

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

June 9, 2017 @ 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, Paula Cardwell, Brenda Fettrow, Micah Loyd, Donn Mount, and Louis Sanders

Absent: George Mikitarian and Stan Retz

Telephone: Robert Jordan

Call to Order: Meeting was called to order at 8:31 a.m. by Brenda Fettrow, Vice Chair.

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

**I. Approval of Agenda:**

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

**Minutes Approval:**

Motion by Micah Loyd, seconded by Louis Sanders, to approve the February 10, 2017, meeting minutes as presented. Motion carried and ordered unanimously.

**II. Report on Expenditures to Budget:**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the budget is running as forecasted; the operating expenses are a little lower than originally forecasted; the Line Item for Communication and Freight is a little over \$2,500; the Line Item for Grants and Aids paid out just over \$1 million; and the Embraer installment incentive is still left to pay, pending on it meeting specific number of jobs criteria.

Motion by Micah Loyd, 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 over the past several weeks he has been involved preparing the budget for the next Fiscal Year; he met with Interim County Manager Frank Abbate and the Budget Office for the proposed FY2017-2018 budget; he is continuing to get the specifications together for the 11 acres at the western

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entrance at S.R. 407; and he is hopeful for construction to begin in September. He mentioned 12 active prospects are currently being tracked; he stated a lot of those are Economic Development Commission of Florida's Space Coast (EDC) leads; and Greg Weiner, CEcD, Senior Director Business Development at EDC of Florida's Space Coast, is on the telephone available for questions. He advised he ordered a prototype display for the entrepreneurial kiosk for the distribution of information/pamphlets at various public locations, on topics related to starting and operating a small business; and he is working with the local Small Business Administration (SBA) for materials to be displayed in the kiosk. He stated he participated in a webinar on Trends in Real Estate that was conducted by the National Association of Business Economics (NABE); he took part in a session on neighborhood revitalization and downtown economic niches; and he submitted an application highlighting recent development news in North Brevard to the International Economic Development Council (IEDC) annual development awards competition. He advised he met with the Larry Lallo, City of Cocoa Economic Development Director, about projects affecting the south end of the Zone, and adjacent to the City limits of Cocoa. He advised the Zone board of it being time for Form 1 submittals to go to the State by July 3.

### **GTR Executive Director Report**

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, stated the COlaunch members are collaborating well; she will be conducting a workshop in July on how to sell a business online; a job fair was held at COlaunch for Pizza@ Titus Landing; the Trails Beautification Project was completed at Draa Field Park; and the GTR board decided to combine Arts and Algorithm and the Indian River Festival to have one festival held the first weekend of February 2018 called the Playalinda Festival of the Arts.

### **Special Recognition**

Brenda Fettrow, Vice Chair, stated former County Manager Stockton Whitten and former Commissioner Robin Fisher helped create the vision of the North Brevard Economic Development Zone (NBEDZ); it has helped change the face of the City of Titusville; and she presented and read aloud a plaque from the NBEDZ to officially recognize Mr. Whitten for his leadership and unwavering support of the Agency and its Mission.

Mr. Whitten expressed his thanks for his recognition; he stated Bob Neighbors presented Robin Fisher, Greg Lugar, and he with the Zone; it was a matter of being receptive to the idea of creating a Special District that was different; the Zone has been transformative; and he does not know where North Brevard would be if not for the Zone. He mentioned Robin Fisher does not get enough credit with how he pushes forward; he stated he is proud for being the County Manager; and he reiterated his expression of thanks.

Walt Johnson, City of Titusville Mayor, stated he was involved early on with the creation of the Zone; it was something that looked impossible to do then; Mr. Whitten and Mr. Fisher has done the impossible several times; without the Zone the City would not be where it is today; and he expressed his thanks.

Dr. Fettrow advised there are times in careers when thinking back, what legacy or what mark had been made; these gentlemen clearly made a mark on North Brevard, one that she is sure will be at it in 50 years to come; it is known that Mr. Whitten and Mr. Fisher has fought battles, that she is sure is more than anyone will ever know; and on behalf of the Zone board, and the community she expressed a tremendous amount of thanks.

Mr. Fisher stated he could write a book; he is glad the Zone board is recognizing Mr. Whitten, because the creation of NBEDZ would not have happened without his help; the entire Economic Development Plan was written by Mr. Whitten; and he is a big part of why North Brevard is coming back to where it is today.

