

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

August 12, 2022, @ 8:30 a.m.

Statham Park

7101 U.S. Highway One

Titusville, Florida 32780

Board Members:

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

Telephone: Bart Gaetjens

Absent: Brenda Fettrow, Micah Loyd, George Mikitarian, and Louis Sanders

Call to Order: Meeting was called to order at 8:30 a.m. by Donn Mount, Treasurer.

Pledge of Allegiance: Donn Mount, Treasurer

- I. Troy Post, CEcD, CBE, NBEDZ Executive Director, welcomed the new board member, Bart Gaetjens, who is on the phone line; and he mentioned a motion is needed so he may participate in votes and discussions.

Motion by Rodney Honeycutt, seconded by Stan Retz, to allow Mr. Gaetjens to participate in votes and discussions by phone. Motion carried and ordered unanimously.

Approval of Minutes

Motion by Dan Aton, seconded by Stan Retz, to approve the minutes from May and June as presented. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated there is not much change to the expenditures report; there have been some disbursements made and he is trying to clear some existing incentives, and the first installment has been made for the sanitary sewer project, which should be complete within a year.

Donn Mount mentioned the only thing he noticed was the health insurance premium; but they do not have any control over that.

III. Staff and Partnership Reports/Updates

North Brevard Economic Development Zone Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated they have had an active summer; Jo Sojourner has been setting up the food trucks at the Spaceport Commerce Park (SCP) on Wednesdays; Neha Pandit has converted one of the NBEDZ applications to a writable PDF format; he has received inquiries for several redevelopment projects on Hopkins Avenue; and he feels in the coming months there will be some requests. He stated he continues to work with the Economic Development Commission of Florida's Space Coast for prospect activity including Project Magnitude which is considering a site at SCP; participated in a conference call in reference to the status of the former Bay Towers on U.S. Highway 1, which is still under construction; staff met with Erin Atkins, the new executive director at the Titusville Chamber of Commerce to discuss the Chamber's role in the local economic development efforts; and he and Lisa Nicholas, City of Titusville Economic Development Director, met with Kevin Daugherty, Tico Airport Director, to discuss the proposed Innovation Park development and a potential client for one of the buildings at the airport. He added he and his staff have reached out to some groups to see if there is something they can do to help with entrepreneurial initiatives, which includes training and classes at the former Cuyler Elementary School and Gibson Community Center; he met with Ken Taylor of KDVT Development about the planned Horizons project, which calls for a residential and commercial mix, and will likely feature a hotel, retail shops, and a restaurant; and staff completed programs offered by the International Economic Development Council (IEDC) and the National Association of Business Economics (NABE). He continued to say they closed on repurchasing the property at SCP from Merritt Precision; the Board of County Commissioners approved the sale of a lot in SCP to Scientific Lightning Solutions; the City Council approved the NBEDZ budget; and he mentioned the labor force size in Titusville has grown.

Al Matroni asked Mr. Post about redevelopment of properties if there is a component within the agreement for employment; and he had noticed on the redevelopment agreements, there were not any employment requirements.

Mr. Post replied the redevelopment projects do not have employment conditions; occasionally, the projects fit into several categories; one of the proposed projects, Futuramic, is one of them, as it is a redevelopment project but also a re-entry into the market of a new firm; that is why the impact analysis was included for that project to see what the impact of new jobs would be; and usually the clawback for these projects is for the property to be retained and not be sold within a certain period of time.

City of Titusville

Lisa Nicholas, Economic Development Director, City of Titusville, stated she was in an article in the Florida TODAY about the city's certified production technician program scholarship that is partnered with Eastern Florida State College (EFSC) and the Economic Development Commission; it also discussed a potential partnership with the sustainable workplace Alliance, which provides free job training with a 10-week course, where the participants can get a number of certifications and assistance finding a job; and she noted there are 48 development projects going on in the City of Titusville.

