing**. The retail center was previously the site of an 110,000 sq. ft. enclosed shopping mall (Miracle City Mall) built in 1969; after falling into abandonment, the site was acquired by a development team from Ohio and Tampa, Florida. The new 300,000 sq. ft. outdoor "life style" center, anchored by **Hobby Lobby**, **Epic Theatres**, and **Beall's** department store, also features a medical office building for **Parrish**

Medical Center, and its health care partner, the **Mayo Clinic**. The final phase of Titus Landing, anchored by a Harley Davidson dealership, is expected to be completed by early 2019.



Hobby Lobby at Titus Landing

On the distribution front, construction was completed in 2018 on the new, state-of-the-art 640,000 sq. ft. **Walmart** distribution center and refrigerated warehouse at Exit No. 202 of Interstate 95 in nearby Cocoa, a project that is expected to cost more than \$133 million, as reported in the national economic development publication, [Area Development](#). The company also expects to install approximately \$15 million in new capital equipment. Once fully operational, the facility will employ close to 450 people. The property for the project was purchased in 2014 by Port Canaveral, which envisioned the creation at the site of a light industrial and distribution business park to support its commercial cargo activities. With this project, the North Brevard area increases its stake in the central Florida distribution and warehousing sector, positioning itself as an alternative to existing distribution facilities in Orlando and Volusia County, and advancing the feasibility of North Brevard as a site for other distribution operations. That, in turn, should help the region's overall economic diversification strategy, as it attempts to become less dependent upon the aerospace industry as a sole source of jobs and capital investment.

The Walmart project has already produced spinoffs for the area: soon after the public announcement of the project, work on a new **Flying J Travel Center** (expected to create 130 part-time and full-time positions) began at the exit, to serve the freight haulers that the distribution park will attract.

For more information on this project, visit www.areadevelopment.com.

In addition – as mentioned in previous [Economic Assessment](#) reports published by the NBEDZ – that **NASA's Kennedy Space Center** remains the largest employer in the area, with a workforce of over 8,000 (including federal employees and independent contractors working at the cape). Although the complex did witness reductions in employment following the last Space Shuttle launch in 2011, KSC has remained the anchor employer in the region, and a key determinant in the growth of the local aerospace industry. The year 2017 continued to see an active government

and commercial launch schedule, as KSC assisted in the deployment of government and commercial satellites, culminating in the successful launch and first stage return by private sector operator **Space X** in February 2018 of its Falcon Heavy rocket, the vehicle that is expected to carry astronauts back to space by 2020.

The Falcon Heavy Rocket from Space X Takes Its Maiden Voyage from
North Brevard's Kennedy Space Center

[Facts About SpaceX's Falcon Heavy Rocket](#)

Additional information on business announcements and news affecting the market area can be found in the quarterly newsletters of the NBEDZ, the North Brevard Business Review. The latest issue can be viewed at its web site: www.NBEDZ.org.

Future Trends and Developments

(Anticipated Developments in the Region)

Over the next few years, the North Brevard Economic Development Zone (NBEDZ) will be monitoring several key developments with the potential for greatly impacting the local economy.

Port Activity

Officials with **Port Canaveral** expect to gross \$100 million in revenue for FY 17/18, and achieve a net profit of \$3 million.²⁸ As in past years, the port anticipates that 60% of its revenue will come from passenger cruise activity. [The port is currently home to six cruise lines.] Approximately 22% of revenues are expected from its commercial cargo business, of which roughly 43% of that total will come from petroleum and related bottled products. Port Canaveral stores and supplies the aviation fuel for Central Florida's busiest airports, including Orlando International Airport.

The port continues to market its **Titusville Logistics Center**, a 248,000 sq. ft. distribution center it purchased from Flagler Global Logistics in 2016. The facility, located on U.S. Highway 1 in Titusville, currently houses RUAG Aerospace. The port is reportedly in talks with SpaceX for the aerospace company's use of space in the center, as reported recently by [Florida Today](#).²⁹ In addition to housing aerospace firms, the center is expected in the near future to contain third-party logistics firms that will act as the intermediary of cargo shipments received by the port and bound for distribution in Central Florida. This logistics center is part of an initiative started in 2015 to partner with **Gulftainer** to manage the port's commercial cargo business.

Gulftainer signs 35-year deal with Port Canaveral, in pursuit of operating 35 terminals in five countries by the year 2020

[Gulftainer | In The Spotlight](#)

Given the area's proximity to Orlando (35 miles to the west), Miami (195 miles to the south), and Jacksonville (140 miles to the north), the placement of the logistics center on the **Flagler East Coast Railroad**, near the Spacecoast Regional Airport and an existing intermodal facility operated by **Norfolk Southern Railroad**, is considered by logistic experts to be an ideal location.

Port officials estimate that the impact of the facility, over time, could create approximately 500 direct jobs and represent a capital investment (with off-loading facilities) of more than \$50 million. Additional information on the port is available at www.portcanaveral.org.

²⁸ [2017/2018 Directory](#), Port Canaveral; 2017.

