

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

November 4, 2016 @ 8:30 a.m.

COlaunch 2323 South Washington Avenue #102
Titusville, FL 32780

Board Members:

In Attendance: Dan Aton, Paula Cardwell, Brenda Fettrow, Robert Jordan, Micah Loyd, Donn Mount, and Stan Retz

Absent: George Mikitarian and Louis Sanders

Call to Order: Meeting was called to order at 8:30 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 Paula Cardwell, seconded by Stan Retz, to relocate New Business Item Concurrence on Amendment to Development Agreement, Titus Landing, to follow Preservation of Inducement Project Swanson, upon the arrival of Commissioner Robin Fisher. Motion carried and ordered unanimously.

Motion by Robert Jordan, seconded by Paula Cardwell, to approve the Agenda as amended. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget:

Robert Jordan, Secretary/Treasurer, stated line item number 40, Promotional Activity, had spending activity of \$4,293 due to social media marketing for COlaunch.

The Zone board acknowledged the Report of Expenditures to Budget.

III. Staff and Partnership Reports:

NBEDZ Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, expressed his appreciation to Cathy Musselman for her assistance hosting today's meeting; he stated he is working on drafts of agreements for several different Projects; he is continuing to meet with a lot of different prospects and he is anticipating an active 2017 year; he participating in NASA's 26th Annual Business Opportunities EXPO, featuring companies that either do business with KSC or are seeking such arrangements; and he is currently working on two leads generated at the EXPO. He went on to say he is preparing for a December 7 event involving a group of Brazilian entrepreneurs looking for ways to invest money in the United States; he is working on the forthcoming issue of the *North Brevard Business Review* quarterly publication on development news in the area; he is working to create a new website format for the www.NBEDZ.com site making the site easier to use; and the site is

planned to be activated in December. He added he provided input during a roundtable discussing at City of Titusville's City Hall with City officials and the principals of RMA, the consulting group charged with creating an economic development strategic plan for the City; and the drafted plan is expected to be out by the end of the year. He mentioned he is working on another public records request that will be forwarded to the County Attorney upon its completion.

GTR Executive Director Report

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, provided the Zone board with a year in review 2015-2016 hand out; she stated GTR operates as an economic driver for North Brevard and the City of Titusville; it exists for the purpose of the redevelopment of the community; and it is through the efforts of GTR's leadership and volunteers that there is a new retail/multi-use center Titus Landing, the NBEDZ creating new businesses and jobs, more events and activities that build on the quality of life for the citizens, changing the culture of the way people feel and think about where they live, work, and play, and working on beautification projects and assisting the City and County in making Titusville and North Brevard a better place. She highlighted on beginning a young professionals organization by conducting a fundraiser and sponsoring two young professionals from the community to participate in Lead Brevard 2017; GTR has increased communications through social media, newsletters, articles and coverage in various national, regional, and local media; became the trusted voice of what is going on in the community; and many businesses and individuals are sharing GTR's Facebook posts and newsletters. She went on to say culture change is happening by promoting positive image with hope and pride in the community; and rallied volunteers working over 5,500 hours, having a value of \$129,000. She continued highlighting to coordinate more special events like Art & Algorithms, Hulaicious Food Truck Cook Off, monthly Food Truck Mondays, coordinating the 150th Anniversary of Titusville for 2017, and taking over the Indian River Festival for 2017; the opening of COlaunch and building and supporting startup businesses and independent professionals; resurrected the Keep Brevard Beautiful North Chapter and combined with GTR Beautification Team, conducted several cleanups, and completed beautification project at Sandpoint Park; and she encourages and recognizes all businesses on property improvements. She stated COlaunch opened on July 1, 2016; within four months it gained one institutional member, three private office members, five basic members, one mail service member, one company utilizing four cubical spaces, and walk-in services are provided for conference room use; developed a website and active Facebook and Twitter social media campaigns; launched a monthly newsletter; and held a grand opening with over 100 in attendance. She stated GTR's plans going forward are to continue doing business startup workshops, small business loan program, bike trail beautification program, expanding local arts community and businesses, assist with commercial kitchen for small food oriented businesses, reinstating and managing the Titusville Main Street program, and major scaled special events for seafood and Indian River Festival.