IV. Discussion and Direction

Troy Post, CEcD, CBE, NBEDZ Executive Director, introduced Shawn McIntyre and Cat Butler with North American Properties (NAP); and NAP purchased a lot at Spaceport Commerce Park last year and has been performing due diligence on the site for a build-to-suit.

Mr. McIntyre stated he wanted to share the work that has been done; they have completed the wetland permitting, which was applied for in September 2021, and just received about a month ago; the core of engineers have turned over the wetland jurisdiction to the Florida Department of Environmental Protection, so it takes about 120 days to get a biologist on a project site; the wetlands have been mapped, surveyed, approved, and will be mitigated at a cost of about \$35,000; and the endangered species survey has been done and the scrub jays are not present but there are gopher tortoises, which will be relocated at a cost of about \$75,000. He added there are two site plans, one for two buildings and one for a very large building; he has found that users want buildings within 100-120 days and there is not much vacancy in Brevard; they are putting together a plan and hope to come back to the Zone board in the next couple of months to discuss their option contract; and they may build those buildings on spec. He continued to say he did not want the Zone board to think they were not doing anything with the property, as they have been working on it almost every day; and the demand for commercial property is not just local.

Al Matroni asked how much longer NAP has under their option.

Mr. McIntyre replied they are in year two, until next May; and they hope to bring the spec presentation within 60-90 days.

Mr. Post commented that they have been keeping him updated with reports on their progress.

V. New Business Items

Financial Inducement Request: Project "Tomorrow"

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this company is Detroit-based and have been in the automotive industry for decades and recently in the aerospace business with some contracts in the area; they are having trouble finding space in the area for a Florida facility; he mentioned the City of Titusville has been working with him to find buildings that are more of a commercial use and adapting them to industrial; they have found a building on Garden Street that needs site improvements, such as the driveway, parking, fencing, et cetera; and this has brought them to the Zone board. He added this would be a redevelopment project, but it will bring 10 jobs above the County median level in salaries; with the acquisition, improvements, and equipment, the impact analysis chart shows about \$20,000 annually coming back to the Zone; and he thinks this is a good project for the Zone.

Brandon Elsector, Futuramic representative, stated his company is looking to move into the area to support its customers; they are looking into bringing in local high school

students with internship possibilities; but they need some assistance getting things up and running.

Al Matroni asked if there will be training or an apprenticeship for the students.

Mr. Elsessor replied an apprenticeship program with the high school; and the student would receive credit and also some hands-on experience.

Stan Retz noted he worked with the company to get them here; they are one of the higher tiers of the food chain of aerospace companies; they are working with local contractors to make improvements on the building; and he thinks they are the real deal.

Mr. Elsessor remarked he moved down here in June of 2021 and have been looking for a building with no luck; with Mr. Retz's help, they were able to find and purchase the building on Garden Street; and they are planning to add on to the building, add fencing, and improve the curb appeal with the help of local contractors.

Motion by Al Matroni, seconded by Rodney Honeycutt, to provide an inducement of up to \$285,000 to the company known as Futuramic, to induce its conversion of a commercial building on Garden Street into an industrial space, subject to a clawback tied to the real estate title, and not jobs created. Motion carried and ordered unanimously.

Offer to Purchase Spaceport Commerce Park (SCP) Lot: Mudular USA Corporation (Investcom Construction, LLC)

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this is an offer to purchase a lot at SCP; the company is out of Miami that builds modular construction; the factory manufactures the elements of a building such as the walls and floors, including the electrical and plumbing, and ships them out to the job sites to be assembled, which speeds up the time for construction; the company is trying to find a location in Central Florida to expand their business; real estate agent Patricia Weeks brought this deal to the Zone board with an offer of \$50,000 per acre for the five-acre site; and she will receive a six percent commission fee. Mr. Post added that an impact analysis was done on this purchase offer, as the company could employ 50 people; the local impact could be up to \$245,000 based on building permits, impact fees, and property taxes; and this will also help with the diversification strategy to bring different types of non-aerospace companies to SCP.

