

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

September 9, 2022, @ 8:30 a.m.

Statham Park

7101 U.S. Highway One

Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Bart Gaetjens, Rodney Honeycutt, Al Matroni, George Mikitarian, Donn Mount, and Stan Retz

Telephone: N/A

Absent: Brenda Fettrow, and Louis Sanders

Call to Order: Meeting was called to order at 8:32 a.m. by George Mikitarian, Chair.

Pledge of Allegiance: Dan Diesel, City of Titusville Mayor

I. Approval of Agenda

Motion by Rodney Honeycutt, seconded by Stan Retz to approve the agenda as presented. Motion carried and ordered unanimously.

Special Recognition

Chair Mikitarian recognized Micah Loyd for his vision, dedication, and commitment while serving on the Zone board and presented him with a plaque.

Micah Loyd stated he really has enjoyed his time on the board; he mentioned that most citizens do not know the very influential work in the community that this board has done in the past 12 years; he stated it was an honor to serve with the members; and he thanked them for the opportunity.

Chair Mikitarian introduced and welcomed Bart Gaetjens as the newest member to the Zone board.

Bart Gaetjens stated he was with Florida Power and Light for forty years and his last day was August 31, 2022; he is the chair of the Economic Development Commission of Florida's Space Coast until the end of the month and has been on that board for four years; he is the incoming chair at the United Way; and he has been on a number of boards and has lived in Titusville for 33 years.

Approval of Minutes

Motion by Stan Retz, seconded by Donn Mount, to approve the minutes from August as presented. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the budget is tracking well and everything is coming in under budget with the exception of the mileage category; the budget has been exceeded by about \$4,000 with the addition of staff and reimbursement of mileage; and he has already made a revision to the budget for next year to allow for more funds in that category. He added the grants and aids amount has risen, as over the last 30 days, there were a couple of grant disbursements made; and more could be paid out through the end of the Fiscal Year, but if not, that balance will be carried forward. He noted the second spreadsheet shows the outstanding obligations that have been made in recent years, along with the remaining disbursements, and paid off grants will not be shown; the Blue Origin commitment is in its last year of disbursements; and the Titus Landings, Lockheed, and the sanitary sewer line commitments are still being disbursed.

Al Matrioni mentioned it appears the City of Titusville's obligation for interest was over \$1 million for the Titus Landings project.

Mr. Post mentioned the grant amount was \$6.5 million, and with the interest, it is a total of \$7.4 million.

Bart Gaetjens asked what the job creation is for Lockheed.

Mr. Post replied every year they report who they have added to the payroll that is based in the local area of Titusville and Kennedy Space Center; and over the last few years they have turned in reports that have not been challenged by County Finance or the County Manager.

Mr. Gaetjens asked if they were keeping up with their requirement of new hires.

Mr. Post replied they are; he stated the original requirement was to create 300 positions locally; and once they meet that goal, it will be tracked to ensure those positions are retained.

Scott Larese, City of Titusville Manager, mentioned that Lockheed is in phase two, of four phases; the ultimate goal is to do an L-3 type campus, which will include taking the Police Department building and the whole area there; they want to get as many of their employees off the Cape and into the new campus as possible; and the number of employees will be between 800-1,200.

Mr. Gaetjens mentioned that Florida Power and Light has an Economic Development rider and could give them a break if they meet certain demands and a certain number of jobs.

The report on expenditures was accepted by the board as presented.

III. Staff and Partnership Reports/Updates

North Brevard Economic Development Zone Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he has had a couple of conference calls with a company that is looking for a site in the area and this company has a large capital investment target of \$100 million; he and staff toured the Groundswell business accelerator in Melbourne, which plans to bring entrepreneurial training and networking activities to Titusville soon; he has continued to keep in touch with the development group building the Horizon project at the old Sandpoint Plaza; and they may be presenting a formal request to NBEDZ for infrastructure improvement assistance. He added he and staff met with the small business development staff at Wells Fargo to discuss its role in facilitating more capital investment among small to mid-sized businesses within the area; he plans to return to visiting banks and realtors to remind them of the NBEDZ program and what it can do for their clients; the Economic Assessment report should be out next month; he is working on three projects with the Economic Development Commission of Florida's Space Coast; and he has been working with clients from Project "Magnitude" on a possible lot in the Spaceport Commerce Park. He mentioned the budget was approved at the Board of County Commission meeting and the Final Budget meeting will be Tuesday, September 20, 2022; and he and staff have attended some webinars.

City of Titusville

Lisa Nicholas, Economic Development Director, City of Titusville, stated she attended the Florida Chapter of the American Planning Association conference in Orlando; she learned about a variety of projects that pertain to how to increase the affordable housing units; her biggest take-away from the conference was how disciplines are becoming more interrelated; she is in economic development but she understands the planning process, as this is where businesses start, by choosing where to be; the more that she is able to help with that, the more streamlined that process will be; and she finds that all of these fields are becoming more interlinked.

