

ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST

FY 2008/2009, Second Quarter Report

Prepared for the Brevard County Board of County Commissioners

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Brevard County Board of County Commissioners:

The EDC is pleased to provide you with a new, streamlined report for the Second Quarter of Fiscal Year 2008/2009. This past quarter marked the beginning of a powerful undertaking that will have far reaching impacts on the community – a new economic development specific Strategic Plan for Brevard County. This three year plan, when successful, will position Brevard County as a leader in job creation, business climate evolution and in marketing– both nationally and globally. The EDC has aligned its resources under four strategic priority areas: **Business Development, Competitive Business Environment, Marketing & Communications and Resource Development & Allocation** which will help attain three pre-determined goals: **2,250 New Jobs, 12 Changed Business Policies and Become a Community of Distinction**. The resulting vision is a strong and vital economic environment resulting in a superb quality of life.

On the corresponding pages, you will find updates on the EDC's program of work for the quarter, with each initiative separated into its corresponding strategic priority area. As the groundwork is currently being laid to influence the three goals, we will begin to provide you with goal updates as the year progresses and the work associated with the plan takes root.

This quarter began the official alignment of internal resources with stated priorities and goals of the plan. The quarter kicked off with the official unveiling of the strategic plan to the community during our Quarterly Meeting. This meeting provided a crucial opportunity to engage the community from the early stages and laid the basis for the initiation of official proclamations of support signed by various organizations throughout the community. The EDC's research department released a comprehensive Economic Indicators tool now accessible to the community free of charge. The Business Development team made great headway at a pair of industry focused trade missions leading to possible development of new business in the near future. Grant funds obtained from the State of Florida allowed us to augment international trade efforts for local companies by awarding small grants. Funds also enabled us to host an educational seminar for companies interested in learning how to take their business global. You will find a brief overview of each of these initiatives highlighted within the following pages as well as several additional items related to our program of work.

As a coalition, we are energized about the opportunities that lie ahead. Thank you for your support.



Lynda Weatherman
President and CEO



Dan Evans
Chairman of the Board



(1) BUSINESS DEVELOPMENT

Target and **pursue** cluster-related industries to create value-added jobs. **Maintain** and **grow** our strong industrial base.

(2) COMPETITIVE BUSINESS ENVIRONMENT

Advocate and **make change** in areas determined to improve the business environment.

Shift public and private policies **to achieve** economic competitiveness.

(3) MARKETING AND COMMUNICATIONS

Promote Brevard regionally, nationally and internationally. **Grow** and **empower** the coalition with a cohesive voice.

(4) RESOURCE DEVELOPMENT AND ALLOCATION

Increase and **diversify** funding stream to **support** strategic initiatives.

Align budgets and resources to **strategic priorities** and **goals**.

STRATEGIC **1** PRIORITY

**Business
Development**

BY THE NUMBERS

Projects Opened	
Recruitment	4
Retention	0

Project Leads Opened	
Recruitment	9
Retention	14

General Assistance Files Opened	
Recruitment	9
Retention	14

Brevard Selected/Closed Project Name	New Jobs	Indirect Jobs	Retained Jobs	Average Wage	Direct Wage	Indirect Wage
HMD Biomedical, LLC DBA Infopia USA	30	9	0	\$40,000	\$120,0000	\$357,960

Infopia USA expansion brings overseas product line, new jobs to Brevard County

As the Economic Development Commission of Florida’s Space Coast endeavors to reach their goal of creating 2,250 new jobs in three years, we were honored to announce in March 2009 **HMD Biomedical DBA Infopia USA**, an industry leader in designing and manufacturing quality diagnostics devices for over a decade, has chosen to expand its current operations in Titusville, Florida. Company officials were also considering expanding in California. Infopia USA will be adding an additional 30 employees to their current base of twelve and have already hired 10 new employees. The facility will grow from 13,000 square feet to 53,000 square feet with plans to occupy the space by the end of March 2009. Infopia USA also has branch locations in Korea.

Industry specific events target aerospace, communications clusters

With a new focus for the community via a strategic plan, the EDC has also internally aligned business development efforts with pre-determined categories. The identification of five clusters areas in which we will pursue new business opportunities, allows us to focus time and align resources in these specific areas. Targeted missions surrounding the **five clusters - advanced security, aerospace, communications, electronics, emerging technologies**- are used to prospect for business and learn of the latest trends and focuses among each of these sectors. This quarter, both the Satellite Conference and National Space Symposium (NSS), were identified as qualified missions for the business development team.