Patricia Weeks introduced John Hakan Senaltan, Mudular USA Corporation, who has been in business for 35 years; and he is looking to purchase land to move his business to Central Florida.

Mr. Senaltan stated he has been in construction 35 years; modular housing is the future of construction, as the cost is about 30 percent lower; everything is built under a roof with quality controls, which makes it more efficient and 50 percent faster to build; he has been looking for property for almost two years and renting locations in the meantime; the cost of the building will be \$10-\$12 million for the two lots; and they presently have about 12 active jobsites.

Mr. Post remarked the zoning for SCP is zoned industrial PUD, so Mr. Senaltan filed a letter with the City of Titusville to request confirmation that the use will fit the zoning; that confirmation should be received within two weeks; and any offer that is made will be contingent upon permissible activity within the park.

Stan Retz asked if this was only pertaining to lot 11 with no option on lot 10.

Ms. Weeks remarked Mr. Senaltan wants both lots.

Mr. Post noted that is what he is wanting now but originally, he wanted to buy lot 11, with some type of an option for lot 10.

Ms. Weeks reiterated he wants both lots.

Al Matroni asked Mr. Senaltan if he has had any problems with approvals from municipalities as to the method of construction; and asked if it is approved in most cities.

Mr. Senaltan replied yes; he remarked it is still frame construction although constructed of steel; and he noted it is very popular in California and their requirements are even more strict.

Mr. Matroni asked where the corporate headquarters is located.

Mr. Senaltan replied Adventura, near Miami.

Dan Aton inquired if he would be moving the headquarters here, or just the manufacturing facility.

Mr. Senaltan replied he wants to move everything here.

Rodney Honeycutt asked if there were any job sites near here.

Mr. Senaltan replied there is one in Casselberry which is a 3,000 square foot house.

Motion by Stan Retz, seconded by Al Matroni, to recommend to the County Commission the sale of lot 10 and 11 in the Spaceport Commerce Park, to Modular USA Corporation for \$50,000 per acre, subject to a provision on requiring the lot if no development takes place within two years of purchase, and with the acknowledgment that a real estate commission fee would be due to the seller's agent, equal to six percent of the purchase price; and sale will be contingent upon the City of Titusville determining permissible intended use within the park. Motion carried and ordered unanimously.

Entrepreneurial Development: Proposal from Groundswell

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Groundswell is a non-profit, high-tech business incubator, located in Melbourne; they have helped initiate several firms there; he has been trying to get a program like this in the area; Groundswell has proposed to create a partnership with the North Brevard Economic Development Zone (NBEDZ) to help connect high-tech startups, tech-enabled businesses, and budding entrepreneurs with the guidance, resources, and networks they need to build

companies, launch products, and scale their startups on the Space Coast; this would not be like the CoLaunch co-work space; and the company wants to reach North Brevard as Brevard County is where they want to be. He added this would be a grant award of up to \$1,500 for them to come up once a month to meet with people they have had contact with, for a six-month trial run; they will consult with potential entrepreneurs at the Titusville Chamber of Commerce building, at no cost; they will keep a record of their activities and mileage; and at the end of the six-month period, seek reimbursement of up to the \$1,500 amount.

Motion by Dan Aton, seconded by Stan Retz, to provide a reimbursement grant of up to \$1,500 to the business incubator, Groundswell, to conduct consultations with entrepreneurs in North Brevard and host entrepreneurial networking events in Titusville over a six-month trial period. Motion carried and ordered unanimously.

VI. Old Business Items

Extension of Agreement Request: Project “Grand”

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he received a letter from Red Canyon Software, the company that bought and is renovating the old Walker Apartments in downtown; in trying to renovate the building and also go after the historic tax credits from the Federal government, they are required to do a lot of detailed work and it has been a long, expensive undertaking; the Zone board provided a reimbursement commitment of up to \$450,000, but it must be completed first; in the grant agreement, they were given a three-year period of time; and in 2019 they came back and received another extension for three years, which is now expiring. He added they are requesting another extension; and he suggested a two-year extension to be sure they had sufficient time to complete the project.

