

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

June 22, 2018 @ 8:30 a.m.

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

Board Members:

In Attendance: Dan Aton, Dr. Brenda Fettrow, Robert Jordan, Donn Mount, Stan Retz, and Louis Sanders

Absent: Micah Loyd, Al Matroni, and George Mikitarian

Call to Order: Meeting was called to order at 8:33 a.m. by Dr. Brenda Fettrow, Vice Chair.

Pledge of Allegiance: Dr. Brenda Fettrow, Vice Chair, led the assembly in the Pledge of Allegiance.

I. Approval of Agenda

Troy Post, CEcD, CBE, NBEDZ Executive Director, advised he previously sent the Zone board electronically the tentative Agenda; the Items for Project Fast and Offer to Purchase – Spaceport Commerce Park (SCP) lot have been deleted from the tentative Agenda; and the Agenda needs to be approved as presented.

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

Approval of Minutes

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

II. Report on Expenditures to Budget

Robert Jordan, Secretary/Treasurer, noted the sale of property for Paragon Plastic will be shown in next month's budget.

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

III. Staff and Partnership Reports

NBEDZ Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he received a notice from the Florida Fish and Wildlife Conservation Commission about extending the moratorium for another 10 years for commercial fishing off of the coast; North American Surveillance Systems (NASS) was recently acquired by another group; and he provided the Zone board with a copy of an article about SpaceX unveiling its plans for a massive upgrade to Kennedy Space Center. He advised he met with the Economic Development Commission of Florida's Space Coast (EDC) and a Central Florida building firm about its interest in a public/private partnership to construct a spec-building on a lot in Spaceport Commerce Park (SCP); he met with a group from Orlando at the Titusville-Cocoa Airport (TICO) for the possibility of a spec-hangar; and he participated in a roundtable discussion on the possibilities of extending an aviation college into Brevard County at TICO from Kissimmee to help develop workforce training classes, in concert with proposed apprenticeship. He went on to say he spoke with Met-Con, Inc. in Sharpes about the Detroit-based Commander Innovations, that is leasing space near Sharpes to fulfill a multi-million contract from the Department of Defense; and as work increases, the company may seek some additional building space in the area. He mentioned working with Praxair, Inc., to obtain a zoning classification change for an adjoining parcel to its plant in Mims; he provided the Zone board with the Fiscal Impact Analysis; he stated there is not a Zone incentive for Praxair, Inc.; and the employment created by this venture is for eight jobs. He stated in review of the Zone's proposed budget for Fiscal Year 2018-2019, he met with the Assistant County Manager John Denninghoff and the County Manager Frank Abbate, about the budget process; his travel allowance is needing to be scaled back for this Fiscal Year; he met with some representatives of two sites being considered for the proposed sports arena, which would involve the establishment of an indoor sports area for primary use by traveling youth sports groups, in coordination with the United States Specialty Sports Association (USSSA); and he discussed with James Russell, Puzzuti Co., about the prospect of redeveloping a section of parcels along Garden Street, as a means of improving the appearance and economic vitality of the Street. He stated he participated in a roundtable discussion about the possibility of an aviation college, which is being considered by an existing Program in Kissimmee; Schools would utilize a TICO facility; but would involve workforce development training classes, possibly in concert with the proposed apprenticeship program at OneWeb Satellites and RUAG.

GTR Executive Director Report

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, stated COlaunch has 21 members, consisting of five offices, six, basic memberships, 10 mail drops; there has been two sessions held for the 321 Startup workshops; she coordinated with the Hualicious Food Trucks for Food Truck Mondays; GTR cosponsored with the Parks and Recreation Department a Movie Night at Sandpoint Park; GTR is sponsoring 'Lovin' the Outdoors' summer concert at Titus Landing on Saturday, June 23 from 11:00 a.m. to 4:00 p.m. and there are four area churches involved in the children's activities; and GTR is working on Playalinda Festival of the Arts 2019 with the North Brevard Art League to begin the 'Art Outside the Box' traffic light art contest/program.

IV. New Business

Proposed Amendment – Project Grand

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Project Grand started about one and one-half years ago; it was a Project brought in from the State and the Economic Development Commission of Florida's Space Coast (EDC); Project Grand revealed its name after receiving its incentive and acquiring the property; and the company name is Red Canyon Engineering and Software. He mentioned they acquired the Historic Walker Hotel and the old bank building in downtown Titusville that was purchased for just under \$1 million; and the extensive renovation of capital outlay to do is around \$4 million for both facilities. He disclosed Loyd Contracting Company is the contractor who was selected; he stated Micha Loyd will be sent a Voting Conflict form by the Clerk's office; after starting the Project there were things found, which happens in historical restoration; the design calls for a new elevator shaft; but the upshot of it is for Red Canyon to take advantage of the Federal tax credit for renovating property according to historical standards. He advised the last time Red Canyon made a request for help it was for a \$4 million Project; the Zone board approved a grant of \$300,000 to be applied after getting to a certain point in its construction, they have not reached that point yet, and no grant funds has been provided yet; this ask would increase the Project by another million and totaling just over \$5 million; and they asked if the Zone could do anything else to help soften the impact of money being injected into the Project. He stated he told Red Canyon that the Zone could potentially do something in the range of \$175,000, which would be in addition to the already approved \$300,000; and the total incentive for the Project would be \$475,000.

