

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

February 9, 2018 @ 8:30 a.m.

District 1 Commission Office – Titusville Chamber of Commerce Building  
2000 S. Washington Avenue, Second Floor  
Titusville, Florida 32780

**Board Members:**

In Attendance: Dan Aton, Robert Jordan, Micah Loyd, Al Matroni, George Mikitarian, Donn Mount, Stan Retz, and Louis Sanders

Telephone: Brenda Fettrow

Call to Order: Meeting was called to order at 8:30 a.m. by George Mikitarian, Chair.

Pledge of Allegiance: Walt Johnson, City of Titusville Mayor, led the assembly in the Pledge of Allegiance.

**I. Approval of Agenda:**

Troy Post, CEcD, CBE, NBEDZ Executive Director, advised there is a change on the Agenda under Old Business of a proposal for Stinger Fiberglass; the application is still being worked on; it has been pulled from the Agenda; and Discussion and Direction has a new item added for Real Estate Appraisal of Spaceport Commerce Park.

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

**Approval of Minutes:**

Motion by Robert Jordan, seconded by Louis Sanders, to approved the meeting minutes of July 7, 2017 and August 11, 2017. Motion carried and ordered unanimously.

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

Robert Jordan, Secretary/Treasurer, stated the Line Item for Other Contracted Services reflects the feasibility/market study for Indoor Sports Arena of an amount up to \$24,000; and the remaining budget is tracking well.

Troy Post, CEcD, CBE, NBEDZ Executive Director, advised he is waiting for documentation from Embraer to process the last part of its grant; there are a few grants that have now qualified for incentives; and over the next couple of months the Zone board will start seeing funds under Line Item for Grants and Aids be expended.

Motion by Stan Retz, seconded by Brenda Fettrow, 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 met with Dan Jones, Land Acquisition, in Public Works for real estate appraisal firms currently operating under continuing services contracts with the County for valuation of real estate. He went on to say despite reduction in travel budget for Fiscal Year 2017-2018, there still is considered participation in the three trade shows he attends each year, such as Americas MRO Aviation Show in April, the iCAST marine and recreational fishing industry in July, and the International Council of Shopping Centers (ICSC) Florida Show in August; and he has reached out to the Cities of Cocoa, Rockledge, and Titusville about joining the Zone in staffing an exhibition booth at each show, and promoting the region of available properties jointly.

Micah Loyd's presence is noted at 8:36 a.m.

Mr. Post stated he joined the Economic Development Commission of Florida's Space Coast (EDC) for a meeting with an industrial gases provider for the potential of capital expansion project in the area; it likely results in a minimal number of new jobs, but has a sizeable capital outlay; he also joined the City of Titusville officials for a meeting with the owner of a Kentucky-based firm who is considering an expansion of operation to the area; he met with the Chief Executive Officer (CEO) of the aviation services firm, Concord Aerospace; and he continued to pitch available building stock to Pratt CNC, which is weighing operations for a future location. He stated he is continuing the Lean Six Sigma initiative to create a data base tracking tax rebates/awards and other incentives granted by the County and by the Zone in recent years, particularly those involving North Brevard firms. He mentioned discussing with Joan Junkala of Community Development Strategies, Inc., the creation of a booklet documenting Zone Projects, and similar to annual report template she developed for the City of Cocoa; and the booklet would be used to promote impact of the Zone and its Tax Increment Financing (TIF) model. He advised he participated in quarterly meeting as board member on the Florida Department of Transportation's Freight Advisory Committee; when Congress passed the Tax Cuts and Jobs Act of 2017, it created some development tools; he plans to participate in a webinar for qualified opportunity zones; and he plans to have the results of the feasibility study at the end of the month. He advised there is proposed legislation for House Bill 3 and Senate Bill 1714 that would change how quasi, public, and private/public sector partners would have to do certain things, but would affect the EDC and the local SCDC; and if there is interest in finding out more, he will provide an update of the status of these proposed bills. He stated last year an entrepreneurial information kiosk was talked about to have literature for the local entrepreneurs on how to kick start their business ideas; it will help to promote more of what COlaunch does; and those will be located in some of the libraries. He advised Cathy Musselman is absent today; she asked him to tell the Zone board that COlaunch has picked up a lot in the last month; there are a few new members who have joined COlaunch that are from the Boston area; and they are staging a big launch party for the Falcon Heavy. He provided the Zone board with a summary of the Planning Session held on January 12, 2018.

