



**AGENDA REPORT  
January 8, 2019**

**Board Discussion: Economic Development Budgetary Option for FY 19-20**

---

**SUBJECT:**

Economic Development Budgetary Option for FY 19-20

**FISCAL IMPACT:**

The fiscal impact of developing an option, during the normal budgetary process, to not include funding for the EDC in the FY 19-20 budget, would consist of staff resources to research and develop such a budget.

Should the Board choose to exercise this option, the expected fiscal impact would be a savings of \$1,400,050 annually to the General Fund, less any additional resources the County Manager's Office requires to take on potential additional responsibilities that would result.

Providing direction at this time will allow the Board to have more information on the fiscal impact when analyzing the FY 19-20 proposed budget.

**DEPT/OFFICE:**

District 3

**REQUESTED ACTION:**

Direct the County Manager to develop an optional budget during the budget development process which does not include funding the current EDC contract. This includes estimating costs for the County to directly assume full responsibility for economic development initiatives

**SUMMARY EXPLANATION and BACKGROUND:**

On September 29<sup>th</sup>, 2014, the Board chose to enter into a Grant Agreement with the Economic Development Corporation of Florida's Space Coast ("EDC"), to which the County provides \$1.4 million annually from the General Fund.

Included in this contract is a term, unique to all contracts which Brevard County is currently a party to, which states that the grant automatically renews annually with inclusion in the annual budget.

As such, it is necessary to initiate the process of researching the effects of not renewing this contract at the beginning stages of the budget development process. While the

County Manager is currently the head of Economic Development in Brevard County (see Res. 14-160; see also Sec. 2-73(3)(c), Code of Ordinances of Brevard County), the Board has instead funded a third party, the EDC; therefore, the County Manager's Office may not have all the resources necessary to carry out this critical responsibility.

Providing direction now would afford the County Manager adequate time to study other counties' practices, what staff enhancements may or may not be necessary, and what internal organizational structure is most appropriate to effectively promote economic development, as well as any other preparation he deems appropriate.

Once this information is gathered and a budget is responsibly developed with non-renewal as an option, the Board will be in a position to be able to judge the fiscal soundness of continuing with the status quo, entering into contractual renegotiation, or proceeding in a different direction.

**ATTACHMENTS:**

**Description**

No Attachments Available



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001  
Fax: (321) 264-6972  
Tammy.Rowe@brevardclerk.us

February 7, 2019

**M E M O R A N D U M**

**TO:** Frank Abbate, County Manager

**RE:** Item J.4., Economic Development Budgetary Option for FY 19-20

**This is to correct the memorandum of January 9, 2019.** The Board of County Commissioners, in regular session on January 8, 2019, directed you to review the Economic Development Corporation's Contract yearly, and not to automatically renew the Contract.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

**cc:** District 3 Commissioner  
Budget Director



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001  
Fax: (321) 264-6972  
Tammy.Rowe@brevardclerk.us

January 9, 2019

**M E M O R A N D U M**

**TO:** Frank Abbate, County Manager

**RE:** Item J.4., Economic Development Budgetary Option for FY 19-20

The Board of County Commissioners, in regular session on January 8, 2019, directed you to review the Economic Development Corporation's Contract yearly, and not to automatically renew the Contract; and to give you the ability to do a cost analysis on other alternatives.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

*Tammy Rowe*

Tammy Rowe, Deputy Clerk

cc: District 3 Commissioner  
Budget Director

1/8/19 BCC  
J(4) EDC Budgetary  
Option

## DOES

- 1) Provide the Board with fiscal analysis
- 2) Provide the Board with options
- 3) Give the County Manager's Office time to prepare for any potential changes
- 4) Allow the Board to carry out its responsibilities while not breaching the Grant Agreement with the EDC

## DOES NOT

- 1) End agreement with the EDC
- 2) Limit the Board's options in any way
- 3) Cost anything more than staff time
- 4) Reduce economic competitiveness
- 5) Expose confidential information
- 6) Pull the rug from under the EDC