

NORTH BREVARD ECONOMIC DEVELOPMENT ZONE
SPECIAL DISTRICT BOARD MINUTES

February 16, 2012, 8:30 a.m.
District 1 Commission Office
400 South Street, Suite 1A
Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Brenda Fettrow, Robert Jordan, Micah Loyd, George Mikitarian, Donn Mount, Stan Retz, Louis Sanders
Absent: John Beasley

Call To Order:

Meeting was called to order by Chairman Mikitarian at 8:30 a.m.

I. Approval of Agenda – Board Chair

Agenda approved.

II. Approval of January 27, 2012 Minutes

The Minutes were approved as presented (Attachment A).

III. Staff Report

Stockton Whitten – no report. Apologized for not getting material out before meeting.
Scott Knox – no report

IV. Discussion and Approval – Amending District Boundaries

Stockton Whitten: a proposed ordinance change could be taken to the Brevard County Commission's Workshop on Economic Development to be held on March 22, 2012.

Robin Fisher: the commission will be discussing how to fund economic development at the March 22nd workshop. This board was created because the commission would not consider a public service tax. He recommended that the members of this board be present for the discussion as most likely it will include doing away with CRA's. He reiterated that anything that happens in Exploration Park is going to be a win for the north area. He stated that the "Zone's" district boundaries could be amended to allow the inclusion of Exploration Park. Frank DiBello will be submitting a letter of opportunities. It just makes good strategy to include this change at the recommendation of this board.

Stockton Whitten: Lisa Rice has a study and will begin with how jobs in Titusville can affect the rest of the county and we are all connected. He will get a copy of the March 22nd agenda item to the board before the workshop.

Scott Knox: a copy of the DRAFT ordinance is included in the today's package (Attachment B). The area is excluded from taxation.

Brenda Fettrow: questioned whether this board still retained final approval? Yes.

Robert Jordan: questioned if the "Zone" will get money from Exploration Park? Why would we put money into another district, but not collect tax?

Scott Knox: the idea is that Exploration Park will help District 1.

Robin Fisher: the reality is that although it is not in our district, it will benefit all of us.

Stan Retz: questioned if any tax were collected wouldn't it only be tangible personal property since its on federal property?

Scott Knox: the ordinance excludes property tax but tangible personal property would not be exempt when built by private concern.

Stockton Whitten: there is a difference between Exploration Park and inside Kennedy Space Center.

Stan Retz: is the building exempt?

Scott Knox: not necessarily

Stan Retz: I'm back at KSC now

Scott Knox: this only includes Exploration Park, not KSC

Robert Jordan: requested clarification on the legal boundary description.

Scott Knox: that will be included in the final draft of the ordinance

MOTION: Brenda Fettrow made the motion, and Robert Jordan seconded to approve the ordinance with the addition of the legal description and to take it to the Brevard County Commission for approval. Motion approved unanimously.

Liz will email board members information about the date and location of the workshop.

Robin Fisher: encouraged the board again to be present at the workshop

V. Economic Development Plans Overview

George Mikitarian: requested to have Stockton Whitten explain the four plans included in the board's package. (Attachment C)

Stockton Whitten: All four plans follow the same format. Largo really simplifies the plan. Leesburg on page 20 offers programmatic elements as guidelines. Greg Weiner explained EDC's suggested plan for the "Zone".

Greg Weiner: the EDC DRAFT Plan (Attachment D) includes summary of criteria and goals. The focus must be to justify, and the strategy will be goals.

Stockton Whitten: strategy is similar to Fort Meyers in that it considers 2 programs (large projects that qualify as state target industries, and small projects that are non-state target industries). This board must have its own mission statement, articulate its goals and strategies.

Robin Fisher: along with Lynda Weatherman they had a phone conference with the economic folks in Fort Meyers. They discussed the successes of their program:

(Attachment E)

- Job Opportunities Program is smaller and has \$1.5 million in funding
- FIRST Program is larger at \$25 million and is funded through the general fund
 - 3,500-4,000 jobs created in last 4 years
 - \$19 of original \$25 million already spent on 5 companies
 - They are going back to the county commission for more funding
 - Rules are stricter than most plans
 - Businesses must be very strong to begin with
 - They have had no failures because payments are not made until criteria is fully met – and not before = performance based
 - County commission has approval and in the past has given more money than they would have
 - All jobs created are certified
 - Funding must be an inducement to relocate/expand, not just given when they would have relocated/expanded anyway
 - Salaries must be 125% higher than average wage
 - They do not offer micro loans

Commissioner Fisher suggested that the board may want to include the last two items in their plan.

VI. Board Discussion

Dan Aton: questioned if there was an "incubator place" in the DRAFT plan?