Motion by Dan Aton, seconded by Stan Retz, to amend the Incentive Agreement with Red Canyon Software, thus providing a two-year extension, to September 2024, in order to provide sufficient time for the company to complete its redevelopment project.

Extension of Agreement Request: Project “Green”

Troy Post, CEcD, CBE, NBEDZ Executive Director, mentioned this is a request from LaCita Country Club for an extension to the Strategic Initiative/Infrastructure Incentive Agreement which was approved in 2020; the work was to be completed by the end of 2021, however, due to complications, it was not started before the end of 2021; and they are requesting an amendment to their Agreement. He noted that their Agreement has expired and a new one will need to be executed; and they have submitted a new application for assistance but the cost of the project has increased to over \$1.3 million.

Justin Bells, LaCita Country Club, stated he is present to request an inducement to replace the irrigation system on the golf course, which is the backbone of LaCita; this is an attempt to preserve the land and the attraction of the golf course to Titusville; as the golf course improves, more detailed work will need to be done, bringing more jobs; the new system will be much more efficient, saving over 30 percent in water usage; and it will eliminate all City water usage and use less reclaimed water. He mentioned anything

over the amount of the previous incentive would be much appreciated, as the price of the Project has increased significantly.

Donn Mount asked if there was a clause with a two-year period of ownership that would be applied to this Agreement.

Christi Schverak, Interim County Attorney, replied the current Agreement does not have anything like that at all; and she advised two things could be considered, having a provision that LaCita remains open to the public for a certain number of years, or the ownership requirement which prohibits them from selling the property for a certain number of years.

Mr. Bells noted that there is no interest in selling, nor any interest for purchasing the golf course; and the owner is determined to make it a successful golf course.

Al Matroni asked how long of an extension are they looking for.

Mr. Bells responded about two years, with work planning to begin in April of 2023; and the project is projected to take about three months.

Mr. Matroni noted that there was a slight request for any additional assistance.

Mr. Post remarked the projected cost is \$1.36 million, and 20 percent of that would be \$263,000; the previous approved amount was \$200,000; and the funds are available to increase it to \$263,000.

Stan Retz asked if Mr. Bells was confident that this was going to happen in April.

Mr. Bells replied yes, it has to happen, as the system has gotten to be almost completely inoperable.

Motion by Al Matroni, seconded by Stan Retz, to provide a new Incentive Agreement with LCC, LLC, for up to \$260,000, thus providing a two-year agreement in order to provide LCC sufficient time to complete the course redevelopment efforts; and subject to a clawback provision to retain ownership for five years. Motion carried and ordered unanimously.

Approval “as to form” of the Following Incentive Agreements: Vine & Olive Redevelopment Project; Renzetti Expansion Project; Project View Redevelopment Project; Pier 13 Redevelopment Project; Fine Line Printing Redevelopment Project; Police Hall of Fame Tourism Development Project; and Cheney Highway Infrastructure Project (Culver’s)

Motion by Dan Aton, seconded by Stan Retz to approve the following Incentive Agreements, as to form: Vine & Olive Redevelopment Project; Renzetti Expansion Project; Project View Redevelopment Project; Pier 13 Redevelopment Project; Fine Line Printing Redevelopment Project; Police Hall of Fame Tourism Development Project; and Cheney Highway Infrastructure Project (Culver’s). Motion carried and ordered unanimously.

Commissioner Pritchett expressed her appreciation to the Zone board and reminded them that this is her favorite board.

Upon consensus the meeting adjourned at 9:51 a.m.

A handwritten signature in black ink, appearing to read "Donn Mount". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Donn Mount, Secretary/Treasurer

Approved on September 9, 2022