GTR Grant Agreement

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the Grant Agreement by and between the North Brevard Economic Development Zone and the Greater Titusville Renaissance, Inc. is expecting to expire shortly; the Agreement from last year is being implemented for this year; the Zone depends on Ms. Musselman and the GTR to manage

COlaunch; and the Zone board is being asked to approve \$35,000 for Fiscal Year 2016-2017, to enable the organization retain administrative staff.

Paula Cardwell stated she read the minutes from last year it was stated that COlaunch would be promoted well enough to be self-sustaining this year; she watched the City of Titusville's City Council meeting and they did not give her the full amount that was asked, they gave \$20,000 instead of \$25,000; and she think the Zone board should do the same. She went on to say if this is not going to be sun downed, the Zone board should starting weaning it so it might force the issue of being self-sustained.

Ms. Musselman clarified that the Council did give what was given last year; and she was asking for an increase this year.

Ms. Cardwell reiterated at some point in time this needs to be a slimdown to become self-sufficient because \$35,000 is a lot of money.

Stan Retz inquired if Ms. Cardwell would be in favor of documenting in the minutes the anticipation of a decrease next year. Ms. Cardwell responded affirmatively.

Dan Aton's presence is noted at 9:03 a.m.

Motion by Micah Loyd, seconded by Robert Jordan, to approve the Grant Agreement by and between the North Brevard Economic Development Zone and the Greater Titusville Renaissance, Inc. and Exhibit "A" as presented. Motion carried and ordered unanimously.

IV. Business Items

New Business

Preservation of Inducement for Project Swanson

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Jennifer Hashagen, Manager of Business Development at Economic Development Commission of Florida's Space Coast (EDC), is present to answer any questions; this is a confidential Project the EDC has been working on; the Project would add great value to the area and the Economic Impact Analysis (EIA) generated by the EDC; this is a Project that will require two components; the first component is the company needs to be in a site, underway to do manufacturing assembly work, and they have a site they are looking at in North Brevard; the second component is if the market turned out to be very good for what they want to do, they would need to implement an administration/engineering type of office; and for that, that is where the Zone comes into the picture by having property at Spaceport Commerce Park (SCP). He stated what is trying to be done is if the company is interested in moving forward, the Zone would hold open the opportunity to buy from the Zone or enter a ground lease that would involve the use of a four-acre site, located across the street from the Embraer facility; and giving an 18-month window to make a decision. He added this would allow for not showing the lot to another prospect; because of that, it is an inducement incentive needed to be preserved for the decision of whether to go forward with that component; and the new job commitment is 50 with an average annual wage of \$52,000. He went on to say having the 18-month window does give the Zone some site control; if the company is not able to move forward, the Zone may take the lot, and find some other use for it; a resolution needs to be adopted for preservation of inducement for

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Project Swanson; if the second component is needed for the Project an application for assistance will need to be filed within a specific time period; and final incentive approval requires concurrency from the Board of County Commissioners.

Ms. Hashagen advised this is a highly competitive Project and they are happy with the locations looked at in Brevard County; they are under intense pressure because of contracts that already have to be made quick decisions, which is why it needs to be split into two phases because it is essential to the business that it get the manufacturing started before having the office; they do have backup locations outside of Brevard County, even outside of Florida, in case they cannot receive here; and projections for the second phase would be for a higher amount because of having higher wages.

Brenda Fettrow, Vice Chair, inquired if the County Attorney is good with the resolution. Scott Knox, County Attorney, responded he is good with the resolution.

Paula Cardwell inquired if this is a manufacturing or an assembly facility; and how large is the company sales. Ms. Hashagen replied as of the company's business plan right now, it could potentially be both, long-term; the initial would be more assembly; and she does not have those numbers with her.

Mr. Post reiterated this is a preservation of inducement; he stated before an incentive is offered an application would need to be submitted, containing a lot of information, and having one-on-one briefings; and at this juncture that information is not at hand.

Stan Retz inquired where phase one would be located. Mr. Post responded that is something that cannot be disclosed due to confidentiality; but he stated it is in the geography of the Zone.

Mr. Retz inquired if the customers being delivered to are local, Statewide, national, or international. Ms. Hashagen responded all of those.

Vice Chair Fettrow advised the Zone Board if the resolution for preservation of inducement is passed, it would memorialize a four-acre lot.

Ms. Cardwell inquired if there could be a contingency of first right of refusal if a larger corporation comes in or if somebody else wants that site, there is no wait of almost two years. Mr. Post replied it could be that this engineering component could not be done if a prospect really likes that lot; he stated it is encouraged to move on the second prospect to another lot; he does not anticipate the location being a factor; but they do like what is located across the street.

