

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

May 14, 2021 @ 8:30 a.m.
Statham Park
7101 U.S. Highway 1
Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Rodney Honeycutt, George Mikitarian, Donn Mount, and Louis Sanders

Telephone: Al Matroni and Stan Retz

Absent: Brenda Fettrow and Micah Loyd

Call to Order: Meeting was called to order at 8:35 a.m. by George Mikitarian, Chairman

Pledge of Allegiance: Dan Diesel, Mayor, City of Titusville

I. Approval of Agenda

Motion by Louis Sanders, seconded by Dan Aton, to approve the Agenda as presented. Motion carried and ordered unanimously.

II. Approval of Minutes

Motion by Dan Aton, seconded by Louis Sanders, to approve the February 12, February 26, and March 12, 2021 minutes as presented. Motion carried and ordered unanimously.

III. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated on the budget spreadsheet under Aid to Government Agencies, it shows an outlay of \$729,741 which is the payment to the City of Titusville to repay the bond debt on the Titus Landing Project; this is the fourth year of the amortization for the incentive provision that was set up; and this was the annual principle payment and there is another interest payment due in November.

Motion by Louis Sanders, seconded by Rodney Honeycutt, to accept the report on expenditures to the budget as presented. Motion carried and ordered unanimously.

IV. Staff and Partnership Reports/Updates

North Brevard Economic Development Zone Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, thanked Donn Mount for acting as Chair for the last year, and welcomed George Mikitarian back; the biggest news is the new location and thanked Commissioner Pritchett for setting that up; there was another opportunity to get some grant funding to correct some environmental issues that exist at the former Corrections site; the reason the Zone board is involved in that is for the possibility of converting that into a light industrial park which is about 100 acres; and the Sheriff's department uses a small portion of that, but there is plenty of room left for the park. He added there has been some concern that there is

not much industrial property to accommodate future growth; he mentioned there are also some sites in Mims that are being looked at; he participated in the MRO show and is hoping to have an opportunity to partner with the Tico Airport Authority to bring the MRO show to the airport; this could accent the capabilities of the airport and the land available there; he also participated in an event with Space Florida; and there are a lot of things taking place with the Space Force. He stated he is working on the next Business Review Newsletter and hopes to be done by the end of the month; there are still many prospects he is working on with the Economic Development Commission of Florida's Space Coast (EDC), one being a California-based aerospace company; and he met with the tenants at the Spaceport Commerce Park (SCP) to talk about the new proposed tree ordinance; he was able to submit the budget to the County, along with all the supporting documentation and forms; and he mentioned the next meeting may be on June 4 due to trying to get the sanitary sewer project Interlocal Agreement, if the Board approves it, to be included in the City Council meeting on June 8, and then to the County Commission for approval since it is over \$500,000.

City of Titusville

Lisa Nicholas, Economic Development Director City of Titusville, stated the City applied for a U.S. Environmental Protection Agency Brownfields Assessment Grant; it is a community-wide assessment with two priority sites identified as 800 and 900 Main Street; those sites are important as they are near the trail system in that area; a grant of \$300,000 was received; and the project will start in October.

V. Discussion and Direction

Implications of Proposed Tree Protection Ordinance in Titusville on Commerce Park Property

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he wanted the Zone board to be aware of this newly proposed ordinance; he advised the Zone board could issue a formal statement or position or just take it as information, as some of the members may have businesses that it may affect; there has been a movement to try to protect more of the tree canopies in the City, where man lots have been cleared of all the trees for new development; a Titusville Tree Team (TTT) has been formed and is working with City staff, as well as the Titusville Environmental Commission (TEC) to look at these issues; and they have come up with a couple of proposed ordinances to bring up for approval with the City Council. He mentioned there are some great differences between the two ordinances, one from the TTT, and one from the TEC; the TEC version could potentially negatively impact development for commercial and industrial, as it is more stringent; in the staff version, it tried to accommodate a need to do something, but maybe not as stringent; he provided copies of a document created by the TTT, which tries to contrast the two ordinances; and basically, what the TEC version is calling for is protection of the smaller trees and more area of the land, than the TTT version proposes. He added that it could require the developer to have to conform to something that might make the lot potentially unusable; and he asked Rodney Honeycutt to talk about what he may have seen in his industry.