In advance of both shows, the business development team mined databases and used established contacts to garner nine appointments at Satellite and eight at NSS respectively. Of those, four were identified as possible relocation projects with interest in the Space Coast and will result in further follow-up. An interesting point of note is that these four companies have foreign operation bases potentially providing increased exposure for our area. Additionally, retention efforts resulted in dialogue with two companies based in Brevard looking at expansion opportunities. NSS also provided the opportunity to expose local elected officials in attendance to high level aerospace industry contacts including EDC arranged briefings with Elon Musk of Space X and officials from U.S. Space Command further cementing the importance of the industry as Brevard approaches the upcoming Shuttle transition.

STRATEGIC **1** PRIORITY**Business
Development****State grant supports international trade assistance for local companies**

As the Economic Development Commission of Florida's Space Coast endeavors to foster the competitiveness and growth of Brevard County industries and promote their increased participation in international markets, we were pleased to announce the recipients of the **International Trade and Market Development Cooperative Program Grant**. Awarded by the Florida International Business Expansions Initiative, a committee of Enterprise Florida, areas of focus include developing new educational programs to teach local companies about international trade and helping to open up trade opportunities on the Space Coast by providing mini-grants to local companies interested in securing new foreign business principally in aerospace, aviation, defense, manufacturing and high-tech industries. In past grant cycles, some companies reported an increase in international trade business by as much as 100% due to assistance from this grant program, proving their importance.

The EDC offered (two) types of grants to local small to mid-size manufacturing and high-tech companies. Recipients included:

- **International Trade Show Exhibition Grant.**
 - **Liberty Aerospace International** - manufactures a two-place, single engine touring/training aircraft
 - **Hills, Inc.** - Designs, develops, and manufactures machinery and technology for the synthetic fiber industry.
 - **Shapes Aerospace International**- Specializes in fabrication and machining of complex, high precision component parts, assemblies and tooling for aerospace, aircraft, turbine, medical and defense.
- **International Gold Key Service Grant.**
 - **Swiss Components** - Manufacturer of highly sophisticated machined instrumentation and connector systems made from exotic plastics and high grade metal used in Aerospace, Defense, Electronics and Medical Fields.
 - **Sagrad Inc.** - Custom engineering design services and manufacturing prototypes and full production units of the products designed by the firm.

International trade event educates over thirty companies on best practices

In February, the EDC in partnership with the Canaveral Port Authority, hosted an educational seminar focused on international trade methods. This event featured a full day of information provided to over thirty companies in varying industries by experts from across the region. Guest speakers included leaders from Port Canaveral, Enterprise Florida, the U.S. Chamber of Commerce and others. Participants represented varying industries – from manufacturing to logistics – each person was able to learn valuable trade skills that will aid in the potential attainment of new business.



Each guest in attendance was given a short survey at the completion of the class and the validity of the program became clear in the numbers compiled. **Participants reported starting the day with a 2.48 familiarity level and ended the day at nearly 4.00 on all topics including foreign trade zones, global trade finance, IC-DISC strategy and others.**

STRATEGIC **1** PRIORITY**Business
Development****High level meetings with local military installations aid in relationship building**

Several members of the EDC's executive team along with Space Coast Defense Alliance members and lobbyists attended a series of briefings in February with senior members of both the 45th Space Wing and 920th Rescue Wing. These meetings served as an opportunity to update key military leaders on current EDC led activities in support of military units at Patrick and Cape Canaveral along with that of the Space Coast Defense Alliance. It was also an opportunity to learn more from military leadership on ways we can better support their mission specific efforts.

At the 45th Space Wing, both Brigadier General Bolton, Commander, and Lt. Colonel Stephen Butler, Vice Commander, were present for these very constructive meetings in which they reiterated their number one funding need – the Weapons Firing Range. The timing of the trip was important as it precedes the EDC's Annual Community Lobbying trip to Washington D.C. in mid – April in which we share with our elected officials important local military facility needs. It also served as a formal introduction of Brigadier General Bolton to the EDC since taking the helm from outgoing Brigadier General Susan Helms several months ago.

The team also met with Colonel Steve Kirkpatrick, Commander of the 920th Rescue, where he shared developments on CSAR-X, a new proposed combat search and rescue helicopter much anticipated by the military rescue community. One of the 920th's biggest needs is a weapons maintenance facility which will also be a topic of the upcoming community leaders trip to Washington, D.C. this month.

