

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

December 11, 2020 @ 8:30 a.m.
Titusville Public Library - Auditorium
2121 South Hopkins Avenue
Titusville, Florida 32780

Board Members:

Absent: Micah Loyd and Louis Sanders

Present: Dan Aton, Rodney Honeycutt, Al Matroni, Donn Mount, and Stan Retz

Telephone: Dr. Brenda Fettrow and George Mikitarian

Call to Order: Meeting was called to order at 8:33 a.m. by Donn Mount

Pledge of Allegiance: Donn Mount, Treasurer

I. Approval of Agenda

Rodney Honeycutt advised the Item in Old Business for U.S. 1 Corridor Improvement is a client of his and he will abstain from the vote; and he provided the Clerk with his Voting Conflict Form.

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

II. Report on Expenditures to Budget

Motion by Dan Aton, seconded by Stan Retz, to approve the Report on Expenditures as presented. Motion carried and ordered unanimously.

III. North Brevard Economic Development Zone Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, provided the Zone board with a handout of his report.

City of Titusville Report

Lisa Nicholas, Economic Development Director, provided the Zone board with an updated report.

Special Recognition – Walt Johnson

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Walt Johnson has been a part of Zone board discussions for a number of years; he appreciates his participation in the

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economic development sector; and he presented Mr. Johnson with a plaque to remember the Zone by.

Mr. Johnson stated he appreciates the nice plaque and it has been great working with the Zone board; and he mentioned his main duty was to lead the assembly in the Pledge of Allegiance.

Discussion and Direction

Exploration Park West Branding Initiative – Brian Baluta

Troy Post, CEcD, CBE, NBEDZ Executive Director, introduced Brian Baluta, Director of Communications and Partner Relations of Economic Development Commission of Florida's Space Coast; and he stated Mr. Baluta has been talking with Space Florida and Commissioner Pritchett on a concept of Exploration Park West branding initiative.

Mr. Baluta stated what is liked to be done is to connect with what is happening on the Cape in Merritt Island and to bring it across the NASA Causeway, to the area that includes the Spaceport Commerce Park and the Space Coast Regional Airport of Spaceport; that area is part of a State designated spaceport territory; there is the newly designated Federal Aviation Administration (FAA) Office of Commercial Spaceports; and when combining that with the powers of the Zone, the City of Titusville, the County, and the State is quite a good value. He stated many are familiar with Exploration Park, which is the Space Florida NASA property and the site for many companies; Lynda Weatherman, President and Chief Executive Officer of Economic Development Commission of Florida's Space Coast, and Frank DiBello, President and Chief Executive Officer of Space Florida, talked about taking the Exploration Park brand and extending the brand to Titusville; and the new office of Pam Underwood, Director of Spaceports at FAA, where her mandate is to market commercial spaceports. He advised for the Zone board to endeavor to meet with Ms. Underwood, to make Titusville the posterchild for commercial spaceports with the FAA; some areas need financial structure; the City of Titusville has figured out ways to say yes to businesses; Titusville-Cocoa Airport Authority (TICO) is accommodating and great to work with; the Zone has a number of tools it can learn; and he thinks the area is poised to shift the area of gravity for commercial space. He added the reason for him coming before the Zone board is, he received word that Orange County is trying to do something similar; he thinks Brevard County has a better value proposition than Orange County; he plans to go before the TICO board next week; he talked with Commissioner Pritchett; and he thinks a joint effort could be made between all of the groups, to announce the intent, develop the messaging, and plant the seed with the State and local media as well.

Donn Mount inquired as to what is needed from the Zone board.

Mr. Baluta responded part of the fiscal branding would be to develop some signage around the site and the City has talked about doing some landscaping; he deferred to Mr. Post for Spaceport Commerce Park (SCP) signage, but that signage could be deferred to as Exploration Park signage; he reiterated he will be talking to TICO to see what it could bring to the table; this is really about maximizing the limited dollars that everyone has; and he would like to have the Zone board's vote for the signage.

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Mr. Post mentioned within the SCP there is a separate fund with money from the land sales over the years that could be deployed; and could be put to some good use there.

Stan Retz stated he is assuming the Brightline is not a big component of this, because it is more about tourists and moving people.

Mr. Baluta advised Brightline is privately funded; its goal is taking people from south Florida to Central Florida; one of the concepts used for the Office of Spaceports Headquarters that it is easily accessible by roadway, if the United States Air Force or Spaceport personnel are needing to get to the Orlando International Airport, it is a straight shot, in terms of being easily accessible throughout the County and the State; but as the Brightline is established, there will likely be another stop made in time.

Mr. Retz mentioned he assumed it was not a significant component; but he did not know if there was any talk about combining the two together.

Mr. Baluta stated at this phase there is more focus on the business partners; there is talk about KB Homes being involved, along with some of the other residential developments like North American Properties and the Riverfront Project; those are all pieces that he would like to have the commercial partners be involved in; and he is touting this as an up-and-coming mixed-use area.

Al Matroni inquired when it is anticipated to have all the partners signed on.

Mr. Baluta replied he will be talking to the airport board next week and he briefed Commissioner Pritchett on Monday; he thinks he can get a draft for an announcement going with the EDC; and the City of Titusville has some robust visual resources that he thinks would be a good place to start.

Dan Aton advised he is in support of this; and he inquired if there has been any discussion about signage placement.

Mr. Baluta responded from a messaging and media standpoint, there will be an opportunity for ribbon cutting, and getting everyone together for talking about the benefit of having nice signage; he added the announcement in January will plant the flag initially; and once it is out in the public, the opportunity for physical signs would be welcomed.