Robert Jordan, Secretary/Treasurer, expressed his concern about setting precedence for companies to come back to the Zone after an initial ask.

Mr. Post stated this is a historical redevelopment project, which is a scary aspect of redevelopment; sometimes there are things that are just not known until getting in there, and breaking down the wall systems to see what is there; in terms of setting a precedence for redevelopment projects, is not a bad thing to consider once they have actually gone forward and demonstrated that they have tried to implement the project; and then be able to get a much better number on what they are trying to do. He went on to say if it is another type of project that fits another kind of program it would be a little dicier; so unless there was a significant change in employment at some point; and this is not much about tracking the employment, as the Zone is about the dollar investment, and what the significance could be for downtown. He reminded the Zone board about doing a Project like this does not benefit the Zone from a monetary standpoint, because this is inside the district of an existing City of Titusville Community Redevelopment Agency (CRA); the property value improvement would go to them; and the significance for the Zone is just trying to help the downtown area to grow and to look good.

Donn Mount advised there seems to be some discrepancy in the provided application about year one capital investment being over \$4 million.

Mr. Post advised he will go back to the company and ask for a better description of construction/renovation amounts lists in years one and two.

Stan Retz pointed out in the letter from Red Canyon it states a list of key expenses causing the need for additional funding that are totaling \$1.7 million, which includes \$150,000 for furniture, fixtures, and equipment, \$250,000 for parking and landscaping, and \$200,000 for research and development which he is wondering what that is; he likes the Project; but

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he stated he is not ready to vote on the item until the Zone board receives more information.

Louis Sanders agreed; he stated the \$300,000 grant was generous; he realizes it is an improvement, but the onerous is on the business to come up with its money to do the Project; they are not going to rent those apartments out for nothing; this is to make the company money; it is going to be hard for his vote to put any more money into the Project right now; and his absence is noted at 9:06 a.m.

Dr. Brenda Fettrow, Vice Chair, inquired if Red Canyon has asked the City of Titusville's CRA for any additional funds because it is in the CRA and it not benefitting the Zone. Mr. Post replied he will that find out.

Dan Aton mentioned he would like for the company to come before the Zone board.

Secretary/Treasurer Jordan agreed with Mr. Aton.

Mr. Retz suggested for Mr. Post and Donn Mount to meet with Red Canyon to discuss the listed items in the application, so they will be better prepared for questions when they come before the Zone board.

Mr. Mount agreed to attend a meeting with Mr. Post and Red Canyon for Project clarification of items listed on its application for further assistance.

The Zone board directed Troy Post, CEcD, CBE, NBEDZ Executive Director, and Donn Mount, to schedule a meeting with Red Canyon Engineering and Software, and to discuss items listed on the application for clarification of further needed financial assistance.

VI. Old Business

Anticipated Legal Fees and Costs – Blue Origin Validation Suit

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the Board of County Commissioners on July 10, 2018, accepted and authorized the Letter for increase of the fee budget for Nabors, Giblin & Nickerson to continue the Blue Origin Bond Validation lawsuit at the Circuit Court Level from \$35,000 to a Not to Exceed (NTE) fee budget of \$75,000, and coming from the North Brevard Development Economic District funds for the Blue Origin Validation Suit.

Christine Schverak, Assistant County Attorney, stated there is an end in sight at the Circuit level; both sides have agreed to trial dates starting July 30 and ending August 1; by the end of the trial the Judge may take some time to decide on that; and the cost was not foreseen with how many depositions and witnesses there were going to be, which is the cost driver.

Stan Retz inquired if outside council is being used by the Clerk. Ms. Schverak responded affirmatively.

Mr. Retz inquired who the witnesses are, because his understanding was it was a validation of if this transaction is allowable or not; and he inquired what are the witnesses

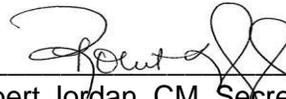
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going to say. Ms. Schverak replied on the Clerk's side they are going to argue it is not allowable; there are four witnesses consisting of two experts, Budget Director, County Finance, and the Clerk; the argument essentially is that this is an operating expense that should not be bonded out; and the Zone's argument is it is a capital expense.

Robert Jordan, Secretary/Treasurer, inquired if there is a way for the Zone to get its attorney fees back if it prevails. Ms. Schverak replied she does not believe so, but she will look.

Motion by Robert Jordan, Secretary/Treasurer, seconded by Donn Mount, to increase the budget from \$35,000 and not to exceed \$75,000 for the Blue Origin Validation Suit. Motion carried ordered and unanimously.

Upon consensus, the meeting adjourned at 9:18 a.m.



Robert Jordan, CM, Secretary/Treasurer

Approved on October 12, 2018.