

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

July 8, 2016 @ 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, Donn Mount, and Stan Retz

Absent: Micah Loyd, George Mikitarian, and Louis Sanders

Call to Order: Meeting was called to order at 8:32 a.m. by Brenda Fettrow, Vice Chair.

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

I. Approval of Agenda:

Motion by Robert Jordan, seconded by Donn Mount, to approve the Agenda as presented. Motion carried and ordered unanimously.

Review and Approval of Board Minutes:

Motion by Robert Jordan, seconded by Stan Retz, to approve the NBEDZ meeting minutes of June 10, 2016, as presented. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget:

Secretary/Treasurer Robert Jordan stated line item number 29, Communications and Freight, is a little over budget by \$131; line item number 78, Expenditure Items, is \$1.5 million; and left is line item number 92, Total at \$1.4 million for Fiscal Year 2016.

Paula Cardwell inquired if the Zone has the total amount of money in the bank. Troy Post, CEcD, CBE, NBEDZ Executive Director, responded affirmatively.

III. Staff and Partnership Reports:

NBEDZ Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he provided a letter of support to Port Canaveral, for the Philadelphia Regional Port Authority in seeking designation of a marine highway to permit tug-barge traffic, extending down the east coast between the two Ports; he participated in a rate hearing held by the Public Service Commission for the proposed rate increases by Florida Power & Light (FPL); while the residential rate increase is likely to be moderate, the larger rate increase is for industrial customer; and FPL had stated its goal of assisting firms surrounding the Spacecoast Regional Airport

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with interest in developing a solar farm to help offset a portion of the electric costs to those firms. He stated the Wild Ocean Seafood community garden/commercial kitchen initiative has a new proposal that would target assistance from the U.S. Economic Development Administration (EDA); and he met with a local food products company that has interest in accessing a commercial kitchen, which would help to meet EDA requirements on job creation. He advised that he is attending the Orlando ICAST trade show next week with the Spacecoast Tourism Office, the Spacecoast Economic Development Commission (SEDC), the local Chamber of Commerce, and the City of Titusville economic development department; the Zone will participate in the show as a non-exhibitor, and networking with companies having the potential to expand its plans, by developing specialty marketing flyers for distribution of the event. He advised on July 12 he will be presenting the City of Titusville with a PowerPoint Presentation of the Zone's budget for Fiscal Year 2016-2017; he stated he is continuing to work on the bylaws for an industrial park association at the Spaceport Commerce Park (SCP); and he expressed his appreciation to Edyie McCall, Economic Development Director for City of Titusville, for providing with any new economic development interests.

Greater Titusville Renaissance Executive Director Report

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, stated COlaunch has six members; she met with Eastern Florida State College (EFSC) about it cancelling its course due to the lack of registration; a small business development workshop was held with 30 people in attendance; and she gave four tours to potential COlaunch members. She went on to say a donation was received from a local entrepreneur of books and a lending library has been created; and she is continuing with facilities management for technology support, locks, and signage at COlaunch. She stated she is continuing to work with Keep Brevard Beautiful (KBB) for projects in North Brevard and on the coming bike trail; she met with Gregory Grey of Tranquility County, who is a non-profit organization that provides caisson/riderless horse services for military burials at the National Cemetery in Scottsmeer; and Channel 9 will be featuring a story about Tranquility County on July 19, the entryway to their property is a mess, and volunteers are working on signage, cutting Brazilian Pepper trees, and mowing for a spruce up for being featured on the news. She advised that arts and culture is continuing with Food Truck Monday events, Friday Nite Live fests every second Friday, working on Indian River Festival for March 17 and 18, 2017, tying it in with Daytona Bike Week, and calling it BBQ, Brews, and Blues. She added, the 150th Anniversary of Titusville will be March 19-26, 2017; the Titusville Steering Committee has a monthly meeting working on the celebration; and sponsorships will be done at different levels for a plaque to be mounted on the exterior of buildings, and stating 150th Anniversary of Titusville.

IV. & V. Discussion and Direction:

Potential Redevelopment Projects (Port St. John and Titusville)

Brenda Fettrow, Vice Chair, advised she has a speaker card for this section and for the Public Comments section of the Agenda.

