

# ECONOMIC DEVELOPMENT COMMISSION OF FLORIDA'S SPACE COAST

FY 2008/2009, Third 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 our quarterly report for the third quarter of Fiscal Year 2008/2009. This marks the second quarter in which our organization has been operating under the guidance of a new economic development specific Strategic Plan. In January, we laid out the foundational elements of the plan to the community. Some six months later, we are encouraged by the progress and support from the community to build a more competitive business climate.

It's no secret that the work we are charged with conducting has become increasingly difficult amongst the current backdrop of economic distress. Due to this new reality, we have to work smarter and become more efficient in our approach. Throughout this report, you will see evidence of our push to develop cutting edge programs that focus far more on gathering collective intelligence rather than relying on spending valuable resources. Through the power of our established coalition of 55,000 strong, we are putting the strengths of our community's leaders to work for us. Whether identifying issues in the manufacturing supply chain from the viewpoint of C-level leaders on our new Industry Council to hosting the state level military affairs council on a tour of local military facilities, our team is committed to uncovering opportunities to make the business climate more conducive for growth and to bring new ventures and jobs to the Space Coast.

With our new focus on four strategic priority areas, the third quarter saw many important initiatives ramp up. Coalition engagement surged full steam ahead and was evident at our April Quarterly Meeting focusing on the Marketing & Communications priority. Military efforts also continued as we met with legislators and federal agencies on our Annual Community Leaders Trip to Washington D.C. Well on our way to achieving national recognition, the marketing team celebrated a series of media mentions including a ranking amongst the cream of the crop high tech cities. Business development focused on a sector of the United States known for its high tech concentration and convinced an existing business to grow and stay on the Space Coast. The quarter rounded out with impressive results from an independently commissioned return on investment report which revealed the addition of \$7.1 million in local tax revenue as a direct result of the EDC's job creation efforts.

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. Your support allows us to continue to work on behalf of the community. This is important work you have entrusted in us and something we do not take lightly. Thank you for the opportunity.



Lynda Weatherman  
President and CEO



Daniel 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	2
Retention	3

Project Leads Opened	
Recruitment	36
Retention	7

General Assistance Files Opened	
Recruitment	5
Retention	16

Brevard Selected/Closed Project Name	New Jobs	Indirect Jobs	Retained Jobs	Average Wage	Direct Wage	Indirect Wage
Guardian Manufacturing	10	10	0	\$55,000	\$550,000	\$407,265
<b>TOTAL</b>	<b>10</b>	<b>40</b>	<b>0</b>	<b>\$55,000</b>	<b>\$550,000</b>	<b>\$407,265</b>

### Guardian Manufacturing chooses to remain and grow on Space Coast

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 pleased to announce the following business expansion on the Space Coast.. **Guardian Manufacturing**, a control systems integration and manufacturing & process control consulting provider, will expand in Cocoa, Florida. Guardian, currently a 60-person operation with a 25,000 square foot facility, plans to build another 24,000 square foot facility and increase its workforce by 10 within 12 months. The company cited Brevard County as their choice due to its skilled labor pool, central location and availability of potential customers. Company executives also considered Idaho, Georgia and Missouri for potential expansion opportunities.

### Impressive results reported from International Trade Grant recipient companies

One tool recently used to enhance the competitiveness and growth of Brevard County industries and promote increased participation in international markets, is the **International Trade and Market Development Cooperative Program Grant**, a grant the EDC competed for and was awarded on behalf of Enterprise Florida. Details of this competitive grant program were included in last quarter’s quarterly report. We are excited to provide you with several post show reports from companies aided by the grant program.

- **Airon Corporation** – development, manufacturing and sales of life support breathing devices for hospitals and EMS
  - Reported a 150% increase in international business as a result of attendance at MEDICA 2008 in Germany
- **Liberty Aerospace** – manufacturers a two-place, single engine touring/training aircraft
  - Reported sale of \$200,000 for an XL2 Aircraft during the Aero Expo London 2009

Many of the companies attending missions this year stated the grant was the deciding factor in their attendance. This is clear evidence that international trade is an important and necessary component of our business development focus.

