

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

April 10, 2015 @ 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, Brenda Fettrow, Robert Jordan, Micah Loyd, George Mikitarian, Donn Mount, Stan Retz, and Louis Sanders

Call to Order: Meeting was called to order at 8:30 a.m. by Brenda Fettrow, Vice Chairman.

Pledge of Allegiance: Brenda Fettrow, Vice Chair, led the assembly in the Pledge of Allegiance.

I. Approval of Agenda:

Motion by Robert Jordan, Secretary/Treasurer, seconded by Paula Cardwell, to approve the Agenda as presented. Motion carried and ordered unanimously.

III. Financial Report:

George Mikitarian's presence is noted at 8:35 a.m.

Robert Jordan, Secretary/Treasurer, stated line item number 76 is for grants and aids showing assistance to the Greater Titusville Renaissance for its Executive Director position.

Motion by Brenda Fettrow, Vice Chair, seconded by Dan Aton, to acknowledge the financial report provided by Secretary/Treasurer Jordan. Motion carried and ordered unanimously.

IV. Staff and Partnership Reports:

a. NBEDZ Executive Director Report

Troy Post, CEcD, NBEDZ Executive Director, advised the Zone board that a special Zone meeting may need to be scheduled for April 28, 2015, for a project that is moving quickly; he stated he will keep the Zone board apprised as the project develops along; and he introduced Eddie McCall, City of Titusville Economic Development Director, to the Zone board. He stated he met with Nancy Potts, Senior Economic Development Manager, David Pierce, Center for Planning, and Julie Fato, Partnerships Coordinator of Kennedy Space Center (KSC), for an overview of recent development changes at KSC; they discussed

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future land use plans; and they toured Launch Pad 39B of Space X, the Vehicle Assembly Building (VAB), and the Launch Control Center. He stated he joined Commissioner Fisher in a discussion with Frank DiBello, Space Florida President and Chief Executive Officer, for a potential candidate project for Zone incentives at KSC and Exploration Park. He advised the District 1 Commission Office has an intern Lauren Stone, who is working on building a vendor matrix comprised of companies in Brevard County and Central Florida, and using tier one companies that supply components directly to an original equipment manufacturer by focusing on the supply chain for aerospace industries. He stated he has been working with the Regional Planning Commission (RPC) on its proposal to create a turbine manufacturing initiative in partnership with Energy Florida; RPC has identified a high concentration of companies in the five-county region that are involved in making turbines, rotating machinery, and related processes and material; and the RPC's Florida turbine initiative would be a strategic plan accessing economic development administration grant funds to assist projects in the sector. He stated he completed the economic impact analysis document for The Vault, examining whether the use of Zone funds in the program is warranted; and he is working with a number of contractors to hone in on the budget for tenant improvement items, which is a cost that would be added to the rent structure to create an effective rent figure. He advised in lieu of attending the 2015 Space Symposium, he participated in a two-day networking session in Chicago called Meet the Consultants, held by the Southern Economic Development Council (SEDC); and he met with the consultants in Chicago featuring site selection firms and real estate consultants assisting firms with relocation and expansion. He stated he assisted in writing grant application for Brevard County 4-H Foundation and Wild Ocean's community gardening initiative, which is now considering a kitchen incubator component next to Wild Ocean store, and with a targeted submission date of April 24. He went on to say he met with Stephen Phillip of North American Surveillance Systems, Inc. (NASS), to discuss the company's plans for future growth, and since February 2014, the company has hired 26 people; and they are planning to include a new manufacturing facility in the Spaceport Commerce Park (SCP). He noted the Zone's budget schedule consists of a presentation today being of the first draft; in mid to late April, a presentation of the draft budget is made to the City of Titusville; on May 8, a presentation of the revised draft budget is made to the Zone board; in mid to late May, the final proposal of the budget is approved by the Titusville City Council; in June, the recommended budget is submitted to the County Manager; and in September, the final budget is approved by the Board of County Commissioners (BOCC). He provided the Zone board with a handout of a report he prepared for presentation to the City of Titusville of a summary of the recent NBEDZ activities, in accordance to the Economic Development Plan (EDP) approved by the City and by Brevard County.

b. Greater Titusville Renaissance Executive Director Report

Cathy Musselman, Greater Titusville Renaissance Executive Director, stated Arts and Algorithms 2015 planning is coming together by having communications with artists, putting a budget together, and securing the venues; there is a Florida City Mural Trail and the City of Titusville has a City mural project moving forward to be a part of it, and they held its first committee meeting targeting four walls in the first year; this weekend is the Indian River Festival at Sandpoint Park; and she is

assisting with the social media kickoff for the Mayor's Health and Fitness Challenge. She advised the Zone board that in the fall she will be working with North Brevard County Parks and Recreation for the 2015-2016 Movies in the Park season; and starting in May, the Greater Titusville Renaissance (GTR) is bringing back the Food Truck Bazaar. She noted the Titusville Entrepreneur Clubhouse has 60 members and meets on a monthly basis; Keep Brevard Beautiful Trash Bash is April 18; and she is continuing to work on the Youth Volunteer Development Program and the GTR Volunteer Connector Program by creating a database of area non-profits for volunteer opportunities that ties in with the Bright Futures Scholarship. She stated the Board Nominations Task Group is working with Jim Tulley, City of Titusville Mayor, for six potential new board members; and she concluded, by saying she is continuing to campaign for GTR funding.