²⁹ "SpaceX Plans Major Expansion, [Florida Today](#), from June 13, 2018. See <https://www.floridatoday.com>.

Retail Activity

As cited under the “Current Economic Activity” section of this assessment report, construction is nearing completion on the final phase of **Titus Landing**, a joint development of Tampa retail developer **AG Development Group** and Columbus, Ohio’s **EXXCEL Project Management**. The new 300,000 sq. ft. retail shopping plaza on the site of the former Miracle City Mall on U.S. Highway 1 in Titusville is expected to create approximately 800 jobs and bolster the retail trade status of the northern part of the county, which lost retail trade activity to neighboring counties and communities in the wake of the Great Recession (2009-2011). The development is also anticipated to generate new revenue for both the city and county, with an estimated ad valorem tax impact of \$1.4 million, and new sales tax collections exceeding \$1.8 million.

Energy Sector

Florida Power & Light (FPL) plans to continue operation of its new, state-of-the-art power generation facility in Port St. John, a plant operated with natural gas. The utility company built the plant in 2014, at an estimated cost of \$900 million. Over time, the company anticipates upgrades to turbines and equipment at the plant, which could result in additional capital investment of more than \$100 million.

Tourism

In 2017, the county’s **Tourism Development Council (TDC)** approved a \$7 million grant for the construction of an indoor sports arena in the Titusville market, to complement a growing youth sports industry in the county. Following the introduction of **United States Sports Specialty Association (USSSA)** in nearby Viera – a project involving a private capital investment of more than \$15 million to transform a minor league ballpark into a multi-field facility to host youth and adult outdoor sports tournaments – it has been the focus of the TDC to work with local jurisdictions to build upon assets necessary for cultivating the youth sports industry, an industry that represents a \$10 billion a year market in the U.S. At this time, the proposed Titusville facility would consist of a 75,000 sq. ft. playing surface, locker rooms, and conference rooms; the facility would be designed to accommodate basketball, volleyball, gymnastics, and other indoor sporting competitions.

Healthcare

Construction has begun on the 25,000 sq. ft. **Palm Point Behavioral Health Center**, a new health facility expected to open in the autumn of 2018. The 80-bed facility is estimated to cost approximately \$10 million, and will employ more than 100 medical technicians and support staff once fully operational. The facility will operate under the auspices of Universal Health Services, Inc. (www.uhsinc.com), which manages approximately 350 similar facilities across the United States and Great Britain, employing more than 83,000 people. For more information on Palm Point, visit the agency’s website at: www.PalmPointBehavioral.com.

Titusville-based **Parrish Medical Center (PMC)** is expected to continue increasing its capabilities in 2018 through its main facility on U.S. Highway 1. Last year, the hospital opened its new 55,000 sq. ft. medical office facility at Titus Landing retail center, in a partnership with the **Mayo Clinic**. The estimated job creation realized from that portion of the redevelopment project is expected to be 220 positions, generating a total annual payroll of approximately \$12.4 million. In concert with the medical office building at Titus Landing, the hospital's board of directors has also indicated its willingness to develop a 25-acre parcel across the street from its main facility on U.S. Highway 1 into a new medical park, to include an assisted living facility and wellness center.

In addition to these developments, PMC is also working on plans for the second phase of its **Health Village** complex, a project involving the construction of a new medical building, measuring 28,000 sq. ft., in addition to a fitness trail and community park. The Health Village East building will be the location for PMC's geriatrician, senior support services, and a 300-person conference center overlooking the Chain-of-Lakes county park, connecting to the existing Health Village West area – a series of historic structures rehabilitated by the hospital several years ago and currently used for administrative and group meeting functions.

Commercial Aerospace

With announcements from **Blue Origin, Moon Express, Orbital ATK, Boeing, Lockheed, Northrop Grumman, United Launch Alliance, and SpaceX**, the commercial aerospace sector is expected to continue growing locally for the next few years. Many of these companies are utilizing re-purposed buildings and launch pads at Kennedy Space Center and nearby Cape Canaveral Air Force Station. While some firms – such as Blue Origin and Boeing – employ more than one hundred people locally, others have a smaller, local employment footprint. Collectively, however, these firms, along with existing NASA missions at KSC, now account for approximately 30% to 35% of the local workforce in **North Brevard MA**.

Among those NASA missions is the agency's Orion program, which anticipates another test of its Space Launch System (SLS) in 2019 from the cape. That project, which is being developed with help from **Boeing** and **Lockheed Martin**, continues to pursue a deep space mission that could ultimately lead to a manned mission to Mars in 2030.

In addition, work continues on NASA's "commercial crew" program, the agency's initiative to return astronauts from KSC and North Brevard to the International Space Station (ISS). Both Boeing and SpaceX have NASA contracts to ferry astronauts to the ISS, beginning in 2019.

