

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

October 11, 2013 @ 8:30 a.m.  
Parrish Health Village West/Heritage Hall  
931 N. Washington Avenue  
Titusville, Florida 32780

**Board Members:**

In Attendance: Dan Aton, 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 8:35 a.m. by George Mikitarian, Chairman.

**I. Pledge of Allegiance:**

Mark Ryan, City of Titusville City Manager, led the assembly in the Pledge of Allegiance.

Motion by Stan Retz, seconded by Micah Loyd, to accept the revised Agenda. Motion carried and ordered unanimously.

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

Motion by Robert Jordan, seconded by Micah Loyd, to approve the NBEDZ Meeting Minutes of September 13, 2013, and September 20, 2013. Motion carried and ordered unanimously.

**III. NBEDZ Executive Director Report:**

Troy Post, CEcD, NBEDZ Executive Director, stated he appeared before the City of Titusville Council and the Board of County Commissioners to seek approval of the Interlocal Agreement (ILA) specifying the financing structure for the Miracle City Towne Centre project; he held networking sessions with several elected officials leading up to ILA consideration by both the City and County governing bodies; and he is working with City and County legal teams, and the developer to development the agreement referred to as a performance grant agreement, which details the requirements for the distribution of public dollars to the project. He advised attended the Transportation Planning Organization (TPO) meeting, and provided input on transportation issues as they relate to the economic development initiative in the northern part of the County. He stated he distributed the Zone's newsletter electronically to regional real estate brokers, banking and construction industries, professional services, and local businesses; and he is hopeful to grow the database size to 500 by this year's end. He advised he met with Karel Hilversun, a contact from his recent Brazil trip; they toured possible sites for Mr.

Hilversun's corporate training center; and they met with two local firms considering expansions, and one seeking information about the foreign trade zones.

**VII. Public Comments:**

Richard Greco inquired who submitted the grant application. Troy Post, CEcD, NBEDZ Executive Director, responded EXXCEL Project Management, but it is a joint-partnership between AG Development and EXXCEL Project Management. Mr. Greco inquired if EXXCEL Project Management is going to hire AG Development. Mr. Post responded the developer's agreement is being created and it will identify what party will execute the agreement on behalf of the developer. Mr. Greco stated he provided Commissioner Fisher information on Florida Statutes at the October 8, 2013, Board of County Commissioners (BOCC) meeting; and he would like for that information to be provided to the County Attorney Office.

Milt Farrow stated he is troubled by the lack of competitive bids, which was mentioned at the BOCC meeting; and he inquired why there are not more people bidding. He stated the numbers to him are not making sense; he would have difficulty explaining this deal to a client; there is no guarantee that people from an outlined area will come to the Centre; and he is fearful of something going wrong with the developer and that there could not be another developer interested. He advised the project should look at improving the retail trade area by filling the empty homes with buyers to ensure there is retail trade traffic.

Robert Jordan inquired what competitive bidding would be for. Mr. Farrow responded property value.

Mr. Post advised the Zone is not acquiring the property.

Mr. Farrow inquired if the loan is based on the property evaluation for the developer to go after that money to pay the land owner that amount. Mr. Post responded that is not correct; stated the money is being allocated for improvements to the site, and it is considered public infrastructure. Mr. Farrow inquired what the property evaluation is now. Mr. Post responded he has not looked at the Truth in Millage (TRIM) statement; and he is estimating approximately \$5 to \$6 million.

Stan Retz advised the property owner has been trying to sell the property for years; and the buyer and the seller are two private individuals who came together and negotiated the price, which is competitive bidding.

Alan Matrioni stated it is an Arm's Length Transaction; the TRIM notice tells what a property's value is, which is 75 percent of the actual value; and it is a free and open market.

Mr. Post advised he has received an application from the developer, EXXCEL Project Management; he will provide the financial vetting process to ensure they have the capacity to do what it is they want to do by checking references and running analyses of solvency, profitability, and efficiency; the debt schedule will be looked into and document

sources of where the equity is coming from; and the history of development activities will be looked into.

