

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

July 14, 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, Stan Retz, and Louis Sanders

Absent: Micah Loyd, George Mikitarian, and Donn Mount

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 Stan Retz, to approve the Agenda 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.

Motion by Dan Aton, 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 there is a need for creating more industrial park space or having a plan to get there in the future; there are several areas in the north end of the County that could potentially be turned into industrial property, for when there is total absorption of real estate at Spaceport Commerce Park (SCP); he is considering three sites for which to submit an application, possibly combined with the request to the State for funding through the new \$85 million Infrastructure Grant Program under the Florida Department of Economic Opportunity, with the goal of creating new industrial park space; he met with the City of Titusville community development and building department officials to discuss recent changes to zoning code, as it affects Industrial Use (IU) and Planned Industrial Development (PID) designation in SCP; and many of the changes done were approved earlier in the year, and are in the process of being made available online at the City of Titusville's revamped website at [www.Titusville.com](http://www.Titusville.com). He went on to say he met with Tom Irvine from the American Institute of Aeronautics and Astronautics (AIAA) to discuss a business formation competition that

the professional engineering association is interested in staging in the Central Florida region; he advised he is working on a lot of prospects; and he appeared before the Tourist Development Council (TDC) to discuss a project being proposed by Commissioner Pritchett for a sports event center in downtown Titusville, as a way of redeveloping several blighted commercial lots near the downtown area, and to possibly capitalize on some of the TDC monies available through tourism development.

#### **GTR Executive Director Report**

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, stated the COlaunch has 13 members; CareerSource has moved and the COlaunch is expanding 500 square feet, and is in the process of creating an Internet Café for walk-ins; she held an Online Sales and Lead Generation workshop; and she is planning to attend Fab Lab's grand opening, and retrieving three secured donated computers for the Internet Café use. She went on to say she is planning for the first weekend of February the Playalinda Festival of the Arts.

#### **IV. Discussion and Direction**

#### **V. New Business**

#### **VI. Old Business**

##### **Project Slimer**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated an incentive was approved originally for Project Slimer to acquire a building located on 8855 Grissom Parkway; it has a great building but the way it has been constructed does not lend itself well to any candidates; he provided the Zone board with an Economic Impact Analysis (EIA) showing the number of jobs; and what has changed with this Project is once they got an option to purchase this, they had planned to renovate, but the projected costs began to escalated. He added the Zone board previously approved an incentive given of up to \$150,000 to be provided after finishing improvements, taking occupancy, and were in the building for six months; Project Slimer is asking if the Zone board is willing to provide a little bit more of an incentive, to help offset the cost; and are requesting an incentive of \$250,000 to help make the Project go forward. He went on to say he provided the Zone board with the Fiscal Impact Analysis (FIS) that reflects the newest numbers and the application is showing what the onetime tax impact is to the City, County, and the State through sales tax collection on building material purchases and capital equipment, along with the collection of permitting fees, is expected to total approximately \$225,000; and what the amount would be to the Zone is above the value reported back in the Zone's base year. He provided the Zone board with the revised application to reflect on some of the numbers; and Greg Weiner, CEcD, Senior Director Business Development at EDC of Florida's Space Coast, is present for questions, and he has been working on some of the numbers.

Mr. Weiner advised he is available for any questions; and he stated he knows the company appreciates the support.

Paula Cardwell inquired if this is going to be a grant; and if it is going to be paid back. Mr. Post responded it is a grant. Ms. Cardwell stated she thinks it is getting into a slippery slope and she is all for capitalism, but she is not for crony capitalism; maybe this Project

JULY 14, 2017

is not part of capitalism, but it puts the Zone on a slide when there are firefighters that are making \$11 per hour and there is no money in the budget for services; and then the Zone gives away \$250,000 of taxpayers money to help a business renovate itself, when it should have gone in by itself, and got an estimate on the front side before taking possession of the building. She went on to say she does not think there is a business owner present who wants to take the responsibility of how bad that can possibly look in the future of giving money for façade grants and for renovations, when new police officers cannot be hired.

Mr. Post expressed his appreciation to Ms. Cardwell for her viewpoints; but stated there is opportunity to work with a client who will take the building, that in its present condition may be considered a blight element. He advised he would dislike losing this Project and it might be easier for them to go in a new building, or build a building because it is a lot more than they projected; the Project has found the cooperation from the EDC and the County to be helpful, and they like the community because it works for their model; and they would like to do this Project, but they need a way to justify the additional expenses they are going to return on this.

Brenda Fettrow stated previously they were given \$150,000; and she inquired if \$100,000 is an additional ask. Mr. Post replied affirmatively.

Mr. Weiner advised the EDC does not know the people and has done its due diligence on the operation; it is a pretty big company actually and it is not crony capitalism; they are not on the EDC and had no discussions about membership; this is just a company who made an acquisition and was faced with a choice, and the choice was finding themselves with a facility, that did not meet the physical profile for the need; and the image is wrong for the company. He stated that kind of growth is a good thing; the tax calculations are what they are; so many homes are being built which is not happening by accident; it is happening because wealth is coming into the County; and the tax revenues that are created by investments, accrues to the benefit of the County.