Troy Post, CEcD, CBE, NBEDZ Executive Director, advised at this point he has not received any formal applications for assistance; once these potential redevelopment projects come in they will be classified as projects that will be creating jobs and providing

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some capital investments in an area, in terms of the buildings they move into; but for the most part it is addressing urban blight, the physical appearance and characteristics of many vacancies caused by nonuse. He went on to say the types of expenses that could be eligible for reimbursement under the Zone's redevelopment program are soft cost of engineering and permitting, demolition and hazardous materials abatements, utility removal and replacement, parking lot improvement and stormwater enhancements, lighting elements, and landscaping; both projects would create new jobs and represent an increase in capital investment; and would be characterized as redevelopment projects due to being connected to urban blight. He stated project number one is for the Port St. John Plaza, the owner is a Utah-based real estate group engaging in talks with an anchor tenant about the redevelopment of the Plaza due to its vacancy percentage being at 30 to 40 percent; and the project would address security with replacement lighting, appearance by increasing tenant occupancy, landscaping by enhancements and improvements, and stormwater improvements to water detention areas. He added, the costs are unknown but he thinks some assistance is needed to help induce this going forward; and he stated the ration of public dollars to private dollars, per the Zone's Plan is at least 5:1. He stated project number two is for a Medical Office building for a local eye care center seeking to expand and to improve parking for its patients; the project would address appearance improvements to a blighted lot and constructing a new building with additional landscaping elements; due to waterline issues in the downtown area of Titusville, there is not adequate fire suppression; the need for parking will have to utilize almost all of the surface for parking, meaning inadequate room on the site for stormwater detention area; and an underground water detention system is needed due to the parking requirements. He advised he is expecting formal requests of applications for assistance for these redevelopment projects.

Stan Retz inquired if project two is located in the City Community Redevelopment Area (CRA); and he inquired if there is opportunity to access any grant assistance from the CRA. Mr. Post responded affirmatively; and he replied the CRA has a limited amount of money available.

Scott Larese, City of Titusville City Manager, explained the CRA does not have grants in its current budget; and a grant process is being proposed for the 2017 year budget, but it is not going to be near what is needed for project two.

Paula Cardwell advised that she has questions but she will talk to Mr. Post after the meeting.

Micro-Loan Program

Mr. Post advised a draft of the Economic Development Plan will be built to present to the Zone board of how the framework for the Zone's Micro-Loan Program would be; he asked the Zone to take the handout of the framework provided in his or her binders to ensure need for resources of credit for small entrepreneurs and small businesses that may have a limited track record of only a couple of years, and not having suffice collateral. He went on to say by doing this it would be another tool to help entrepreneurs; he stated it can be seen that the Zone's grants mostly have been for space development; by having some money available at the start of a project is encouraging for success; and having a revolving loan fund allows for recapturing those dollars loaned out to businesses so they can pay the loan back, and in 10 years those same dollars will get to be leant out again to another business owner. He expressed his thanks to Peggy Busacca, City of Titusville Community

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Development Executive Director, for previously drafting a micro-loan program that the City was considering; he stated if this is approved, there is possibility of piggybacking on what the City had wanted to do; and it could have potential to create a separate fund that may involve leveraging some City money in combination with some Zone money for a City-only type of revolving loan program. He stated the structure likely involves two partners, such as a bank and a program coordinator/administrator, which is whom the application would be made through, and who decides the lending decisions; and a formal Request for Proposals (RFP) would establish minimum criteria required for both partnership roles. He advised that most micro-loan programs across the nation provide \$5,000 to \$100,000, with some type of match or equity in; the programs assistance would be up to \$50,000, and can be used for working capital needs; the Small Business Administration (SBA) has a micro-loan program available through a network of Community Development Corporations (CDC) and intermediary lenders, but the lenders can set the requirements; and this would be an opportunity for the Zone to create a localized program where the Zone sets requirement criteria. He added, the Zone would not let someone keep coming back often to make loan requests year after year, but would encourage them to build relations with a bank; there are some high default rates on working capital loans; and a fixed-asset lending on land, building, equipment, furniture, fixtures, or acquisition loans. He advised most programs require that micro-loans must be guaranteed; performance measures could be tracked, there would be certain restrictions, credit issues would be dealt with on a case-by-case basis, and collateral would be secured for what the loan would be; there could be a loan guarantee issued, but it should not be for more than 50 percent of the total loan; and eligibility requirements would be for entrepreneurs or small businesses with 25 or fewer employees, and having gross revenues below \$1.5 million. He stated micro-loan candidates should participate in a business training program; most micro-loan applications should follow the same format that a bank uses when requesting data on an application, with market analysis and financial data provided; a long-term plan tracking record helps demonstrate the programs sustainability, and should increase chances of getting grant approval; and it is possible that more than one revolving loan fund could exist that leverages assistance from the City in combination with Zone funds to maintain a revolving loan fund for those businesses located within the City.

Stan Retz stated the real challenge is to implement public dollars to be protected from those individuals turned down by banks; he does not want to compete with a private bank; and it is a tough balancing act to make good loans to people who the banks do not want to loan money to. He advised continuing to pursue; but he reiterated it is going to be challenging.