Database updates underway to ensure targeted messages reach industry leaders

Nearly 1,500 companies across the region will now be the benefactors of targeted industry outreaches and pertinent news delivered via email after the EDC completed an update to its high-tech and manufacturing database. A project of the business development department, companies were deemed appropriate for inclusion in this database based on a combination of pre-determined NAICS codes. Included companies represent a cross section of industry from Electrical Equipment Manufacturing to Telecommunications.

The high-tech and manufacturing database has existed for a number of years. The information within the database was becoming fairly dated and was in need of an overhaul. Targeted messages deemed appropriate for these specific companies are often disseminated by the EDC and the database information is a critical component if we want to reach the appropriate audience.

The next phase of this project will be to develop an outreach plan to collect data on the import/export capabilities of the entire list of companies in the database. Once collected, this data will be posted on the EDC's website for international access and will serve as a resource for other companies.

STRATEGIC **2** PRIORITY

Competitive Business Environment

Community partners sign strategic plan proclamations in show of unification

We are more powerful together than we are apart. The newly released strategic plan for Brevard County will take an entire community's support in order for it to flourish. In a step to mobilize the community and start the plan, it is foundationally imperative to ensure all interested parties are working in unison toward one common goal. In this spirit, an **official proclamation** revolving around the attributes of the plan was drafted and solicited to community partners across our community, region and State.. Labeled "**Economic Strategies for a Better Brevard**", feedback was immense including support from all four area chambers of commerce, various professional organizations, educational institutions, municipalities and statewide organizations. These proclamations continue to filter into the Competitive Advancement Department and serve as an official, as well as symbolic reminder, of what can happen when stakeholders are properly aligned in the same direction.

Proclamation:

WHEREAS, the work of economic development is a key factor in creating a strong economic environment and ultimately an enhanced quality of life for our citizens; and

WHEREAS, *XYZ Stakeholder*, in conjunction with its Board of Directors, is committed to the success of the 2009-2012 Strategic Priorities as set forth by the Economic Development Commission of Florida's Space Coast, hereafter referred to as "EDC"; and

WHEREAS, *XYZ Stakeholder* and its members believe the economic strategies as presented in the 3-year plan of the EDC will benefit our citizens, businesses, cities and county; and

WHEREAS, *XYZ Stakeholder* and its members fully support the EDC's targeted approach to business development in five sectors of focus: Advanced Security, Aerospace, Communications, Electronics and Emerging Technologies; and

WHEREAS, *XYZ Stakeholder* and its members fully support the EDC's business development efforts to sustain and grow our existing industry; and

WHEREAS, *XYZ Stakeholder* and its members will serve together in promoting our county regionally, nationally and internationally; and

WHEREAS, *XYZ Stakeholder* and its members will grow and empower the coalition with a cohesive voice; and

WHEREAS, *XYZ Stakeholder* and its members will serve together with the EDC to identify and shift public and private policies to enhance our business climate making Brevard County more competitive in the global marketplace; and

WHEREAS, *XYZ Stakeholder* and its members will support the commitment of the EDC to remain transparent, accountable and responsible in the allocation of all resources; and

WHEREAS, *XYZ Stakeholder* and its members, along with the EDC, will lead the way in making economic development a priority for the good of the citizens and businesses of Brevard County.

I do hereby proclaim our partnership to build a better Brevard and our commitment to support the EDC's economic strategies. We pledge active efforts to support the 3-year plan of the EDC and will urge all citizens to join together to support this effort.

STRATEGIC **2** PRIORITY
Competitive Business Environment

Web based Economic Indicators project provides informative community tool

Economic data on Brevard is collected monthly by numerous local, state and federal agencies – and has been for many years. However, such is the disparity in reporting formats and release schedules that navigating that information can prove daunting. To help alleviate this, the EDC’s Research Department started the new year with a new online economic intelligence tool - *Economic Indicators*- that will allow locals to closely monitor economic movements in Brevard over a rolling 12-month period. Our hope is that by providing easy and timely access to quality data individuals, communities and businesses can learn from both the current and immediate past to create a more prosperous future for all of Brevard.

