

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

May 12, 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, Brenda Fettrow, Robert Jordan, Micah Loyd, George Mikitarian, Donn Mount, Stan Retz, and Louis Sanders

Absent: Paula Cardwell

Call to Order: Meeting was called to order at 8:32 a.m. by George Mikitarian, Chairman.

Pledge of Allegiance: George Mikitarian, Chairman, led the assembly in the Pledge of Allegiance.

**I. Approval of Agenda:**

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

**II. Minutes Approval:**

Motion by Robert Jordan, seconded by Brenda Fettrow, to approve the January 13, 2017, meeting minutes as presented. Motion carried and ordered unanimously.

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

Robert Jordan, Secretary/Treasurer, stated the budget is tracking well.

Motion by Brenda Fettrow, seconded by Micah Loyd, 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 on April 3-6, he attend the 33<sup>rd</sup> Space Foundation Space Symposium 2017 in Colorado Springs, as part of the Economic Development Commission of Florida's Space Coast (EDC) delegation; he met with representatives of leading aerospace firms and personnel from governmental entities; he provided a summary of discussions and a handout of topics raised during sessions; he participated with the EDC and Enterprise Florida in the international trade fair for Maintenance, Repair, and Overhaul (MRO) in the aerospace industry of Orlando; he attended the 10<sup>th</sup> Meet the Consultants event in Atlanta on April 19-20; and he mentioned Greg Weiner, CEcD, Senior Director Business Development at EDC of Florida's Space Coast, is on the telephone. He advised he is continuing prospect tracking from a follow-

up of attending the MRO, with a local food preparation firm that is considering an expansion; he provided the *North Brevard Business Review* newsletter; he convened an initial gathering of tenants in the Spaceport Commerce Park (SCP) and Enterprise Park (EP) to discuss the formation of a business park association; and the group is interested in marketing SCP and EP as an aerospace supply hub promoting businesses. He stated he is creating the Zone's PowerPoint Presentation for the Board of County Commissioners May 23 budget Workshop for next year; each department is required to give an overview of its budget forecast for the approaching Fiscal Year 2017-2018; he is updating the annual Economic Assessment Report, which is used to promote development news in the area and providing a statistical summary of North Brevard economy; and for local networking he attended a luncheon hosted by the National Space Club in Cape Canaveral.

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

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, stated COlaunch has nine members, with three offices, two basic, three mail drops, and one institutional; and at the end of June CareerSource Brevard is moving back to its old location because it needs a larger space to service its customers in the area.

Robert Jordan, Secretary/Treasurer, added CareerSource Brevard decided to move out of COlaunch because it made a mistake moving last year; the people of North Brevard needs a place to go to find jobs and COlaunch is not serving the people, but is an extremely nice place with not enough space for computers; and CareerSource Brevard is moving back to its previous location.

Ms. Musselman went on to say there were some services that will have to be taken care of that were provided by CareerSource Brevard, such as internet; the COlaunch facility maintenance has been a big issue over the past four months; she mentioned that she had to ask Troy Post, CEcD, CBE, NBEDZ Executive Director, to talk to the landlord about plumbing issues; the Bike Trails Beautification is underway; and she met with an Eagle Scout Troop for another section of the Bike Trails to have a beautification projection done. She added the GTR board has been reviewing Art and Algorithms and the Indian River Festival that it had been putting on for the last couple of years; a decision will be made soon on how it will move forward with those festivals; and an announcement will be coming out soon. She stated the Lead Brevard project for the GTR Youth Academy will be implemented in the fall; there is a video and a brochure that teaches the importance of civic responsibility and giving back to the community; and the students will track his or her community hours for a contest.

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

Troy Post, CEcD, CBE, NBEDZ Executive Director, asked the Zone board to take and review the draft amending the Economic Development Plan for a June discussion, initiating strategy two for commercial/industrial site redevelopment loan assistance.