**IV. Discussion and Direction**

**V. New Business**

**Project Lock**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated an application has been received from Project Lock; he noted for the record that he received a call from Stan Retz who disclosed to him that he does the accounting work for the applicant; he advised the applicant had incredible growth in the last few years; and they are looking to move to Orlando. He went on to say Project Lock is a company that is being incubated at Vectorworks with some provided space to them and Vectorworks is a minority partner of Project Lock as well; they have grown from 2,000 square foot to more than 10,000 square foot; it is time for them to make a move; and they were shown a lot in Spaceport Commerce Park (SCP) across the street from Embraer. He stated the Project would be over \$1 million for a 15,000 square foot building in SCP; there is no tax value to get off of the land because it is a County-owned parcel; there would be \$325,000 worth of equipment invested; there are 16 employees and over the next couple of years they project adding 15 more employees; and the fiscal impacts are sales tax, impact fees, and permitting fee. He advised he is proposing a Zone incentive, not involving a tax abatement; what that actually returns to the Zone is just over \$8,000 year over or \$80,000 over the course of 10 years; this is an adhesive manufacturing company that started in the marine industry, but is interested in moving to Orlando because they have a couple of clients located there; but the Zone is trying to make a compelling case for them to stay here and expand locally. He stated this would be proposing to sell a three to four acre site at \$30,000 per acre; and to off-set that, then propose a reimbursement grant which would be based on one of the small business programs, allowing them to recoup the cost of doing the site preparation that will require clearing of overgrowth on some of the property, and providing for a reimbursement grant up to \$100,000. He added this would be contingent upon them finishing the building and occupying it, and how long they have to occupy it before qualifying can be discussed, such as done with recent Project Slimmer.

Dan Aton disclosed he shares two investors with this company and he uses its product; he stated he has no financial interest or anything; and he inquired if he needs to abstain from the vote. Scott Knox, County Attorney, responded no.

Louis Sanders stated expanding employment is part of the Zone's job; and numbers of jobs is important for who the Zone allocates money to.

Paula Cardwell inquired if \$41,000 yearly wage includes benefits. Brenda Fettrow, Vice Chair, responded it says on the application that there is a benefit cost of \$5,500 per person for the annualized average value of benefits associate with each new job created.

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Ms. Cardwell inquired with it being a niche market is there any clawback. Mr. Post responded that is an excellent idea; he stated if acquired, sold, or the jobs leave within a certain number of years, they would repay.

Motion by Micah Loyd, seconded by Donn Mount, to request authorization from the Board of County Commissioners to approve the sale of up to four acres at \$30,000 per acre in SCP; and approved the reimbursement grant incentive of up to \$100,000 tied to 15 jobs, subject to any clawback provision of the site if the projected jobs leave for Project Lock. Motion carried and ordered unanimously.

## **VI. Old Business**

### **Revised Fiscal Year 2017/2018 NBEDZ Budget**

Troy Post, CEcD, CBE, NBEDZ Executive Director, provided the Zone board with a revised budget; he pointed out the Zone is forecasted in Incremental Taxes for proposed Fiscal Year 2017/2018 of \$2.8 million; he stated last month that figure was \$3.1 million because the allocation was expected from the revenue rate off of Tax District being just over \$3 million; and the final allocated is difficult to know what it will be. He went on to say it turns out the amount is significantly less than expected, in terms of evaluation; it is believed Countywide that property values have grown about seven percent; but for the North-end of the Zone it dropped about four percent. He advised the Florida Power and Light (FP&L) Company has moved some of its assets it had at the Port St. John facility to another location in the State, which means there will be a new assessed value of what the holdings are; the current value has been asked for from the tax accessor because that is going to come into play this year and future years; and he asked if FP&L has any plans to do anything similar for futures years that will impact the Zone. He advised for this year due to the moving of the assets, the Zone is going to receive less than it thought. He stated the amount received is still a significant amount and offsets the Zone by \$300,000; whether that will continue in the future will have to be watched for and accessed; the Capital Outlay figure currently is \$410,000 and the remaining for proposed FY 2017/2018 is \$157,500; and he reduced the Aid to Private Organizations by \$200,000. He advised once a County Department comes up with its budget they have to meet with the County Manager and the Assistant County Manager for input; the hiring of a second employee is not advised at this point; it is felt for the second employee is to be on hold for a least one year; and the salary will be repurposed back into capital outlay.