Rodney Honeycutt stated even the TTT version of the ordinance will more costly to develop; it tends to be more towards rural development not urban development where they are encouraging to save trees throughout; with stormwater management requirements, one cannot just go with the natural ground, as it has to be built up, and once it is built up, it makes it harder to save trees; a lot of the land that is left for development is land that has to be filled more; and the TEC version is really restrictive on what can be done on someone's property. He added he would think property owner would have a right to sue if the TEC version passed; he stated there are not many exceptions; he likes the fact that the TTT version includes incentives, which he feels is a better way to approach things, and the TEC version has no incentives; and he would warn people with wooded property to be careful, as they may not be able to develop near as much of the property as it could now.

Mr. Post stated their ability to develop the lots at SCP could be compromised if the TEC version is approved; one of the things mentioned at the meeting with the tenants was to ask that the City exempts commercial and industrial properties and/or possibly grandfather them in to be exempt for a period of time, or any future property brought into the City, annexed, and zoned for light industrial; or, for property that is in the City now that could be changed to light industrial, for the law to apply to that, but for existing parcels for light industrial, it would not apply; and those would be things to consider.

Scott Larese stated this has been about two years in the making, and prior to going into this review, staff talked to Council about it being a very emotional issue; the Planning and Zoning Commission undertook the review of the ordinance after TEC's recommendations; they chose to review the TTT version because they did not feel that the TEC version would be acceptable to review because of the potential for law suits; he thinks that there will be some changes to the TTT version; and there have been nine suggested ordinances and, after comparison, he thinks there will be a reasonable compromise.

George Mikitarian asked if this ordinance is going before the City Council.

Mr. Larese replied right now, it is in the Planning and Zoning Commission and it has made it through about one-fourth of it; and will have a workshop to continue the review next Wednesday and it is open to the public.

Mr. Mikitarian asked how this ordinance compares to other city's positions on this.

Mr. Larese replied staff is reviewing many ordinances from surrounding communities; and it looks very much like the County's with a few minor revisions.

Mr. Mikitarian asked if he were to rank all the municipalities and the County, where this would rank.

Mr. Larese replied this one is probably a bit more restrictive than some of the other cities.

Dan Aton remarked he attended the SCP tenants meeting; and he asked if there was anything in the ordinance that seems to be advancing that differentiates between commercial/industrial and residential.

Mr. Larese replied not at this time, but it is a great suggestion, as there is a difference between light industrial and residential.

Mayor Dan Diesel stated he thinks the representation by developers at the meetings almost zero; all of a sudden he gets emails from developers, and wonders where they have been; there needs to be more of a discussion from both sides; and this workshop might be a good place for that.

Mr. Mikitarian asked what an appeal process would be like with the City Council; and he asked if it would be sent back to the Zoning Committee.

Mr. Larese replied the way it is written is that the TEC has the authority to approve or disapprove and the appeal process goes to the City Council should a land owner feel that they were not treated fairly; this got started because there were some great economic development wins and residential construction lagged behind, then interest rates dropped and the developers started to develop; he stated there are about 1,352 units now under construction and about 5,000 units in different phases, and there are only 21,000 units in the City right now; and should the new 5,000 units occur, that is substantial growth. He stated the tree team sees things like this and complained, as the attractive land is being cleared for new residential units; and the character of the City is changing.

Mr. Honeycutt stated that the tree groups see the massive land clearing and get upset; and there is a 600-acre site on Grissom Parkway where he saved 200 acres of trees and that was not good enough.

Mr. Larese stated that development will have 1,200 units and he thinks Mr. Honeycutt has done a wonderful job with it, with protected areas and trees; it is a great example of low-impact development; but still not good enough.

Mr. Aton stated his concern is this group has two responsibilities; one, being the County's representative for SCP and some of this impacts the ability to develop that land, the cost to develop it, and the size of the building that can be built on it; he thinks it could impact the amount of affordable housing needed; he thinks this is a knee-jerk reaction to the residential side and the commercial and industrial side may be swept along because no one is paying attention to it; and maybe the City needs to focus on the commercial and industrial side.

Mr. Mikitarian asked what comes after the workshop.

Mr. Larese replied it depends how far it gets; and a Council meeting is tentatively scheduled for July.

Mr. Mikitarian asked if he would be able to provide input on behalf of the Zone board, to take to the workshop, regarding the concerns it has about development in SCP.

Mr. Post stated he asked Christie Schverak, Assistant County Attorney, about this and in his capacity as an Economic Development professional, he could express his opinion, but not on behalf of the Zone board.