Economic Indicators serve as a complement to the EDC’s existing online Information Center, which now caters almost exclusively to corporate site selectors. While targeting different audiences, together the Information Center and Economic Indicators program will affirm the EDC’s commitment to providing the very best and most in-depth intelligence on our local economy. All data on the EDC website is free. Users may download and even reproduce the data as often as desired. **Statistics show for the first quarter, over 2,000 visitors have logged on to take advantage of updated employment, home sales, construction, sales activity, tourism and transportation data, making it one of the most visited sections of our website– SpaceCoastEDC.org.**

Economic Indicators
 Labor Force & Employment
 Payroll Employment
 Total
 Construction
 Manufacturing
 Wholesale Trade
 Retail
 Transportation & Utilities
 Information
 Financial Activities
 Prof. & Business Services
 Education & Health Services
 Leisure & Hospitality
 Other Services
 Government
 Home Sales
 Sales Activity
 Residential Construction
 Tourism
 Transportation

Payroll Employment

Estimates of nonagricultural (payroll) employment by industry in Brevard County are generated as part of the Florida Agency for Workforce Innovation's Current Employment Statistics (CES) Program. These estimates represent jobs by place of work and capture all paid positions at area companies, regardless of where those workers live. Approximately twelve industry sectors are reported for Brevard.

Payroll employment includes the total number of people on company payrolls that received pay for the pay period that includes the 12th of the month. Workers not captured include proprietors, the self-employed, unpaid family or volunteer workers, farm workers, and domestic workers.

Users are cautioned against subtracting CES (nonagricultural) employment from LAUS (total) employment to get an estimate of agricultural employment. This is not possible because CES and LAUS are effectively measuring different things.

Released the third Friday of each month. CES estimates at the county level are not seasonally adjusted and are subject to revision.

Taxable Sales - Total

Line chart showing Taxable Sales (in \$B) from Dec 2007 to Nov 2008. The Y-axis ranges from 400 to 700. The X-axis shows months from Dec 2007 to Nov 2008. The chart shows a general downward trend with a notable dip in early 2008.

Month & Year

Legend: Total, Autos & Accessories, Consumer Durables, Tourism & Recreation, Consumer Non Durables, Building Investment, Business Investment

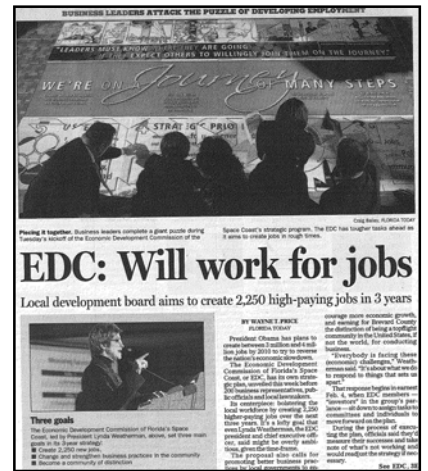
	Dec 2007	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008
Revenue (\$B)	651.0	522.4	551.1	601.1	550.3	551.3	526.2	514.4	512.2	489	472.2	461.3
Change vs. Month ago (\$)	100.0	-128.6	28.7	49.9	-49.8	0	-15.1	-21.6	-2.2	-21	-16.9	-19.1
Percent Change vs. Month ago (%)	15.3	-19.8	5.3	8.3	-9.3	0.1	-2.7	-4.1	-0.4	-4.3	-3.3	-4.2
Change vs. Year ago (\$)	-22.0	-61.1	-15.8	-177.0	-82.4	-28.2	-60.5	-61.3	-44.1	-42.0	-61.0	-57.0
Percent Change vs. Year ago (%)	-3.5	-9.5	-2.3	-27.3	-13.3	-5.1	-9.3	-9.3	-8.6	-8.1	-11.0	-10.4

Source: The Florida Legislature, Office of Economic & Demographic Research

STRATEGIC **3** PRIORITY
**Marketing
 and Communications**

Brevard County's Economic Development Strategic Plan officially unveiled

On Tuesday, January 20, the EDC marked the official unveiling of an economic development specific Strategic Plan for Brevard County, a plan that has been evolving over the past year and that began in earnest on January 1, 2009. Over 250 community and business leaders attended the EDC's Quarterly Meeting where a symbolic start to the journey began. Representatives from over twenty educational institutions, military facilities, government organizations and various industry sectors laid the initial pieces to a life size strategic plan puzzle that was eventually completed by all guests in attendance. One important part of the evening was sharing the foundational elements of the plan which will require effort from all of Brevard County. To be successful, elected and business leadership will need to pull the rope in the same direction so that the community can become one of national distinction and boast one of the country's best business friendly climates. The success of this kick-off event allowed us to use the remainder of the quarter to carry the message forward in a series of educational opportunities across the community.