Mr. Post mentioned speaking to the Spaceport Commerce Park Association merchants in early January, to ensure they hear about it from the Zone, and to see what kind of feedback there is; and he may need to go before the Commission because of the nomenclature change.

American Police Hall of Fame (APHF) Project

Troy Post, CECD, CBE, NBEDZ Executive Director, stated this is for a new project that includes the eternal flame and to see what is needed from the Zone board; he has not received an application for assistance, but there is a possibility of trying to assist with what they are wanting to do; it was suggested they first come and give a presentation to be more familiar with the APHF and its project; and he introduced Tara Engel, President of APHF.

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Ms. Engel advised the application is in the works; she introduced Janie Hicks, Director of Sales for APHF; she is present today to provide the Zone board with an overview of what is going to be happening and what has already happened; the facility and programs have been a part of the Titusville area since moving from Miami in 2003; the facility is a multi-million dollar 50,000 square foot facility, that sits on five acres and serves the community from Titusville, and has served the nation through the generation of Tourism dollars, through safety training programs, through Science, Technology, Engineering, and Mathematics (STEM) education, its support for community organizations and events, and its support for local, regional, State, and national law enforcement organizations, agencies, officers, and families of the fallen and disabled officers; the facility was built in 2004; it has been attracting visitors to North Brevard, they have been holding regular events and activities, and have been a part of the landscape actively, at some point quietly, because a lot of what they do is at the national level and a lot of that is not seen when walking through the museum; but now they are coming out loud and proud, and are investing more money into the five acres next to them; they are going to be building some pretty spectacular additions to an already pretty spectacular facility; and their proposal is in the process of being constructed as they speak. She provided to the right on the overlay the final vision with all of their acreage, including the five acres they recently purchased; there is an additional 30,000 square foot addition, a heliport to begin having tourist-type flights, but also a place for dignitaries and very important persons can fly in, as well as a place where they can refuel and spend the night if desired; to the left on the overlay is the flame itself, which sits out next to SR 405; and the Walk of Heroes and courtyard that will be very influential. She added they will be pavilions that will be made available to organizations; they will have mini-golf as a way to bring in people who are visiting and maybe do not have much interest in law enforcement, but want to do something fun with the family; in this environment right now, it is important to tell the true stories of who the law enforcement officers are, what they do, and what they give up on a daily basis; and their museum does that, but it does not just do that. She mentioned the Eternal Flame, which will stand ten stories high with a flame that will burn up to 20 feet high itself; it has been approved by the FAA and they have everything needed to proceed with it; the Walk of Heroes is going to be a way for individuals to honor law enforcement, with a commemorative brick; she provided the plans for the courtyard, an image of the clubhouse and dining area, a pavilion for school groups, and the helicopter service that all will be done in phases; and the final phase will be the 30,000 square feet expansion of the museum itself. She went on to say that 30,000 square feet will include a 10,000 square feet mezzanine that is going to be devoted entirely to education; STEM education has been a big part of who they are and what they have been building, and that will become even more pronounced as they move forward with the expansion; and there is a memorial rotunda where they have been recording the names of fallen officers since inception of the facility in 1960. She advised people pay tribute/homage to their loved ones in that facility on a regular basis; they host the families of the fallen almost daily; and each year during its memorial service in May. She went on to say a significant amount of funds have already been invested in the planning of these projects, as well as the purpose and preparation for the expansion, and the five acres that go along with that; that is about \$500,000 they put in just to get all of this rolling; recently they were awarded \$714,000 from the Tourism Development Council and another \$500,000 has been pledged from the National Association of Chiefs of Police and the American Federation of Police and Concerned Citizens; they have the support of John Walsh, who is an active supporter of this and he is lending his name to their national fundraising efforts; they are doing mail and telephone solicitations at the national level; they are on track to raise \$500,000 in the

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first six-months of that; they are anticipating \$1 million in brick sales, over the life of the sales; and they have a variety of other sponsorships and donor proposals, and agreements that are at various stages of completion. She provided pictures of the groundbreaking which took place on October 16 to begin clearing the land; the first bricks are anticipated to be laid for the Walk of Heroes before the May memorial service; it is then anticipated that the flame will be under construction by September; the final phase will be completed by October 15, 2024; due to COVID-19 they are further behind on the timeframe given; but were excited to be ground broken and begin the process of actually constructing this last October. She addressed what they offer from an economic standpoint is they have employed hundreds of local people over the years; they have 36 permanent employees at any given time; they make it a point to utilize companies and vendors in the Brevard County region, including construction workers, designers, repair people, trainers, technicians, fabricators, information technology, lawn service, and the list goes on and on; they have done future calculations for jobs; and they will have 22 new jobs based on the expansion when the flame is completed and will have an additional 32 job positions once the other expansions are complete. She mentioned workforce development and education, and their charter, as a museum requires them to educate people; they have been helping young people for a number of years become familiar with jobs in law enforcement, safety awareness, and the role of the STEM disciplines in law enforcement; now, as they move into the future with these new additions the 21st century crime lab will be super educational; it will allow for classes to visit them, get an education in forensics while discovering their own capabilities in the STEM disciplines; they will be featuring such things as DNA analysis, crime scene investigations, accident reconstruction, the mathematics of accident reconstruction, the role of the scientific method in law enforcement, fingerprinting, ballistics, blood analysis, forensic entomology, and a variety of other areas, in addition to training in leadership, teamwork, and communications; and all of those skills are not only necessary in law enforcement, but are really necessary to any kind of success in any professional endeavor. She advised they have always been an active part of the community; they have always offered free access to training for local law enforcement; they offer citizen-focused activities, like a family fun day featuring free food, free access to the museum, free safety training, access to law enforcement officers, fire safety education, and more; and every year is their memorial service that brings in family survivors from across the country to honor and treat them to a memorial service and a family day celebration, where those grieving people can be with those who truly understand what they are going through. She added they have supported sports teams, schools, the Police Athletic League, made their state-of-the-art simulator available at no-charge to all of Brevard County law enforcement agencies, they make their world-class training and trainers available to law enforcement at no charge, and their classrooms are available; they recently hosted the Canaveral Seashore law enforcement annual meeting at no cost to any of the agencies involved; at the broader level between 2018 and 2020 they invested almost \$275,000 in supporting families of the fallen in the State of Florida; at the national level they have supported families of the fallen with their passionate programs and over \$1.8 million for emergency funds, scholarships, holiday and birthday gifts for the children of the fallen, summer camp funding, Mother's day and Father's day gifts, and a whole variety of other services; and they have a North Pole, where they gather, wrap, and ship gifts out. She went on to say they have invested over \$1 million in purchasing, training, and outfitting K-9 Units for small and medium sized agencies across the country; those services are going to continue to expand, their new pavilions will be made available, they are working on a new partnership for law enforcement training, and they are playing a leading role in that; STEM education is going to get a big boost; and they are building

