

**NORTH BREVARD ECONOMIC DEVELOPMENT ZONE (NBEDZ)  
SPECIAL DISTRICT BOARD MINUTES**

December 13, 2013 @ 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, Micah Loyd, Alan Matroni, George Mikitarian, Donn Mount, Stan Retz, and Louis Sanders

Absent: Brenda Fettrow

**Call to Order:** Meeting was called to order at 8:31 a.m. by George Mikitarian, Chairman.

**I. Pledge of Allegiance:**

George Mikitarian, Chairman, led the assembly in the Pledge of Allegiance. He acknowledged Al Matroni's term expiring after today's meeting; and he expressed his thanks for his service to Zone as well.

Mayor Jim Tulley introduced Paula Cardwell; and he commended Mr. Matroni for his service.

**II. Review and Approval of Board Minutes:**

Motion by Robert Jordan, seconded by Stan Retz, to approve the NBEDZ Meeting Minutes of November 8, 2013.

**III. Discussion and Direction:**

Troy Post, CECD, NBEDZ Executive Director, advised approvals were obtained from the Board of County Commissioners (BOCC) and the City of Titusville City Council for the development agreements on the Mall Redevelopment Project. He spoke with Robert Richter, Flagler Development Company, about the Logistics Center Project; the proposed center could attract companies that the Zone could assist; and they started working on a supply chain chart for healthcare industry and hospitality industry, identifying a possible supplier that could need such tenant space. He stated he met with Lisa Rice, Brevard Workforce, to discuss several entrepreneurial programs which the Zone could participate in, and help them to advance with Energy Launch and Start-Up Quest to target small businesses; and to consider aiding in the creation of a loan fund that could help assist them with financing to get businesses launched in the area, and whether that is wholly owned and controlled by the Zone is not to be determined at this point. He advised meeting with several representatives from the City of Cocoa; the City is not located inside the Zone, but there is some property located on Grissom Parkway that is on the boarder of the Zone; and there could be some benefits for the Zone to endure some joint efforts to develop that property. He met with Rob Varley, Tourism

Development Office Director, to work on an Operations Procedures Manual for networking luncheons with businesses; there is a current County Policy pertaining to those kinds of expenses; if they take place within the County they are considered 'C' expense category; and that kind of activity cannot be done because it is not subject to reimbursement. He advised the Zone will need to craft a similar policy for expense reimbursement specific to economic development agencies. He concluded by saying the next monthly newsletter will be sent out in January; and Lisa Toland and Rodney Honeycutt will be present at the January 10<sup>th</sup> meeting to discuss the study of Gopher Tortoise and Scrub Jay at Spaceport Commerce Park (SCP).

Robert Jordan, Secretary-Treasurer, advised he is a member of the Brevard Workforce Board.

**IV. Discussion and Direction:**

**V. New Business:**

Rodney Honeycutt, Honeycutt & Associates, Inc., stated he sub consulted with Lisa Toland, Environment Consultant, to help prepare an Ecological Assessment Report to mitigate at the Spaceport Commerce Park (SCP), for wetlands, gopher tortoises, and scrub jays, on the four lots available for the spec-building shell. He added, the scrub jay habitat has gone from three families to one family occupying 19 acres; and the scrub located there is not a great habitat due to overgrowth. He went on to say wetlands existence on the properties will be established; they will flag any wetlands that are identified; and he suggested going to the City of Titusville to talk about how to address the SCP with an overlay district possibly, or developers agreement for the chosen lot. He advised at the next meeting he will have costs prepared; other environmental agencies have known that this is area is a big scrub jay and gopher tortoise habitat; and those environmental agencies need to be told that it is not a big habitat area any more, so they are prepared when it is time to mitigate.

Micah Loyd inquired if the City of Titusville is addressing Codes at the next City Council meeting before doing anything preliminary. Mark Ryan, City Manager, responded City Council held a workshop on industrial regulations; and some direction was given to begin the process of developing advanced regulations.

Motion by Robert Jordan, seconded by Alan Matroni, to approve Spaceport Commerce Park Scope of Work and/or Fee up to \$14,000 for Contract Addendum No. 1, with Honeycutt & Associates, Inc. for the Natural Community Assessment and Wetland Delineation, and the Preliminary Ecological Assessment Report. Motion carried and approved unanimously.

**VI. Old Business:**

Troy Post, CEcD, NBEDZ Executive Director, stated last year Rocket Crafters announced moving a section of its operation here for space flight activities; the incentive package is from the State of Florida, Brevard County, NBEDZ, and the City of Titusville; the company has encountered some issues; and they were required to do certain things, such as a job opportunity program; if the company was able to create 50 full-time jobs by the end of the calendar year 2013, they would qualify for up to \$250,000 in assistance; if in the next calendar year 2014 were able to create an additional 100 jobs, they would

qualify for an additional \$250,000; and the obligation by the Zone in this incentive Agreement was \$500,000 if they met those job requirements. The other part of it was help to offset some of their operation costs, and in particular, help to offset the cost of the ground lease. He went on to say the Airport Authority would own the land and perhaps own a hangar, or some kind of building improvement on there; there would be a charge to use that facility that would go back to the TICO Airport; and as part of the incentive package, the Zone agreed to provide a series of ground lease payments, and they are stretched out for several years and in increments. He advised in the last year of a 10-year term, they would get the final payment; and the total is approximately \$1.5 million which is considered a contingent liability to the Zone. He stated he met with Ron Jones and Eric Witcher; they told him they have not been able to meet the job goals and it looks like by the end of the year they will not be able to meet the job goals; and they have requested consideration for extending the terms of the Agreement.

