

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

June 13, 2014 @ 8:30 a.m.
Parrish Health Village West/Heritage Hall
931 N. Washington Avenue
Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Paula Cardwell, Robert Jordan, Donn Mount, Stan Retz, and Louis Sanders

Telephone: Brenda Fettrow

Absent: Micah Loyd and George Mikitarian

Call to Order: Meeting was called to order at 8:35 a.m. by Robert Jordan, Secretary.

Pledge of Allegiance: Robert Jordan, Secretary, led the assembly in the Pledge of Allegiance.

I. Approval of Agenda:

Motion by Donn Mount, seconded by Stan Retz, to approve the NBEDZ Agenda as presented. Motion carried and ordered unanimously.

II. Review and Approval of Board Minutes:

Motion by Brenda Fettrow, seconded by Stan Retz, to approve the NBEDZ Meeting Minutes of May 9, 2014. Motion carried and ordered unanimously.

Motion by Donn Mount, seconded by Brenda Fettrow, to approve the Special NBEDZ Meeting Minutes of May 16, 2014. Motion carried and ordered unanimously.

III. Executive Director Report:

Troy Post, CEcD, NBEDZ Executive Director, advised he met with the Barbara Goering, Miami Corporation Vice President, and Glenn Storch, Storch and Harris, LLC, to discuss the latest plans of the Farmton development; Miami Corporation has been acquiring parcels near I-95; and they are exploring the feasibility of developing a commercial corridor and a corporate business park, located in Brevard County, as a part of its Feasibility Plan. He advised he completed an analysis for Mayor Jim Tulley on the local lodging industry, looking at revenue per room and average daily rates; the potential for developing a small event center located in Downtown Titusville, by catering to the business and tourist groups; and for City officials and the Space Coast Economic Development Commission (SCEDC) to court private sector developers to undertake

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projects. He added, in partnership with SCEDC, they conducted a follow-up meeting with TrepHub, to determine how it may participate in venturing to North Brevard, and complying with small business strategic initiatives section of the Zone's Economic Development Plan. He advised there are continuous presentations and conversations with different groups of investors and retail real estate brokers, in connection with attracting retailers to the area for the Mall Project; the Mall Project received its final approval from the City of Titusville City Council on its Master Plan; and they may proceed with the submission of detailed plans for demolition and building permits. He talked about continuing to work on several on-going projects, such as reviewing the draft overlay ordinance for Spaceport Commerce Park (SCP), the Zone's proposed operating procedures manual, and the proposed interlocal agreement with the City of Titusville for its financial assistance with the spec-building. He advised of two prospect projects are being tracked; one is the data center project which is in a holding pattern, and he is awaiting on a response back for what is wanted to be done; and two is the Project Landmark which is active, and its announcement could be made late in the summer for its proposed venture. He advised he attended the 30th Annual Space Symposium May 19-22, 2014, how the public is unaware of things going on in the space industry, and about the four segments actively going on within the space industry; one is the commercial crew of a private sector firm that would help carry the next slate of astronauts transported to the International Space Station (ISS); two is commercial cargo transporting supplies and or payloads to the ISS; three is satellite deployment/processing and payload processing, which is private companies qualifying for commercial feasibility; and four is Exploration/Deep Space, which is exclusively National Aeronautics Space Administration (NASA) right now trying to get in close proximity of an asteroid, or going to Mars. He added, satellite deployment firms such as Blue Origin and Sierra Nevada has good private sector models; and there could be business opportunities for them to remove space debris. He went on to say Lockheed Martin is the prime contractor for the Orion Project; it is a tremendous publicity event that the Zone had been asked to help ensure the public is aware of the test flight coming for the Orion Capsule, which would eventually be the manned capsule missions taking them into deep space; and it is a chance to get a lot of support through the Greater Titusville Renaissance (GTR) and other community groups to help the Zone promote some of the existing opportunities. He noted some observations he made at the Space Symposium is there are three firms pursuing funding from NASA to service the commercial crew, they are Boeing, Sierra Nevada, and SpaceX; it is possible that NASA may select two of those firms this summer to fund some additional development plans because each firm is developing its own spacecraft; it is a possibility that NASA may select one firm; and that would be the vehicle for which they would continue to provide funding until the test flights start. He indicated there will be a lot of activity centered at Kennedy Space Center (KSC) that will translate into jobs and opportunities for suppliers. He stated the United States Air Force (USAF) is doing a lot of modernization and consolidation of facilities to have more things done in-house that are farmed-out to different contractors; and it is an opportunity for companies to form partnerships. He pointed out KSC Director Bob Cabana was interested in the Zone passing along information to the community about KSC working with private sector companies, which is good for the Zone because it helps with utilizing existing infrastructures. He stated there were discussions held regarding if the RD-180 Russia rocket, used for the first stage of Atlas V launches at KSC by United Launch Alliance (ULA), would propel Congress to fund the development of an American-made rocket; the cost would be in the billions and it would take a long time to be developed; and the ULA reported it has a stockpile of the RD-180's that could

