

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

October 12, 2018 @ 8:30 a.m.

Parrish Medical Center - Health Village West/Heritage Hall  
931 N. Washington Avenue  
Titusville, Florida 32796

**Board Members:**

In Attendance: Dan Aton, Robert Jordan, George Mikitarian, Donn Mount, and Stan Retz

Absent: Micah Loyd, Al Matroni, and Louis Sanders

Telephone: Dr. Brenda Fettrow

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

Pledge of Allegiance: Walt Johnson, City of Titusville Mayor, led the assembly in the Pledge of Allegiance.

**III. Staff and Partnership Reports**

**North Brevard Economic Development Zone Executive Director Report**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he joined a webinar presented by CareerSource Florida for Quick Response and Incumbent Working for training grant programs; he completed the 2018 Economic Assessment report, a document detailing statistical information on the North Brevard area, and highlighting recent economic development successes and potential future developments; he met with Steve Kane of Space Tech, who provides certification and training programs for aerospace firms in Central Florida; and he sent follow-up information to retail real estate development groups seen at the ICSC show in August, including a package to the Director of Real Estate at Chick-fil-A. He went on to say he gave a presentation on recent economic development activity to a group of investors who are considering participation in the proposed Antigua Bay development on U.S.1, near NASA Causeway; he met with Randy Mortensen, Doctors Goodwill Foundation, about leveraging resources to induce a potential redevelopment project along Main Street; he met with staff at Legacy Academy, a charter school that began operations last year at the Royal Oaks Shopping Plaza on Knox McRae, and the building owners are exploring uses for the adjoining space that could tie into education; and he spoke with Winn-Dixie at Village Square on Harrison Street about its vacancies and to help them fill up space. He asked for the Zone board's attendance for a meeting being held on December 6 at Isaac Campbell Civic Center addressing the issues of the NASA Causeway Bridge, and for it to be a high-level bridge like the A. Max Brewer Bridge; and he advised of several companies in the area that are trying to address the issues the NASA Causeway Bridge has.

Stan Retz's presence is noted at 8:39 a.m.

Mr. Post added he was able to get documentation from Blue Origin about it meeting the criteria in the incentive Agreement, to send in the first payment for incentive, and to follow the payment schedule within the Agreement.

### **Greater Titusville Renaissance Executive Director Report**

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, stated COlaunch has 25 members; she highlighted on a new Port St. John Community Group being created and its first project is to bring back a 4<sup>th</sup> of July event called 'Thunder Over the River'; 'Art Outside the Box' received its approval from the Florida Department of Transportation; and the fundraising events for 'Save the Clock' has raised over \$600 which will allow for clockworks expert to review for what it is going to cost to repair the clock.

### **City of Titusville**

Scott Larese, City Manager of City of Titusville, provided the Zone board with a copy of the *Titusville Talking Points* October 2018 edition, featuring North Brevard economic news.

#### **I. Approval of Minutes**

Motion by Stan Retz, seconded by Dan Aton, to approve the June 22, 2018, meeting minutes as presented. Motion carried and ordered unanimously.

#### **II. Report on Expenditures to Budget**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the budget to expenditures is tracking well; the legal fees and other contracted services exceeded the listed amounts; they both were budgeted for \$80,000, but ended up expending \$87,000 which was due to the Blue Origin situation; but everything else has come in under budget.

Stan Retz's absence is noted at 8:46 a.m.

#### **IV. New Business**

##### **Project Moon**

Troy Post, CEcD, CBE, NBEDZ Executive Director, provided the Zone board with an aerial photograph of the proposed site in Mims; he stated he has been talking with a company in Kentucky who is interested in moving a large segment of this business to Florida; and the Project is a manufacturer of organic chemicals that are used for industrial application in the automotive industry, and are looking to do more in the aerospace industry. He provided the Zone board with a handout of the Economic Impact Analysis (EIA) and the Fiscal Impact Analysis (FIA) for Project Moon; he stated the company is proposing to create 15 jobs; this is a Project that is not pursuing tax abatement and is a Project that is looking for some help through the Zone; the interested building has been vacant for several years and looks poor; and once improvements are done it would be an increase of about \$840,000 in anticipated real property value.

Stan Retz's presence is noted at 8:48 a.m.

Shannan Field, Esquire, stated the owner of the company is going to Canada and Mexico to help secure some larger deals that will be brought to Florida if this proposed site is approved; the way their process works is very different from their competitors, by saving the customer time, money, and labor; her client actually worked in the same building when it was a fruit packing place; the owner grew up here; and he is really looking to come back into town and build his own business there.

Mr. Post advised the proposed acquisition cost is \$700,000 for the facility as it currently exists; the estimated improvement cost is about \$900,000; the equipment planned for is about \$750,000; due to the way the buildings condition is he thinks \$100,000 is able to incentivize the Project to go forward; and it would be the standard reimbursement grant, they would have to implement the Project, get to the completion of the Project elements, and maybe be in the place for a period of time before qualifying to get the reimbursement grant.

Stan Retz inquired if the company is looking to relocate from Kentucky to here or to expand to here; and what the current number of employees is. Ms. Field responded to relocate here and they have 10 employees, but are looking to add 15 more; and she stated this facility would be their main headquarters.

Motion by Dr. Brenda Fettrow, seconded by Dan Aton, to approve Project Moon for a reimbursement grant up to \$100,000, upon the completion of elements for the Certificate of Occupancy ensuring that they get the proper approvals from the County and Florida Department of Environmental Protection (FDEP), and with standard clawback provision to create a minimum of 10 jobs within three years. Motion carried and ordered unanimously.