Stockton Whitten: you can put as an addendum to your plan like Ft. Meyers' Job Opportunities program. Both are reimbursable and performance based.

Greg Weiner: performance metrics

1. Need to discuss the goals and performance targets early on (they are not the same thing)
2. Inducements can sometimes be an impediment and the board can come up with a better policy
3. If you include start-up businesses:
 - a. you need to come up with a budget and maybe bring in a bank in to facilitate loans.
 - b. Be precise on how you structure inducement language.
 - c. A set amount of money should be set aside
 - d. Set up a committee to perform due diligence on applicants and make recommendations to the board

Robin Fisher: don't tie a % of the overall funding to the smaller projects program, but come up with actual dollar figure, and include lots of flexibility (i.e. infrastructure)

Greg Weiner: funding only upon performance but ability to be flexible is important

Stan Retz: like a forgivable loan? Possible

Laura Canady:

- would like to see more focus on an incubator
 - need a diverse committee to do assessment (i.e. patent attorney, banker, SBA rep)

- combined UCF/BCC could help
- use a separate strategy
- reassess after a period of time to see if more money needs to go there
- there are many folks laid off from KSC wanting to start up their own business

Stockton Whitten: micro loans would fall under this part

Greg Weiner: now you are talking about small venture capital. The board needs to be really careful and have safeguards like a small percentage of the funds for this part because 60-70% of all small businesses fail.

Robin Fisher: Ft. Meyers believes their plan stands up to scrutiny

Greg Weiner: this is more than a CRA. Ft. Lauderdale has a large CRA with a large amount of money, but is not very successful.

Robin Fisher: Ft. Meyers also said:

- they should have asked for more funding initially
- they feel that 1 failure and the entire program is dead
- they expect a 10-1 return on investment (ROI)
- the college does an economic impact of business and puts the numbers together for them

George Mikitarian: the four plans presented all seem to be part of a city's department. This board has no such support. What objectives of other entities are there? (i.e. CRA's). There needs to be sufficient guidance.

Stockton Whitten: CRA's do not create jobs

Stan Retz: we are not an EDC or SEDC. We are a tool for them to use. We are not a driving force to make development. We are a support and the zone should be support EDC/SEDC.

Robin Fisher: EDC/SEDC can present to the "zone" board, but they should only recommend after they have vetted it out with the state and federal agencies. The 'zone' board plan will help EDC/SEDC figure out what they can bring to the 'zone' board.

Jim Tulley: agrees with all that has been said and that it must be performance-based. Don't try to do too much. There should not be five goals, there should only be three:

1. Economic Development Incentives – keep as is
2. ~~Job Creation~~ DELETE
3. ~~Industrial~~ DELETE
4. Business Creation and Retention - keep and include infrastructure – put incubator under this goal, but be cautious about start-ups
5. Visibility and Marketing – we need to do a better job with this

Mr. Tulley has a meeting next week with Mike Williams (EDC) re: SNAP and Laura Canady

George Mikitarian: decisions on the needs and the funds available will need to be made, and EDC and SEDC will get closer to filling the needs by using the 'zone' as a tool.

Dan Aton: we need to market, Ft. Myers \$25 million makes an impression. How do we put a box around a number?

Robin Fisher: Ft. Meyers was lucky to have general funds immediately available. The 'zone' will have money in the future and will be stronger in five years. You could have some bonding authority.

Dan Aton: the impact of a number would bring more people.

Robin Fisher: it's amazing how many people already think the 'zone' has money. We don't have a figure yet.

Greg Weiner: some plan elements are long discussions to be done in committees. Marketing can be 1. How done?, 2. How much money spent on marketing?, 3. How can it be done on the state level?

George Mikitarian: what's next?

Stockton Whitten: it would be nice to have sub-committee work on DRAFT 2 of the Plan. Staff and board members must have work sessions to work on the Plan.

George Mikitarian: I've heard 3 times now that we need a committee.

Robert Jordan: hasn't heard anything today that excites him. He doesn't like Stan Retz's comment about the 'zone' just being a tool. He's used to standing alone. Need to come up with a committee but doesn't feel they are "there" yet. What direction do they want to go? 30% of start-ups don't fail, and we need to help our family.

Stockton Whitten: you have a need (job creation) which is your goal. You have a funding mechanism to reach that goal. You should be excited about finally having a mechanism.

Robin Fisher: questions to be answered:

1. What does the application look like? We need one.
2. What does the contract look like? We need one.

3. Who is eligible? To then take to the city council and county commission
You can create it all or approve the DRAFT.

George Mikitarian: establish a committee to come back in 2 weeks.

Brenda Fettrow: not convinced a committee should do this. Feels that the 'zone' board should do it.