Ms. Cardwell advised maybe she misspoke and crony capitalism was not the right term to use, and maybe it was corporate welfare that she was thinking about; this may not be the right Project to talk about this, but at some point in time what about low interest rate loans that could be done; and they only have to be in the building for six months, with almost a 14-year payback. She expressed needing to look at these types of things more carefully.

Dan Aton stated his building is located across the street and he looks at this site every day; the building experienced a fire and it had been reconstructed before the Zone's existence, and they had an open house; it is an office building with a low ceiling warehouse in an industrial park; and it does not suit many needs well for what he thinks is in an industrial park. He went on to say getting it occupied with a strong tenant and a national company is key; it being at the entrance of the park is huge plus as well; he does not disagree having some kind of clawback to give people money and turn around and immediately flip the building, is a good thing; but he sees no intentions of a national company doing so.

Louis Sanders advised he agrees with Mr. Aton; he pointed out this is type of Project the Zone is in place for; the Zone is responsible for these people coming here and creating jobs; the people creating jobs is the reason these other people are building houses now,

JULY 14, 2017

for the workforce to come and live here, and it is a dominos effect of jobs; and the City tax dollars will have revenues to help fund those needed raises for those firefighters and police officers. He advised he is for any future growth or jobs with potential for people to come here; and he is all for it.

Robert Jordan, Secretary/Treasurer, agreed with Mr. Sanders.

Motion by Robert Jordan, seconded by Louis Sanders, to approve Project Slimer with an additional \$100,000 grant. Motion carried and ordered unanimously.

Mr. Weiner advised that there are options and there is an Ad Valorem Tax (AVT) program that the City and County has; frequently an analysis is done for which way it works better in trying to make it come out as level as possible for the Zone; on the back-of-the-envelope calculation, it comes out just a little bit less than the \$250,000 number; the EDC wants to keep the Zone involved because it is a good tool and in a sense the money is being advanced, but they are paying it back; and on the flipside of that would have been to just abate the abatable portion of taxes for 10 years, and in that sense it is kind of is a self-liquidating grant.

Mr. Jordan's absence is noted at 9:02 a.m.

Mr. Aton suggested amending the motion for Mr. Weiner and Mr. Post to craft a document with some type of radiated clawback to preserve five, seven, or ten years that the number of jobs have to stay.

Mr. Weiner remarked he does not think that is a problem and it is a reasonable suggestion; a clawback of some percentage on an annual basis could be done; and he advised normally those discussion are had when the documents are crafted.

Motion by Dan Aton, seconded by Louis Sanders, to amend the previous motion by adding a radiated clawback for Project Slimer to ensure the number of jobs, due to sale or transfer of property that the money would come back to the Zone over a five-year timeframe. Motion carried and ordered unanimously.

### **Redevelopment Assistance Program**

Troy Post, CEcD, CBE, NBEDZ Executive Director, provided the Zone board with a draft of insert to the Economic Development Plan (EDP) and a matrix of funding programs. He stated the Zone board wanted to see how the current programs were laid out; there are six programs that are part of the EDP, they are divided by high wage firms, small businesses, start-up entities, redevelopment Projects, and other; how this may work is the Zone Board may base its determination of Zone assistance upon the decision or outcome of those other bodies decide; and the required explanation of why the incentive is needed to facilitate the redevelopment of the identified site. He added part of the determination of what is proposed is having relative merit of competing proposals; having the availability of funding at the time of application; he stated he is hopeful that addresses any concern; and this will require approval from the Board of County Commissioners because to accept the changes within the EDP.

JULY 14, 2017

Paula Cardwell advised she is all for expansion with capital equipment, but façade grants like for the bank building is going to cost so much money to rehabilitate, and for Project Slimer and Titus Landing underestimating costs is risky for the Zone to take on with taxpayer money, and should have been worked out before applying an application; and she is not for façade grants. She advised maybe she needs to know more about how it is going to be structured; but if it is for rehabilitating a place, she thinks is not the Zone's place, and she does not get this.

Dan Aton advised this is an opportunity to consider using the structure to help with deals.

Louis Sanders' absence is noted at 9:19 a.m.

Ms. Cardwell opined it is out of the scope of what the Zone told people it was going to do and she is not for this.

Motion by Stan Retz, seconded by Dan Aton, to table Redevelopment Assistance Program to the August 11, 2017, Zone board meeting. Motion carried and ordered, with Paula Cardwell voting nay.

#### **Minutes of March 10, 2017**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the agreement is in the process of being drafted for Project Grand; he advised he is concerned that the language reported in the minutes did was not specifically say that the business has to occupy the bank building for a period of six months, which is the location where the software engineering company is going to conduct its business; but part of the overall Project also involves buying the Café Chocolat hotel building, and renovating that which is the basis for total dollar investment looked at. He advised the triggers for the reimbursement grant are six months occupancy and incurred expenses to show reaching 25 percent of what its expected budget is for renovating the hotel to receive the grant.

Motion by Stan Retz, seconded by Dan Aton, to approve up to \$300,000 with appropriate clawback in the agreement of the software company being in the bank building for a period of six months after receipt of Certificate of Occupancy before granting the incentive award. Motion carried and ordered, with Paula Cardwell abstaining from the vote.

Upon consensus, the meeting adjourned at 9:30 a.m.



Robert Jordan, CM, Secretary/Treasurer

Approved on February 9, 2018.