

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

November 18, 2022 @ 8:30 a.m.

Statham Park

7101 U.S. Highway One

Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Bart Gaetjens, Rodney Honeycutt, Al Matroni, George Mikitarian, and Donn Mount

Telephone: Stan Retz

Absent: Dr. Brenda Fettrow

Call to Order: Meeting was called to order at 8:31 by George Mikitarian, Chair.

Pledge of Allegiance: Dan Diesel, City of Titusville Mayor

I. Approval of Agenda

Motion by Rodney Honeycutt, seconded by Al Matroni, to approve the Agenda as presented. Motion carried and ordered unanimously.

Approval of Minutes

Motion by Dan Aton, seconded by Bart Gaetjens to approve the October minutes. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Donn Mount made a good observation; he mentioned when the Board receives the financial spreadsheets electronically, only the County Tax Increment Financing (TIF) report is included; but he can send out the three reports in a collapsed financial spreadsheet to give a more accurate picture of the Zone's finances. He mentioned the Fiscal Year has just begun, and he reminded the Board that the last incentive payment will be made to Blue Origin and that will free-up funding for new projects; the second spreadsheet is a cash flow statement to show the commitments that have been made and the revenue that is expected, which will show how it will manage to make the incentive payments over time; and it shows the active projects and the payments that are anticipated to be paid out, with most of them being paid out this Fiscal Year. He added sometimes the projects fail to qualify and they will be dropped as their time elapses without

completion of their obligations for the incentive; it can be seen on the report that the cash flow is going well, as a significant balance is carried forward each new Fiscal Year; and the anticipated revenue each year is about \$3 million, which can change as more valuation increases are received from the tax assessor's office.

Dan Aton asked if Mr. Post creates the spreadsheets.

Mr. Post responded that he does.

Mr. Aton stated he thinks it would be nice to have a spreadsheet that shows the combined numbers with both TIF's, as well as the total commitment going forward to get a better idea of where the Zone is with the cash and the total commitments; and he guesses it would still be in the black, even if everything had to be paid today.

Mr. Post remarked he did not put it in the spreadsheet this time, but it may have been last month; he also does a funds committed spreadsheet; he can start including that each month; and he likes to remind the Board periodically of what the total obligations have been, which is around \$14-15 million.

Motion by Bart Gaetjens, seconded by Rodney Honeycutt, to approve the Report on Expenditures as presented. Motion carried and ordered unanimously.

III. Staff and Partnership Reports/Updates

NBEDZ Executive Director

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he and Neha Pandit met with Wendi Bost, director of the Brevard County Library Services, and Wanda Brown, Director of the Titusville Library to discuss entrepreneurial possibilities by partnering with the Zone, the Library, and Groundswell, and using the library's facilities for events; he thinks the Zone could offer some technical and financial assistance; and he mentioned a "pop-up" co-working space and getting entrepreneurs together for feedback. He mentioned he met with a site consultant through an event set up by the Southern Economic Development Council (SEDC) and found that many of the corporate clients looking for sites have very unrealistic timeframes; he worked on the next newsletter and the Zone's Economic Assessment Report, which will be completed soon; he is tracking six projects with the Economic Development Commission (EDC) and added two new projects; and met with clients for two potential redevelopment projects on Hopkins Avenue and a realtor to discuss site options in Mims. He added he sent out updates to the industrial property owners on Armstrong Drive and Shepard Drive about the name change of the Spaceport Commerce Park (SCP) to Exploration Park West and the two new signs which will be in the range of \$20,000 to \$30,000 each and placed in the medians at Grissom Parkway and Armstrong Drive and at State Road 407 and Shepard Drive; he met with a developer from Miami who wants to build residentially to see if there is anything the Zone can help with; and he and staff have all had training over the last month. He thanked Commissioner Pritchett for helping get the approval to buy back the two parcels at SCP; and Olympian LED accepted the counter offer of \$50,000 per acre for the lot they are requesting to purchase.

Dan Aton asked if there is still going to be a third new sign at Grissom Parkway and State Road 405.

Mr. Post replied he would like to put one on that corner but the Police Department has the corner lot; and the plan is to do something there, but it will be in the future.

City of Titusville

Lisa Nicholas, Economic Development Director, City of Titusville, stated she is working with several prospects, one of which being affordable housing; the good thing about the prospective builders is that they can be offered the Phase 1 Environmental Site Assessments through the Brownfields Grant; year two of the three-year grant has just begun; the City of Titusville will be able to offer that as an incentive to developers to get them started; and she will keep the Zone board informed.

Titusville-Cocoa Airport Authority (TCAA)

Kevin Daugherty, TCAA Director, stated 321 Launch, a satellite payload processing facility, received an approved ground lease for a four-acre parcel on Perimeter Road, and plan to submit the site plan after the first of the year; he is in initial discussions with Space Perspective's developer for their balloon assembly facility, which will be on the east side of the airport; and he is finalizing a ground lease agreement with a private entity to build corporate hangars on the west side of the airport; and there are some other small prospects as well.

Bart Gaetjens asked what the hangars will be rated for storm capacity.

Mr. Daugherty replied they will be whatever the code dictates; and the engineering still has to be done.

IV. Discussion and Direction

Strategic Plan Review – Tentative Date, February 10, 2022

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he will send this out later today; he created a proposal for the Zone board to give feedback on to see if this is the direction the Zone board wants to head; things from 10 years ago may not be what is needed to look at now; he included comments and input that was heard at the last Zone board meeting; typically, plans will be reviewed every 10 years to review data, look at the local economy, trends, and comparison to similar aerospace communities; and after review, assess the current programs. He added for the meeting on February 10, 2023, instead of having the regular business meeting, half of the day would be allocated for a strategic planning exercise, for review of the existing plan; anything that is changed in the plan must be approved by the Titusville City Council and County Commission; he provided a list of suggestions to prepare for the meeting; he will provide more items to the Zone board in December and January; and he mentioned obtaining a third party in January to conduct interviews with key stakeholders and focus-group sessions with businesses, entrepreneurs, and clients.

Dan Aton remarked he thinks it may take more time, as he was involved in the first meeting; he thinks it could go to 12:30 p.m.; and he suggested someone governing the meeting or it might not meet the schedule.

Mr. Post stated he thinks it should be an outside individual to coordinate the meeting; he does not want to take the board member's entire day; and he will provide as much documentation as possible prior to the meeting for review.

Bart Gaetjens stated he would be on vacation at the time of the meeting; and he apologized.

Donn Mount asked if there were any programs offered by NBEDZ that have not been used.

Mr. Post replied he thinks the Brownfield Grants under the Strategic Initiative portion has not been used; and this is the type of thing that should be discussed.

Commissioner Pritchett suggested showing if the number of applications are up, down, or flat, giving an indication of needing to do something different; what is being done is working so there would need to be reasons for the changes; she suggested giving incentives to builders for workforce housing; and she thinks there is not a better economic development board than the Zone board.

Dan Diesel, City of Titusville Mayor, stated he feels the City Council, City Manager, and the City supports NBEDZ, but he thinks there are some people who are not as excited as they could be; he feels like any member of the Zone board could do a seminar on economic development; and he mentioned at every NBEDZ meeting he has been to, someone asks if the project would be good for North Brevard.

Al Matroni asked if there was still a workforce development board.

George Mikitarian replied he thinks that may be CareerSource.

Christi Schverak, Assistant County Attorney, stated there is a Brevard County Housing Finance Authority that provides funds for builders that are building residential complexes.

Commissioner Pritchett stated the County has provided about \$2 million of American Rescue Plan Act (ARPA) funds towards these projects; and Morris Richardson, County Attorney, has put in a request recently for the Tourism Development Council to use some of its funds for these projects as well.

Scott Larese, City of Titusville Manager, stated that Dr. Mark Mullins, Brevard Public Schools Superintendent, does a presentation of all of the training that Brevard County provides; and many people do not know the variety of workforce development programs that are offered through the schools.

Mayor Diesel mentioned the Career and Technical Education (CTE) programs offered at the high schools offer mechanics, welding, Certified Nursing Assistants (CNA), and other certification classes.

Mr. Gaetjens remarked it is not well known; he spoke to someone at NASA who said they needed welders; he suggested they meet with the School Board to let them know what type of welders were needed in order to provide that type of certification class at the high schools; and he feels a lot of people do not know about these classes and it should be publicized more to employers, even to neighboring counties. He also mentioned adding space for comments with the answers to the questions on the survey.

Mr. Post replied that is a good suggestion; the survey provided in the handouts is a sample of the kinds of questions he wants to send out to the stakeholders for feedback; he will share the final survey with the Zone board before it gets sent out; and he can add space for comments and suggestions.

Mr. Matroni mentioned that the Rotary Club provides scholarships for college and vocational school; and he thought some outside companies should do the same to help the situation.

V. New Business Items

Financial Inducement Request: Project “Innovation Park”

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Titusville-Cocoa Airport Authority (TCAA) has been working with a group out of Miami to build some spec buildings on TCAA property outside of the fence and almost across from the Spaceport Commerce Park for industrial use; the developer is willing to make a substantial investment in the area if certain infrastructure improvements are made to accommodate the build; this will be a multi-phase project where they will build out the million square-foot spaces at the cost of about \$175 million; the airport needs financial help with the improvements; and TCAA is having to take operational revenues for going after some matching State funding. He added to get to that point, TCAA will have to go out with bid documents for the cost of the road, storm sewer system, and other improvements that have to be made; TCAA is asking for the incentive to use for the architectural and engineering (A&E) costs; he mentioned the reason he feels the Zone board should induce this project as listed on the agenda report; if TCAA has to take on the entire project, getting enough revenue to do it could delay the project, leaving the developer to find another location; the amount of the grant would be \$460,000, which the Zone has enough funds to cover; and with 1,000 jobs, the amount of Zone grant funds provided per job would equal \$460. He went on to say that having that kind of capital investment in the area would be a tremendous lift to local tax revenue for the County and the City of Titusville, including the Zone; and the clawback for this incentive project could be dependent on the completion of one of the buildings after the road is completed.

Kevin Daugherty, TCAA Director, stated this is the phased development that he has been reporting on for several months; this is a true public-private partnership with Spacecoast Innovation Park; and he introduced Kathleen Yonce, the managing member of Spacecoast Innovation Park to talk about the project.

Kathleen Yonce stated she has been working with TCAA since October 2021, negotiating the leaseholder interest in the property; the deal was executed in March 2022, and since then there has been over \$1 million in all the studies in order to title

the property; the crew is ready to go in executing due diligence for all three phases; she mentioned there has been interest from a business to take the entirety of phase two, so it is critical to have the road designed; the site plan for phase one was submitted to the City of Titusville two weeks ago; with the incentive grant for the roadway, it would allow immediate moving into phase two and submit that site plan for approval; and at this point, that is the critical need so they can continue to advance with the plans.

Mr. Daugherty stated he is requesting funds for the engineering of the roadway; he has already submitted the initial application to Space Florida for construction dollars; and he is updating the application to have it ready for the January/February board meeting.

Mr. Post commented that the Zone board is not contracting the A&E services; this would just be a grant to offset the expenses; and once receiving the commitment from the Zone, TCAA would be required to execute their contracts and at certain stages of the project, to make two or three draws off the grant, after providing that stage has been completed.

Donn Mount questioned if there was an issue with him being on the TCAA board.

Christi Schverak, Assistant County Attorney, replied if it is a dependent special district, there is no conflict.

Rodney Honeycutt asked if this would include permitting approved by the City.

Mr. Daugherty replied yes.

Mr. Honeycutt remarked a couple of the exceptions are tree removal and mass grading; and he asked how it would be permitted without that being involved.

Mr. Daugherty replied it is going to be done by the developer, and the roadway will be tied-in to their development.

Mr. Honeycutt asked if this proposal is just for the road.

Mr. Daugherty replied yes; he stated this is phase one and eventually phase two and three will punch out to State Road 407; and this is a conceptual roadway alignment until the actual engineering is done, staying away from the wetlands.

Mr. Mount stated this is a product that will be produced; and the incentive will not be paid until it is produced.

Attorney Schverak remarked that is not what she heard; she heard it would be paid on the back-end of the A&E with draws; the road will not be built yet; and the product will be produced but not anything on the ground.

Al Matroni, Mr. Honeycutt, and Dan Aton each discussed possible scenarios for the clawback at length with the other Zone board members, Mr. Daugherty, and Attorney Schverak.

Ms. Yonce remarked they have actually committed to phase one, including submitting the site plan for approval; the buildings on the phase one plan have been submitted to the City of Titusville and the need for the engineering of the roadway is really the hindrance for the ability to design the phase two plan so it can be submitted to the City of Titusville for approval; and the road does not need to actually be constructed at this point, just the design, so it can advance the entitlements for speed to market on that phase, as there is already a committed interest in phase one which has not been approved yet.

Mr. Aton asked if he is hearing that Avcon would be at a point of no return with the project if they get the engineering; but stated if the road is delayed, it is not going to delay the entire project.

Ms. Yonce replied correct; she advised phase one could be built in its entirety without the roadway for phase two being in existence; but they still want to be able to entitle phase two so it does not sit on the market for a long time without a product to be able to lease to the next user that comes along.

Mr. Aton asked Mr. Daugherty what the impediment is with TCAA moving forward with the engineering.

Mr. Daugherty replied the impediment is that they need help with the cost of engineering; but stated once the buildings start going up, the City and the County reap the ad valorem taxes.

Mr. Post stated this would be a unique project, with one public entity working with another public entity; Ms. Yonce is working with the airport, which is a public/private partnership but he is really talking about a public partnership, the Zone, as a County agency, working with the airport, which is another dependent district, to try to advance these plans; he is not sure if it is possible to have a non-monetary clawback; it may be something else to consider, something else as an asset and some documentation; and he feels if the Zone board does not help, it will still be trying to identify other parcels to turn into industrial parks in the future.

Mr. Honeycutt stated he thinks the Zone board is all in favor of this project, but trying to protect the Zone; and he asked in phase one, is any portion of Challenger Road going to be constructed, or is it independent.

Mr. Daugherty asked if this grant could be structured similar to the Florida Department of Transportation (FDOT) grant, with the Zone funding 80 percent and TCAA funding 20 percent, as it would provide for some "skin in the game" with no clawback.

Commissioner Pritchett mentioned if TCAA gets funding for the road, there is no problem; she asked if Mr. Daugherty has brought this to the TCAA board; she is thinking if the initial funding comes from the airport board, the Zone board could add the first 30 percent to make sure the funding is received and then pick it up after the funding is obtained; she has a concern that it will go down this path and it will not get built; she feels that it has to have clawbacks unless TCAA is involved and the project is actually built; and she thinks politically, this one is going to be tough to sell.

Mr. Mount remarked the developer has a commitment with \$2 million in it; and the Airport Authority, the Zone, and the Spaceport Commerce Park will benefit from it.

Attorney Schverak asked if any of the buildings will have broken ground in phase one.

Ms. Yonce replied the projected ground-breaking is mid-April 2023.

Attorney Schverak stated it could do a clawback for if TCAA has not broken ground by a certain date in 2023 on phase one; and at least it would be tied to the construction of a building.

Mr. Post remarked it would be better from an optics standpoint, and easier to defend, because it would be tied to the construction of a physical asset that is tied to the tax rolls.

Attorney Schverak suggested a motion to approve up to \$460,000, under a public/private partnership, for the A&E costs incurred by TCAA for the design work, with a 100 percent clawback if the phase one buildings have not broken ground within one year of the signing of the grant; and it would come back to the Zone for final approval around January 2023.

Motion by Dan Aton, seconded by Bart Gaetjens, to approve a grant to TCAA Airport Authority of up to \$460,000, under a public partnership arrangement to stimulate economic development, said grant to be used to reimburse a portion of the architectural and engineering (A&E) incurred by TCAA for design work and permitting application on infrastructure improvements needed to support the private development project known as "Space Coast Innovation Park", subject to the following conditions: disbursement schedule based upon completion stages of the A&E work; clawback is to return 100 percent of the grant proceeds of the plan manufacturing distribution if ground is not broken on phase one within one year of the signing of the agreement.

Mr. Matrioni asked how it would get a clawback from TCAA; and he advised he feels it is useless.

Attorney Schverak stated she would assume that TCAA would honor their obligations as a government district, although governmental entities do sue each other on occasion; and she has not seen one sue their own dependent special district.

Commissioner Pritchett asked if the Zone board could wait for the next meeting to approve the motion.

Mr. Daugherty replied it would be fine; and it is at the pleasure of the board.

Mr. Post stated he could have a draft to bring back to the Zone board.

Commissioner Pritchett stated she like the new idea which helps tremendously; if the TCAA comes up with \$130,000, then this is off and running with no issues at all; and then everyone has skin in the game, not just the Zone board.

Mr. Aton asked to table his motion.

Motion by Bart Gaetjens, seconded by Rodney Honeycutt, to table the motion until the December 9, 2022, meeting. Motion carried and ordered unanimously.

VI. Old Business Items

Approval “As to Form” of the Following Incentive Agreements:

Futuramic Redevelopment Project

Troy Post, CEcD, CBE, NBEDZ Executive Director, reviewed the Incentive Agreement for the Futuramic Redevelopment Project.

Motion by Al Matroni, seconded by Bart Gaetjens, to approve “as to form” the Incentive Agreement of up to \$285,000 for the Futuramic Redevelopment Project. Motion carried and ordered unanimously.

Titusville Holdings, LLC (ACRA Lock) Redevelopment Project

Troy Post, CEcD, CBE, NBEDZ Executive Director, reviewed the Incentive Agreement for the Titusville Holdings, LLC (ACRA Lock) Redevelopment Project; he reminded the Zone board that this was the ACRA Lock/Engineered Bonding Incentive Agreement that was previously cancelled; and the Zone is in the process of repurchasing the property at Spaceport Commerce Park. He stated this incentive is for the Buffalo Road property renovation which the Zone board previously approved.

Motion by Rodney Honeycutt, seconded by Bart Gaetjens, for approval as to form of the Incentive Agreement of up to \$300,000 for the Titusville Holdings, LLC/ACRA Lock Redevelopment Project. Motion carried and ordered with Dan Aton abstaining.

Upon consensus, the meeting adjourned at 10:03 a.m.



Donn Mount, Secretary/Treasurer

Approved on December 9, 2022