Stan Retz: schedule workshops with the entire board. What about question of bonding?

Scott Knox: bonding will be discussed in workshops

George Mikitarian: what is best structure?

Stockton Whitten: you need to work on the program elements. Is there a need for a spec building in north Brevard? Work on the programs under each of the three aspects. Staff has the ability to put DRAFT together after they are told what elements to include.

George Mikitarian: everyone brings a different perspective as Brenda said.

Greg Weiner: we are talking about so many different things.

Scott Knox: it will be a different Plan if you have \$3 million or \$15 million. Eventually, you could bond \$75 million based upon income. You need to find out what it's worth.

Robin Fisher: ultimately, the property appraiser will have to tell you what the figures are.

Laura Canady: let staff take a stab at DRAFT 2, and schedule a workshop with speakers (i.e. bond attorney)

Brenda Fettrow: this is not just about "educating" ourselves, but the need for different perspectives.

Louis Sanders: would like to narrow down what we are. We have created a funding source, and the EDC/SEDC comes to us for money. We don't create the jobs. Would like a 1 paragraph/page of what we would look at. We are not qualified to create jobs ourselves. Would like a definition of our intentions. These four plans don't pertain to us. What is our vision?

George Mikitarian: Mr. Knox take the ordinance and put it into 1 paragraph.

Donn Mount: agrees with Brenda that they should all stay together. It is too premature to break up into committees.

Stan Retz: the 'zone' Plan should be less than the four presented. Should clearly define that we are not an EDC but a resource.

Micah Loyd: need for simplicity and flexibility.

Dan Aton: would like to narrow down what we are. Need consensus of what our number 1 priorities are. Incubator? Infrastructure? Spec Building? Let the EDC/SEDC do research and bring to us.

Jim Tulley: have to have in place areas and criteria.

Robin Fisher: is everyone in agreement with Stockton, Laura, and Greg coming up with talking points. We have enough drafts out there.

VII. Meeting Schedule

George Mikitarian: next meeting scheduled for March 1, 2012, at 8:30 a.m. at the District 1 Commission Office.

Stan Retz: can we forward our comments for draft to Stockton? YES

VIII. Public Comment (Attachment F)

1. Glenn Andersen:
 - a. We need a UCF incubator in north Brevard
 - b. He questions statement that 80% of new businesses are gone after 3 years
 - c. 87% of businesses from UCF incubator are still there after 5 years
 - d. 84% of new businesses stay in the community
 - e. 1,600 jobs have been created by the UCF incubator at \$60, 000 annual salary
 - f. He has a white paper in progress and will share
 - g. Could the 'zone' board consider a UCF incubator for its first project?

2. Jan Conrad:
 - a. Thanks for conversation on incubator
 - b. Need to look at your market
 - c. Use UCF as part of your program and use their expertise
 - d. Their business class is full and capped at 60 clients
 - e. UCF "Business Venture Program" shows people what they need to do
 - f. Small businesses need space

3. Dean Pettit:

- a. He owns "Space coast Outdoors"
- b. On "LinkedIn" he saw a post from a guy who wanted to re-locate to Brevard and wanted to go down south. Dean replied to him with all the good reasons to locate to north Brevard.

Jim Tulley: invited everyone to participate with Central Florida Partnership. The entire region is facing the same thing and we need to plug ourselves into the region. On March 12th Jacob Stuart will be the guest speaker at the League of Cities meeting at 6 p.m. at the Cocoa Civic Center. Also, on March 14th and 15th there will be a day and a half workshop on Balancing Nature and Commerce at the Emma Parrish Theatre. It is not too late to register and it is free.

Robin Fisher: just wanted everyone to know that Project Speed is out there and could bring much needed jobs.

Laura Canady: 1,537 jobs

Greg Weiner: there are still issues to work out with Project Speed, but there is a pretty good chance to win it.

Mark Ryan: and it is six times larger than Embraer.

ADJOURNMENT:

Meeting adjourned at 10:40 a.m.



Robert Jordan, CM, Secretary

Approved by the Board March 1, 2012.

-
- | | |
|--------------|--|
| Attachment A | Minutes from January 27, 2012 |
| Attachment B | DRAFT ordinance to extend zone boundaries to include Exploration Park |
| Attachment C | Four Economic Plans for consideration
Space Coast Economic Development Commission
City of Largo
City of Edgewater
City of Leesburg |
| Attachment D | DRAFT Plan submitted by EDC (Orange/Green copy) |
| Attachment E | notes from 02-14-12 phone conference with Fort Meyers |
| Attachment F | Speaker Cards |
| Attachment G | Sign In Sheets |
| Attachment H | Advertisement of Meeting |