## **Titusville Economic Development Department Report**

Edyie McCall, Economic Development Director, provided the Zone board with handouts of the *Titusville Talking Points*, *Spacecoast Business*, and *New Growth in North Brevard Economic Cultivation Pay Off*; she stated there is an article in *Spacecoast Business* about Red Canyon Software, Inc., that mentions all the entities who have been supportive of its relocation to historic downtown Titusville; and she is starting to notice calls picking up from the local companies that are wanting to expand, as well as out of State companies.

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

#### **Real Estate Appraisal of Spaceport Commerce Park (SCP):**

Troy Post, CEcD, CBE, NBEDZ Executive Director, provided the Zone board with a map of SCP for the proposed scope of services of a comprehensive real estate appraisal for SCP property; he stated what will be interesting to know are the values of properties on a parcel-by-parcel basis; Rodney Honeycutt, Honeycutt & Associates, Inc., has been asked to come up with something that has a better graphic of lot sizing; and the goal is to being flexible for the needs of lot sizes. He went on to say a continuing services contract is being used and there is money in the budget under Contracted Services to cover it.

Al Matroni inquired how difficult is it to change a recorded plat. Mr. Post responded the way he understands this is currently it is a preliminary plat that exists which does allow for making adjustments, which was what was done with the Embraer Project.

Mr. Post added recently he went before the Board of County Commissioners to get approval of the Paragon sale, which was approved without any discussion; if the reasoning's are laid out for what the Zone is being proposed, in terms of if selling the land, and what is expected to receive from the company for economic and fiscal impacts help to make a good case; and he would want to do that anyway, as being good stewards of the money the Zone has, and that it would hopefully be approved by a majority of the Commission. He mentioned he is anticipating for the pricing of the appraisal to be under the threshold; and if it changes it will come back at a subsequent meeting in March.

### **V. Old Business**

#### **Proposed Agreement on RCG Ventures Project (Former KMART):**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated in November 2017 there was a proposal from the Economic Development Commission of Florida's Space Coast (EDC) to try to induce a real estate firm out of Atlanta, to take possession of the KMART building and turning it into a climate controlled storage facility, as well as developing two or three outparcels; they plan to do some landscaping elements and some stormwater enhancement improvements; a deal was approved that was largely based on returning back to developer some of the monies they would pay in property tax, after there has been a re-evaluation of the property, based on what they would do. He advised what was mentioned to the group was there is two forms of revenue that comes to the Zone; one is generated from getting a percentage of the County's General Fund on appreciated values above the base year; two is generated from the City of Titusville's General Fund for getting a percentage of property appreciation over the base year, which is 2011; and the County

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Attorney's Office suggested when the draft incentive agreement was ready, it come back to the Zone board for its approval.

Christine Schverak, Assistant County Attorney, stated there are two line items on the real property tax that are used to generate the Tax Increment Financing (TIF); a percentage of the TIF is being used for each individual parcel, which is not how the County calculates the Zone's TIF; she had to figure how it would work for an individual parcel; 80 percent of the County TIF received on this parcel is what the Zone wants to give to the company; and it is 30 percent for the City. She went on to say the base year amount of 2011 is \$960,000 for that parcel, which is higher than this year's property value; while it is a Master Parcel it is calculated by taking the current year value subtracted from the 2011 year value, multiply that by 80 percent, and then multiply that by the current years millage rate; there is a plan within the agreement that within 18 months of the company purchasing the property, the sub-division of the parcels must occur; and the way the County then calculates TIF for that is adding up the current year value of all the parcels and subtracting it from the 2011 value. She advised if the sub-divided parcel is sold, the percentage of the taxable value for each sub-divided property is taken, and multiplied by the total TIF for all of those parcels that gives the breakout of what the total TIF is in the math formula; and the formula should be written in the agreement so it is clear for all parties on how this is going to be calculated. She stated what this allows to happen is if the company sells off the sub-divided property, everyone has to come in to do another agreement, but basically it would allow for that new owner the balance of the five years, to get the credit on their sub-divided parcel; the way it is set up for the Master Parcel, they can get the grant for 10 years, and on a sub-divided parcel for five years; the five year clock will start ticking from the point it is sub-divided; and after a certain year they cannot apply for the grant money which is 18 months, plus five years.