Robin Fisher stated when the Zone was first set up, a presentation was made to the County Commission to justify why the Zone was important; the amount of land that was Federally, County, City, School Board, and State owned was looked at and it was almost 50 percent of North Brevard; from a conservation standpoint, Brevard has done a wonderful job to the point that it has hurt its tax base; the tax base was low and did not have the opportunity the other parts of the County had because it was owned by other entities; and he thinks it is crazy to put anything in place. He stated from the development standpoint there is the City of Titusville, St. Johns River Water Management District, and Army Corp of Engineers, just name it; it is so hard to develop anything today, and if Titusville makes stricter rules, it will be detrimental long-term; and development should be made easier, not harder.

Mr. Mikitarian asked as the TEC looks at this issue, does it look at the community in its entirety.

Mr. Larese replied he thinks the TEC is narrowly focused; as an example, there are 26 parks in the area, so that land is off the market.

Mr. Post stated he will plan to attend the meeting and speak as an Economic Developer, and speak to Mr. Fisher's point; and he would guess that less than five percent of the City proper is zoned light industrial; and he can discuss the outcome of the meeting at the next Zone meeting.

Louis Sanders stated he agreed with Mr. Fisher that development is already a major aggravation and to add another layer of bureaucracy on top of that tells people that Titusville does not want to grow; he thinks developers and builders want to save the trees but there has to be room for the building; the rule-makers do not have the common sense as others; and it is disappointing to have these rules and ordinances affecting development.

Mr. Honeycutt stated it looked as if the Zone board was left in trust of the industrial park and now it may be only able to develop a third as much property in the park; and he feels it is their duty to at least try to get SCP exempt, and commercial too.

Mayor Diesel stated it seems only one side is making the decisions at this point and both sides need to try to make it right.

Mr. Larese mentioned he appreciates the Zone board having this timely discussion; there have been great strides to get the companies in over the past years and finally residential construction is happening; and he would hate to see it go cold.

Mr. Aton stated the reason Chipotle and Chick-fil-A are not here is that it is directly related to rooftops; with the new residential construction, the new restaurants and stores will come; and if Titusville continues to make it hard for development, none of that will happen.

VI. Business Items

New Business

Request for Financial Inducement for Project “Fuel”

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this Project offers an economic and redevelopment opportunity; the proposed buildings are the old Eckler buildings which have been vacant since 2014 and the interior of the buildings are in a state of disrepair; the prospective buyers are involved in alternate fuel and feel the site would work for their company; jobs will be tracked for this Project, which may be 60 employees over the next couple of years; and the building is listed at around \$6 million, with about \$3 million in improvements. He mentioned the impacts that could be had for the community are great; what that means to the Zone is about \$20,000 a year in terms of tangible personal property and the real property; he feels it is a significant Project with opportunity to create jobs and have a significant capital investment in the area, as well as the redevelopment; and the Zone may be able to offer up to a \$500,000 incentive and possibly make it in two installments in separate Fiscal Years.

Cody, a representative for the company, stated they are very excited with this; what they are looking for is a global headquarters, as they have offices throughout the globe; they are considered the number one hydrogen infrastructure company in the world; they will be opening businesses all across the U.S. and globally; they like the look of the building and see great potential but it is in worse shape than they initially thought, including asbestos; and he has done some work with NASA here, so he knows the community. He mentioned this is one of three locations they are deciding on and they will need to make a decision soon as their business is growing significantly faster than anticipated; they have taken all the advanced sciences that they have been developing for NASA, Department of Energy, and Department of Defense, and making it a commercial solution, as the Department of Energy asked them to form the company; he feels all the numbers in the application are conservative, and is confident they will not be an issue; they would add additional facilities to the property as well; and they love the visibility of the building.

Rusty, the Chief Executive Officer of the company, stated their core product is the creation of filling stations for hydrogen vehicles; the initial plan was for 100 hydrogen filling stations per year in California; these are electric vehicles where the hydrogen does the charging; and he thinks this would be a good location for their company.

Motion by Louis Sanders, seconded by Donn Mount, to accept incentive agreement of \$500,000 to be made in two installments, with the first installment to be made after improvements made and occupying the building for six months, and the second to be made after one year of occupancy and in the Fiscal Year 2022-2023, and a clawback to be attached to job creation. Motion carried and ordered unanimously.

Mr. Mount asked if this would cement the deal.

Cody replied that he has a board meeting tomorrow to discuss; he will be leaning toward the Titusville location as well as many members of his company; and he stated this incentive will go a long way, but he has to have formal approval.