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relationships with new businesses in the area, and the planned construction of the multi-phase tranquility project. She reiterated they are really reaching out and trying to build something of substance that will not just benefit law enforcement families or law enforcement supporters, but will benefit the community as a whole. She advised they currently draw about 50,000 people a year in their facility for museum activities, events, tours, training, shooting range, or a combination of all; it is estimated that they are responsible for between 1,000 and 5,000 heads in beds; based on feedback from visitors, they know that about 25,000 of the people that walk through the doors of their facility are visiting from out of town and are here to spend the night; and in some cases they are here specifically to see their facility, in other cases their facility is an add-on that was discovered when they drove to the Kennedy Space Center. She noted they use a 10 percent figure on their heads in beds; 10 percent of those who come to visit them is based on the American Alliance of Museums, the Travel and Tourism Research Association in Dallas and in St. Germain, who handles Visit Florida's studies and surveys; they figure about 10 percent, using that number, and estimating their future involvement and future foot traffic of 900 visitors a week is a growth rate of 15 percent for the first three months, 20 percent for the next three, 25 percent for the third quarter, and 30 percent for the fourth quarter which gives them around 110,000 attendants the first year after this is completed; this will translate even more heads in beds, more people coming, and more people having an economic impact; they are doing these figures based on their post-flame marketing plan, their involvement with Mr. Walsh, the uniqueness of the project, and the 900,000 sworn law enforcement officers and their 5 million family members in the United States; and the research has been done to determine they have 125,000 sworn law enforcement officers within a six to eight hour drive of their facility making weekend trips. She advised they do not stop with law enforcement officers and their family members, they divided the four tiers that start with them, but then expand outward to other interest areas and other geographic areas of the country; she mentioned not going into further details because that is going to be in their proposal; this kind-of gives an idea of where they have been and where they are going; a lot of things go on under their roof; a lot more things will be going on under their roof; and the reason Ms. Hicks is present is because she is implementing monthly events at their facility for the general public for 2021. She concluded by saying she will come back to the Zone board with the finished proposal; and she appreciates the Zone board's assistance in helping to boost the economy and keeping things moving forward.

Al Matroni stated it was a big decision for them to make that major move to this area; and it has been good for the community.

IV. New Business

Request for Amendment on Beachwave Project

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Kimberly Rezanka of Lacey, Lyons, Rezanka Attorneys at Law, and Mosh Gal are present today; he provided the Zone board with an excerpt of the Incentive Agreement for Project Beachwave; assistance was asked for on a site near the A. Max Brewer Bridge that had been vacant for a long period of time; they discovered some bad soil conditions on the site which was threatening to ramp-up the cost and a formal pitch was made to the Zone board to offset the cost; an incentive was approved for up to \$150,000; and it was subject to several different conditions, such as build the facility and occupy it for a period of six months. He added the building is very close to having its Certificate of Occupancy (CO) and the

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clock is ticking on the occupancy requirement; this project was seen as a redevelopment of an existing, blighted parcel; the capital investment involved and the use of the building was looked at, however, in the application Mr. Gal was asked to submit what kind of jobs he forecasted would be created; and by year 2025, 15 new full-time jobs warrants creation. He advised as Mr. Gal began to build, the pandemic hit; it has made it difficult for them to get the leasing for the restaurant space; the project has ended up costing more than originally planned; in the Agreement, design cost was about \$2 million to build; in a provided letter from Attorney Rezanka, it has listed what has occurred; \$4.5 million in construction costs which far exceeded the projected \$2 million; and what they are asking for is some relief from the requirement on the jobs for the clawback. He pointed out the Zone board is welcome to consider pushing out the timeframe, reduce the number of jobs, or eliminate the clawback altogether; but they are present today to encounter if the Zone board may be willing to accommodate with something a little more reasonable.