Paul Cardwell stated the Zone's viability is based on what FP&L is doing and is going to do; forecasting a company like FP&L would have at least three-year projections; and she inquired if communications could be opened with them to work within its projected parameters for the Zone to not overextend. Mr. Post responded affirmatively.

Motion by Micah Loyd, seconded by Louis Sanders, to approve the Fiscal Year 2017-2018 NBEDZ budget; and to approve to keep the Line Item for Compensation and Benefits at \$135,000. Motion carried and ordered unanimously.

Louis Sanders' absence is noted at 9:25 a.m.

### **Redevelopment Assistance Program**

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Troy Post, CEcD, CBE, NBEDZ Executive Director, provided the Zone board with a draft of redevelopment of commercial and/or industrial sites; he stated he is looking for a motion to add this to the Economic Development Plan (EDP) for a redevelopment loan program, providing money through the guide of a loan if a developer or a company does what is intended to do, and provided a portion in return with some type of an interest rate; and if it voted for approval, it will be inserted into the EDP.

Paula Cardwell inquired if there are any legal ramifications of doing business with another Community Redevelopment Agency (CRA) and pouring money into that CRA. Scott Knox, County Attorney, responded typically when there is that situation, there are interlocal agreements for a trail with the CRA; that has happened; it is not a problem; and the Zone can do it.

Ms. Cardwell stated this seems like it is more to help the owner of a property to improve his or her sell ability; and she is not comfortable with the way it was explained.

Mr. Post explained all incentives are an inducement to motivate a certain type of action; how an incentive is structured is what the provided draft is about; it will still be performance-based; and the Zone's is a grant with nothing coming back, or have a prevision to recoup some of the incentive.

Ms. Cardwell inquired if the City of Titusville has grant money. Scott Larese, City Manager, responded affirmatively; and the CRA does, as well.

Ms. Cardwell pointed out it sound a little redundant because there is already grant money available to businesses.

Micah Loyd mentioned how the language is structured in deals is very important, ensuring that money comes back to the Zone; and rather than just giving the money away, performance is expected, and property values will go up for the Zone to receive money back.

Mr. Post suggested having a strategic planning session for the Zone board.

Brenda Fettrow inquired if the revised EDP has to go before the Board of County Commissioners (BOCC). Attorney Knox replied he will need to review the Ordinance; but he believes that it does require BOCC approval.

Ms. Cardwell inquired if a metric is established of qualifiers that they have to meet. Mr. Post replied the Zone is always subject to funding availability to be able to this is; and he stated a metric of qualifiers can be created.

Dan Aton advised if it is in a CRA the Zone will not participate, unless the CRA participates so the Zone is effectively added to the CRA; and anyone petitioning for aid has to meet his or her requirements before the Zone will consider it.

Ms. Cardwell inquired why the addendum is needed. Mr. Post responded he had one person who wanted to take a bad looking lot and put a single-use retail user on there; he was struggling trying to find a way to do it; and the problem is sometimes it depends on what the usage is for. He went on to say that he did not find anything in the current program that allows for using this tool.

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Walt Johnson, City of Titusville Mayor, reminded Ms. Cardwell of the differences between economic development and redevelopment types; he stated economic development is bringing in wealth from outside into the community which builds the wealth of the community; two is redevelopment which is more of a circulation of money that is in the community; and primarily, the Zone is economic development but sometimes redevelopment needs to be done within the community.

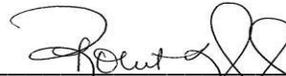
Mr. Loyd stated if there are no projects on the table at this time to push this back for another month; and he has not had the chance to review it much after it was presented to the Zone board.

Mr. Post advised it will require a supermajority vote.

Ms. Cardwell remarked that she is not comfortable with voting on this yet.

Motion by Micah Loyd, seconded by Paula Cardwell, to table Redevelopment Assistance Program to the July 14 Zone meeting. Motion carried and ordered unanimously.

Upon consensus, the meeting adjourned at 9:49 a.m.



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Robert Jordan, CM, Secretary/Treasurer

Approved on November 17, 2017.