Eve of Launch:
2016 Goals Vital to Commercial Crew Success
[Eve of Launch: 2016 Goals Vital to Commercial Crew Success | NASA](#)

In addition to these local developments, there are several *regional* developments that are likely to impact the northern portion of the county, namely:

- The creation of an express rail service from Miami to Orlando by Flagler East Coast Rail, which will follow SR 528, the southern part of the **North Brevard MA**;
- The growth of *Florida Institute of Technology* in Melbourne (30 miles to the south), which has experienced a 100% faculty and funded research growth rate over the last ten years;³⁰ and,
- Efforts by the county and several environmental groups to access funding from the state and Federal government to improve the health of the Indian River Lagoon, which has an estimated impact of more than \$2 billion annually for the Titusville/Melbourne/Palm Bay MSA.

These developments have the potential to further impact the local economy, and provide evidence that the area has rebounded from the effects of the national recession.

³⁰ "Florida Tech Sees Decade of Explosive Growth," [Florida Today](#), October 26, 2013.

Community Attributes

(The Region's "Quality of Life" Factors)

There are a number of characteristics that define the northern part of the county, most notably the Kennedy Space Center complex and the recreational amenities afforded by county, state, and Federal-maintained parks, beaches, and wildlife refuges. The area's climate (Brevard County is located where the temperate zone meets the tropical zone) offers mild winters and balmy summers, which encourages year-round tourism activity. [The average winter temperature in the market area is 71°, and the average summer temperature is 85°.]

Visitation activity at the **Canaveral National Seashore** has remained strong through the past year, according to the U.S. National Parks Service, with more than 1,000,000 tourists visiting the park in the last year. Visitation at other outdoor venues was equally strong, with more than 780,000 visitors at nearby Merritt Island Refuge (also home to the Kennedy Space Center's Visitor's Complex) and more than 200,000 at the St. John's National Wildlife Refuge.

"Canaveral National Seashore" (Titusville's Beach) among
the top 25 in the United States, Tripadvisor.com

<http://www.floridatoday.com/apps/pbcs.dll/article?AID=/201302201231/NEWS01/130220016>

The northern part of the county is marketed by the Space Coast Office of Tourism, which reported hotel occupancy at approximately 68% last year, a strong statistic when compared to the national average of 63% (Smith Travel Research).

Several older "motels" (consisting of fewer than 100 units per entity) have undergone renovation in recent years, a project of a local entrepreneur, who has restored several downtown lodging properties, complete with vintage signage and renovated rooms. Although the activity has only slightly increased the number of available rooms in the area, it has aided in the redevelopment and elimination of blight that existed from vacant, dilapidated structures along the area's main commercial corridor, U.S. Highway 1.

The **Red Canyon Software** company, as part of its plan to redevelop buildings in downtown Titusville, expects to restore a former hotel/apartment building into lofts that can be leased for short-term occupancy. The company, which expects its renovation efforts to be completed in 2019, anticipates spending \$5 million on the project.

BBL Hospitality, a national corporate leader in the hotel construction and management industry, has announced plans to build a new \$15 million Hyatt Place hotel in the Riverfront Center business park in Titusville; the project would represent the first new construction project in the business park in more than fifteen years. The company, which operates twelve hotels and thirteen

restaurants along the Eastern seaboard, anticipates a construction start this summer. The development project also involves the construction of a new interior road in the business park, along with a site-prepared pad for a future multi-story office building - elements made possible with a commitment for financial assistance from the North Brevard Economic Development Zone (NBEDZ).

New York-based BBL anticipates that the project will create more than 40 new jobs, in addition to approximately 90 construction-period jobs. While acknowledging increased tourism attendance at the nearby Kennedy Space Center Visitors' Complex (which recently reported annual attendance exceeding 1.6 million guests), the hotel will primarily cater to business travelers connected to the burgeoning commercial aerospace and aviation industry in north Brevard. For more information on the company and its holdings, visit www.BBLhospitality.com.

Tourism due to the presence of the Kennedy Space Center and Cape Canaveral Air Force Station (which plans more than 30 commercial and military launches planned in 2019) continues to have an impact on the area each year. While the peak visitation numbers were reached during the Space Shuttle era (between the years 1981-2011), launch activity at the two sites continue to bring in several thousand visitors each year. In February of 2018, the launch of SpaceX's Falcon Heavy rocket saw the largest visitation numbers for a rocket launch since 2011's final Space Shuttle launch of Atlantis.³¹

Beyond the tourism impact of the space center, however, are a number of nature-related venues and events that bring in visitors annually – from surfing competitions at nearby Cocoa Beach to art festivals in Titusville (which re-introduced the “Indian River Festival” in 2018). One such example is the annual birding festival that is held each January in Titusville, an event that attracts visitors from around the country and internationally.

Consider that, during the 2018 bird-watching event:

- Approximately 4,000 people attended the seminars, workshops, and field trips sponsored by the Brevard Nature Alliance, the group that serves as event host;
- The estimated economic impact of the four-day event was roughly \$1 million; and,
- The event was responsible for more than 3,000 hotel room “nights.”³²

The area, like much all of coastal Florida, continues to enjoy popularity among the nation's retirees as a place to relocate to – either on a full-time basis or as an “escape” during the winter months. Often-cited residential attributes include a wide variety of affordable and high-end housing and condominium developments (particularly along the Indian River Lagoon), recreational amenities at more than forty parks in the northern part of the county, in addition to the beach access afforded by Canaveral National Seashore.