Ms. Hashagen advised the company is under intense pressure to get the facility started that they are not in a position at this time to make all of the full-decisions needed to be made.

Ms. Cardwell reiterated there needs to be an option in place for first right of refusal; she stated the assets should not be tied up; she thinks it is becoming of the company to ask for a timeline; and she would be okay with the item if there were a first right of refusal in place.

Mr. Retz stated effectively that is what the Zone board is doing; it cannot enter into another contract for property with anyone other than them that is an effective right of first refusal with using a different set of words.

Micah Loyd advised it may behoove the Zone board to look at available section in Spaceport Commerce Park (SCP), to break pieces of land off here and there to maximize all of the land into the future.

Dan Aton remarked having the jobs be for engineering is a positive for the SCP.

Motion by Robert Jordan, seconded by Micah Loyd, to approve Resolution for Preservation of Inducement for Project Swanson. Motion carried and ordered with Paula Cardwell voting nay.

Concurrence on Amendment to Development Agreement for Titus Landing

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated when the Zone was first created one initial mission was to do redevelopment projects; the Miracle City Mall was a disincentive for people coming into the area to invest and to do things; it was considered blight and the Zone got involved to do the redevelopment project, to find a developer to come into the area to make an investment so the blight could be removed, and to turn it into some type of economic value. He went on to say the Miracle City Mall is gone, issues are being addressed, and some value is being returned and added to the tax base; there are jobs being created and there is a lot of capital investment to be made; and when the deal was approved there was an Interlocal Agreement between the City of Titusville, Brevard County, and the Zone allowing for the framework of an assistance package to be offered to EXXCEL Project Management, LLC to tackle the Mall Project. He added in the early years of the Zone there was not a steady cash flow to provide the needed incentive; another entity was needed for support and that is when the City stepped forward allowing for the Zone to offer an incentive, by piggybacking on the City to borrow \$6.5 million to provide to the Zone, and over time the Zone pays the City back to retire the note; there was an Incentive Agreement between the Zone and the developer; there was a Developer Agreement between the City and the developer which is being amended and discussed today; and he introduced Clifford Aiken, EXXCEL Project Management Chief Financial Officer, to the Zone board.

Mr. Aiken provided a PowerPoint Presentation to the Zone board; he stated Epic Theatres is coming, they pulled the permit for construction last week; the community has shown great support; the Agreement originally was signed in February 2014; and the incentive was absolutely required in order to get the Mall Project off of first base. He stated the original site plan shows the phase two area of the full buildout being about 300,000 feet; the phase one initially was 142,000 square feet; the investment was a total of about \$36.5 million; and the private investment was about \$30 million along with the \$6.5 million grant. He went on to say when he first came to the Zone board, reimbursement was to be given as he built the improvements, but after going to the County and to the City, a reimbursement was chosen to give after the vertical construction went up upon and the Certificate of Occupancy (CO) was obtained, so folks would not think they would take the money and leave; and it was thought at that time that would be a bankable agreement of incentive agreement that getting bank financing through construction, but that did not happen because they did it in equity. He advised phase two was not on the table, it was a conceptual plan; the first amendment was in July 2014 which changed a few things,