Attorney Rezanka provided the Zone board with a handout of pictures that Mr. Gal will explain; she stated the project is about two weeks away from CO; she became involved in the project after the grant was awarded because of some things that happened with the City, no fault of City of Titusville, it was just the site planning process; February 2019 was the targeted groundbreaking, but that did not happen; there were things that happened that took more time to get completed; after working with the County Attorney's office, there was a concern about the clawback provision; and Mr. Gal was unaware that it was going to be in the grant when the grant was approved in October, however, Mr. Gal knew he could work with it, at least until COVID-19 hit. She went on to say they worked with Mr. Post and the County Attorney's Office and created a new employee form; Mr. Gal anticipated opening in May 2020 and the employees to come mostly from the leased space, the restaurant and the other space, and now with COVID-19 that is not happening; and Mr. Gal does not want to lease to just anyone, because he has a vision of how to enhance the downtown area with a restaurant and observation deck. She mentioned the clawback concerns were talked about in February 2019 because Mr. Gal has many part-time and seasonal minimum wage employees; now the world has changed, retail has changed, and tourism is uncertain; she cited, in her letter, the Zone's mission statement that she pulled off the internet, is to facilitate economic development activities through targeted investments that directly and demonstrably result in the creation of employment, increasing the overall employment in northern Brevard County, and long-term expansion of the tax base; and they believe Mr. Gal has done that with his almost \$6 million investment. She continued that the project infused \$6 million into the economy, including \$4.5 million in construction costs, and these amounts far exceed the \$2 million projected at the time of the grant request; the Project has increased economic opportunity with new businesses and jobs in the surrounding area, and has increased the tax base; when she looked at the 2012 Strategic Plan criteria for the awards, most were met, except for the jobs which are still in question; the Plan talks about total private capital investment, impact of the local economy, and tax base, consistency with the Plan's objectives, serving as a catalyst for growth, relative competing proposals, and availability of funding, timing, and location in the economy; and Mr. Gal believes his business has started other business activity occurring in the downtown area, creating more jobs. She advised they are requesting the complete removal of the clawback provision, because of the substantial investment that has already been put into this project, way greater than anticipated, and is still creating jobs; it is just uncertain at this time and Mr. Gal does not want to face a penalty if he does not meet the jobs schedule; and the incentive, as stated in the grant, was a way to implement the project, and he is

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doing, and has done, that through a general contractor and the sub-contractors, which are local. She reiterated she is requesting removal of sections 3.2(v) and 3.2(vi); she stated they are not seeking a shift in the date or an extension, but are asking for these sections be removed; this is a very unique project and is a good looking building; and Mr. Gal has shown commitment to the project by the continuation of the project, despite the doubling in cost for construction.

Mr. Gal stated the provided pictures were taken yesterday and he just wanted to show the Zone board the progress; opening day was to be in May, for him to capture summer because it is 90 percent of his business; due to COVID-19 and some other site issues, the May date could not be finalized, but, hopefully, it will be open by the end of the year; the jobs that will be created will be through his tenants; when he received the grant, he thought it was contingent on investing the \$2 million he projected it to be; and he had no idea it was going to be contingent upon jobs. He added at the time, he felt that it was achievable because of the way the market was; this is not the only commercial property that he has, he has various properties located in Titusville, Cape Canaveral, and Cocoa Beach; the movement in the commercial sector is at a standstill; when he was proposing this site initially for the project, he spoke with his tenants and Zarrella's Italian and Wood Fired Pizza was interested in coming to Titusville from Cape Canaveral, but COVID-19 started and they changed their mind; it has dampened his business; it is the second time something like that happened; and during construction he paid peak pricing because of supply and demand. He mentioned experiencing a complete market crash during construction and the same thing happened to him in the bubble of 2008; and he believes the spaces will be filled but he does not want to try to extend this agreement every year, because he expects it to be no less than two to three years, if 2021 looks better. He stated what he is requesting is to remove the clawback provision because of the way he sees it, his obligation and promises were done above and beyond; another reason for the construction cost being more than expected is because of the level of construction that he wanted for this particular location, he went above and beyond compared to any of his other locations, which is why he wanted to provide the pictures; the exterior is a given, but on the inside the tenants spaces are pretty much built out, the Heating, Ventilation, and Air Conditioning (HVAC) systems, the breech strap systems, the shared bathrooms, the elevators, and the stairs are all in place; there is flooring tile on both floors that is in place and was an additional expense; he used window glazing for an open appeal; he really went above and beyond on the construction aspect; and to put it into comparison, the reason why he thought this construction would cost him \$2 million, he thought it was going to be closer to \$3 million, but he did not want to say \$3 million and it cost him less, and he look bad in front of the Zone board asking for more, so he kind-of undercut himself purposely to make sure that he gets to that dollar amount. He reiterated he thought it was going to cost closer to the \$3 million because he has the same exact store with the same exact footprint in Cape Canaveral and at the time he built that store, it cost him \$2.3 million, but out of that \$2.3 million he had about \$500,000 more in site work there than he had in Titusville, which was replacing the soil and the footprint of the building, and about \$200,000 in demolition costs of an existing facility; he stated the reason why it cost \$4.5 million is because of the market at the time and him going above and beyond on the finishes, because he really wanted to give Titusville a good product like he promised; he was at a crossroad due to COVID-19; he was very close to canceling this project, but he decided to continue on with it because he is a man of his word; and his word is worth more than his signature. He went on to say throughout the approval process he pitched it to the City and the Zone board, and he wanted to make good on his promise because that is most important; money comes and