³¹ Space Coast Office of Tourism, 2018.

³² According to the Brevard Nature Alliance

For younger families, the area has been attractive due to the reputation of one of the state's top public school systems, the **Brevard County School System**. View statistical information on the county's school system, along with its Career Tech and STEM programs (involving vocational training), at www.brevardschools.org.

The county's fiscal position remains strong (receiving an Aa3 bond rating from Moody's Ratings in April of 2018),³³ with FY 2017/18 budget revenues essentially remaining at levels posted for recent years. The City of Titusville continues to enjoy top bond ratings as well, recently refinancing water and sewer bonds with an A+ credit rating.³⁴

The creation of the **North Brevard Economic Development Zone (NBEDZ)** as a tax increment financing district has provided a financial resource for leveraging private capital investment in the region. Funded by increases in commercial property valuations, the NBEDZ has worked to leverage millions of private capital through the use of NBEDZ dollars to improve the infrastructure for economic development activities, on project such as **Blue Origin** and **Embraer, S.A.**

Eastern Florida State College continues to impact the area through education and re-training programs. The college, which offers nearly 100 degrees and programs (associate degrees, workforce degrees, and a program in Applied Technology), operates four campuses throughout Brevard County, including one in Titusville. That northern campus is situated on a 30-acre site on U.S. Highway 1 adjacent to Parrish Medical Center, where it serves approximately 1,500 students. Additional information on the college is available at www.easternflorida.edu.

Other noteworthy – and often cited – local educational attributes include several area colleges, such as **Rollins College** in Winter Park, **Florida Institute of Technology (Florida Tech)** in Melbourne, and **Full Sail University, Florida Technical College**, and **Valencia State College**, all of which are located in Orlando. North Brevard is also in close proximity – less than 20 miles – to the **University of Central Florida (UCF)**, one of the nation's largest university, at approximately 60,000 students. UCF has also been instrumental in creating the **Lake Nona Medical Park**, a medical research park situated on approximately 1,000 acres and home to **Nemours Childrens Hospital**, among other medical complexes. The Lake Nona development is less than 45 minutes by car from North Brevard.

The area also features a number of amenities, from a theatre playhouse, to golf courses, to boating and kayaking expeditions. The **North Brevard MA** is also known for its many and varied public parks and recreation areas, which – beyond the public beaches along the Atlantic – includes Chain of Lakes Park, a 200-acre county-maintained open space that features ball fields, tennis courts, and walking trails alongside the Indian River Lagoon.

Among intangibles, the county (along with the City of Titusville) has instituted a streamlined permitting process known as *Simplified, Nimble, and Accelerated Permitting* (SNAP) which has been lauded by the county's Economic Development Commission and numerous businesses.

³³ See: <https://www.moody.com/research - Brevard County>

³⁴ <http://www.titusville.com/Page.asp?NavID=1410>

The county also operates under a **Comprehensive Plan** comprised of fifteen elements that address the physical development of the county. [A copy of the plan is available at www.brevardFL.gov.] Adherence to such a plan can aid the NBEDZ and other business groups by keeping the public informed about the importance and necessity of economic development activities, while permitting the public to submit comments and input on said activities.

Development Capacity

(Analysis of the Region's Ability to Accommodate Growth)

There are a number of local public and private resources and institutions that augment the ability of the county, the City of Titusville, and the NBEDZ to provide development assistance to area businesses.

The **Space Coast Regional Airport (also referred to as the Titusville-Cocoa, or TICO, Airport)** is situated on approximately 750 acres on SR 405, the road that connects Kennedy Space Center with Interstate 95. The airport features two runways, one of 7,300 linear feet and another of 5,000 linear feet. TICO is governed by the Titusville-Cocoa Airport Authority, a body which also administers two smaller airstrips (Arthur Dunn Airpark in Titusville and Merritt Island Airport on Merritt Island). With the addition of new hangars, a new administrative services building, and a new fire station/emergency personnel building at TICO, the authority has made an investment of more than \$26 million into the complex. Additional information on TICO's operations can be found at www.flairport.com.

In the area of site availability, there remains approximately 120 undeveloped acres in the **Spaceport Commerce Business Park** located within one mile of Interstate 95 at Exit No. 210, where the new Embraer facility is being constructed. The park is currently home to several firms, such as **AstroTech**, **Genesis VII**, and **Precision Shapes**. As the authorized agent for this county-owned industrial park, the NBEDZ is currently considering a plan to undertake preliminary site clearing and grading of available lots, with a goal of having one lot cleared and graded by the end of 2018. The NBEDZ is also considering the construction of an approximately 75,000 sq. ft. industrial building constructed on a speculative basis, for use in attracting a new manufacturing entity to the region.