Ron Jones, Chief Technology Officer, stated in August the company made the decision to go ahead and start migrating operations to Titusville; he has relocated to Titusville from Utah; offices have been leased at the airport; mostly that is where they are doing its administrative activity; and he introduced Eric Witcher, Vice President of Corporate Operations. He stated the company has gone through a lot of matcheration and a little bit of market shifting over the year; commercial space is being an embryonic marketplace and is not that well known; in the last year or so they have gone through a lot of market research activity to shift product development strategy to a certain extent; and that kind of pushes back a little the developing a small space plane that primarily is a trainer. He advised they have five major aviation schools in the country interested in participating in that program; and the McLean Group is now the investment banker. He went on to say they are about four months into redesigning their flight vehicle to carry an upper stage to place small payloads in orbit; proximity is important to the flight and airspace to be able to launch payloads to orbit; they are involved with Defense Advanced Research Projects Agency (DARPA); DARPA announced in October that it plans to develop a space plan that would do exactly the same things as Rocket Crafters smaller-scaled flight vehicle; and after meeting with DARPA, they encouraged Rocket Crafters to be a proposer of the program. He added, they have engaged with Space Florida to utilize the Space Shuttle landing field for flight tests; they are looking at classified work that may be done within the program and in a separate building; they are looking around the County at other facilities that may support a classified type operation; they have been working over the last year with the Titusville/Cocoa Airport Authority and they have gone ahead and cleared the 33-acre tract that has been dedicated to the project; and they have secured the State funding to reroute Perimeter Road to accommodate the program. He stated the interim facility issue has been a challenge and they are narrowing down four sites in the United States; and being able to secure an interim facility to use for research and development, prototyping, and test flying was not a big issue because there has not been a history of aircraft manufacturing directly in Brevard County other than Embraer. He added, the Airport Authority has been proceeding for the last nine months to build two buildings that will have 30,000 square feet; and he has met with Michael Powell and Jerry Sansum, who are very supportive of what Rocket Crafters attempting to do. He advised the DARPA Project wants to build a space plane that is quite a bit larger than Rocket Crafters space plane which questions if the space plane will fit into the building should Rocket Crafters be one of the four firms receiving an award.

Mr. Post advised in meeting with Mr. Jones and Mr. Witcher the other day one of the things that staff recommended is going forward with an extension of 90 days that would carry it out through March; submit an application for assistance and an updated business plan; the DARPA Project announcement will be made in March; but during that 90-day period, that would allow due diligence on the company to determine if the parts of the agreement are realistic and vetted.

Mr. Jordan inquired how much success has there been with getting investors for this. Mr. Jones responded they have had continued support from the current shareholders and investors to keep the company moving forward, but a larger capital is required to carry out the business plan.

Mr. Jordan inquired about the requirement of 50 jobs by the end of this month. Mr. Post responded by extending the Agreement out 90 days, it allows for them to hire for 50 jobs, or if they are able to keep those performance-based, then everything would still be enforced; and in talking with Rocket Crafters, they do not think that they could create those jobs

Mr. Jones replied they may have half that number or maybe less, it depends upon what goes on in the next few months; stated the hiring plan is based upon this Agreement and whether or not they achieve the 50 jobs, is really based on the market issues, fundraising activity, and the DARPA Project. He added, Rocket Crafters has been approached in the last year by several name brand firms; he cannot divulge because of confidentiality reasons, but they have expressed interest in working with them on the rocket propulsion technology; and that is some of the current rocket technology that is in routine use for space launch having some environmentally unfriendly aspects to it.

Donn Mount inquired how many employees the company has. Mr. Jones responded two in Florida and 14 part-timers scattered around eight states.

Mr. Jordan inquired how much is the contract worth. Mr. Jones responded Phase I is \$3 million, plus an option for \$1 million more; stated the way the deal is structured is they plan to award four Phase I contracts; and that there will be one selected that goes forward on the Phase II, and Phase III, for an additional \$140 million.

Motion by Robert Jordan, seconded by Micah Loyd, to authorize 90-day extension through March 31, 2014, to receive application for assistance from Rocket Crafters.


**VII. Public Comments:**

Mayor Jim Tulley provided the Zone with a DVD of Art and Algorithms Report of City of Titusville City Council Meeting on November 26, 2013.

December 13, 2013

**VIII. Adjournment:**

By consensus of the Board, the meeting adjourned at 10:05 a.m.



Robert Jordan, CM, Secretary

Approved by the Board February 14, 2014.