such as Parrish Medical Center (PMC) moving to the corner of Harrison Street and Hopkins Avenue, because several of the retailers he was talking to wanted PMC to be segregated from the retail, and with some consent it was considered to move PMC to that site; and there was a Walmart Neighborhood Market in the mix but they wanted gas pumps, which he had to get a variance for from the City but no one really wanted that, and there was no lease signed. He continued to say the Mall Project's total investment is about \$61 million; there were significant things in the zoning that he had to get fixed for the requirement for 25 percent open space and needing several ingresses/egresses; in 2015 the Walmart Neighborhood Market was replaced with Hobby Lobby; his bank had a couple of issues with the agreements which was them wanting certainty and timing, and the 120 days before completion of phase one; there was substantial completion that was certified by the City engineer, allowing the City to go out and start the procurement process for that loan; and he expects phase one to be built and operating, and sometime in the future they move into phase two. He stated the last site plan with the City for the Development Agreement was in 2014, that included a configuration that is not being built today; the current configuration request is for site plan on U.S. 1; a purchase has been made of two of the three outparcels and the bank will be purchased and once built and they are moved in, that purchase was a requirement to be able to do the parking lots necessary for the new anchor tenants; the first phase is pushing the time back for the Epic Theatres; the retail strip along the plaza is substantially bigger with Rack Room Shoes, Pet Supermarket, Inc., and a couple of restaurants that will be in the front corner which was not in the original plan, next to the Hobby Lobby; and towards the front of that parcel, where the old restaurant was which was an outparcel, will now include be the new parcel for the BB&T Bank, which is being built and rented to them for free, and there will be an AT&T and a Dunkin Doughnuts. He stated some of the ramifications of the new plan are updating the conceptual plan, now the Mall Project has a total footage of about 350,000 square feet with the outparcel acquisition, and the total investment is up to about \$66 million for the entire Project; the phase one square footage is 166,000; he reminded the Zone board that in the initial incentive agreement was only 142,000 feet; Hobby Lobby, PMC, Pet Supermarket, Inc., and Rack Room Shoes are included in the phase one; the total investment of phase one is \$44 million; and the improvements of infrastructure reimbursements were originally estimated around \$6.6 million, is actually about \$8 million. He continued to say the reason for that is from the storm work that had to be done because it was originally thought when getting into some of the storm and sewer waterlines those would be reusable, but nothing was reusable; the total investment as of today is about \$27 million; before a Certificate of Occupancy (CO) is issued of phase one it will be well into the \$49 million range of investment; and \$14 million of that investment is cash from his partners. He added the biggest issue today is the future phase two starting at the beginning of the year, the plans were just submitted for building permits for Bealls Department Store, Ulta Beauty, and Epic Theatres; the primary reason Epic Theatres is a littler later is due to the storm system being installed and connected to Hopkins Avenue; construction for Epic Theatres will begin as soon as all the lines are connected; and all three of these tenants requires a CO before next year's holiday season. He stated the bank anticipates the CO of phase one and grant receivables are being tied back into the bank for reinvestment of phase two dollars, prior to them loan additional dollars to phase two; there now are 20-plus tenants, with all believing that their business is most important; there is a bank, a City, the Zone board, and the County trying to balance all of this; and the bottom line is there is 255,000 square feet of legal lease documents signed. He stated Tuesday Morning, Bealls Department Store, and Ulta Beauty will be facing U.S.1, which is one of the most significant changes to the site plan, and the outparcels are required to get their parking in place; he is excited and it has been a difficult Project getting people to

come here; he thinks what has been done to date looks terrific; and this amendment is to update the site plan.

Robert Jordan, Secretary/Treasurer, inquired if the \$6.5 million is going back to the bank in order to do phase two. Mr. Aiken replied there is a bank commitment for additional funding for the entire Project; he stated the initial loan was just for phase one; and the total funding which includes \$14 to \$15 million worth of equity from him, \$6.5 million from the grant, and rest is being loaned to him from the bank of about \$48 million. Secretary/Treasurer Jordan clarified if the \$6.5 million is not received then phase two cannot be started. Mr. Aiken responded affirmatively; and he stated he cannot get bank funding for phase two, because the bank is anticipating that \$6.5 million first to reinvest additional loan dollars. Secretary/Treasurer Jordan stated the Zone board had three major tenant requirements such as medical, a theater, and a big box store. Mr. Aiken stated the agreement with the City was not consistent with the three anchors; and the developer agreement says CO on all of phase one.

Stan Retz expressed his thanks to Mr. Aiken for his commitment made to Titusville; he stated he thinks this Project with the stormwater system is helping to save the Indian River Lagoon (IRL), and not enough credit is given for what the \$6.5 million was given for; he understands the change is changing the definition of what phase one is, by removing the Epic Theatres, and adding the additional square footage from the other strip centers for phase one that used to be 145,000 square feet which included Epic Theatres, is now going to be 166,000 square feet which does not include the Epic Theatres; that is the triggering event for the \$6.5 million; and if he understands it correctly, there is nothing left to talk about because it is a good deal.

Micah Loyd stated as far as the timing goes the money is still being released after CO of those buildings; and he inquired if it is 120 days, plus 45 days. Mr. Post responded it is a very detailed process; he understands the first step is to take the documentation to be able to show CO and a minimum qualified investment threshold of \$34 million; and he stated documentation would have to be shown that they have met all of that. He continued to state once the developer notifies they are getting close to the CO it will be 45 day and that is not changing. Mr. Loyd clarified for the community that Epic Theatres is happening and it is the timing of the stormwater pipe that is affecting the timeline of the Epic Theatres.