handle two years of activity, assuming if the supply of the dual combustion engines suddenly ceased. He advised discussions were held about SpaceX's litigation against the USAF over its method of awarding contracts for aerospace work. He pointed out the Harris Corporation is interested in the Zone helping to attract workforce talents to the area, because they are seeing a critical need growing in the technical and engineering market; and they talked about recruiting people from colleges across the nation to be able to fill those jobs if the workforce talents are not in the area. He stated ATK Aerospace is working on the Orion Project; and they are interested in making sure that there is a lot of public awareness going on with the Project. He added, NASA's budget may be a lot larger than it has been over the last few years; SpaceX may have more than launch capabilities sited in Brevard County; and the result is in an area for mission control and rocket production facilities. He advised Blue Origin is a firm making great strides in rocket propulsion systems, seeking to participate in the commercial cargo segment; and they are looking for a place for their rocket propulsion production facility and mission control. He stated building a social media campaign would help to get the word out to the community about what is going on; and the Zone's job would be to take the message beyond the community to other dealings. He concluded by saying he appreciated the opportunity of attending the Space Symposium on behalf of the Zone.

Dan Aton inquired if space tourism had been discussed at the Space Symposium. Mr. Post responded a couple of companies are interested in space tourism; and he stated X-Cor Aerospace is trying to design its sub-orbital vehicle, somewhat like Rocket Crafters was trying to do, and are focusing on a KSC presence.

IV. Discussion and Direction:

Co-work Space Concept

Troy Post, CEcD, NBEDZ Executive Director, stated TrepHub in Melbourne is an incubator program aspiring to be the hub of the tech entrepreneurial workspace; in order to be successful, there needs to be a pipeline of entrepreneurialism in the community; and because it is an incubator, there would be a physical facility with some type of rent being charged to the tenants that will help to make it be a successful program. He stated in his communications with TrepHub, they inquired if the Zone is interest in being a part of its incubator program by maybe using some of Zone's revenue to help with that; and the conversation then started going towards making sure it is a feasible kind of activity for the Zone to be involved in. He added, any time use of funds are asked for, there has to be an analysis done showing the validity of using those funds; a feasibility study was done in the fall; he reiterated for a business incubator program to be successful, there has to be a pipeline of entrepreneurialism in the community; and it was suggested to do something a little less expensive, such as a stair step of getting to an incubator, and that is where the co-workspace came up. He went on to say there is a chance to partner with TrepHub by helping them to lease a space for one to two years to see how the program would go; he has had conversations with the Regional Planning Commission (RPC) over the past several days; RPC has a good relationship with the Economic Development Administration (EDA), which has money set aside that they are trying to get out to communities to do these kind of incubation type projects; and the next funding deadline the Zone can make application for is in October. He asked the Zone Members if he or she is interested in the concept to try to get matching funds; he stated

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he would come back to the Zone with more detailed information if interest is shown in participating; and he would need to get started applying for it now.

Paula Cardwell stated it is a great concept to piggyback with TrepHub for North Brevard to be a satellite.

Dan Aton indicated he is in favor of doing this; he stated TrepHub is a 501(c)(3) nonprofit organization; they are not affiliated with any government agency; but they are interested in some type of relationship to extend its brand.

Mr. Post advised he will provide further information about the application and what the parameters are at the Zone's next meeting.

Jim Tulley, City of Titusville Mayor, stated the passion of young entrepreneur's is making TrepHub successful; he thinks building entrepreneurship in North Brevard is another way to build jobs; and it ought to be pursued. He suggested inviting TrepHub to make a presentation to the Zone for a better feel of what TrepHub is all about.

Robert Jordan, Secretary, agreed with Mayor Tulley; and stated Career Source has classes available for entrepreneurs.

The Zone reached consensus for Troy Post, CEcD, NBEDZ Executive Director, to provide the Zone with a report regarding entrepreneurship in North Brevard; and to invite TrepHub to provide a presentation to the Zone.

Signage at Spaceport Commerce Park:

Troy Post, CEcD, NBEDZ Executive Director, asked for feedback of the signage for Spaceport Commerce Park (SCP) at its entrance on Grissom Parkway; and he stated the City of Titusville had asked to have the sign improved and to have other signage at some of the SCP's other gateways.

Donn Mount inquired where the money comes from to improve the signage. Mr. Post replied once the type of signage is known, he will get some quotes, but has no idea of what the cost would be.