STRATEGIC **1** PRIORITY**Business  
Development****EDC invited to present at annual Florida Economic Development Conference**

The EDC's business development team was invited to present at the annual Florida Economic Development conference in June where over 200 economic development organizations, community planning and workforce representatives from throughout the state were in attendance. We were asked to highlight best practices with one of our coalition members, the Florida Manufacturing Extension Partnership. The EDC and the MEP work closely together to identify seminar topics beneficial to local manufacturing and high tech companies with the goal of decreasing expenses and increasing productivity and quality. As part of the panel, local manufacturer Symetrics shared with the audience how the seminars ultimately saved the company \$120,000 by exposing them to lean manufacturing concepts. This is an example of just one company in Brevard benefitting from this seminar series – allowing them to potentially use the savings to expand their operations or hire additional employees.

**Business prospecting mission to the Northeast yields targeted cluster leads**

Each year, the EDC's business development team organizes and attends a mission to a geographic location with a heavy concentration of industries that fit into Brevard County's clusters. This past quarter, a representative from the EDC embarked on a mission to the Northeast United States, specifically Connecticut and Massachusetts to attend a series of pre-arranged meetings with targeted companies looking at potentially relocating. The Northeast has among the worst numbers for business tax climate, whereas Florida ranks fifth in the nation, a fact that helped us build a business case for relocation. What's more, in terms of structural costs, wages, state taxes, housing costs and utility rates, they are all high and are inhibiting business growth. Florida's numbers on all accords are significantly more business friendly.

The business development team was able to secure meetings with 10 companies; 3 of which turned into strong leads. These companies represent the advanced security, communications and emerging technology clusters respectively. Our team is now working the second phase of the lead process and providing all applicable and requested materials to these companies. As is often the case, timing can vary on company relocation decisions, but most take many months if not years to cultivate. We will continue to work with these companies until a decision is in sight and will notify you of successes along the way.

**Business Process Mapping workshop teaches local companies to streamline**

The EDC, in partnership with the Florida Manufacturing Extension Partnership, hosted over 20 local companies at an interactive **Business Process Mapping (BPM)** workshop in June. BPM is a fundamental tool for streamlining processes and making them more efficient. The concepts taught in this workshop help companies reduce lead time and increase quality, customer satisfaction and profits. This was among the first class taught on this principle and the feedback was encouraging including several companies planning to go back and implement this practice on their company's assembly floor. Business Process Mapping is yet another product of the Florida MEP, which we often partner with to hold traditional LEAN manufacturing classes focusing on eliminating waste in manufacturing and high tech processes.

We anxiously await the real life examples that will certainly come from this recent class and hope to have success stories to share with you in the near future.

STRATEGIC **1** PRIORITY**Business  
Development****Annual lobbying effort continues to engage key federal agencies, leaders**

The 6th Annual Community Leaders Lobbying Trip to Washington D.C. commenced April 20-22, 2009 with a high degree of information exchanged and progress made. Over the course of three days, 11 delegates were in our nation's Capitol to lobby on behalf of the Space Coast with more than 15 military offices, legislators and agencies including NASA, the U.S Coast Guard, U.S. Navy, U.S Air Force and others. Accompanying EDC Chairman of the Board, Dan Evans and EDC executives were delegates from each of the four local Chambers of Commerce, members of the EDC's Government Relations and Space Coast Defense Committees, and Commissioner Andy Anderson representing Brevard County.

A big focus of our lobbying efforts focused on Military Construction Projects for our local facilities. Two main priorities discussed were a new Firing Range at Patrick Air Force Base and a new Weapons Maintenance Facility at the 920th Rescue Wing. Both of these projects are mission critical. The group was also well received at the Pentagon, which has been an annual meeting even though a BRAC (Base Realignment and Closure) initiative isn't currently underway. Holding meetings in off years gives us more credibility when BRAC proceedings begin anew.

Our government affairs team will continue to engage these agencies and legislators throughout the coming year to advance issues critical to the Space Coast.