Paula Cardwell inquired if estimated gross receipts or annual sales projections are out for the amendment to phase one; and she inquired the number of jobs expected to be created in phase one now with this new amendment. Mr. Aiken responded he does not know; and he replied there was a study done by Mr. Post of how many jobs it would create.

Mr. Post pointed out this is a redevelopment Project; he stated while it is important to track jobs and capital investment, the mission is to remove blight and to return some economic value to the site; and therefore, whether they create 200 jobs, 500 jobs, or 1,000 jobs is really not a matter to be even discussed by the Zone board at this time.

Ms. Cardwell remarked it is because that is a qualifier as a redevelopment tenant.

Mr. Post disagreed; and he advised they could talk about that.

Ms. Cardwell inquired if Mr. Post would like to go over it right now.

Brenda Fettrow, Vice Chair, advised Ms. Cardwell to proceed.

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Ms. Cardwell went on to say initially in 2013 the Zone was going for six to seven anchors; the estimated gross receipts or annual sales projections were going to be \$30 million-plus; the total jobs expected is 756 with another anticipated secondary that would create about 450 jobs, which is about 1,200 jobs that was initially said after phase one is 432 jobs, and 324 jobs for phase two; and the average yearly wage total is \$28,480,000.

Mr. Aiken clarified the \$30 million is private investment it is not gross sales receipts and there were no commitments made for gross sales receipts, there was no study done on payroll, and the reports were done by staff; and were not commitments made by him.

Mr. Post advised some materials were provided by Allen Goins; and the numbers are just projections based on what the economic impacts is going to be once the center is up and running.

Ms. Cardwell indicated these were projections based on the Zone board's initial decision to loan them \$6.5 million based on what the Zone board thought the deliverables were going to be.

Mr. Post clarified it is not a loan it is a grant; once any prospect is talked to about an idea of what the impact is going to be on their product, they are always at the frontend of what kind of capital investment they have and what kind of job creation there is going to be; guesstimates are made, which are stated very clearly in these reports done based on some future expectation and is not something one can say is going to be an absolute; and it is based on what similar types of centers have done and base on the design elements they have to be able to implement. He highlighted it is not a basis for getting it approved or not, it is not inside the incentive agreement that they have to create 'X' number of jobs.

Ms. Cardwell suggested just sticking to the deliverables that were supposed to phase one; and she inquired if there was to be a restaurant at the corner of Harrison Street. Mr. Aiken advised it was an outparcel building; and it was not clarified as a restaurant. Ms. Cardwell advised it was put on the site plan documentation. Mr. Aiken stated now there now is an outparcel located further up the street. Ms. Cardwell stated it was to be 166,310 square feet. Mr. Aiken stated that is what it is today; and it was going to be 142,000 square feet. Ms. Cardwell mentioned this was from the 2013 application; the Zone board was told and it was spelt out in phase one there would be an anchor store, a 55,000 square feet medical building, and a theater; and it was taken upon the developer to start phase two of where the Hobby Lobby is versus going with the original site plan.

Mr. Retz advised Hobby Lobby is not phase two.

Ms. Cardwell stated she did not say Hobby Lobby, but she did say around Hobby Lobby with Pet Supermarket, Inc. that was in phase two. She went on to say the deliverables were supposed to be getting a CO's on the theater, the anchor store, PMC, and a restaurant of phase one.

Mr. Aiken remarked it was not in the Incentive Agreement. Ms. Cardwell stated the Incentive Agreement is tied to the Development Agreement. Mr. Aiken stated phase one was defined in the Development Agreement, not in the Incentive Agreement.

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Mr. Retz clarified that is not changing; he stated once phase one is CO'd they get the reimbursement; and they are asking to change the definition of phase one.

Ms. Cardwell stated to get their \$6.5 million. Mr. Retz remarked exactly.

Ms. Cardwell stressed there is no guarantee of phase two in the Developers Agreement and based on market conditions, is it even going to happen. She stated the Zone board is stating that Mr. Aiken promised phase one; and she inquired what happened, why the Zone cannot have phase one, and why he gets the \$6.5 million. Mr. Retz responded phase two was going to be someday down the road; today the Zone board is being told the developer is going to roll straight into phase two, but that still does not change phase one; and the phase one from the timing perspective is just changing the definition of what makes up phase one. He inquired if he is correct. Mr. Aiken responded affirmatively. Mr. Retz went on to explain phase two, which was going to be a hope and a dream that it someday would happen; and now they are moving right along into phase two, they have signed leased on phase two.