## **II. Report on Expenditures to Budget (Continued)**

Motion by Stan Retz, seconded by Donn Mount, to approve the Report on Expenditures to Budget as presented. Motion carried and ordered unanimously.

## **V. Downtown Redevelopment Project Beachwave**

Troy Post, CEcD, CBE, NBEDZ Executive Director, introduced Joan Junkala, Representative for Community Development Strategies, Inc., and Oshri "Mosh" Gal, Beachwave; he provided a map of downtown Titusville showing a lot on Garden Street that is currently owned by Hospice of St. Francis; he stated Mr. Gal has been negotiating to purchase that lot; and Mr. Gal is a business owner in Brevard County who has several retail developments called Beachwave. He went on to say one of the things that has been encountered is the condition of the soil is poor; in order for them to do the activity needed at least \$300,000 is needed for allocated of removing the muck and for bringing in fill material; the numbers could increase as they get a little further into it; but this is being seen as a pivotal Project for the area of downtown. He added the area is part of the City's Community Redevelopment Agency (CRA) and the Zone will not receive any increment for what it does, but what it does achieve from doing this is having a more vibrant downtown and enhances the CRA in the long run to have the kind of funds to be able to more of these types of projects. He advised it has a significant amount of jobs, although the jobs are not high paying because they are in the retail sector; this is a restaurant and retail with several different elements in this Project; and one thing being

October 12, 2018

banked on is the location being the last place for retail before heading to the Canaveral National Seashore. He added there is risk in the endeavor, but Mr. Gal is well practiced in what he has been doing and he has seven other locations; and to have someone with that kind of wherewithal coming into the area and wanting to make an investment on a piece of property that has some site issues is real strong.

Walt Johnson, City of Titusville Mayor, stated he is excited about this Project and it they are planning for a rooftop tiki bar; and the City approved giving the CRA an incentive of \$50,000.

Ms. Junkala stated this is an over \$3 million development Project; there is approximately 40,000 square feet of commercial retail to include a retail store, Zarella Italian restaurant, bike store, tiki bar, and the remainder is for an observation deck for launches.

Mayor Johnson mentioned some of their products they produce.

Mr. Gal advised they print and sell their own t-shirts

Mr. Post provided the Economic Impact Analysis and Fiscal Impact Analysis; he stated the Zone will not receive the increment but the County and the City will benefit tremendously; it is a significant Project to increase the tax base and it really kicks off the development along that section of Garden Street; and it this would be a reimbursement grant up to \$150,000.

Stan Retz stated he thinks it is a great Project for the area and the County, but it is tied to demucking; and he is supportive of the incentive.

Dan Aton stated he thinks the trigger should not be tied to muck but tied to jobs.

Mr. Retz suggested using the standard clawback that is tied to approximately 20 jobs.

Christine Schverak, Assistant County Attorney, stated there are two names on the application for number of jobs; and she inquired if they are going to be owned by the same person, because it would seem like the jobs need to be tied to the owner, which may be just Beachwave.

Mr. Post replied the restaurant has a different owner; he stated the space would be leased to the restaurant; and for the purpose of the clawback it will just be the jobs for Beachwave.

Mr. Gal advised he would be comfortable in the clawback to have 15 total jobs for the site, that averages five for each business; but just to limit it to Beachwave is a little hard for him because he really does not know.

Attorney Schverak advised the owner is responsible for submitting the number of jobs; and if multiple people, businesses are going to have to provide Mr. Gal with the verification of jobs, it will be needed. She added another clawback provision could be just over three years of percentage coming back if the building is not 50 percent full.

Mr. Retz advised the owner could have that in his lease with the restaurant as a condition, they must provide certain employment information to be provided to the Zone.

October 12, 2018

Mr. Gal agreed to a standard clawback for 15 jobs

Motion by Dan Aton, seconded by Donn Mount, to approve reimbursement grant of up to \$150,000 with a standard clawback for 15 jobs. Motion carried and ordered unanimously.

Attorney Schverak mentioned after receiving the Certificate of Occupancy (CO), they submit paperwork for the grant, and then the standard clawback is to keep the 15 jobs in place for three years.

Mr. Post pointed out in addition to the CO, any evidence must be submitted for the permitting being in place, that there are no liens on the property before submitting for reimbursement, and use best efforts to use local laborers and vendors.

**VI. Old Business**

**Legal Fees Connected with Blue Origin Case – Motion to Tax Costs**

Christine Schverak, Assistant County Attorney, stated Florida Statute allows for the prevailing party, which in this case is the Clerk of Circuit Court, to request that the Court order for the losing party, the North Brevard Development District, to pay the prevailing party's reasonable and necessary tax costs to defend the law suit; this amount has been negotiated between the attorney's; the Clerk has agreed to stipulate to the amount; and she recommended for the Zone board to approve this. She went on to say it will go forward to the Board of County Commissioners (BOCC) on October 23 for its approval; and once the BOCC approves it, the Judge will order \$18,667.77 to be paid.

Motion by Donn Mount, seconded by Dr. Brenda Fettrow, to approve the Stipulated Order Granting Motion of Intervenor, Scott Ellis, Clerk, to tax costs against the District for payment in the amount of \$18,667.77 for Blue Origin legal fees. Motion carried and ordered.

Upon consensus, the meeting adjourned at 9:25 a.m.



Donn Mount, Secretary/Treasurer

Approved on February 8, 2019.