Robert Jordan, Secretary/Treasurer, agreed with Mr. Retz; he stated he understands the spirit of the opportunity; but he urged the Zone board to tread cautiously.

Paula Cardwell stated the business plans and financials would need scrutiny; she inquired who would facilitate this and how does this dovetail with how the County needs to know how this works, where the money is going, and would the County help administrate the program. Mr. Post replied at the moment it is unknown who would facilitate it; and he responded that he would need to find out about the dovetailing. Ms. Cardwell advised that a ceiling would need to be set; and she stated she sees potential for the program.

Vice Chair Fettrow stated there likely will be a unique set of circumstances to help provide a small business to get over-the-hump to develop the business; there is no guarantee; and she asked before it comes back to the Zone for Mr. Post to look at the ability to recapture dollars in the event of a default.

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Martha Long, City of Titusville Council Member, advised that she will defer her comments to the Public Comments section; and she stated that is when Jim Tulley, City of Titusville Mayor, will have to leave the meeting, due to Sunshine.

Ms. Cardwell pointed out she only receives the Agenda and no package is provided to review; she stated the Agenda is a little vague at times for if someone wanted to speak on redevelopment; and she suggested for there to be more bullet points on the Agenda. Mr. Post replied he tries to have the Agenda created the Friday before the meeting date, but a lot of times information changes and he likes having the flexibility of bringing appropriate information to the Zone board at the meeting; he expressed appreciation for Ms. Cardwell's suggestion; and at times his schedule does not allow for much information to be available in advance.

V. Business Items

New Business:

Old Business:

NBEDZ Office at Chamber Building

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated for several months he has talked about the Chamber of Commerce offering him for a nominal fee of \$10 yearly rental rate at its office located at 2000 South Washington Ave, Suite #203, Titusville; the monthly Common Area Maintenance (CAM) charge is \$150 each month; if this is approved today, it would go to the Chamber of Commerce board for its concurrence; and he is hopeful with a new Commissioner coming into office, that he would still be able to maintain an office located in District 1 for the need of the working accounting function in SAP.

Brenda Fettrow, Vice Chair, inquired about confidentiality with the other tenants located on the second floor for prospect clients at the Chamber of Commerce location. Mr. Post advised there is limited use of space; and there is not full staff located in the other offices.

Paula Cardwell inquired about subletting some of the space because she did not see anything about it in the lease agreement. Mr. Post replied subletting is in the lease agreement on page eight; and it states with approval by the Chambers.

Robert Jordan, Secretary/Treasurer, stated after speaking with Scott Knox, County Attorney, about him being on the Chamber board, he suggested for him to abstain from the vote.

Mr. Post advised as part of the approval, the motion it needs subject to legal review of what both parties had agreed upon.

Motion by Dan Aton, seconded by Paula Cardwell, to approve the Commercial Lease Agreement between the Titusville Area Chamber of Commerce and the North Brevard Economic Development Zone (NBEDZ) for certain premises location at 2000 South Washington Avenue, Suite #203, Titusville, to use the common areas and the second floor conference room, the second floor lobby, the parking areas, sidewalks, and driveways,

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said office space measuring approximately 250 square feet, and subject to legal review. Motion carried with Robert Jordan abstaining from the voted.

Public Comments:

Jim Tulley, City of Titusville Mayor's, absence is noted at 9:00 a.m.

Paula Cardwell inquired if Project Diamond is going to be discussed. Vice Chair Fettrow responded it is not on the Agenda.

Martha Long, City of Titusville Council Member, stated she and her family have been in the City of Titusville since 1947; in 1947, her father was playing softball at Sand Point; and she is going to give the Zone board a little history, remind it of a couple of things, and she has a suggestion. She went on to say in 1920 a large section of land went into foreclosure and then a tax lien was purchased by a group of Titusville citizens; the first thing those citizens did was donate the land that is now the overpass; and those same citizens gave the land to the people of Titusville. She added, the streets that are now there were not there, like U.S.1; the total of the property seems to have started at about Broad Street and went over what is now known as the overpass in front of the railroad track to the Lagoon; and that is what was given almost 100 years ago, by citizens to citizens. She stated Sand Point is very important to the City; most of the Zone board knows that before the City was named Titusville, it was called Sand Point; she has absolutely no opinion about a stadium in North Brevard, but Commissioner Fisher has invited her to his office for a discussion about it; she cannot discuss it if it is on Sand Point; and she reiterated that she cannot and will not support it. She stated if vetting of the project says it is a good thing for Titusville, another spot has to be found, and it cannot be put on Sand Point; that land was given to citizens by its forefathers; in 2004 there was a Referendum of \$10 million, that the people of Titusville taxed themselves to buy riverfront property, which at the time was being gobbled up by high-rises; and those people are still paying that \$10 million worth of debt. She went on to state that elected officials took \$4.5 million of the \$10 million and bought a piece of property across from the Miracle City Mall, to assist a mall developer at that time; no body in the citizens-world wanted that property, but because elected officials thought it was a good add to attract that mall developer, there went that money; and now there is not a usable piece of property, nor a piece of property that the citizens agreed to purchase. She concluded by saying it was done unbeknown and it was known, but it was not supported by the public to buy it; and for anybody to think that they can come in and take Sand Point for a commercial gain, the biggest and the best public waterfront, is just simply wrong. She reiterated that this cannot be done at Sand Point.