Mr. Loyd advised what may be done on the phase two is getting the theatre; there is no crystal ball on the timing of the Project; the Zone board may want to think about how to add teeth in the Developer Agreement to say release the money but tie something to phase two; Mr. Aiken has put a tremendous amount of money in the community; and he thinks the Zone board does not need to attack him.

Ms. Cardwell remarked she is not attacking him; she stated he is present to change the deliverables that he promised he could do in phase one; she is trying to get a clear observation of what those changes can result as far as what the Zone board's expectation was to begin with; and she thinks that is not too much to ask.

Mr. Retz felt it is a great question; and he stated he thinks it has adequately been answered.

Donn Mount advised they have the permit for the theater so there is good intent of moving forward.

Secretary/Treasurer Jordan stated in the beginning of 2017 the developer is going to start the theatre; the bank will not give the developer any more money until he receives the \$6.5 million; and he inquired if they are still going to do a portion of phase two. Mr. Aiken replied the Epic Theatres money is already committed and it is going to be built; he stated the phase two that he is talking about is the Bealls Department Store, Tuesday Morning, and Ulta Beauty, and some additional stores that he thinks will be there by the time the theatre is up; that \$6.5 funding is part of the funding for that portion of the center, which is required to be done in August; and if he does not get an August date all three of those tenants have an ability to cancel if he cannot make that timeframe.

Mr. Retz stated regardless if he does not do phase two he is still entitled the \$6.5 million once he completes phase one as it was, or as revised; and phase two could never happen but are still entitled the \$6.5 million, whether using the old or the new definition of phase one.

Dan Aton inquired what percentage of the storm work will be completed at the end of phase one. Mr. Aiken responded 100 percent; and he stated there is an additional \$2

million of infrastructure in phase two for the far end of the site, for the stormwater of those additional buildings to be built in phase two, but the initial work that was defined will be 100 percent done. Mr. Aton advised his understanding of the amendment is primarily taking the square footage that was associated with Epic Theatres and shifting it to smaller retail spaces in the strip center with more jobs, more storefronts, and more square footage of that section; and not reducing the square footage from phase one, but reallocating to those retail storefronts of that section.

Ms. Cardwell inquired what the estimated buildout timeframe is of the phase one amendment; and how long will it take to build the Bealls Department Store. Mr. Aiken responded in February for phase one and Bealls Department Store needs to be in in August. Ms. Cardwell reiterated she does not understand why the deliverables have to change; Mr. Aiken is the developer and he told the Zone board initially what he could do; now he is coming back to say he cannot give what he initially sold to the Zone board; and she inquired if he has tenants ready to go, can those be added in there to get a CO for Bealls Department Store. Mr. Aiken replied the funding for the Bealls Department Store, Ulta Beauty, and Tuesday Morning are a part of his loan; part of that loan expects to have the funding of the \$6.5 million to building, if not having the \$6.5 million until August, there will not be Bealls, Ulta, or Tuesday.

Mr. Retz stated it is jeopardizing phase two, so at some point in the future this alteration has allowed them to move directly into phase two immediately, which is why the timing is so important if he understands it correctly. Mr. Aiken advised Mr. Retz is correct.

Ms. Cardwell inquired what the assessed value of the property is right now. Mr. Aiken replied \$4 million. Ms. Cardwell stated there is no guarantee of the Bealls getting done without that \$6.5 million.

Mr. Post advised the \$6.5 million was not a condition of beginning phase two, it is a reimbursement of what they do in phase one.

Ms. Cardwell stated right now what is there is what the Zone gets if it goes uncomplete.

Vice Chair Fettrow advised that is what the Zone board agreed to.

Mr. Retz agreed.

Ms. Cardwell disagreed that the Zone board did not agree to that phase one.