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it goes, his word and what he is able to do is the most important to him; Beachwave is still coming; he is confident and he is ready without even opening his store, because he has already helped the downtown area; the two areas he can say for sure that he helped is Baldwin Shopping Plaza near him; at the time he broke ground that plaza had one or two tenants; and now that plaza is 100 percent occupied; and that plaza has been shaky for quite some time, and he is quite confident the reason that plaza is full is because of Beachwave. He added there is a new hotel being proposed north of the Cumberland Farms; he feels Beachwave is an influencer, because the initial developer reached out to him regarding his property that they wanted to purchase; that developer was out of Texas and he educated him on the downtown Titusville area; he advocated the launch pads, the views, and primarily Playalinda Beach because not a lot of people realize the amount of people the Canaveral National Seashore brings in at 1.8 million visitors per year; that is a very nice number and it really attracted the developer to continue looking for available sites in the downtown area; he is proud to be an advocate for Titusville; and he is confident that his Beachwave is really putting downtown Titusville on the path to reinvent itself. He mentioned there is always that one crazy person who thinks they will make a ton of money and he is that crazy person, especially since he has continued on throughout the pandemic. He reiterated his request is to completely remove the clawback because he did not initially think it would be a part of the agreement and he went above and beyond, to provide a very good product for the downtown area, and for Titusville as a whole.

Stan Retz inquired if Mr. Gal will be running the Beachwave.

Mr. Gal replied affirmatively.

Mr. Retz thanked Mr. Gal for all he has done; he advised of his recollection being that every project has a clawback about jobs; he is not sure if Mr. Gal receives credit for jobs in the restaurant or not; after looking at the numbers, he does not know how such a large retail store could run without at least six or eight Full-time Equivalents (FTEs) when opening; and he inquired when they open in a month, how many people will be there.

Mr. Gal responded if the Agreement is looked at, it is for new jobs; he advised he is planning to open his store in-season; in-season, he gears up and double-hires his staff during season, and has half of the staff working in off-season; he currently is going to open his store in off-season, that means the employees he brings there are existing employees, not new employees; and he agrees 100 percent and he will have five to six people who are full-time in the store.

Mr. Retz inquired new to the Titusville store.

Mr. Post advised the Agreement specifies net new employee to Brevard County.

Dan Aton inquired if the people being moved to the Titusville store will be replaced.

Mr. Gal replied they are employees that he carries from an existing store to a new store, so he can have the best employees for the new store.

Mr. Retz stated he thinks what Mr. Aton is asking is if Joe is being moved to Titusville, Joe will have to be replaced in Cocoa Beach.

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Mr. Aton explained it is a net-new job for Brevard County, not a net-new job for the project.

Mr. Gal felt it to be a gray area.

Mr. Aton stated he sees the conundrum of moving existing employees to a new project which is creating the new job in the County, but it is not net new to the project.

Al Matroni inquired if it usually says in the agreements in Brevard County or in the Zone, because this the Zone board, and the jobs trying to be created primarily should be in the Zone.

Christi Schverak, Assistant County Attorney, responded it is new jobs for Brevard County at the project site; she advised this is a good point; and the template could be changed to say new to the Zone, but it is specific to the project site which is in the Zone.

Mr. Matroni inquired if there is interest in extending the timeframe for the jobs.

Mr. Gal replied that is something Mr. Post has mentioned; he stated he is weathering a very bad storm; he is planning for years in advance and he wants to know that he can put this behind him, and not have a surprise in the future because right now every dollar counts; if he still has to have that clawback provision, he prefers not to take that \$150,000, so he can plan for himself accordingly; and having something like this hanging over his head and him not being able to control his outcome, because he cannot control the pandemic effects on the business, he needs to know that his next few years are sound without any surprises of a burden or a hardship for his company.

Mr. Matroni remarked every business has its ups and downs; and if Mr. Gal believes that in three years he will not be in a position to have a restaurant move in or other types of operations, then his business model needs to be looked at; and if he believes the economy is going to be that day, why is he opening the store.

Mr. Gal added due to COVID-19 he does not know if he is able fill in the restaurant space; from a developer's standpoint, he wants to get that rent as soon as possible because that is his motivation to rent out the spaces; and if the Zone board does not see the level of investment in what he did to the downtown and cannot understand the hardship that he is going through, through this pandemic...

Mr. Post inquired if a temporary waiver is available on this requirement that he is given several more years; he does not know for how long and it does not change the Agreement; but releases him for the next few years.

Mr. Aton inquired what the overall percentage of the square footage the Beachwave occupies.

Mr. Gal responded 60 percent.

Mr. Aton suggested 60 percent continued to be occupied by one tenant to replace the jobs clawback.

Mr. Post stated that could be a stipulation for his destination vision.

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Attorney Schverak remarked he is talking about stated replacing the clawback with something stating that he has to have 60 percent of the space occupied for that same time period; she inquired if the Zone board wants a clawback on that and if not, is there a certain amount clawed back because the clawback was designed for a way to get the Zone board's funds back if there was not a performance piece; replacing the jobs with a percentage square foot occupied, still leaves a clawback; and it will be a clawback based on occupied space.

Mr. Retz advised he is not in favor of eliminating the clawback, but he would consider changing it somehow; he does not understand if there is a business operating there in three years, how there will not be six to nine FTEs for 20,000 square foot of business space that is going to operate that does not have six, nine, 12, or 15 employees; and to him, it is a no-brainer, and if Mr. Gal is open for business, the jobs will be met because the bar was already set so low.

Mr. Gal pointed out it was already concluded that his business cannot meet the job demand of 15 jobs; from the beginning he has said that the jobs will come from the tenant spaces; and the way that the agreement is written is that he cannot consider his original employees.

Mr. Aton inquired if it is FTEs or full-time employees, because that might need to be changed; and if the incremental clawback is based on the table.

Mr. Gal responded he thinks it is FTEs.

Mr. Post responded it is based on the table.

Attorney Schverak replied he has to verify for two years the 15 jobs; and each year is figured out by what each year is worth, and that is the clawback.