Old Business

Request for Development Extension by Trout-Hunt LLC (Paragon Plastics)

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated back in 2018 a property in Spaceport Commerce Park (SCP) was sold to Trout-Hunt, LLC, formed with the owners of Paragon Plastics; Paragon had come into the area in 2016 and built their initial plant, which the Zone provided an incentive for; they needed more space and came to the Zone again and were approved for a lot adjacent to their existing plant; he explained that there is a new clause in the SCP deeds, that was not included in the original deed, that allows it to re-acquire the land if the developer does not do what was required in their agreement; he had sent a letter to them in regards to their two years expiring and no construction has begun. He advised the Zone had the opportunity to buy it back but he wanted to see what their plans were; they replied that COVID-19 caused the delays; this was discussed at a prior meeting and a motion was made to require Paragon Plastics to pay \$10,000 for an extension of one year, with the right to extend an additional year for an additional \$10,000, and any tenant other than Paragon Plastics must be approved by the Zone board, and to reacquire the property from Paragon Plastics if the company denies the amendment to the agreement; and Mr. Trout stated he would like to propose that if the construction begins before the end of the first year, that the \$10,000 is refunded, and the rest of the conditions would remain the same.

Motion made by Louis Sanders, seconded by Dan Aton, to refund the \$10,000 extension fee to Trout-Hunt, LLC, if construction begins within 12 months. Motion carried and ordered unanimously.

Permission to Seek Renaming of Spaceport Commerce Park Property (“Exploration Park West”)

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated a few months back, Brian Baluta, Economic Development Commission of Florida’s Space Coast (EDC) and spoke about a proposal that the EDC and Commissioner Pritchett have been involved in to re-brand the Spaceport Commerce Park (SCP) and try to capitalize on some of the things that Space Florida is doing; they want to take the areas where the County owns the property and some of the lands on the old Enterprise Park where Lockheed is located, and rebrand it as Exploration Park West; it would be a marketing campaign with new signage to help Space Florida expand what it could potential show in the way of available sites to some of the aerospace companies that they work with; he thinks that the Zone board needs to go to the County Commission to get approval to rename it, and have it reflected in the Ordinances that it operates under; and a resolution and recommendation would be needed in order to do that. He added there would be money and improvements needed to invest in doing this; new signage at three locations, physical appearance improvements, and landscaping in the medians could be done for approximately \$31,000 out of the capital outlay budget; also the printed items like pamphlets and brochures would need to be rebranded; and the tenants of SCP had no issues with the new name when asked. He stated he would need approval from the Zone board to operate under a preliminary budget; and those things will be brought back to the Zone board for a vote.

Donn Mount asked if he had spoken with the airport.

Mr. Post stated the airport has been a part of these conversations, and it would involve the airport property south of SCP on the other side of Grissom Parkway.

Mr. Mount mentioned the Zone board should get together and talk with the airport people. Dan Aton stated his property is not actually in SCP but falls in with the area; and he asked what it would take to get his area included with the park.

Mr. Post replied that one of the long-term goals has been to create a formal park association to include the old Enterprise Park, the County-owned land, and the airport, that can do things for the park; and that could be something that the Commission is asked to do.

Mr. Aton mentioned it was pretty clear what Florida Department of Transportation (FDOT) is going to do with the sign at the Grissom Parkway and State Road 405 entrance; and he asked if there has been any discussion of where the Park sign would be placed.

Mr. Post replied there are three medians there and the first one has been completely removed, and the second is smaller with room for a smaller sign to be added.

Louis Sanders asked who would maintain the sign and landscaping.

Mr. Post replied that Grissom Parkway is maintained by the County and the interior roads are maintained by the City.

Mr. Aton mentioned that may be a function that a Park association could do.

Mr. Mount asked if there was going to be an association to manage the Parks.

Mr. Post replied not at this time, but this may help to accelerate those plans to create a more formal organization; and he mentioned that the EDC is trying to make more of a marketing awareness, as these sites could be used as an alternative to aerospace firms that may not be able to find property.

Motion by Louis Sanders, seconded by Rodney Honeycutt, to make a recommendation to the Board of County Commissioners for the renaming of the Spaceport Commerce Park to Exploration Park West, and request to expand the boundaries to include Chaffee Drive, White Drive, and Grissom Parkway. Motion carried and ordered unanimously.

Upon consensus, the meeting adjourned at 10:07 a.m.



Donn Mount, Secretary/Treasurer

Approved on July 9, 2021