Mr. Jordan advised he attended the October 8<sup>th</sup> Board of Brevard County Commissioners (BOCC) meeting; he is concerned about the developers application and the Interlocal Agreement; he suggested for the Zone to be well organized with its processes because they are going to want to see that; and he congratulated Mr. Post for giving a great presentation.

Mr. Post stated prior to bringing the Interlocal Agreement to the BOCC, the application was sent to the developer, EXXCEL Project Management, and it was returned, but the financial vetting process was not finished at that time; there will be some public infrastructure coming in quickly; and most of the money will be disbursed in a short-time window and before the bulk of money starts coming in for the Zone. He explained it was known early that if this project is going to be done under this timeframe, that another entity needs to be used to leverage its credit, and be able to borrow money to assist in the project, which is the reason for the Interlocal Agreement; and the Interlocal Agreement is approval of a financing structure that is unique to this project.

Mr. Matroni suggested there be no assignability clause in the developers' contract.

Donn Mount inquired if the application is confidential. Greg Weiner, CEcD, Economic Development Commission (EDC) of Florida's Space Coast Senior Director of Business Development, responded one year of confidentiality is given on everything, which can be extended for one additional year, as long as its completion is still being worked on.

**IV. Discussion and Direction:**

Troy Post, CEcD, NBEDZ Executive Director, stated there are local businesses interested in the New Markets Tax Credit (NMTC) Program, which is a way for an investor to make a deposit into a Certified Development Entity (CDE) that can receive federal tax credits for expansion projects; there is an entity in Orlando that may be able to assist the local businesses; and he is inquiring through the County Attorney if a CDE can be a public corporation or entity, and if it applies to a Special District to create a CDE and make tax credits available for companies doing investments in the area.

**V. New Business:**

Greg Weiner, CEcD, Economic Development Commission (EDC) of Florida's Space Coast Senior Director of Business Development, advised there is a Qualified Target Industry (QTI) company that is qualified to bring a site to Titusville; the average wage is \$75,000; the requirement from the State is to have the 20 percent local match for the total amount of the incentive; the company does a fair amount of governmental work by modifying aircraft; and they are leasing an existing hangar, plus is planning to build an additional hangar. He advised there is a payout schedule based on its projected job market and that money goes into the State's Trust Fund.

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Motion by Donn Mount, seconded by Robert Jordan, to approve NBEDZ providing incentive up to \$16,000; and directed Troy Post, CECD, NBEDZ Executive Director, to provide the draft agreement. Motion carried and ordered unanimously.

Laura Canady, City of Titusville Economic Development Director, stated the City of Titusville is under a confidentiality agreement; and as a partner of the Zone, the City has allocated up to \$5,000 for permitting costs and improvements to the leased structure.

Mark Ryan, City of Titusville City Manager, advised the challenge for the company is to be up and running by January to start its additional hangar expansion project.

**VI. Old Business:**

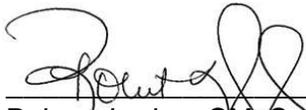
Alan Matrioni stated the Zones money comes from new businesses locating in the Zone; and inquired how the Zone gets its money back. Stan Retz responded from the tangible personal property tax.

Greg Weiner, CECD, Economic Development Commission (EDC) of Florida's Space Coast Senior Director of Business Development, clarified that in Florida, it is not who owns the building but what the building's commercial purposed used is for, and is subject to pay property tax.

Commissioner Fisher expressed his thanks to those who attended and spoke at the BOCC meeting. He mentioned there being a few local banks interested in considering the financing for the Miracle City Towne Centre transaction; and conference calls are being held with the City and County advisors to figure out the deal.

**VIII. Adjournment:**

By consensus of the Board, the meeting adjourned at 9:55 a.m.

  
Robert Jordan, CM, Secretary

Approved by the Board November 8, 2013.