Donn Mount inquired if it could say due to the impact of COVID-19, the Zone board is going to move this requirement out five years.

Mr. Post stated instead of 2019 it would be 2024.

Attorney Schverak pointed out it is part of the Zone's Charter to create jobs in the Zone and by tying those jobs to the project site is how they get into the Zone.

Mr. Post mentioned the program element in the Plan that is used for development or re-development of commercial sites; for that, jobs are typically not tracked; the jobs only came in to do the clawback; there is no requirement that the clawback is tied to jobs; and maybe another way can be done. He advised language could be come up with being to tie it to the square footage; they will have jobs there, it is just a question of how many, along with the incremental penalty; they may still have the incremental penalty on the square footage proposal, but at least, it would be tied to occupied space instead of employment; and that language can be brought back at a subsequent meeting.

Attorney Schverak asked what the percentage is; she stated she has heard the Zone board talk about 60 percent; and if she were to draft it right now, it would say 60 percent of full over five years.

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Mr. Post inquired what the square footage is of just the Beachwave.

Mr. Gal replied roughly 12,000; and at a minimum of four to five employees.

Attorney Schverak suggested waiving the clawback for the years he has the square footage occupied; and it is kept as is, but apply a waiver based on occupancy of the square footage.

Mr. Aton stated as long as there is 60 percent occupancy of the square footage through 2025.

Mr. Gal advised he is fine with that.

The Zone board reached consensus to bring back the amendment in January 2021 for the Beachwave Project to have 60 percent occupancy of the square footage for Beachwave through 2025.

Request for Assistance by Project “Freedom”

Troy Post, CECD, CBE, NBEDZ Executive Director, advised this is an economic development Project that came from the Economic Development Commission of Florida’s Space Coast (EDC); he received a request for assistance from Project Freedom; lot two is a very visible lot at the intersection of State Road 407 and Shepard Drive; it does have some wetlands on it; the northern boundary lot is adjacent to property that is owned by the County, that was part of the Embraer, and had intentions to purchase additional acreage; they decided not to buy the additional acreage; it is unknown if Pharmco Laboratories, Inc. plans to buy that and there is nothing contractual there. He noted this is a New York manufacturer and the application lists 50 jobs for part of this Project; in the economic development analysis, 25 jobs were put in for a reporting matrix; he provided the fiscal impact; and the capital expenditures will be looked at, and what that impact will be for the Zone.

Edgar Campa-Palafox, CECD Business Development Director, stated this Project would involve the construction of a new 25,000 square feet manufacturing facility, with the hope of getting to 45,000 square feet for the production of small firearms; it would involve the acquisition and equipping of the plant with new capital equipment, including Computer Numerical controlled (CNC) machinery; it will create new jobs for production technicians and necessitate the hiring of administrative, sales, and logistics/warehousing personnel; they are coming from out of State and it is an economic gain for the State; and there will be a total of 50 new jobs over a four-year period at \$50,000. He advised the EDC is very supportive of this Project and has been working with this client since early 2020; this is a growing business; he is hopeful for the Zone to approve bringing the company into Brevard County; and Ed Freeman is one of the businesses co-owners who is present today.

Mr. Freeman advised the company is looking to bring all of its business operations to a new headquarters; a high-profile landmark is looking to be built at the west entrance of the Exploration Park West; it is felt to be an excellent anchor building to the back corner now, which is fully vegetated and is not really known that there is an industrial park there; they primarily sell to the consumer market and do not have any military contracts; the location will be a destination to complete the final acquisition of the items they built,

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as well as factory tours; they do routinely draw people in from 500 to 1,000 miles away; and there is already interest in being a destination place for the factory tours. He added one of the complexities of this location is it is a virgin site and there is a unique topography with it; there are some wetlands that may incur some additional costs, as well as some sand dunes which will make developing this site a little more complex; whether it is them now on this Project, somebody else, or the County choosing to redevelop it as making it shovel ready will have some significant costs to do that at some point; and that is what they are looking for assistance on for part of this Project. He added other areas being looked at are shovel ready, so that is a negative for this current site on the market; the commercial market as a whole is down, but not every industry sector; one thing that has been good in his industry is it counterbalances a lot of that, for good or bad they tend to do good in bad times; they provide some diversity for aerospace, as seen from the past, it does have its ups and downs; and they leverage many of the same assets, so they can expand on some of the existing aerospace suppliers and subcomponent manufacturers, as they manufacture a lot of what goes into their firearms in-house, but not all of it, so there is definitely the likelihood that some of that will be made offsite by other local businesses, since that talent is here; and the same thing goes for tooling and material suppliers, as well as tenureship. He mentioned previously to Mr. Campa-Palafox, they currently have to send all of the hard coating anodizing on the finish of aluminum to Michigan, there is not a single hard coat anodizer in the State of New York; there are two located in Brevard County which is a definite plus for them and it also creates more of a central impact here on the market; there are some concerns over the complexity of the virgin ground development as compared to other shovel ready sites they looked for; they are not so much afraid of the clawback provision related to jobs, they do have some concerns of how they would structure, and they think they have a good idea to implement some new language related to how they do the land lease on that; the expenditures to offset the grant are directly related to the complexity of the site development; and they do not have those in other areas being looked at.