Both the Spaceport Commerce Park and property contained within the perimeter of Space Coast Regional Airport TICO Airport are included in boundaries for **Foreign Trade Zone (FTZ) #136**, which is managed by nearby Port Canaveral. The FTZ designation permits qualified firms to defer (or, in some cases, eliminate) certain tariffs and duties on goods used in the production of goods. Additional information on the Foreign Trade Zone (FTZ) program is available from the International Economic Development Council (IEDC) at [IEDC - About Foreign Trade Zones](#).

Additional light industrial acreage is available in the **Mims Industrial District** (approximately 60 acres, scattered among various parcels), which lies alongside U.S. Highway 1 in Mims, to the north of Titusville. Most of these parcels, however, have little infrastructure and minimal site preparation. Remaining industrial property in the area is scattered throughout the region, with one cluster of lots near the **Arthur Dunn Airpark in Titusville airport**, near Garden Street.

Truss Wood is one of several industrial companies located on or near State Road 405, in an area known as the **South Street Business District**. The district includes a diverse array of business, from pump distributors to boat builders. For more information on this business district and available properties located in the area, schedule a meeting with NBEDZ staff via www.NBEDZ.org.

Further improvement to the area's physical infrastructure is being implemented via road improvements to Interstate 95, through an expansion from four-lanes to six-lanes, extending to the Daytona Beach, Florida area (where the existing six-lane limited access highway is already in place). Funded through the **Space Coast Infrastructure Agency**, an entity formed via assistance from the North Brevard Economic Development Zone, the \$38.7 million project was advanced by several years through the issuance of revenue bonds to pay for the approximately 30-mile additional lane work.

In terms of business development programs, there exists a Small Business Administration (SBA) **HUB Zone** within a 10-block rectangle of downtown Titusville, east of Hopkins Street and the East Florida Railroad. The HUB Zone program (Historically Underutilized Business Zones) is structured to help small businesses in urban and rural communities gain preferential access to Federal procurement opportunities. These preferences are earmarked for businesses that obtain HUB Zone certification in large part due to the employment of staff living within a designated HUB Zone. For North Brevard, this downtown area of Titusville designated as a HUB Zone is Census Tract # 060700, per the 2010 Census.

There also exists a **Community Redevelopment Authority** that operates within the historic downtown area of Titusville. The city, through this authority, provides modest grant assistance to firms seeking to improve the physical appearance of downtown property.

In April of 2018, Florida Governor Rick Scott announced his recommendation to designate 427 census tracts in Florida as "**Low Tax Opportunity Zones**," as established under the federal Tax Cut and Jobs Act of 2017. If approved by the U.S. Treasury Department, the new zones would allow investors to defer capital gains taxes through investments in these targeted geographical areas; that, in turn, would encourage long-term investment and the creation of new jobs for an impacted community.

The North Brevard area succeeded in having two census tracts designated for Opportunity Zone status – one situated near the downtown area of Titusville, and one located along U.S. Highway 1 in Port St. John. The evaluation process included a review of statistical information on the tracts (demographic and socio-economic data), along with an assessment of recommendations made by over 1,200 cities, counties, community organizations, and key stakeholder groups – including the City of Titusville and the NBEDZ, both of which recommended certain census tracts in North Brevard for zone designation. If the governor's nominations are approved, the federal government would begin the rulemaking process to designate how Opportunity Funds (the pool of development dollars) should be structured, and how businesses and developers could invest in these areas of North Brevard.

For more information on the Opportunity Zone program, visit www.FloridaJobs.org.

The potential for additional retail development in the northern part of the county was first examined in 2013 by the NBEDZ, which prepared a retail study on the current retail climate for an area it termed the "Titusville Trade Area." This report, labeled The Potential Economic Impact of Redeveloping the Miracle City Mall Property, was undertaken as part of a larger determination on whether the use of public monies injected into the proposed mall redevelopment would be

justified. A copy of this report is available for viewing at the offices of the NBEDZ. The report exposed trade gaps in the northern part of the county's retail landscape, and is being used by NBEDZ to target data to prospective retailers and retail developers.

Also in 2013, **Career Source Brevard** announced two new programs aimed at entrepreneurial assistance. Both **Biz Launch** and **Energy Launch** seek applicants who are considering the start of new business ventures. These programs, along with other new initiatives by the organization, continue to this day.

In Titusville specifically, a [Meetup.com](#) group was created in 2014 by the NBEDZ and the Greater Titusville Renaissance (GTR) called the **Titusville Entrepreneurs' Clubhouse (or TECh)**, which now has over 100 members. The group meets monthly for presentations by local entrepreneurs and guest speakers, and routinely hosts a "mastermind" series for entrepreneurs to pitch business models for feedback. More information on meetings and activities for TECh is available at [TECh Meetup - Titusville Entrepreneurs Clubhouse \(TECh\) \(Titusville, FL\) - Meetup](#).

The TECh group was also instrumental in helping the NBEDZ and GTR advance a coworking project in downtown Titusville, a project called **CoLaunch**. Utilizing approximately 2,500 sq. ft. in an office building near the new Titus Landing retail center, this coworking space offers three levels of membership in an open floor configuration; the project opened in 2016. For information on this coworking space, visit [colaunch.biz](#) (www.CoLaunch.biz).