Commissioner Robin Fisher stated it was originally in the developer's agreement for 142,000 square feet and most of that square footage was made up by PMC, Epic Theatres, and Walmart; the market has dictated what this site looks like and 114 tenants have been talked to, that how many people it has taken to try to get people to buy into the Mall Project; in 2006 the Mall was tried to be developed and it had a Community Redevelopment Agency (CRA) on that property, but could not find any one to do the project; and instead of drilling Mr. Aiken, he should be getting thanked for what the community had to see for over 15 years. He went on to say the Developer Agreement has already been modified because if it had stayed the way it was there would be a Walmart Neighborhood Market versus the Hobby Lobby; he is pleased that that has changed and were able to attract other tenants to a site that looks really good; and they have done all of this with private money in a job market that was at a loss of 8,000 jobs

from the Kennedy Space Center shutting down. He advised when this is complete it will be hundreds of thousands of new tax dollars going into the tax base; the day Hobby Lobby had its hiring event at the Elks Lodge, traffic was backed all the way up to Walmart; and he does not know how many people Hobby Lobby has hired, but if Hobby Lobby is an indication of what Bealls, Ulta, and Tuesday is going to do it will create jobs, and create a new tax. He added Mr. Aiken is not asking for money today, he is telling the Zone board that he is getting close that in 120 days, he is going to have 160,000 square feet with a CO on it, and it will be ready to go; and when he gets that he wants to be able to deliver the stores wanted up to that point because a bank has not recognized a Brevard County incentive. He advised Mr. Aiken tore the Miracle City Mall down and he took the asbestos out with his own money; he has built a Hobby Lobby with his own money, he solved the stormwater problem with his own money, and he had done everything on his dime up to this point; and every time the Zones commitment is talked about people get in an uproar about it. He stated the bank and the developer committed \$27 million and by the time they to the ask for the incentive, he will have \$40 million committed; he inquired how much does someone have to pump into this community to recognize that they are doing the community a favor; and he stated that is exactly what Mr. Aiken is doing, he is doing Brevard a favor. He advised the developers timeline expects to be finished with phase one with 160,000 square feet at the end of February; he stated in the original development agreement it was promised a Walmart with gas pumps and 142,000 square feet; the market allowed for a better product than a Walmart with gas pumps at the front of the site, and delivered the Hobby Lobby; figuring out Bealls and Ulta, and of that to get them at the site and to stop the conversation about him not delivering, he has delivered more than anyone had ever dreamed he could deliver, because Bealls, Ulta, and Tuesday, and possibly Harley-Davidson on the backside was not even a guarantee; and they could not even get finance commitment of phase two until phase one is done. He advised he wants to see a total store buildout; the most import thing Mr. Aiken has really done is he solved the IRL and the stormwater problem on U.S. 1, which is what the reimbursement is for, and are not reimbursing for that until the Project is done; and he is committed to doing that along with another \$2 million worth of commitments done too.

Mr. Retz stated the money is committed now he has to deliver; by making this alteration it allows the Zone board to deliver what it has committed to him, in such a fashion that he can more directly into phase two for Bealls, Harley-Davidson, Ulta, and Tuesday Morning.

Ms. Cardwell stated they are not having the same conversation had as in 2013; the Exhibit C, that had a schedule of design costs and demolition; and she inquired what the abatement cost for the asbestos. Mr. Aiken replied of that \$6.5 million estimate he will have spent \$8 million.

Mr. Mount inquired if that is part of phase two. Mr. Aiken responded no, it is all phase one. Mr. Mount stated it all is 100 percent done, the IRL will benefit, and the permitting for the theatre will be in place.

Ms. Cardwell remarked the IRL is benefiting now because they did not have to do the hydrocarbon mitigation underneath the drycleaners, because the plume had already made it to the IRL; and she stated there was an initial estimate to remove that asbestos between \$5 and \$6 million.

Mr. Aiken pointed out that was not ever his estimate. Ms. Cardwell stated in 2006 there was an estimate; and \$800,000 was Mr. Aiken's estimate.

Commissioner Fisher stated before the plume there were 37 acres without any treatment going into the IRL; there are now 12 ponds capturing water at the Titus Landing site; plus water is being treated from subdivisions west and north of Hopkins Avenue; and that stormwater will be treated at the site with a baffle box.

Michal Loyd stated the baffle box alone is \$100,000; it is a huge infrastructure project; and until it is permitted, it is really an estimated guess on cost.