**Meetings with state level military affairs council promotes local capabilities**

The EDC was very active this quarter in military affairs, hosting and attending two important meetings with key military leaders and state agencies. In May, we were in attendance at the Florida Defense Alliance meeting at the Naval Air Station in Jacksonville. This presented the opportunity to advocate for HB 7123- Florida Council on Military Base and Mission Support, which recently passed the House and Senate and was signed by Governor Crist. The mission of this council is to support and strengthen all U.S. Dept. of Defense missions and bases in Florida, serve as the liaison between local communities and the Legislature and to maintain and enhance Florida's defense economy. Due to the strong military presence on the Space Coast, we think it is important to have representation on this Council. The council will be composed of 9 members, and we are working to get the right representative from our area appointed.

Following on the heels of this meeting, we secured a visit by the Executive Director of the Florida Defense Alliance, Rocky McPherson, and staff from Enterprise Florida, to the Space Coast for a detailed and informative briefing and tour of our local military facilities. Accompanied by EDC Chairman of the Board, Dan Evans, a representative from Commissioner Anderson's office and members of our government relations team, our goal was to show our counterparts at the state exactly what we have on the Space Coast in terms of our military and how important they are to our economy. Every year we apply for grants to help fund projects to improve our military installations and we want to ensure our military continues to receive the funds they need to get their job done effectively.

# STRATEGIC 2 PRIORITY Competitive Business Environment

## EDC engages key coalition partner, Space Coast League of Cities, in Strategic Plan

The EDC was invited to provide the keynote speech at the April meeting of the Space Coast League of Cities . The main focus of the presentation was to provide municipality leaders with an overview of the new Strategic Plan. There was also a focus on showing members that if we work together towards becoming the most competitive business environment in the world and to become a community of distinction, we all have a lot to gain. EDC President and CEO Lynda Weatherman reiterated the need for the business community and cities to collaborate with each other to reach these goals and ultimately accomplish the creation of 2,250 new jobs. The EDC encouraged cities to participate in our newly developed councils and to also share with us good things happening in their city, so we can share it with the world. We are very pleased with the level of support and will be working over the next couple months to continue to engage with key municipalities in the region.

## Cities to aid in enhancing and building a competitive business climate

To date, we have a variety of organizations who have stepped forward to show their official support of the strategic plan. The next step is to engage municipalities across the Space Coast to help create a more business friendly climate. Starting in the next quarter, the competitive advancement department will begin meeting both city managers and economic development heads of each city to begin discussions on enhancing the local business environment. Items that will be discussed include relating each cities goals to those of the EDC, examining current city policies and addressing how we might work together to amend them, share marketing goals of each city and the EDC to identify areas of synergy and taking an inventory of existing city assets that we can leverage in future promotion efforts.

Scheduling for these meetings began earlier this quarter. We will bring you highlights and updates from these meetings in next quarter's report.

## UPDATE: Proclamations to build a better Brevard gaining traction

Last quarter, we introduced a tool to get all interested parties working in unison toward one common goal. An official proclamation revolving around the attributes of the Strategic Plan was drafted and solicited to community partners across our community, region and State.. Labeled **"Economic Strategies for a Better Brevard"**, feedback has been impressive. Currently, we have signed proclamations from **17** community partner organizations. We are beginning discussions with our cities and hope to have support of the proclamations from all 16 cities on the Space Coast within the next few months.

### PROCLAMATION EXAMPLES

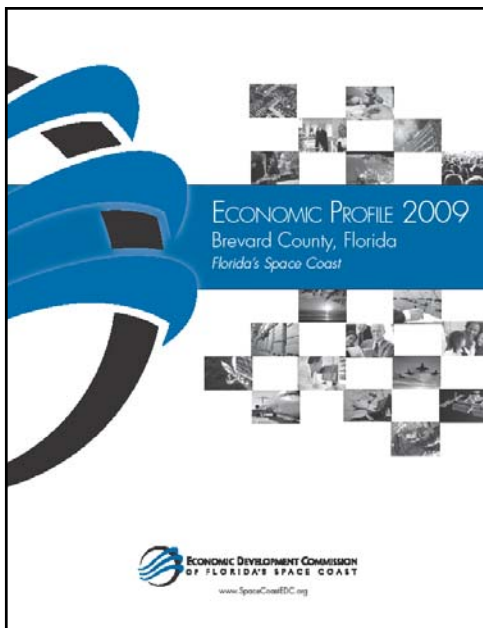


STRATEGIC **2** PRIORITY**Competitive Business Environment****Research department produces large-scale, data based economic publication**