In terms of incentives to induce business development, the North Brevard Economic Development Zone has the capacity to incentivize economic development projects monetarily, and can help leverage other financial assistance programs. For some projects involving substantial job creation and capital investment, the county and the City of Titusville have adopted an **Ad Valorem Tax Exemption** program, which provides a partial abatement of real and/or tangible property tax levied on new capital investment.

Beyond local incentive programs, the State of Florida (through the Department of Economic Opportunity) offers a variety of business assistance programs designed to facilitate business location, expansion, and start-up, such as:

- **Qualified Target Industry Tax Refund Program** – a corporate tax refund to encourage the creation of high-skills jobs. Program requires a local jurisdictional amount, totaling 20% of the tax credit;
- **Urban Job Tax Credits** – credit ranging from \$500 to \$2,000 per qualified employee that can be applied against a firm's state income tax or state sales/use tax;
- **Capital Investment Tax Credit (CITC)** – an annual credit against the state's corporate income tax for up to 20 years in an amount equal to 5% of the eligible capital costs generated by a qualified project (including such activities as acquisition, construction, and equipment purchases);

- **Quick Response Training (QRT)** – an employer-driven training program designed to assist new value-added businesses and provide existing Florida-based businesses the labor force training required for business expansion. Companies may be eligible for a reimbursement of certain costs associated with training;
- **Incumbent Worker Training Program (IWT)** – a program that provides training to currently employed workers to keep Florida’s workforce competitive in a global economy and retain existing workers. Priority given to companies in HUBZones and Brownfield areas.

Staff at the NBEDZ and the city’s economic development department are available to assist businesses in applying for these programs.

Entrepreneurial Support

(The Climate for Business Start-Up)

As cited in the introduction to this report, a study conducted by the NBEDZ in 2014 examined the existing business and lending environment to determine whether the community could support a business incubation program. That study later led to efforts that established a non-profit coworking space in downtown Titusville, a project now known as **CoLaunch**. The report also proposed the creation of a micro-lending program for business start-ups.

The 2014 study followed a format suggested by the National Business Incubation Association (NBIA) for assessing the local climate for entrepreneurial development by considering four key factors – factors considered to be the “critical mass” needed for undertaking a formal business incubation program and hence, new business development. Those factors are:

1. Access to capital
2. A multi-skilled workforce
3. Evidence of risk-taking behavior (among business start-ups)
4. Proximity to a major university or research center

What follows below is an updated version of the assessment of each of those critical factors, replete with a numeric score to aid in the evaluation. These factors provide a glimpse into the entrepreneurial climate that exists in Titusville.

Over time, it is anticipated that the factors listed herein will be re-examined, as programs such as the cowork space and the micro-loan program produce measureable results.

Access to capital. Successful business creation requires the financial resources necessary to help a business grow, and help it survive periods in its life cycle when conditions (either market driven or internal) challenge its viability.

One measure of the access to capital for entrepreneurs can be found in the number of small, local banks that exist within a community, the reasoning being that local banks may be more apt and able to assist small local companies. In North Brevard, there are five (5) local or community banks that have corporate headquarters within the county or in Central Florida, namely:

- Community Credit Union (www.ccufloida.org)
Offices: 7 Deposits: \$ 574 million Texas Ratio: 1.33%³⁵
- Fidelity Bank of Florida (www.fidelitybankofflorida.com)
Offices: 2 Deposits: \$142 million Texas Ratio: 1.80%

³⁵ Data from Q2 of 2018. The “Texas Ratio” is an indicator on how much funds a bank has available, compared to the total value of loans considered at risk. A ratio close to 100% is considered poor. Source: www.depositaccounts.com.

- Florida Bank of Commerce (www.fbcbank.com)³⁶
Offices: 7 Deposits: \$258 million Texas Ratio: 4.99%
- Space Coast Credit Union (www.sccu.com)
Offices: 57 Deposits: \$3.57 billion Texas Ratio: 4.00%
- Seacoast Bank (www.seacoastbank.com)
Offices: 45 Deposits: \$4.7 billion Texas Ratio: 4.57%
- Launch Federal Credit Union (www.LaunchFCU.com)
Offices: 16 Deposits: \$687 million Texas Ratio: 0.93%

Combined, these local institutions have **assets of more than \$8 billion**; all are active in commercial lending.

[NOTE: Several national and regional banks – including Wells Fargo, Bank of America, SunTrust, Regions, BB&T, TD Bank, and PNC Bank – also operate branch offices in the area.]

Financial assistance is also available to local firms through SBA loan programs, such as **Florida First Capital** (<https://ffcf.com>), a certified community development corporation for the issuance of SBA 504 fixed-assets loans, and through **Accion Business Loans** (www.accioneast.org), a non-profit lender with over twenty years' experience. The SBA also has several programs designed for new ventures, including a **Micro-lending Program** (<https://www.sba.gov/content/microloan-program>).