IV. New Business Items

Troy Post, CEcD, CBE, NBEDZ Executive Director, discussed a project that had been before the NBEDZ about a year ago; they came to request assistance with a capital facilities project, having to expand the event center; this would be a strategic initiative project and will be similar to the Hall of Fame project as far as the contract goes, with similar verbiage; the current building is about 10,000 square feet and they would like to build a new 22,000 square foot structure; and he referred to the handouts that show where the new building would be, elevations, and employment and wage projections. He added that, currently, there are seven full-time positions, and the project will generate many construction jobs, but only a few new positions at the event center; and that is why this would be categorized as a tourist development project. He added for capital investment projections, they have revised the estimate for assistance to \$2.4 million, due to material costs; the site improvements have already begun; they have been listed with a company that provides unique locations to have events but they will still need a larger facility; the new multi-purpose facility would house more attendees; and a kitchen, café area, and parking will be included. He mentioned they have already started the first

phase and did the architectural engineering themselves, then started the site work, which was made possible with \$500,000 from the museum and \$6 million from the Department of Transportation; a marketing analysis and feasibility study was done which showed the possibility of this project being successful and driving more events and hotel nights in the area; this information was presented to the Tourist Development Council (TDC), and they were approved for \$375,000, but there is still a gap in their financing; and they are asking the Zone board for \$500,000. He went on to say that they will be required to provide a detailed description of the actual facility; the facility would remain open to the public and not for museum events only, with a suggestion of "community days" to allow Brevard County or City of Titusville to use the facility at no charge and advertise the availability of the event center to the public; and if sold within a specified period of time, a percentage of grant funds must be returned to NBEDZ.

Al Matroni asked where the remainder of the funds needed would come from.

Mr. Post replied it would be a construction loan.

Mr. Matroni asked if they have put in their own money or borrowed money.

Mr. Post remarked much of the money has come from donations and member contributions thus far; and the NBEDZ grant would be conditioned as a reimbursement so if they are able to get the necessary funding to build the center, they would be reimbursed after receiving a certificate of occupancy.

Mr. Matroni asked how the clawback would work if it is not tied to employment.

Christi Schverak, Assistant County Attorney, replied what was done with the Police Hall of Fame was if the facility was sold within a certain amount of time, a percentage of the grant funds would have to be returned to the Zone; other conditions would include allowing the public to rent the facility a certain number of days each year as a term of the contract but not a clawback; and there is also the 10 "community days" where there would be no facility rental fee.

Dan Aton asked if anyone knew the criteria that TDC used to come up with their grant amount; and he wondered if NBEDZ should use that same criteria.

Mr. Post responded that he knew there was a scoring mechanism but he did not know about the criteria; and he knows they had asked for more than they received.

Mr. Aton commented he really likes the project; and there is really nothing in the north area for large events.

Donn Mount stated the funding came from Florida Department of Transportation (DOT) and the Federal Aviation Administration (FAA); and they have had other funding besides the TDC.

Mr. Post commented they are also filing for another grant from the State.

Bart Gaetjens inquired if the 16,000 visitors are all paying, or just coming in.

Mr. Post replied he did not know.

Mr. Gaetjens asked if the buildings were rated a category five; he would hate to make an investment and a storm comes and blows the building over; and then they need money to rebuild.

Scott Larese, City of Titusville Manager, replied the building would meet the State code which is hurricane level.

Mr. Post mentioned when the TDC looks at these types of projects, they are really looking at bringing people in that are not from Brevard County; and he thinks that since the TDC approved this grant, it could be marketed to a larger region and would contribute to motel nights.

George Mikitarian inquired if insurance is required for replacement costs, since that is the clawback.

Stan Retz remarked if they are financing it, the bank would require it.

Mr. Gaetjens asked if that could be part of the application; and he thinks that would be due diligence to protect the money that is given.

Attorney Schverak remarked it could be written into the agreement; and if they had an issue with it, they would let the Zone board know.

Mr. Retz commented that the clawback would be for the money, not to surrender the building; and he asked if anyone knew how many more years are on the ground lease.

Mr. Mount replied he did not know, but he thinks it is extensive.

Mr. Retz asked about matching the funds that the TDC has committed to, up to \$500,000.

Mr. Post replied the TDC has approved \$375,000; and he is not sure if that amount could be altered.

Mr. Mount commented he saw no reason to not go to the \$500,000, as this would be a benefit to the community and not just the airport.

Mr. Matrioni asked if the insurance had been discussed enough, as he thinks that is something new with all the projects the Zone board is involved in.

Attorney Schverak replied insurance is pretty standard and she could put that in the agreement that insurance would be obtained to cover the replacement cost of the building; she does not think they would have a problem with the insurance but may have a problem with the category five building; but she can put that in the agreement and see what happens.

Mr. Gaetjens remarked he did not think that is a deal-breaker, since they have met the criteria that was given; but looking forward, it may be something to look into for future projects.

Mr. Post remarked that sections three, four, and five of the agreement are the ones that change from project to project; and section three describes the project which will include that the facility is open to the public.

Mr. Retz commented that he was not a fan of this project before, like the Police Hall of Fame, but the benefit of the discussion and the presentation has made him more in favor of it than before.

Motion by Donn Mount, seconded by Stan Retz, to provide an inducement up to \$500,000 to the Valiant Air Command to induce the completion of a 22,000 square foot event center at Space Coast Regional Airport, subject to a commitment to use the new space as an event center with the clawback as discussed. Motion carried and ordered unanimously.

V. Old Business Items

Incentive Modification Request: DLP Capital

DLP Capital requested to move this item to the next meeting on October 14, 2022.

Bart Gaetjens advised that the Economic Development Commission of Florida's Space Coast (EDC) will be conducting a branding seminar, with 40 different events; what the EDC is looking at is how to define who Brevard is as a County; they are looking into doing branding; he suggested the Zone board tries to attend these meetings, as they want input from everyone; and they will be going out through the community to make sure North Brevard is well represented.

Mr. Post mentioned the November meeting falls on November 11, 2022, which is Veteran's Day, so the meeting would need to be the week before or after; and after a short discussion the board reached a consensus to have the meeting on November 18, 2022.

Upon consensus the meeting adjourned at 9:39 a.m.



Donn Mount, Secretary/Treasurer

Approved on October 14, 2022