Early in 2009, the EDC responded to a growing need for timely economic information by introducing a web-based application allowing users to closely monitor economic movements in Brevard over a rolling 12-month period. Featuring all economic measures currently available for Brevard on a monthly basis, *Economic Indicators* covers the areas of employment, home sales, construction, retail sales, tourism and transportation. This has since evolved to become one of the most popular sections of the EDC's website. Coming on the heels of that project is a research tool for those people who enjoy the convenience and immediacy of a web-based data system, but prefer their economic information as part of a larger community portrait.

To fill this need, the *Brevard County Economic Profile*, a text-based but data-driven journey through each of the assets that make Brevard County unique, serves as an excellent primer on the economics of Brevard County. A 90-page document released this quarter, the *Brevard County Economic Profile's* application proves as diverse as the audience it serves.

Features in the publication include an introductory Location and Infrastructure section which pinpoints our growing connectivity, with particular attention drawn to our presence in the middle of major road, rail, air, sea and space corridors; a Business Environment section details those key anchors - space, military, technology, a business-friendly environment - that continue to provide economic stability, even in uncertain times; and an extensive Demographics section introduces readers in every way imaginable to Brevard's greatest asset - our people.



There are also sections devoted to those thinking of moving their business to Brevard County, including workforce and business costs which provide a comprehensive but realistic glimpse into both the costs and substantial benefits of doing business in Brevard. An Incentives section gives a concise overview of some of the performance-based financial programs available to such companies. Also included in the book are sections profiling Brevard's educational excellence and quality of life attributes and a section highlighting the sixteen diverse communities that make up this county.

The *Brevard County Economic Profile* brings together many of our existing research efforts into one convenient area, and can be downloaded directly from the EDC website. Together with the existing online Information Center, and the aforementioned Economic Indicators application, it reaffirms the EDC's commitment to providing the very best and most in-depth intelligence on our local economy.

## STRATEGIC **3** PRIORITY

# Marketing and Communications

### Strategic plan momentum builds at EDC's April Quarterly Meeting in Palm Bay

On January 1, 2009, the EDC 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 resulting vision is a strong and vital economic environment resulting in a superb quality of life.

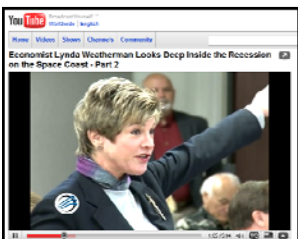


On April 15, the next step was taken on the journey at the EDC's Quarterly Meeting held at Brevard Community College in the City of Palm Bay. This engaging event focused on the *Marketing & Communications Strategic Priority* and started the dialogue on increasing community awareness, elevating word of mouth campaigns and using storytelling as a viable form of marketing. The EDC unveiled a dedicated email address ([Stories@SpaceCoastEDC.org](mailto:Stories@SpaceCoastEDC.org)) where we are asking business leaders to send us a note about an innovation, an award, a credential, a new market advancement, or a statistical, quality or other breakthrough. We will then be able to compile this information and format it into a story that sells Brevard County to external clients and garners national media attention through proactive media outreach efforts. Spread the word to your business colleagues, add us to your press release distribution list and keep our team in the loop when you have an exciting new development in your company. Also present at the meeting were many of the EDC's proclamation partners (*pictured above*) who have signed on in support of our organizations efforts to build a better Brevard County.