Although no venture capital fund exists within North Brevard, a potential network of such investors has emerged through a program being nurtured by **Brevard Career Source**. Functioning as a “technology accelerator,” the concept is designed to provide exposure to newly formed companies seeking capital infusion to move to the second stage of its life cycle.

Through the **Space Coast Energy Consortium**, work progresses on a “clean energy jobs accelerator,” an initiative which was awarded \$2.2 million in 2011. *Energy Launch*, a program conducted in cooperation with Brevard Career Source, is one of the byproducts of that initiative, through which entrepreneurs participate in a multiple-week course of how to assemble a business plan and how to implement their enterprise. However, this program does not provide capital access to participants.

This study could find no evidence of a public sector-directed micro-loan fund available exclusively to entrepreneurs based in North Brevard.

³⁶ Data for Florida Bank of Commerce from 2016.

RANKING: “3” for access to capital (on a scale of “1” to “5”) ³⁷

Multi-skilled workforce. One measure of assessing a community’s skill level is to review the education level of the local population. According to statistics compiled from Applied Geographic Services (AGS), the percentage of North Brevard residents possessing a high school degree or higher education degree was 91% in 2018.³⁸ The number of persons with an associate’s degree or higher was greater than 30%. Both levels exceeded state percentages for the same period. Although the layoffs connected with NASA’s Kennedy Space Center have adversely impacted the local economy through the increase of unemployment numbers (especially during 2009-2012), the influx of former project managers and engineers has produced a talent pool of highly educated and skilled workers. Some of these individuals have started new enterprises, although the ability to track that development is lacking. Still, employment data from the state in the immediate aftermath of the recession (2014) revealed an available workforce (those actively seeking jobs in the county) of 2,383 unemployed workers, out of a total labor pool for the entire county of 264,799.³⁹ This labor pool total continues to hover around 270,000 in 2018.

The county’s public school system consistently ranks in the top percentile of systems state-wide.¹⁵ Acknowledging the presence of aerospace and engineering sector job opportunities county-wide, the system strongly emphasizes specialty academic tracks, including the STEAM Academy (for concentration on science and math studies) to prepare students for the local workforce.

Another key measure for a workforce is the number of persons who hold Florida “Ready to Work” certificates, a standard credential that certifies a person’s workforce readiness. It is estimated that more than 2,500 Brevard County residents hold a Ready to Work certificate. Administered by the Florida Department of Economic Opportunity, the program utilizes the widely respected American Collegiate Tests (ACT) “Work Keys” assessment tests, workers from various sectors undergo a written examination to determine their ability to solve problems, apply mathematical formulas, and comprehend reading material. In Florida, participants can earn a Bronze, Silver, or Gold Level certificate, depending upon their aptitude. The tests are offered free of charge to any high school student in North Brevard, along with adults either working or seeking employment.⁴⁰

RANKING: “4” for multi-skilled workforce (on a scale of “1” to “5”)

Risk-taking behavior. Measuring a community’s risk-taking behavior is difficult, since it involves deducing such behavior based upon other trends and statistics.

³⁷ With a score of “5” being the highest possible.

³⁸ AGS data report, 2018.

³⁹ “Brevard’s Jobless Rate Drops to 6.5%,” *Florida Today*. 1/24/14. Retrieved from <http://www.floridatoday.com/article/20140125/BUSINESS/301250012/Brevard-s-joblessrate-drops-6-5->

¹⁵ [SchoolDigger.com](http://www.schooldigger.com) ranked the Brevard County School System in the top third of all school districts in the state (#22 out of 66 district systems surveyed).

⁴⁰ For additional information on the program, visit www.floridareadytowork.com.

However, in the last four years, the improving health of the local economy – a necessary foundation to encourage entrepreneurial activity – has been noted by regional and national media, based upon a variety of criteria, such as the number of new business start-ups, the stability in the workforce, and multiplier effects of the region’s largest economic drivers (Port Canaveral and NASA’s Kennedy Space Center). In particular, the increased activity at the nearby port – which employs more than 4,100 people directly and indirectly, as reported earlier.

As encouraging as these developments are, there is still room for improvement. Indeed, a “Metro Monitor” report from 2016 by the Brookings Institute assigned a one-year growth rank of “79” to the Titusville/Melbourne/Palm Bay MSA, out of 100 metro areas surveyed nationwide; in recent years, this ranking has only slightly increased. And while the MSA improved its Metro Monitor ranking in “inclusion” – job opportunities for all persons – it was still ranked low for “prosperity” (overall standard of living).⁴¹ [By contrast, the nearby Orlando MSA was ranked at 8th best overall in the nation for growth.]

Still, there are indications that entrepreneurial activity is increasing. Perhaps the most noteworthy of these are the many programs of Brevard Career Source, as previously noted. With increased participation numbers in programs such as *Biz Launch*, *Energy Launch*, and seminars on business topics, it is evident that a population exists that an incubation program could tap.