Patrick Pearce expressed his thanks to the Zone board for bringing the Mall Project to the City of Titusville; he stated it is going to be perceived by him as the new downtown; the Epic Theatres will drive shopping and he is happy to hear phase two construction will be starting; and it was a concern of his because in the agreement it stated phase two would start as the developer determined market conditions. He went on to say if this modification is made and a few things are moved over to phase two, the \$6.5 million is released, and reinvesting into phase two construction. He stated the only thing needed to be done is pull out the clause in the agreement.

Motion by Robert Jordan, seconded by Stan Retz, to approve the Amendment of Development Agreement for Titus Landing between the City of Titusville, EXXCEL Project Management, LLC, and Titusville Harrison One, LLC, successor-in-interest to Miracle City Towne Centre, LLC, as presented to the Zone board. Motion carried and ordered, with Paula Cardwell voting nay.

Redevelopment Project MedFast

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he received an application form for redevelopment assistance for Project MedFast.

Micah Loyd advised due the applicant being one of his clients he is abstaining from the vote.

Mr. Post went on to say the total capital investment of the project is overall \$745,000; the project will create 15 to 20 long-term jobs, providing healthcare for the population of Titusville; the company is growing a satellite operation and helping reduce the costs to hospitals in a way by taking people who may have nonemergency first aid needs, and providing a nice service for the community; and the Zone is trying to get a better fit for the lot next to Titusville High School on U.S. 1. He stated infrastructure is what they will have to do to improve the lot, by removing old concrete sections, adding exterior lighting, stormwater enhancements, and some utility line replacements; the budget for that is around \$50,000; one thing discussed is what it would take for them to move forward; they are asking to cover a reimbursement of some of that infrastructure cost; and based on the \$50,000 estimate, he proposed doing about 75 percent of that which is about \$37,500. He stated the Zone's commitment would be to fund a reimbursement grant, subject to the applicant going forward with the project and getting it built, and ready for occupancy; and whether the Zone board wants them to be in it for a period of time has not been mentioned, but if six months or one year timeframe is wanted to occupy the structure before being eligible for the reimbursement up to \$37,500.

Paula Cardwell inquired who owns the property right now. Mr. Loyd responded Troy Holdings, LLC.

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Dan Aton inquired if there is a projection of the tax base increase. Mr. Post replied it can be provided.

Motion by Robert Jordan, seconded by Stan Retz, to approve reimbursement grant up to \$37,000 for Project MedFast, after six months of Certificate of Occupancy (CO) is established. Motion carried and ordered, with Micah Loyd abstained from the vote.

Mr. Loyd provided the Clerk with his Memorandum of Voting Conflict Form8B.

Request to Amend NBEDZ Geography

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated a few weeks ago when thinking about Exploration Park (EP) an amendment to the Zone made several years ago allowed the Zone to have an expansion of its geography, to help induce deals in EP; when the Ordinance was changed, they included the phase one and the phase two to help the layout, and since that time there had been some successes; and the leased section show is OneWeb Satellites project location. He went on to say the remaining acreage in EP is about 50 to 60 acres; all of phase two is going to be utilized by Blue Origin, which has created an issue of not really having a lot more land to work with; the Zone board is being asked to request the Board of County Commissioners (BOCC) at its November 15 meeting, to expand the Zone's geography to allow the Zone to take in what National Aeronautics and Space Administration (NASA) is projecting as its phase three of about 160 acres, and located south of Blue Origin; and any other future designated phase of EP by Kennedy Space Center (KSC).

Paula Cardwell remarked it is Federally owned property and the Zone has to be cognizance of the fact that any deal cut with them is clawback; and is going to be greatly reduced, because the Zone is not going to have control of the land.

Dan Aton stated it will go on the tax roll for the benefit of the County; and he inquired if it benefits the Zone. Mr. Post responded no; and he stated the General Fund is benefited.

Stan Retz clarified this is not expanding the Zone into EP, but is expanding its ability with no revenue stream off of it. Mr. Post agreed.

Donn Mount inquired what the benefit to the Zone is. Mr. Post replied if it is another company like Blue Origin, it could employ a significant number of people that could a spillover effect of another industry; and he stated this is the driver potentially for other candidates.

Motion by Stan Retz, seconded by Robert Jordan, to authorize an Item be placed on the November 15, 2016, BOCC Agenda to adopt an ordinance amending the Geography of the NBEDZ in EP. Motion carried and ordered unanimously.

Upon consensus, the meeting adjourned at 10:41 a.m.



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Robert Jordan, CM, Secretary/Treasurer

Approved on March 10, 2017.