Al Matroni inquired what the number is this is being based on. Assistant County Attorney Schverak responded \$960,000; and she explained it is whatever the taxable value of the property is above \$960,000.

Mr. Matroni stated his concern is if they are selling those outparcels, they are making a profit; and he inquired if those are being put back in for the Zone to give them more incentives. Assistant County Attorney Schverak replied the only way that the company would get a grant based on the outparcels is if they owned them; and she stated if they sold them the person buying the outparcel would be eligible to get the grant for the remainder of the five years.

Mr. Matroni remarked that he would not go along with that; he inquired why would the person with the outparcel be entitled to the grant; and he stated it is going to be a fast-food operator, a bank, or a relocation.

Assistant County Attorney Schverak replied this can be changed; and she stated the Zone does not have to give the person buying the outparcel any grant, but she thought that was the route the Zone board had decided to go in.

Mr. Post clarified that it is; he stated after talking with the EDC and the real estate company, they are trying to make the argument for how this will impact their taxes in the future, and that is a way to induce somebody to take possession of the outparcel; and they are still anticipating that being part of the incentive.

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Stan Retz stated if this is looked at as a transferable grant, they have 10 year grant, but if they sell the outparcels the Zone board will reduce that to five years.

Assistant County Attorney Schverak stated they get a maximum of five years, but in order to put a cap as to when they could apply, she capped it as 18 months, plus five years; the worst case scenario is if they start their five years at the end of their 18-month window to subdivide; but they can only get five years.

Mr. Post added the trigger is the signature on the agreement that starts the 18-month window.

Micah Loyd advised this is what was asked for to help make the deal work.

Louis Sanders inquired if this is transferable to a new owner if the company decides to sell after one year of having the Certificate of Occupancy. Assistant County Attorney Schverak responded the agreement requires it to be assigned with written consent of the District to be assigned with satisfactory terms in writing providing for the completion of the product.

Mr. Matroni inquired if the assignment could be not unreasonably withheld. Assistant County Attorney Schverak replied whoever is purchasing the property would then need to agree to do the same thing that is in the agreement.

Assistant County Attorney Schverak stated the only other assignment in the agreement willing to be considered is the selling of the sub-divided parcel; and the selling of the sub-divided parcel requires a written agreement with the Zone, to get the remaining five years.

Scott Knox, County Attorney, inquired if it states not unreasonably withheld. Assistant County Attorney Schverak replied that is not in the agreement. Attorney Knox advised it needs to say sole discretion.

Mr. Retz reminded the Zone board is just giving them some of the money of the taxes they are paying, a percentage of the increase back to them for a few years.

Motion by Robert Jordan, seconded by Donn Mount, to authorized rewording in the assignment to state at sole discretion of the Zone. Motion carried and ordered unanimously.

Dr. Brenda Fettrow's absence is noted at 9:26 a.m.

**Revised Interlocal Agreement on Blue Origin Project:**

Troy Post, CECD, CBE, NBEDZ Executive Director, stated this the Interlocal Agreement between the District and the County relating to the payment of debt service on financing of Blue Origin grant agreement with amended changes; in paragraph three changed 'loan' to 'indebtedness, and 'budget' to 'annually budget'; and the second part is the payment of debt service on financing of Blue Origin grant agreement for Blue Origin validation, limiting the amount of soft costs that could be paid out to the legal counsel.

Motion by Robert Jordan, seconded by Dan Aton, to acknowledged and accepted the amended changes in paragraph three changing 'loan' to 'indebtedness, and 'budget' to 'annually budget'; and acknowledged and accepted the payment of debt service on the

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financing of Blue Origin grant agreement for validation paid to Nabors, Giblin & Nickerson, not to exceed \$25,000. Motion carried and ordered unanimously.

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



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Robert Jordan, CM, Secretary/Treasurer

Approved on May 11, 2018.