Commissioner Fisher stated he understood that there was an agreement between the State where the State became involved in that land by giving it to the City, but he does not know the total history of it; for the record because Ms. Long has not heard the presentation, the land is not being taken away from anybody; the City will continue owning the land and the project; it will be a City complex and it will not be a commercial gain; and he would like to give Ms. Long a presentation and have a total discussion about the value. He mentioned a lot has been said and he has not asked the Zone board to do anything, but to keep an open mind; he would like to continue to see if the project makes sense; and he expressed his thanks to the Zone board for having such an open mind. He went on to say that he has been in Titusville since 1989 running his business, he has invested in Titusville, he will match his tax bill with anybody's, and he is invested as heavily as everybody else

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is in this community; and one thing that bothered him in the City's Redevelopment Plan is in 1984 there was a poor downtown image in environmental quality, and reference was made that downtown lacked an image. He stated the reason he is trying to change the culture is in 1990 the population of Titusville was 39,000; in 2000 the population was 43,000; in 2013 the population of Titusville was still 45,000 and in 13 years this community had 200 more people in it than it did 13 years earlier; nowhere else in Florida has that happened; but part of the reason that happened is because people turned things down before they ever give it a chance to reinvent life, which is what happens in this community time and time again. He reminded the Zone board that when he got elected he said he was going to try to change the culture, to grow Titusville; 2015 population is still 45,000 and 1,800 jobs were lost; and from 2001 to 2012 if the Zone does everything that it is committed to doing it will create 1,830 jobs. He stressed he is going to keep bringing things for the Zone board to consider; everyone can keep saying no, but he is going to bring them forward; there will be opportunity to change the image and to start looking at opportunities; and when someone is trying to pump \$25 million into Titusville's downtown and there is no want to have a conversation about it, shame on them.

Ms. Cardwell stated she appreciates what Commissioner Fisher has stated; one thing that is charming about Titusville is its sense of community, which is seen every day on Facebook; that sense of community is not in Viera; a comment was made about less than 20 percent of commercial property that is available for redevelopment; but she has a lot of problems with the numbers and she has passion to meet with Commissioner Fisher to discuss why Sand Point needs to be left up to the citizens, and it needs to go to referendum.

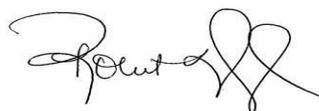
Commissioner Fisher stated usually when going to referendum it is an ask of the taxpayers to fund something; and they may discuss that in their meeting.

Stand Retz pointed out that Commissioner Fisher asked to not make a decision on supporting or not supporting a stadium, but to continue looking into it; the facts are unknown; he sat in on many presentations; and he is for the project, but there are all kinds of data that is out there to learn about.

Robert Jordan, Secretary/Treasurer, stated 2010 was a tough year for his family because he lost his job on the Shuttle Program; he started getting involved to improve the County; he decided to purchase a business in Titusville; one of the biggest things done in Titusville was building a new hospital, but there were so many naysayers who liked what they had and was not willing to accept change; and everyone now is proud of that hospital, even the naysayers. He went on to say there has to be common curtesy to list to what is being said before being a naysayer; quality of life is important and children are leaving the City because they say there is nothing to do here; and if this is not the right thing that Commissioner Fisher is pursuing do not shut it down because of the piece of property just stop and think about the future.

Paula Cardwell stated she is not against the idea and she is not convinced that the numbers make sense, which is why she is going to meet with Commissioner Fisher; she does not have a problem with a stadium but she does not think any land is owned by the citizens of a city; and the people should decide if they want it developed or given away.

Upon consensus, the meeting adjourned at 9:46 a.m.

A handwritten signature in black ink, appearing to read "Robert Jordan", with a stylized flourish at the end.

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Robert Jordan, CM, Secretary/Treasurer

Approved on August 12, 2016.