V. Discussion and Direction:

Fiscal Year 2015-2016 NBEDZ Budget

Troy Post, CEcD, NBEDZ Executive Director, provided the Zone board with a draft copy of the proposed budget; he stated he is tracking all expenditures for all the different projects; and budgets are a planning document and throughout the year changes can be made to adjust it through a Budget Change Request (BCR), and there may be a need to adjust it coming in the next few weeks related to upcoming projects.

Co-work Space

Troy Post, CEcD, NBEDZ Executive Director, provided the Zone board with a Gantt chart of the Business Incubation Project (BIP) for the Co-work Space of anticipated steps launching the BIP for the proposed co-work space in downtown Titusville; he stated the Fiscal Year 2014-2015 budget calls for \$200,000 in outlay for the anticipated costs; the breakdown of use of funds is \$80,000 for subsidy operations budget for a 12-month period, likely beginning in July 2015, and after the year one subsidy would drop to \$75,000 annually; \$90,000 is allocated for tenant improvements; \$25,000 is allocated for furniture and fixtures acquisition; \$5,000 is a contingency amount of 2.5 percent of total budget amount that could include utility deposits; and there is a separate line item budgeted for communications infrastructure, which could be used to cover costs of broadband services. He talked about the draft lease agreement having a base lease rate of \$8 per square foot and totaling about \$2,500 a month for the use of that building; he stated due to the tenant improvements up to \$90,000 over the length of a five-year proposed lease, with multiple extensions of three years each, and carried out for another 12 years after that; by taking that \$90,000 and spreading it over a 60-month period, it works out to about \$1,500 a month; and by adding the \$1,500 to the \$2,500, it equals \$4,000, and is an effective square footage rent of \$13.

Paula Cardwell inquired why the owners are doing the improvements for the co-work space. Mr. Post responded the owners are making the improvements required as opposed to the Zone making the improvements and going through the formal Request for Proposals (RFP) process; and there could be an issue of some timing with the RFP process, and it is property that the County does not own. Ms. Cardwell opined for the Zone's business model it should get a couple of bids just to have them, so there is some kind of attempt made to have a fair market value of the renovations needed done. She

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inquired if the insurance is blanket type of liability insurance. Mr. Post responded it is hazard insurance.

Louis Sanders suggested having an alternative backup location for the co-work space should something happen if the improvement costs get out of hand.

Mr. Post advised the parameters have been set; he stated it looks like it can be done with the way that the costs are laid out; but if it looks like these numbers are not going to be realistic, then an alternative backup location would need to be located. He went on to say when the process started other locations were identified and one of those locations is now taken.

Dan Aton suggested documenting the other locations and what those lease rates are for comparisons of rates; he pointed out in the terms of the lease, if the owners continue to be the owners of the property, there does not seem to be assignability on the lessors part of what happens if ownership changes. Mr. Post noted Mr. Aton's point; and stated he will advise Scott Knox, County Attorney, of adding if ownership changes to be a part of the draft lease agreement.

Don Mount inquired if Return on Investment (ROI) had been done. Mr. Post responded affirmatively.

Brenda Fettrow, Vice Chair, pointed out with the investment that the Zone is making the Greater Titusville Renaissance will manage the co-work space; and she stated the Zone board is hoping to help design the parameters by which the occupants would be under.

Mr. Post pointed out in paragraph 3.2, the fixed rent for each lease term beyond the initial lease term will be an amount equal to the amount of rental due per month during the initial lease term, together with such dollar amount equivalent to the percentage increase (but not decrease) in the Consumer Price Index for the period from June 1, 2015, (the start of the initial lease term) until the date eight months before such initial lease term shall elapse.

George Mikitarian, Chairman, suggested for the Zone board to review the draft copy of the proposed FY 2015-2016 budget and the proposed co-work space summary of anticipated costs and draft lease agreement for next month's meeting.

VI. Business Items:

New Business:

Old Business:

Troy Post, CECD, NBEDZ Executive Director, provided the Zone board with a quote for the Spaceport Commerce Park (SCP) sign improvements; the lettering is not what was asked for, it will be smaller, and Park needs to be added; it is for a non-illuminated sign needing prime and paint and repairing of the damaged area; and he is continuing to review other options.

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Upon consensus, the meeting adjourned at 10:00 a.m.

A handwritten signature in black ink, appearing to read "Robert Jordan", written over a horizontal line.

Robert Jordan, CM, Secretary/Treasurer
Approved by the Board on May 8, 2015