

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE (NBEDZ)
SPECIAL DISTRICT BOARD, GOVERNING BODY OF THE SPACEPORT
COMMERCE PARK AUTHORITY MINUTES**

May 11, 2018 @ 8:30 a.m.

Parrish Medical Center - Health Village West/Heritage Hall
931 N. Washington Avenue
Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Robert Jordan, Al Matroni, George Mikitarian, Donn Mount, Stan Retz, and Louis Sanders

Absent: Micah Loyd

Telephone: Dr. Brenda Fettrow

Call to Order: Meeting was called to order at 8:31 a.m. by George Mikitarian, Chair.

Pledge of Allegiance: Walt Johnson, City of Titusville Mayor, led the assembly in the Pledge of Allegiance.

I. Approval of Agenda

Motion by Robert Jordan, seconded by Dan Aton, to approve the Agenda as presented. Motion carried and ordered unanimously.

Approval of Minutes

Motion by Dan Aton, seconded by Robert Jordan, to approve the meeting minutes of February 9, 2018. Motion carried and ordered unanimously.

Dr. Brenda Fettrow's presence on the telephone is noted at 8:34 a.m.

Stan Retz's presence is noted at 8:35 a.m.

II. Report on Expenditures to Budget

Motion by Donn Mount, seconded by Dan Aton, to approve the Report on Expenditures to Budget as presented. Motion carried and ordered unanimously.

III. Staff and Partnership Reports

NBEDZ Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, provided the Zone board with the spring newsletter of the *North Brevard Business Review*; he stated Governor Rick Scott announced his recommendation of designating 427 census tracts in Florida as Low Tax Opportunity Zones; and North Brevard succeeded in having two tracts designated for

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Opportunity Zone status. He went on to say he worked on some follow-up activities related to the recent MRO Americas event he attended; he participated in an East Central Florida Regional Planning Council (RPC) session on Building Economic Resilience to generate ideas with other counties for the RPC to work on with local governments, to ensure a quick recovery from businesses impacted by future storms and natural disasters; and he completed the draft version of the Zone's 2018 Economic Assessment Report. He advised he is currently tracking new Projects via the Space Coast Economic Development Commission and Space Florida, because there is limited availability of existing industrial space in the north end; a new website www.NBEDZ.org has been created; the Information Technology staff is redirecting the web traffic from the current domain of www.NBEDZ.com; and the website will display up-to-date financial information on the Zone. He mentioned meeting with a regional coordinator for the Economic Development Administration (EDA) regarding the possibility of using EDA funds, in combination with Community Development Block Grant (CDBG) funds for seeking new construction/redevelopment projects needing matching funds. He introduced Eden Bentley, County Attorney, to the Zone board.

GTR Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, was not able to attend today; and she provided him with her Report to handout to the Zone board. He mentioned Ms. Musselman asked him to pass-along that there was an incident at COlaunch, with a user who was not complying with the terms of the Agreement; the County Attorney's Office was very helpful by providing some direction; and there ended up being an exit conference held with the individual. He went on to say they were not sure how it would go because there have been complaints made by some of the other users at COlaunch; the individual tends to be easily angered; the Titusville Police Department was contacted; and the individual gathered their items and left COlaunch. He added Ms. Musselman handled the situation and the exit conference very well; and more of a formal briefing was talked about to have at the orientation meetings with new users.

Titusville Economic Development Department Report

Edyie McCall, City of Titusville Economic Development Director, stated at the Space Coast Transportation Planning Organization (TPO) meeting yesterday the Bicycle Pedestrian Trail Advisory Committee handed out three awards; one award was given to the City of Titusville called 'Get on the Trail'; the second and third awards were given to Marsha Gaedeka and Nicole Hall for 'Encouragement'; and she provided the Zone board with a publication of a handout book of Spaceport Commerce Park showing emerging opportunities, new directions, and economic innovations.

V. New Business

Proposed Fiscal Year 2018-2019 Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, provided the Zone board with a draft of the FY 2018-2019 budget; he stated once the Zone board approves it, it goes to the City of Titusville for approval, and then to the Board of County Commissioners for its approval; the Line Item for Professional Services currently is \$30,000 and the proposed amount is \$50,000; and the real estate appraisal is in the process of being done, which he