Each successive EDC Quarterly Meeting will highlight a different strategic priority of the plan. Later this month, the focus will shift to creating a Competitive Business Environment and will take place in Titusville at the Valiant Air Command Warbird Museum (*at press time, nearly 250 community leaders were expected in attendance at this sold out event.*)

### EDC analyzes current recession, examines signs of recovery at County workshop

In May, the EDC was invited to participate in an important workshop focusing on Brevard County's Economic Outlook. Hosted on behalf of the Brevard County Board of County Commissioners, the meeting featured presentations on behalf of the county, local Chambers, the local workforce board and from EDC president and CEO, Lynda Weatherman. Lynda's presentation provided an overview of the current state of the economy and examined in-depth challenges that lie ahead. One unique part of Weatherman's presentation was the inclusion of data compiled from responses received from participation by the local business community, in partnership with the local area chambers, Board of Realtors and HBCA. In this short survey promoted earlier this month by the EDC, the questions surrounded business and personal spending patterns and the results included a cross section of industry across a wide spectrum. The presentation has also been re-purposed and posted onto the EDC's YouTube site and made available to those community members who might have missed the initial meeting. EDC staff will be working closely with Commissioner Anderson's staff to formalize action items.



## STRATEGIC **3** PRIORITY

# Marketing and Communications

### Spacecoast Business magazine devotes May issue to economic development

In May, Spacecoast Business Magazine hit the newsstands with a dedicated focus on Economic Development. From the cover to points throughout the magazine, the EDC was represented across many important fronts. Amongst the bevy of information on our economic climate, the magazine featured an interview with Lynda Weatherman, an overview of the EDC's Strategic Plan and those working to make it happen and an economic viewpoint of where we stand and where we are going. This issue will serve as a great marketing tool for our organization and we will be utilizing it further by sending it to a wide range of contacts in the community as well as externally to clients looking at relocation possibilities through a targeted mailing this month.



Also featured in the May edition of Spacecoast Business magazine, was a special 8-page, full color insert, which prominently displayed the magnitude of our community coalition. This piece highlighted our efforts in building a more competitive business climate in Brevard County by recapping the key points of the strategic plan in easy to read snippets of information. We are also making full use of this piece in future marketing and branding efforts. Reprints will be delivered to all EDC proclamation partners-which extend across the region and State- and will be included in all EDC client and investor packages. This opportunity was made possible through Spacecoast Business magazine and many community business leaders.

### Annual Return on Investment numbers continue to improve year over year

Around this time last year, we brought you the results of an independently commissioned return on investment study on the EDC's recruitment and retention efforts. The results of this study, which included the period from Fiscal Year 2003-2007, were quite impressive including the finding that the EDC's efforts contributed \$5.1 million in local tax revenue. This year, we commissioned an update to the study from the same consultancy, NCDS, to include our work for Fiscal Year 2008. The results were even more impressive. Some stats to consider:

- In 2008, **we created \$2.2 million in local tax revenue. This is a 118% increase in prior annual averages versus what was recorded in the previous study.** Over the previous five year period and 2008, we were responsible for **\$7.1 million in local tax revenue**, which is reoccurring.
- Average wage of jobs created increased 14%
- Average wage of jobs retained increased 7%
- Earnings injected into the community (per EDC dollar spent) doubled

This ROI study is a critical tool for our organization. The EDC, along with organizations across the county, are increasingly being asked to prove their worth. This study shows the County is benefitting from a considerable return on investment for the money that is invested in our program. The fact that we are working smarter and getting better year after year clearly shows we are a forward thinking program and can adapt to the changing business landscape. The proof is in the numbers.

STRATEGIC **3** PRIORITY

## Marketing and Communications

### Top ten list: Brevard County ranked #8 in nationwide list of high-tech centers

The Space Coast was the beneficiary of very positive news last month as we saw the Space Coast land the number 8 spot on a list of the nation's Top 100 high-tech centers. Brevard County made a very impressive showing. While the list combined several ranking factors, we were noted as having more high tech jobs than the No. 1 city on the list, San Jose, California as well as one of the list's highest ratios of high-tech jobs to private-sector jobs. Being near the top of the list is great news for economic development efforts as it continues to prove that conditions here are more conducive for high-tech companies than in many competing locales. It also proves the need to direct resources to the facilitation of a stronger high-tech cluster as the community already has a high concentration of high-tech personnel already in place. This designation continues to establish Brevard County as a "community of distinction", an effort that is kicking off in earnest this month and one of the publicized goals of the plan.