- **FLORIDA TODAY Local Television Show on Strategic Plan**
 - **The Journey Forward Television Feature** - Executive Committee members Travis Proctor and Bill Cunningham (also EDC Secretary of the Board) discussed the plan in detail with FLORIDA TODAY business editor, Adam Lowenstein, during a 30-minute program that aired over the course of several weeks on WBCC. Several investors were also featured in the piece on what the plan means to them and why others should become involved in building a better Brevard.
- **Strategic Plan Speaking Engagements**
 - **Area Chambers of Commerce** - Lynda Weatherman spoke to members of the **Cocoa Beach Area, Melbourne-Palm Bay Area, and Titusville Area Chambers of Commerce** in separate meetings that focused on how the chambers could align their efforts with those of the plan. A similar engagement has been scheduled for a later date with the **Greater Palm Bay Area Chamber of Commerce**.
 - **Organizations** - Plan details were also presented to various organizations throughout the region including **Florida Manufacturing Extension Partnership, Sun Coast Apartment Association and OnPoint Solutions Group**.
- **The Journey Forward Reference Guide Mailed to Key Partners**
 - Created as an educational piece surrounding the Strategic Plan and its elements, **The Journey Forward book** was produced and mailed to all key community partners. It was also made available at each event held this quarter and posted in a special section on the EDC's website (www.SpaceCoastEDC.org/journey). This publication is a critical reference tool for investors and partners seeking to learn more about the plan and to identify ways they can become further engaged.

STRATEGIC **3** PRIORITY

Marketing and Communications

Reception welcomes new Kennedy Space Center Director Cabana to Space Coast



News of a new center director at Kennedy Space Center brought community members together to officially welcome and introduce this integral figure to the community. In January, the EDC held an event in honor of center director Robert Cabana who has taken the helm of KSC at a crucial time for the area. The EDC has enjoyed a long standing working relationship with KSC including the signing of two consecutive Space Act Agreements which pledge support and cooperation in promotion efforts of KSC. The welcome reception afforded space industry, business leaders and elected officials the opportunity to greet the former astronaut and show support for his efforts to keep the center on a steady pace as we enter an era of transition for the industry. The EDC will continue to favorably promote the NASA center in an effort to bring new aerospace opportunities to the area. We welcome the addition of an ally in Mr. Cabana.

Program of work highlights featured in FY 07/08 Annual Report available online

Fiscal Year 2007-2008 was another successful year for the EDC. From Embraer's decision to locate a \$50 million facility in Melbourne to building a foundation for Brevard County's economic development specific Strategic Plan, the year consisted of many accomplishments as well as opportunities for growth. Citizens and industry leaders alike can now view a more formal report of our program of work for the previous year in a recently completed Annual Report. In an effort to be environmentally and cost conscious, this years report is available only in electronic format at www.SpaceCoastEDC.org.

Creative concepts earn EDC promotional pieces top honors at ADDY awards

The American Advertising Federation – Space Coast Chapter recently held it's annual ADDY awards competition which represents the true spirit of creative excellence by recognizing all forms of advertising from media of all types, creative by all sizes and entrants of all levels. Four EDC projects took home a mix of both gold and silver awards. Created by EDC agency partner, Brandt Ronat and Company, awards were bestowed on work done for both the EDC's Annual Meeting and for marketing done in conjunction with the National Business Aviation Association tradeshow (NBAA).

- **EDC Specific Winning ADDY's**
 - **Gold:** It's Time, Let's Begin - Annual Meeting Invitations
 - **Gold:** It's Time, Let's Begin - Annual Meeting Poster Series
 - **Silver:** It's Time, Let's Begin - Annual Meeting Overall Campaign Elements
 - **Silver:** Thrive Here - NBAA Marketing Campaign



STRATEGIC **4** PRIORITY**Resource Development
and Allocation****BY THE NUMBERS**

Private Sector Funding	
New/Renewed Investment	\$152,000

Community Support	
EDC Volunteer Hours	300

EDC submits annual audit to Brevard County in accordance with contract

As per the constraints of the EDC's contract with Brevard County, an annual audit of the financial position of the organization was completed and submitted to the county manager in January 2009. This included the examining of evidence supporting the amount and disclosure in financial statements, assessing the accounting principles used and evaluating the overall financial statement presentation. Handled by an independent certified public accounting firm, *Janes, Key & Dinho, P.A.*, the resulting reports reflect the conclusion that financial statements were fairly presented in all material respects and net assets for the year ended in conformity with accounting principles generally accepted in the United States.

The independent firm also completed an additionally contracted report on internal controls over financial reporting. This report further delved into how we report on financial matters and served as a tool for management in evaluating opportunities for streamlining reporting mechanisms.

THE WORK SURROUNDING THE PRIORITIES OUTLINED ON THE PRECEDING PAGES SUPPORTS THE FOLLOWING THREE GOALS:

