

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

August 9, 2013 @ 8:30 a.m.
Parrish Health Village West/Heritage Hall
931 N. Washington Avenue
Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Brenda Fettrow, Robert Jordan, Micah Loyd, Donn Mount,
Stan Retz, and Louis Sanders

Telephone: George Mikitarian

Call to Order: Meeting was called to order at 8:35 a.m. by Brenda Fettrow, Vice Chair.

I. Pledge of Allegiance:

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

II. Review and Approval of Board Minutes:

Motion by Stan Retz, seconded by Robert Jordan, to approve the NBEDZ Meeting Minutes of June 14, 2013 and July 12, 2013. Motion carried and ordered unanimously.

III. NBEDZ Executive Director Report:

Troy Post, CEcD, NBEDZ Executive Director, acknowledged Donna Scott for providing the minutes of the Zone Board; and he introduced Clifford Aiken, EXXCEL Project Management Chief Financial Officer, for the redevelopment project of the Miracle City Mall. He provided the Zone Board a handout of his 30-Day Activities Summary; stated a follow-up meeting was held with John Walsh, Port Canaveral Chief Executive Officer, Carlos Eduardo de A. Guimaraes, and Dr. Fernanda Portigliatii, of Curitiba, Brazil; and discussed the Zone's participation in networking activities with the Port at two events in October. He mentioned attending the International Council of Shopping Centers (ICSC), to develop contacts for the mall developer to secure anchor tenants needed. He advised he is working with a local entrepreneur, Alan Musselman, for a business incubator program. He went on to say he is continuing to network and speak at public relation engagements around the area to get the message out about what the Zone is; and he feels it is important for the residents in the community to know what the Zone is, and the advantages of it being there.

IV. Discussion and Direction:

1. Redevelopment of Miracle City Mall (Miracle City Towne Centre)

Troy Post, CEcD, NBEDZ Executive Director, stated in the Board package, he provided a letter from EXXCEL Project Management; they are requesting assistance from the Zone to help with certain infrastructure elements; and the Board is being asked to approve a commitment of dollars, subject to the Zone's ability to do the financial underwriting of the project to determine potential capacity, and to ensure the mechanisms of doing the funding. He advised if the Board decides to make a commitment to use Zone dollars for this project, there will be a proposal coming back to the Zone Board showing the mechanism of the funding; and even though there may be an approval today for the commitment, the project is not done at this juncture, until coming back to the Zone Board. He added, once it is approved by the Zone Board, it will need to have further approvals from the City of Titusville and the Board of County Commissioners (BOCC). He suggested the Zone have an analysis done to demonstrate whether the use of public dollars for this project is warranted; and stated it is difficult to put a monetary figure on the intangibles of a project.

George Mikitarian, Chairman, and Donn Mount's presence is noted.

Mr. Post added, shoppers nationwide are craving an experience and the shopping venue will fare better in post-recession retailing. He stated the City of Titusville's retail pull-factor is below statistics for surrounding cities, market rents in the Titusville Trade Area tend to be below that of rents charged in surrounding trade areas, which makes it difficult to attract the developers and Capital necessary to create new retail venues in the area. He mentioned the Market Potential Index (MPI) shows there are opportunities within the trade area for retailers; provided the Board with an estimated job creation of 536 direct, full-time, retail positions, creating a total annual payroll of \$10.4 million; and estimated a job creation of 220 positions from the medical portion of the project, generating a total annual payroll of \$12.4 million. He added, the economic multiplier effect of such a project would be expected to create another 428 jobs within the community; the public and private partnerships to create a new shopping area is not unique in Florida, and have been implemented in almost every large metro area of the State to induce private investment. He stated the estimated Ad Valorem tax impact of the project to the City and County would be approximately \$1.4 million annually; and the estimated sales tax revenue generated for Brevard County and State by the project would be approximately \$1.8 million. He advised a Net Present Value (NPV) was calculated on the use of \$6.5 million in public funds to help defray infrastructure costs over 25 years, totaling \$17.7 million, exceeding the original \$6.5 million injected into the project. He mentioned the amount of private Capital to be invested in the redevelopment project being \$51 million.

Clifford Aiken, EXXCEL Project Management Chief Financial Officer, provided the Board a PowerPoint Presentation. He stated he has been working on the site for the Miracle City Towne Centre since earlier this year, and there have been a lot of analyses done on styles to be put at the site, the cost, and what draws people to the site; and the City of Titusville and North Brevard County know of the battles of preconceived notions, due to Kennedy Space Center, and anchor tenants has been a challenge. He advised the centre is a Mixed Use type of centre; the site plan is continuously changing; there are components of the site plan that will need to be

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discussed; and the current mall located on the site is going to be demolished. He stated the Miracle City Towne Centre will have a theater, a medical center, a fresh market, retailers, cafés, and restaurants; and there will be a fountain in the plaza area, which will have wide sidewalk areas for the cafés and restaurants, and a gathering area for festivals. He mentioned there being a landscaped walkway connecting the centre to the City of Titusville's property across the street, which was suggested in a study done on the riverfront five years ago, to make improvements to that parcel, and that pricing has been implemented as a part of what is being done with the centre's pricing to be able to improve that property. He stated he is confident the shaded areas can be done; they are the committed deals; the leases are being worked on; the categories for the Tax Increment Financing (TIF) consist of soft cost graphics for design testing and permitting; and the demolition of the hazardous abatements were over \$4 million when first starting the communications of this project. He went on to say utility lines will be replaced, but may be able to be reused after testing; the parking lot will be reconstructed for public parking; a scenic easement in the middle of the project needs adjusting, along with the riverfront park easement; the existing waterline and storm pipes will be replaced in phases; and Miracle City Mall has been in existence since 1960, and has no storm retention at the site. He advised a series of small retention basins will be located and landscaped into the parking areas; the existing sanitary natural gas line will be replaced.

Brenda Fettrow, Vice Chair, inquired if the water retention is designed to flow out into the Indian River. Mr. Aiken responded affirmatively, and stated retention is currently filtered and discharged out into the Indian River.

Mr. Aiken stated the riverfront park landscaped area will have a gathering area for functions; and the plans for the riverfront park include a wading fountain, a children play area, a boardwalk pier, and improvements to the Harrison Street and U.S.1 intersection. He mentioned the demolition cost is \$1.5 million; the Utility replacements, parking lot reconstruction, scenic easement, and riverfront park cost is \$1.3 million; this totals approximately \$8 million, with potential funds being contributed from the City of Titusville's Riverfront Fund for the riverfront park; and EXXCEL Project Management will make up the difference, to get it down to the \$6.5 million of the Tax Increment Financing (TIF).

Robert Jordan, Secretary, inquired if a portion of the \$6.5 million being asked for is to be used for the riverfront park, and if local builders and contractors will be used. Mr. Aiken responded affirmatively.

Mr. Jordan inquired why spend part of the \$6.5 million on the riverfront park. Walt Johnson, City of Titusville Council Member, responded there is a desire to combine the projects.

Mr. Aiken advised it is a unique situation; the financing ability of the Zone may need the City of Titusville's help, with the backstop of the Zone's revenues to put the financing structure together; there was a point when offsite retention was needed, but is not the case now; and this is an inducement to get the City onboard.

Mark Ryan, City of Titusville City Manager, advised there is a nexus having a park located next to a lifestyle centre.

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Mr. Post advised the Zone cannot do the project solely; there needs to be a funding mechanism in place, such as involvements by the City of Titusville, Brevard County, or another County agency, guaranteeing the indebtedness taken on; and the Zone may take on the function as the guarantor of what other entities do to the needed Capital for this project. He explained the Zone is in the last quarter of Fiscal Year 2012-2013; in the first quarter of Fiscal Year 2013-2014, an influx of money comes from the FP&L Plant; and he expects that money to go towards the cost of demolition and utility construction costs. He noted Deputy Assistant County Manager, Stockton Whitten, provided him with the Present Worth Table, which shows value predictions for the FP&L Plant that were submitted to the Public Service Commission. He advised there is no financial history showing indebtedness; the revenue stream is small and tied to a big project, but is the reason for relying upon an agency to help bridge those issues and to be able to provide the assistance; and once there is a regular revenue stream, there will be adequate dollars to support the kind of debt to pay back on the \$6.5 million.

Mr. Johnson inquired if the financing type is bank or bond. Mr. Post replied approving any commitment today is subject to doing the financial underwriting on the proposed project.

Mr. Johnson inquired if full faith credit is anticipated. Scott Knox, County Attorney, responded no.

Mr. Post explained he is looking into entering a revenue bond type of mechanism for \$626,300, the total indebtedness of principle and interest each year on the \$6.5 million bond issue; the number of years is unknown at this time; and it needs to come back to the Zone Board for further approval of funding mechanism.

Alan Matroni inquired the type of financing EXXCEL Project Management will use. Mr. Aiken responded there is 30 percent of equity on the cash being put into the project, and the rest will be interim construction type of financing.

Mr. Post mentioned the average yearly wage for a non-managerial, retail, full-time employee is approximately \$30,000; and the average yearly wage for a retail manager is approximately \$45,000.

Stan Retz inquired if the project total is \$51 million, plus the \$6.5 million TIF, or \$51 million including the TIF. Mr. Aiken replied it is \$51 million including the TIF.

Mr. Retz stated the Zone's funding for the riverfront park side is questionable, because it is not directly tied to the jobs, but indirectly it is a great project; and he would rather there be commitment to the west side of the street rather than using Zone funding for a park.