Dan Aton inquired who receives the funds if something is sold in SCP. Scott Knox, County Attorney, responded the County owns the land and would receive the funds.

Mr. Aton pointed out investments have already been made with Rodney Honeycutt & Associates, Inc. and with some improvements of the SCP as well; and stated there is not a clear understanding of how reimbursement would work.

Commissioner Fisher advised by getting rid of the agency and having the Zone over SCP was in the Zone's best interest; it is to the Zone's benefit to have control over the SCP when talking about jobs and infrastructure; and he does not recommend the Zone going to the County asking for its portion of sales from the SCP.

Mr. Post advised the Zone is about jobs and Capital investment in the area; the point about spending money on engineering is a good point; and that is because the Zone has

a vehicle for being able to improve the lot, and the signage falls into that making the SCP entryways attractive.

Stan Retz inquired who negotiates the price if an offer is made on a lot. Attorney Knox responded the Zone does; and he stated the final deal would then come to the owner, which is the County.

Paula Cardwell inquired who is responsible for the debt service. Attorney Knox responded once getting to the point of spending money on a building, there should be an interlocal agreement with the County stating who is going to get what, because money is being spend on Capital improvements; and is not an administrative expense.

Commissioner Fisher advised to have the sign in the budget because it needs to be replaced; and the Zone is managing the SCP.

Mr. Aton advised having some signage consistent with Space Coast Regional Airport signage.

Jim Tulley, City of Titusville Mayor, suggested getting some input from the property owners at the SCP.

The Zone reached consensus to direct Troy Post, CEcD, NBEDZ Executive Director, to research the cost of refurbishing the SCP sign at Grissom Parkway and S.R. 405, using the Space Coast Regional Airport signage as a template; and to bring it back to the Zone at a future meeting.

V. Business Items:

New Business:

Old Business:

Action on NBEDZ FY2014-2015 Budget:

Troy Post, CEcD, NBEDZ Executive Director, provided the Zone with expected revenues for the proposed Fiscal Year 2014-2015 operations budget; he stated he was asked by the Budget Office to prepare for 15 percent increase in some of the benefit costs; Job Opportunity Program amount was added for North American Surveillance Systems (NASS); it is likely there will be some grant funds coming in the next Fiscal Year; and if Project Landmark were to announce at the tail end of this Fiscal Year, that money would be due. He stated money was added to industrial site development and commercial site redevelopment, which are components of the Economic Development Plan (EDP), and those moneys are fairly low compared to infrastructure development; the money allotted for the spec-building development is not enough money to build, and other partners will need to be found along with other financing sources; and the seed money could be an equity match, but some may be expended into elements such as cutting in a parking area. He added, he put a little bit of money in the Loan Interest Subsidy Program to start creating budget categories for possibilities; there is money in the Co Work Space; budgets are just forecasts of expenditures; and it can always be amended and changed. He went on to say there is the payment for the Inter-Agency note, which he thinks by the

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time the note is taken out, the Zone will have drawn down the principle amount; and there is a minimum interest charge that he built into the Inter-Agency note, and the payment of principle and interest for the Miracle City Mall note.

Robert Jordan, Secretary, inquired where in the budget does signage fall. Mr. Post replied under Infrastructure Development Pad Ready Signage at SCP.

Commissioner Fisher pointed out annually in the future the Zone may want to consider adding a little more into Strategic Initiatives for marketing.

Stan Retz advised in the Administrative section, there is \$5,000 for promotion advertising also.

Motion by Donn Mount, seconded by Dan Aton, to approve the NBEDZ proposed budget submitted. Motion carried and ordered unanimously.

Public Comments:

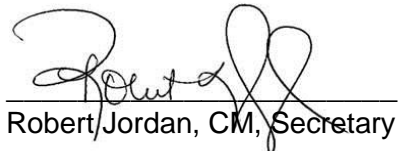
Paula Cardwell stated she would like to see the cost of virtual site plans versus actual using a two-way cost benefit analysis based on what it would cost to construct a building and carry the costs, plus the debt service for one year of maintenance and liability of a spec-building at Spaceport Commerce Park (SCP), to help shorten the timeframe and cut costs.

Troy Post, CEcD, NBEDZ Executive Director, advised there may not be enough money to build a structure 75,000 square foot spec-building; and a shell alone could cost up to \$5 million. He went on to say the Budget Change Request was made and some of the engineering things with Rodney Honeycutt & Associates, to accelerate some permitting.

Commissioner Fisher stressed the closer the Zone gets to have a building would make things better; but that is the challenge in North Brevard because there are no building and companies are locating elsewhere.

Adjournment:

The Zone reached consensus to adjourn the meeting at 10:15 a.m.



Robert Jordan, CM, Secretary

Approved by the Board July 11, 2014.