Mr. Post advised what is being asked to consider is a site preparation grant up to \$300,000 and maintaining the 5:1 ratio requirement in the Economic Development Plan; the second component is a ground lease with an initial lease term extending for a period of at least seven years, possibly 10, at a nominal rate annually, the company would have the opportunity to gain title to the property at the end of the initial lease term, provided that it has created a pre-determined number of jobs, and held that number for at least three years; another option to consider would be to purchase the land at any time during the initial lease term, at the stated price of \$37,000 per acre at the current 'market' rate; and if they wanted to, continue to renew the lease after the initial lease term for three consecutive periods of five years, at a pre-determined 'market' rate.

Stan Retz inquired about the preference of buying the land or doing a land lease.

Mr. Freeman responded what they are looking to do is a land lease; and he stated it provides for incentivizing Project Freedom with the land for the nominal lease rate of \$10 and then the ability to earn title, which provides a functional clawback mechanism inherent in the lease, and effectively earning that land through the creation of jobs over an approximate 10-year period.

Mr. Retz inquired if the product is more of a high-end specialty product.

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Mr. Freeman replied it would be an upper-middle price point on the market.

Dan Aton noted this is kind-of a crown jewel property in SCP and from the traffic standpoint with a lot of visibility, the quality and look of the building is important to the Zone board; and he is assuming the easement for the signage at that entrance does not interfere with this development.

Mr. Post replied that is correct.

Mr. Freeman remarked as a corporation they do take pride in corporate branding and want to carry that forward, with an industrial/retail approach.

Mr. Aton inquired if the existing operation will continue in operation and this is an expansion, or if moving employees to Florida, what the anticipated transfer would be.

Mr. Freeman responded currently there are three business operations that are interrelated in New York and this is relocating just one of those, which is the manufacturing component; he explained they expect and hope to bring some of those employees to Florida; they have narrowed it down to Florida and where they end up in Florida will likely depend on who is relocated; he is anticipating about 10 people to be relocated in the initial phase; part of the operational plan for this is to continue the operations in New York; down here, they go through the process of building, the building gets Certificate of Occupancy, and they start operations by buying additional machines for the capital investment here; and to completely produce a finished product out of here. He added once they achieve that milestone of shipping out of Florida, they will begin shutting down the operations in New York, and move more of the personnel and the machines here; and then they will have achieved their baseline operating capacity in Florida.

Al Matroni inquired how long he anticipated for the move.

Mr. Freeman responded it will probably be one year of crossover before they are operating.

Rodney Honeycutt inquired how the size of the site was picked.

Mr. Freeman replied when they first started looking in Brevard County they found a lot that they were interested in, which happened to be in SCP; at that point they were not familiar with SCP, it was just kind of general searching; that was a five-acre parcel with the expectation that the majority would be developable, in order to support the 40,000 to 50,000 square feet culmination point; but when that parcel became unavailable, they started looking at others, that brought them to the corner of S.R. 407 and Shepard Drive which they liked. He mentioned once they started looking at the property they discovered some concern of the wetlands, as well as some of the topography with a larger setback on S.R. 407; they would have been landlocked if they only took the five acres and at that point they had some discussions with the EDC team to reevaluate and to look at taking roughly 9.4 acres at that point, giving them growth space, and give some additional material for sand to level the site a little better because there is a significant amount of topography on the site.

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Mr. Post advised Canaveral Engineering did a schematic and he can provide that to Mr. Honeycutt.

Mr. Freeman pointed it will give them about six acres on that corner to accommodate the 40,000 to 50,000, and a little extra growth room for future opportunities; he stated they are looking to establish their permanent, forever home; as business has grown over the last few years, they have some new product introductions for next year that they are expecting significant growth from; they want to make sure they do not short sell themselves, especially when there are some special construction pieces with the CNC shop, as well as the indoor range for testing and research and development; and to ensure they have enough room to really grow into the next 10 to 20 years in one place.

Motion by Al Matroni, seconded by Dan Aton, to approve the site development grant not to exceed \$300,000 for Project Freedom. Motion carried and ordered unanimously.

Motion by Stan Retz, seconded by Rodney Honeycutt, to authorize recommendation to the Board of County Commissioners to enter into a ground lease provision as outlined in the summary for Project Freedom. Motion carried and ordered unanimously.

VI. Old Business

Project U.S. 1 Corridor Improvement – Proposed Assistance Schedule

Rodney Honeycutt advised the Zone board of the engineer of record for the Project is another engineer in his company that has been retained to complete the work; and he provided the Clerk with Memorandum of Voting Conflict Form 8B.

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated there is an opportunity for the Zone board to incentivize the installation of a new sanitary sewer line on the three-mile stretch of U.S.1; he provided an aerial of the geographical area being talked about along with the sanitary sewer economic impact analysis that was prepared by the East Central Florida Regional Planning Council (ECFRPC); the total jobs impact is 600 to 800, with good Gross Domestic Product (GDP); at the last meeting the concept was approved and up to \$2.3 million was approved to be able to incentivize the installation of a sewer line; there was opportunity earlier in the week to go before the City Council of the City of Titusville, they gave advisability from the Council to approve this concept; and it will have to go before the Board of County Commissioners. He went on to say where they are now is trying to see exactly what would be the series of grant installments to carry this Project out; the developer provided the schematic that goes through the different phases of the Project; he is working with Christi Schverak, Assistant County Attorney, for language of how to draw-up for the Project; and previously four thresholds were talked about for the grant to have four draws based on what has been done. He added the first threshold would be after they did all the engineering work and have gone through the permitting process and received approval on the permitting process; the total projected cost of that is \$224,000; once all that evidence is provided to the Zone board, they would be reimbursed fully for that; the second threshold is for laying all the sewer pipe which is approximately 9,800 linear feet, with a cost of just over \$1.1 million; reimbursement for this will not be entirely, but will reimburse a percentage of 75 percent; under this scenario \$835,912 would be reimbursed, and would hold the remaining \$278,637 until getting certification by City of Titusville of completion of threshold three for lift station;

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and threshold four is transfer of property and acceptance by the City of Titusville paying the contractor the remaining 10 percent of threshold three for \$88,512.