anticipates receiving an invoice before the end of this Fiscal Year, and if not, the balance will be carried forward to the new Fiscal Year. He provided the Zone board with a summary of Line Item FY 2018-2019 for Travel A & B, the performance measures of the Zone, and the Capital Improvements Program (CIP) summary for FY 2018-2019 pad readiness; he stated the Line Item for Debt Service of Grants and Aid for \$1.6 million is to cover the incentives for Blue Origin and Titus Landing; and according to the schedule in the Blue Origin Agreement, that is an approximate first time payment of \$1.4 million. He went on to say that is because of the challenge being made about how the Zone can do the incentive; the Board of County Commissioners and the Zone board approved for this year to make the first payment; if that is done as anticipated, the amount of money remaining on that incentive would be approximately \$6.7 million; he is anticipating that the Zone will be successful in the suit, and for the Zone to be able to continue going down the pathway for the Blue Origin incentive to be put together in some sort of a bond arrangement; and the Zone does not have to adhere to the schedule that is in the Agreement, and to reduce the cash outflow that goes with that incentive. He added the \$1.6 million figure represents the financing of Blue Origin balance of \$6.7 million at four percent, over a 10-year amortization; he advised he does not know if the term lapse will be 10 years, all of that will have to be figured out; but the 10-year amortization is being calculating out for a payment of principle and interest annually of \$814,000. He asked the Zone board to combine the \$814,000 with the debt service currently being worked on with the City of Titusville for the Titus Landing, that has a set amortization schedule that has a fixed-rate of interest, and the payments are known for the duration of the term; the outflow for next year is going to be \$806,000; and the combination of those two is where the \$1.6 million is coming from. He went on to say if the Zone is not successful in the Blue Origin validation suit, it will require in the next Fiscal Year to do another Budget Change Request (BCR), and fallback on the schedule that is in the agreement which is a higher outlay of money; from the cash flow perspective, it weakens the Zone's ability to do any future deals if having to take some additional money, and putting it forward to honor that payment schedule to Blue Origin; and it would pay off the incentive much sooner, but still over that period of time it would drastically limit what the Zone could do.

Motion by Robert Jordan, seconded by Stan Retz, to approve the proposed Fiscal Year 2018-2019 budget, as presented. Motion carried and ordered unanimously.

VI. Old Business

Stinger Fiberglass - Purchase and Inducement

Troy Post, CEcD, CBE, NBEDZ Executive Director, provided the Zone board with a map and the application for assistance for Stinger Fiberglass, located at 1525 Armstrong Drive, Titusville; he advised there is a triangular shaped piece of property that they would like to purchase consisting of approximately one acre, because they are looking to expand, and looking to build a 6,000 to 7,000 square foot building on that property. He stated they would add three to five positions over the next couple of years, with an annual salary between \$25,000 and \$35,000; he provided the Zone board with the Fiscal Impact Analysis showing anticipated taxes; the investment of the land and the building would be about \$280,000; and the annual impact of Ad Valorem tax for one year. He mentioned the challenge for the company is it will have to do a lot of site work just to make the site usable; in terms of being able to purchase the land at a value of \$30,000 an acre, he told Artie Schricker, President of Stinger Fiberglass, that the Zone may be able to provide some type of a reimbursement grant approximating \$15,000, to offset some of that work;

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and that would allow for them to move forward, buy the property, do the site work, build the building and get it up and running, and to minimize some of the cash outflow. He went on to say there is the Matching Capital Program that the Zone has, that looks at how much equity is being injected into a project of the non-finance portion; the Zone could reimburse up to half of a certain dollar amount that is specified; this does meet all of the tests, in terms of not exceeding half of the equity going into the project; and it provides a nice stimulus to be able to reimburse some of the costs, so the company can continue to grow.

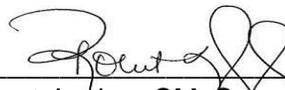
Dan Aton inquired how does the mechanics of this work and does Mr. Schricker close on the property for the \$30,000 an acre; and he stated once the building is constructed the Zone grants against that. Mr. Post responded affirmatively.

Mr. Aton advised as he understands this, the funds that come from the sale of the property are earmarked for the Zone and Spaceport Commerce Park (SCP) to basically use adjustments on land to fund; and he inquired how that is trued up against the original uses of the SCP funds versus the Zone funds, or is it all in one big pot. Mr. Post replied they do have to be segregated; he advised in Ordinance No. 13-08, it has to be used for certain SCP improvements; it is specified in the Ordinance what that could be; and he passed around the Ordinance for the Zone board to review.

Mr. Aton inquired if he should abstain from the vote because his business is a customer of Stinger Fiberglass. Eden Bentley, County Attorney, responded no, because it will not nourish a financial benefit.

Motion by Donn Mount, seconded by Al Matroni, to approve the offer made by Stinger Fiberglass to purchase one acre in the SCP for \$30,000; and to approve extending a provision of an incentive of up to \$15,000, under the Zone's Matching Capital Program to offset Stinger Fiberglass' expenses. Motion carried and ordered unanimously.

Upon consensus, the meeting adjourned at 9:19 a.m.



Robert Jordan, CM, Secretary/Treasurer

Approved on August 10, 2018.