Another indication of risk-taking behavior can be found in tools or programs already established to stimulate new business development. One such example can be found in a recent announcement by the Economic Development Commission of Florida’s Space Coast that a new initiative will build upon a recent rating of the county by Innovation in American Regions, which gave the county an “innovation rating” of 99.3 on an index of 100, far exceeding the overall state rating (of 86.5).⁴² That new program, called **Accelerate Brevard**, seeks to link entrepreneurs and innovators via web tools, to share ideas and provide opportunities for partnering and technical assistance transfer.

In addition to these program delivery services, the fact that a substantial number of displaced aerospace workers remain in the region provides an opportunity to create a program that could help encourage entrepreneurial activity among this segment. Such has been the intent of the Space Coast Technical Network and the Greater Titusville Renaissance, both of which have emerged as “grassroots” groups to help improve the overall economy and quality of life within the region. Each has an active database of contacts or “members” that could be mined for entrepreneurial interest.

Most promising in 2018, however, was the growth of membership in the coworking space in Titusville; the initiative averages 30 to 35 members per quarter. **CoLaunch** provides office space

⁴¹ “Metro Monitor – January 2016,” Brookings Institute. Retrieved from

<http://www.brookings.edu/research/reports2/2016/01/metro-monitor#V0G37240>

⁴² “Accelerating Brevard,” *Florida Today*. 2/18/14. Retrieved from

<http://www.floridatoday.com/article/20140218/COLUMNISTS0205/302180003/Lynda-Weatherman-Accelerating-Brevard>

to entrepreneurs and contractors in a collaborative networking setting, and follows a nationwide trend in the development of such spaces as an alternative to working in a coffee shop or at home.

RANKING: “2” for risk-taking behavior (on a scale of “1” to “5”)

Proximity to major university or research center. In this category, the region ranks high because of its location in relation to several major universities and research centers in central Florida, including the University of Central Florida (UCF), whose business incubation program has been previously described. This program is but one of many innovative programs that exist through that university, which boasts one of the largest undergraduate populations in the U.S., at approximately 60,000 students.

In addition to UCF, the region is within approximately 20 miles of Florida Institute of Technology (FIT), with its main campus location in Melbourne in south Brevard County. FIT offers a multitude of graduate and undergraduate programs, particularly in engineering and science disciplines, and currently has an enrollment of more than 4,000 students. The potential exists for a greater role for FIT in business incubation, perhaps expanding its newly-formed Student Business Incubator (SBI) program to include participation of entrepreneurs in the North Brevard region.

Eastern Florida State College, which has more than 25,000 students enrolled (both full and part-time) over several campuses, offers an additional resource and potential partner. Indeed, it should be noted that the Titusville campus of Eastern Florida has the land capacity to accommodate a dedicated building for use as a business incubator. Additionally, the college offers a number of skill training programs and curriculums, particularly in trade categories. [Additional information on the college can be found at www.easternflorida.edu.]

Beyond these university and college resources, the North Brevard region is also in close proximity to the Lake Nona Medical City, a planned research development that occupies 650 acres to the south of Orlando. Billed as a health and life sciences park, the campus is anchored by the UCF Health Sciences program, the Sanford-Burnham Medical Research Institute, the Veterans Administration Medical Center, the Nemours Children’s Hospital, and the University of Florida Academic & Research Center. The cumulative effect of these institutions on direct job creation is expected to exceed 25,000. Information on the research park is available at www.learnlakenona.com.

Further developing a link to technology, the region is also included in a unique partnership promoting innovation among existing industry and entrepreneurs. The Florida High Tech Corridor was created by the twenty-three counties in established in the central Florida region and is designed to help businesses capitalize on the technologies and facilities available at institutions like UCF, Lake Nona, and NASA’s Kennedy Space Center. The entity has a nationally recognized Matching Grants Research Program, which makes it possible for entrepreneurs to advance concept plans into early implementation stages. Additional information on the corridor initiative is available at www.floridahightech.com.

RANKING: “5” for proximity to university/research (on a scale of “1” to “5”)

Conclusion

The conclusion of that 2014 NBEDZ study was that a business incubation program might be feasible in North Brevard, but that more programs were needed to boost the environment for risk-taking behavior. To do this, several initiatives were suggested – chief among those the cowork space – as a means for providing support to new start-ups at minimal costs. It was noted then that the improving health of the regional economy is generating the opportunity sufficient to accommodate newly developing firms. Further, it was noted that a sufficient population base exists within the region to support an incubation program, and the existence of several technical assistance agencies – such as the NBEDZ, the local chamber, the SBDC chapter at Eastern Florida State College, and Brevard Career Source – could help deliver a business development program, and are, in fact, already doing so. The conditions are still there in 2018 for more entrepreneurial development.

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For information on the Zone: www.NBEDZ.com

For statistical/community data on the area, visit: www.NorthBrevard.biz

Appendix A

Economic Development Contacts Brevard County, Florida

Updated: 2018

Information compiled by the NBEDZ

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Merritt Island Redevelopment Agency (MIRA)

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Space Coast Economic Development Commission (Titusville's SEDC)

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c/o Titusville Chamber of Commerce
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Regional Entities**NASA/Kennedy Space Center**

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Economic Development Commission (EDC) of Florida's Space Coast

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