Mr. Post pointed out the project is a lifestyle centre with a concept element of a destination kind of place.

Mr. Retz inquired if shared equity financing had been considered. Mr. Post replied due to State law, the Zone cannot be a part of real estate deals. Attorney Knox advised he will need to look into the concept of shared equity financing.

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Mr. Post advised there are elements of the project that are difficult to monetize; and the key objective is removing the blight from the area, which has potential of eliminating future economic developments in the area.

Commissioner Fisher stated the way the Zone gets its money back is from the jobs that would be created and returned into the community.

Ms. Fettrow suggested cognizance of Zone dollars be used to beautify a City park.

Mr. Ryan advised he will be proposing to the City of Titusville City Council to use the remaining \$600,000 in referendum dollars for the project.

Stockton Whitten, Deputy County Manager, reminded the Zone Board of its industrial plan of redevelopment for commercial land or industrial sites; stated the City partner wants to contribute to its part of the project; they have to produce the funding; and there is a 5:1 return of investment ratio over 10 years. He advised to get the best available financing, the concept needs approval, and Mr. Post needs direction from the Zone Board for him to go look for that financing. He added, it is most probable to be a bank loan.

Motion by Robert Jordan, seconded by Donn Mount, to accept the application of EXXCEL Project Management; directed Troy Post, CEcD, NBEDZ Executive Director, to look for the best available financing options of issuing a financial commitment, subject to financial underwriting; and approved future dialogues to take place for the interlocal agreement between the City of Titusville, the NBEDZ, and Brevard County. Motion carried and ordered unanimously.

Mr. Jordan's absence is noted at 9:47 a.m.

Mr. Whitten's absence is noted at 9:55 a.m.

2. Engineering Services – Spaceport Commerce Park

Troy Post, CEcD, NBEDZ Executive Director, introduced Rodney Honeycutt, President of Honeycutt & Associates, Inc.; he stated Mr. Honeycutt is developing a concept plan to utilize the available and remaining lots owned by Brevard County to get into the hands of private investors to develop; and Mr. Honeycutt was asked to submit a proposal for a scope of professional services required. He went on to say he is not asking for approval of the proposal today, but he is asking for the proposal letter to be directed to the Executive Committee for review and recommendation, to bring back to the Zone Board at a later date. He advised the fee structure listed is for Mr. Honeycutt to coordinate things that need to be done, as his firm does not do environmental assessments; and for him to be the project manager, to work and help the Zone find a group that could do the environmental assessments on properties.

Mr. Honeycutt stated he has been tasked to analyze from an engineering standpoint the undeveloped parcels in the Spaceport Commerce Park (SCP), and to determine what the cost would be to develop those lots; the lots that back up to S.R. 407 are flat and have good soil; but the lots that back up to S.R. 407 between Armstrong Drive have a 20-foot elevation change that requires some engineering to figure out how to

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fully develop those lots. He stated what needs to be looked at are the scrub jays, gopher tortoises, and wetlands in the area. He mentioned previously he has worked on the 1,200 acre site of Willow Creek, south to the Titusville-Cocoa Airport Authority, and Windover, to pull all of the information together. He stated he put together a proposal using topography from LiDAR imagery of the earth's surface, available from the County, to be converted to AUTOCAD and complete ground truthing in the wooded area; the proposed scope of work is providing a comprehensive review of all environmental constraints existing within the studied site; and after compiling data, he will complete conceptual site plans for each lot, and review with feedback given from the Zone Board, to complete cost estimates, including spec-building, mitigation for environmental encroachments, and investigate the availability and cost of gas and electrical power.

Mr. Post advised the Zone Board to accept the proposal from Mr. Honeycutt, and to have the Executive Committee review and discuss the options available.


Mr. Honeycutt advised the scrub jay study cannot be done October through March. Mr. Post inquired what the estimated dollar amount is for a scrub jay study. Mr. Honeycutt responded approximately \$6,000.

Motion by Micah Loyd, seconded by Stan Retz, to accept Spaceport Commerce Park's proposal provided by Rodney Honeycutt, Honeycutt & Associates, Inc.; and authorized the Executive Committee to review and make its recommendation to the Zone Board, at a later date. Motion carried and ordered unanimously.

Motion by Stan Retz, seconded by Dan Aton, to authorize Rodney Honeycutt & Associates, Inc. to conduct Task 3, of the Spaceport Commerce Park proposal of Total Environmental Consulting (TEC) for presence/absence survey and mitigation options for scrub jays of the entire Spaceport Commerce Park, not to exceed a cost of \$7,500. Motion carried and ordered unanimously.

- V. New Business:**
- VI. Old Business:**
- VII. Public Comments:**
- VIII. Adjournment:**

By consensus of the Board, the meeting adjourned at 10:11 a.m.


Robert Jordan, CM, Secretary

Approved by the Board September 13, 2013.