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

### **Authorization to Release Grant Funds – Titus Landing Project**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this item relates to Titus Landing and Cliff Aiken, EXXCEL Project Management Chief Investment Officer, is present today; in 2013 the proposal was brought to the Zone to redevelop the Miracle City Mall site; as a way to incentivize the Titus Landing Project, the Zone would use, as part of its Economic Development Plan, requiring an itemization of cost for public infrastructure improvements and what the overall cost incurred by acquiring the site, demolition, and construction coming out of the ground with the improvement. He went on to say in looking at the application a figure of about \$6.5 million could be done at that particular time, based on looking at what was felt the revenue allocation would be to the Zone in the future; a commitment was made of \$6.5 million, to reimburse them for those public infrastructure costs; and he provided the Zone board with a summary of those public infrastructure costs, after now getting to the point of actually having the items completed. He highlighted on actuals through draws showing the summary of what they have done; that chart is broken down by soft costs, demolition/hazardous abatement, utilities improvement and replacement, parking lot improvements, and the scenic easement which corresponds with the items they talked about in 2013 exceeding \$7 million; and the rationale for the Zone's loan was to induce them to undertake the Project and make the investment at the site, and in exchange for that the inducement was that they were approved for a reimbursement of a portion of its infrastructure cost, up to that \$6.5 million. He added based on that, they do comply with the elements the incentive agreement has in order to qualify for the grant, evidence has to be provided for several different things such as a detailed Project description as it currently exists, which is the most up to date site plan, photographs, field observation, show a minimum capital investment made into the Project; there is a certain dollar amount that is listed in the incentive agreement of \$34 million and they had to show that they have those monies either equity injected, or loan proceeds borrowed and made available to be put into the Project; and they were able to provide evidence from the bank, a letter of credit, the application for payments of previous draws to show the Zone how much money has been spent. He continued to say they needed to provide something from the City stating that they had accepted the infrastructure improvements; there is a letter from the City that does have a couple of qualifications; Certificates of Completion (COC) were asked for with the three anchor tenants; the anchor tenant definition in the incentive agreement was basically a retailer or some type of service sector user that would, in bringing people to the center having the potential to have those patrons visit the other stores there at the center; and Certificates of Occupancy (CO) has been received from Hobby Lobby and Pet Supermarket, and a COC is being expected from the City for the medical office building. He stated they were asked to document the cost of infrastructure improvements, which they did; they provided some additional items, leading to the entity actually having the title to the property is the same organization that the incentive agreement was entered into; and asked them to address one or two issues being made aware of regarding the title to evidence that it has been satisfied. He stated today he is asking the Zone board to permit him and the Chairman to sign an the acknowledgment of compliance, with what was in the Economic Incentive Agreement (EIA); and to authorize the Zone to release the funds, which is a document that is attached to a reimbursement agreement that was entered into by the Zone, the developer, and the City, which is something the City will then need to be able to go forward with its loan mechanism to provide the proceeds. He advised the issue being faced is to have the COC issued on the medical office building; however, there is an atrium section that sits over the lobby area that has a temporary roof system right now; they are working to install a permanent membrane and glass that will enclose that building; in meeting with the City

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recently, it is prepared to offer the COC on the medical office building, provided that the contractor who is working on the building provides a performance bond saying that the roof system will be finished, and if there is also a performance bond put up by EXXCEL Project Management for the remaining infrastructure improvements that are impacting the medical office building; and the City may issue its COC provided that issuance of evidence for those two performance bonds is given. He continued to advise that today he is asking for the Zone board to approve the release of funds, subject to receipt of the letter from the City and the evidence of those performance bonds are in place.

Mr. Aiken clarified for the COC it is miscellaneous stuff that is really close to being done; he expressed his appreciation to the Zone board; and he stated he is excited for getting the stores open. He added the footers for the second phase are being done now; the overall investment will be close to \$70 million; all of the incentive money is going right back into the Project; and the timing right now is very critical. He added he is working hard on finding restaurants, but it has been really hard; fencing has been removed; and he is hopeful the Zone board and the City likes what it sees.

Robert Jordan, Secretary/Treasurer, stated he drove through the Project yesterday and he was amazed by the colors and the structures, and it is a class act; and he inquired if the blank area is where Bealls is going. Mr. Aiken responded affirmatively.

Stan Retz inquired what the timing is for the loan mechanism to get the funds available. Scott Larese, City of Titusville City Manager, responded the City has the loan already approved; it could be extended to the end of June; and if the Zone board approved today, it will go before City of Titusville's Council May 23.

Micah Loyd stated he would like to recognize EXXCEL Project Management, for the good job they did and for including many of the local businesses in the Project.

Motion by Brenda Fettrow, to authorize the Chairman to execute the Acknowledgement of Compliance, within the Economic Incentive Agreement; authorized the release of funds upon approval of the City of Titusville Council, contingent upon EXXCEL Project Management receiving a Letter from the City qualifying them for the Certificate of Completion, as well as the Performance Bonds being in place.

Mr. Post pointed out he spoke with William Shivers, President of RUSH Construction, Inc., who had confirmed that RUSH will have its bond in place.

Mr. Larese advised he and Mr. Post discussed having the County Manager's signature for the release of funds.

Mr. Post advised typically when he has an invoice, it requires his signature as administrator of the Zone and he then retrieves the County Manager's signature; the way staff is structured now, it will more than likely be Interim Assistant County Manager John Denninghoff, who will sign along with his signature and the Chairman's signature.