Juston Trimback stated his partner Steve Corbett was here a couple of weeks ago; he has seen the growth happening in Titusville and he lived in South Brevard in the late 90's; this Project is going to be good for everybody and they will get it put in; what he wants to convey to the Zone board is they are experienced in the construction world and when building an apartment community, it is like building a city, starting with raw dirt, putting in the lines for storm, sewer, water, the asphalt, and build the buildings; this is in their wheelhouse; they feel extremely confident and he would like for the Zone board to have confidence in them, too; he understands the desire to get a performance bond; he feels like it is a waste of money but it is no problem; and they are going to get this Project done. He mentioned the 25 percent is pretty punitive, after getting all the pipe laid down because his sub-contractors are going to want to be paid; typically, in the construction industry the banks hold back 10 percent, and then it is paid off; if the Zone board wants him to float the \$250,000 for six, eight, or nine months that is what he will do; he would like for the Zone board to consider all that; and the 25 percent seems pretty stout. He asked for when certain milestones are met, they turn in a draw, and they get paid.

Dan Aton remarked the 25 percent is in there to make sure that threshold three gets done.

George Mikitarian's absence is noted at 11:12 a.m.

Dr. Brenda Fettrow's absence is noted at 11:13 a.m.

Mr. Retz inquired how long threshold two will take.

Mr. Trimback replied four to five months; and he stated the quicker it is done, the better it is for everyone.

Mr. Retz stated there is a performance bond in place on this and he does not understand why so much is held back.

Rodney Honeycutt remarked the way it is written with the 25 percent, he does not get paid until threshold three is complete.

Mr. Retz responded correct; he advised he thinks it is a bit much because if the protection the Zone is looking for is to get the sewer completed for threshold two to get sewer to his project, then he works on threshold three; and then the performance bond would come in, and that takes a long time, which is the worst thing a contractor could do.

Mr. Aton inquired if the timing on the bond is to get to completion date; and he stated the main thing is if it is a three-year performance window, then it could be pushed off reasonably.

Mr. Retz stated it is according to what the contract says, nine-month or 12-month project; and he would support changing it to 10 percent holdback of threshold two.

Mr. Aton advised he will support that, as long as the performance bond window is reasonable for overall Project completion.

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Mr. Trimback remarked he thinks that is fair and is what he is accustomed to in the construction industry over the years is 10 percent.

Mr. Aton inquired what the overall completion date is.

Mr. Trimback responded two years from the issue date of the bonding; and he advised that would cover any unforeseen event.

Mr. Honeycutt mentioned that sounds reasonable and it will take probably six months to get permits and another six months to get the pipeline in, if not simultaneous; and another six to 10 months for completion.

Mr. Aton inquired if there are any projects Mr. Post knows of that are dependent on threshold three being completed in a two-year window.

Mr. Post replied Bob Kirk property and the Kennedy Pointe Marina; and he remarked it is changed from 75 percent to 10 percent on threshold 2.

Attorney Schverak stated the 10 percent is going to be held until the end of threshold four.

Mr. Aton stated the performance bond completion date will not exceed 24 months.

Motion by Stan Retz, seconded by Dan Aton, to approve Project U.S. 1 Corridor Improvement as outlined; to approve Threshold two paying 90 percent instead of 75 percent and changing 25 percent to 10 percent, and still payable at the end of Threshold three; authorized the performance bond completion date to not exceed 24 months; and the remaining is approved as presented. Motion died for further discussion.

Mr. Matroni inquired if the motion is amendable to the end of Threshold four instead of at the end of Threshold three.

Mr. Retz replied he does not think there is a whole lot of time between Thresholds three and four.

Attorney Schverak advised this will go before the Board of County Commissioners.

Mr. Retz advised he will amend his motion to change the payment of Threshold two's 10 percent to be pulled back to the completion of Threshold four.

Mr. Aton agreed to the amendment.

Motion by Stan Retz, seconded by Dan Aton, to approve Project U.S. 1 Corridor Improvement as outlined; approved Threshold two paying 90 percent instead of 75 percent, changing 25 percent to 10 percent retainage held; approved Threshold three for 10 percent retainage held at the end of Threshold three and payable at the end of Threshold four; and authorized the performance bond completion date to not exceed 24 months. Motion died due to the lack of a quorum.

Mr. Retz advised he is withdrawing his motion.

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Attorney Schverak mentioned there is no longer a quorum.

Mr. Retz advised he is calling Mr. Mikitarian to call back in.

Mr. Mikitarian's presence on the telephone is noted at 11:30 p.m.

Mr. Post advised Mr. Mikitarian of the changes being made with percentages and that the Agreement will come back to the Zone board in January 2021.

Motion by Stan Retz, seconded by Dan Aton, to approve Project U.S. 1 Corridor Improvement as outlined; approved Threshold two paying 90 percent instead of 75 percent, changing 25 percent to 10 percent retainage held; approved Threshold three for 10 percent retainage held at the end of Threshold three and payable at the end of Threshold four; and authorized the performance bond completion date to not exceed 24 months. Motion carried and ordered, with Rodney Honeycutt abstaining from the vote.

Upon consensus the meeting adjourned at 11:39 a.m.



Donn Mount, Secretary/Treasurer

Approved on November 5, 2021