### Shuttle program, Space Coast grab attention of Miami Herald for feature story



The EDC has had several high profile media success stories over the past few years surrounding the upcoming shuttle transition. Last month, another coup was achieved. The Miami Herald featured an in-depth story on the implications from this transition and what it means for the Space Coast. The article was the cover story in the magazine's special pullout section, Business Monday on May 25. Lynda Weatherman was featured as a source in the story as well as EDC Board Member, Ron Cobb of Soneticom, who anticipates an impact to his business when the shuttle program is phased out.

The EDC media team is proactively working to bring national exposure to this impending shift, which is expected to take place in just one short year. This feature follows on the heels of recent coverage in the Associated Press, NBC Nightly News, TIME Magazine and National Public Radio as

well as many local publications.

When the new fiscal year starts, we will begin reporting to you on our media accomplishments. This won't just be a listing of the places our name has appeared, but rather it will consist of tangible numbers associated with our increased proactive media targeting efforts. Utilizing the appropriate tools, we will also be able to more accurately target cluster specific journalists in an effort to bring increased coverage for the community and the businesses working within it.

STRATEGIC **4** PRIORITY  
**Resource Development and Allocation**

**BY THE NUMBERS**

Private Sector Funding	
New/Renewed Investment	\$112,500

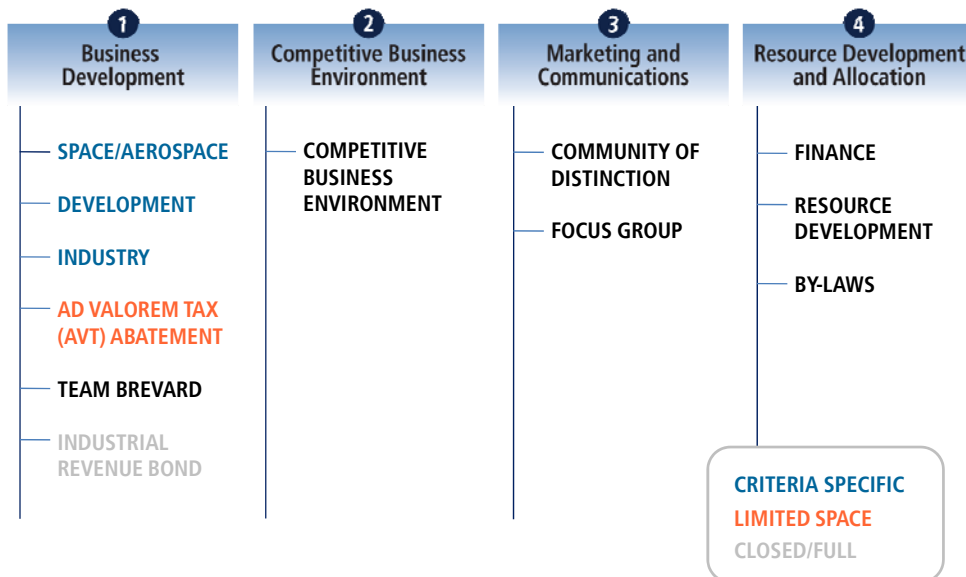
Community Support	
EDC Volunteer Hours	978.75

**Newly aligned councils aid in facilitation of Strategic Plan priorities**

In accordance with our newly created economic development Strategic Plan for the community, the EDC has realigned its supporting councils to conform to the plan. These bodies were formally known as committees but have taken on this new title as they will be serving more of an advisory role which better fits the formal description of a council. After an outreach to EDC Investors and key community partners, councils were finalized and have begun formally meeting. The participation level is impressive. Over 100 companies, organizations and municipalities are represented across the group of councils.

It will take the combined knowledge and influence of a dedicated coalition of leaders to achieve these lofty goals and we feel we have an appropriate mix of contributors in the areas where their strengths can be put to the best use. Although participation on EDC councils is not required, it is one of the best ways to become engaged in the coalition.

As councils will be an extremely valuable tool in the success of the Strategic Plan, periodic council achievements will be communicated to both the EDC Board of Directors and in future reports to the County Commission. For a complete listing of councils, council missions and those involved, visit the EDC’s Council section on SpaceCoastEDC.org.



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