Chairman Mikitarian inquired if Mr. Larese would like to have the motion be amended. Mr. Larese replied affirmatively.

Ms. Fettrow advised she will amend her motion.

Motion by Brenda Fettrow, seconded by Robert Jordan, to authorize the Chairman to execute the Acknowledgement of Compliance, within the Economic Incentive Agreement (EIA) authorizing the release of funds; authorized the City of Titusville Council to approve and release the funds, to move forward on the approval process for the EIA, contingent upon EXXCEL Project Management receiving a Letter from the City qualifying them for the Certificate of Completion, as well as the Performance Bonds being in place; and authorized the County Manager, or his designee, to execute the EIA, and any other necessary documents. Motion carried and ordered unanimously.

George Mikitarian's absence is noted at 9:13 a.m.

## **VI. Old Business**

### **FY 2017/2018 NBEDZ Budget**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he attended a series of Budget Workshops held by the Board of County Commissioners and travel is a concern of the Board and he is proposing 15 percent reduction from last years travel; promotional activities will have five percent reduction from last year; books, publications, and memberships will be reduced 15 percent from last year; in anticipation of doing a loan program, he created a separate general ledger to show monies allocated just for that; and if the Zone board decides not to implement it, a zero will be entered into that account and the amount is added into Aid to Private Organization. He added a big change from this year to next year is the debt service line item for Blue Origin and Titus Landing. He advised if the Zone board approves the budget today it then goes before the City of Titusville City Council, they could ask for some changes, and if so, it will come back to the Zone board for its approval before it going to the Board of County Commissioners.

Brenda Fettrow, Vice Chair, inquired about the hiring of a second employee, because she does not know if some Commissioners would like having another employee versus having some other reduction; and she stated she is a fan of having it listed in the budget. Mr. Post stated that is a good point; he responded he is anticipating a question or two about having a second employee; and he would like to have the authority to bring someone on full-time when the need should arise, there is no need at this juncture, but in time it will be necessary to maintain service level having an additional staff person. Ms. Fettrow inquired if the current balance forward is trending at \$1.2 million versus \$960,000. Mr. Post replied a large amount is usually carried forward because of incentives. Ms. Fettrow inquired if the first payment for Titus Landing is an interest payment. Mr. Post responded affirmatively. Ms. Fettrow inquired if the County is trying to build in raises for staff. Mr. Post responded at this point it is too early to say; and he stated the Board is trying to understand each department.

Robert Jordan inquired if the miscellaneous revenue is from COlaunch. Mr. Post replied affirmatively.

Mr. Loyd inquired what Commissioner Pritchett's thoughts are about the budget and if she thinks she will have to defend it. Commissioner Pritchett responded she has confidence that there is enough business savvy on the Board that the Zone will be okay; she thinks the budget is totally justifiable; and she thinks the votes will be supportive of the Zone.

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Scott Larese, City of Titusville City Manager, stated the State passed an additional Homestead Exemption of \$25,000 that will go before the electorate in November 2018; in the next budget year, the City is probably going to lose revenues between \$250,000 and \$500,000; that will have an effect on Special Taxing Districts; and there was a second bill that was introduced to keep it on the tax roll that will affect the rollback rates by lowering them which generates less revenue.

Ms. Fettrow advised the City of Rockledge has done calculations; at first it was not capped for the window of home values and \$25,000 for any home; that impact to the City would have been over \$1 million a year; and then they did the window of \$100,000 to \$125,000 value which was when the Bill was approved; that brought the City down to \$220,000 to \$250,000 in loss; and that will come in 2019, if the voters approve it in 2018.

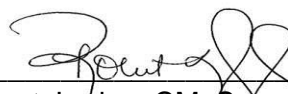
Motion by Robert Jordan, seconded by Micah Loyd, to approve the Fiscal Year 2017-2018 budget as presented. Motion carried and ordered unanimously.

**Approval to Pre-Pay Inter-Agency Note from Solid Waste**

Troy Post, CEcD, CBE, NBEDZ Executive Director, advised back when the Zone was first formed in 2011-2012 it did not have any funds; a bridge loan was arranged for a note to be executed allowing the Zone to do some early expenditures; it was a five-year note expecting to end this calendar year; it is best to go ahead and prepay that note now for up to \$210,000 from Solid Waste Enterprise Funds; and that \$210,000 will not need to be added into the next Fiscal Year budget.

Motion by Robert Jordan, seconded by Donn Mount, to prepay the Inter-Agency Note from the Solid Waste Enterprise Funds for the amount up to \$210,000. Motion carried and ordered unanimously.

Upon consensus, the meeting adjourned at 9:37 a.m.



Robert Jordan, CM, Secretary/Treasurer

Approved on August 11, 2017.