

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

December 9, 2022 @ 8:30 a.m.

Statham Park

7101 U.S. Highway One

Titusville, Florida 32780

**Board Members:**

In Attendance: Dan Aton, Bart Gaetjens, Rodney Honeycutt, Robert Jordan, Al Matroni, George Mikitarian, Donn Mount, and Stan Retz

Telephone: Dr. Brenda Fettrow

Absent:

Call to Order: Meeting was called to order at 8:30 by George Mikitarian, Chair.

Pledge of Allegiance: Joe Robinson, Vice Mayor, City of Titusville

**I. Approval of Agenda**

The board reached unanimous consensus to approve the Agenda as presented.

**Approval of Minutes**

Troy Post, CEcD, CBE, NBEDZ Executive Director, noted there were two corrections to the November meeting minutes and advised what needed to be changed.

Motion by Al Matroni, seconded by Stan Retz, to approve the minutes with the noted corrections. Motion carried and ordered unanimously.

**II. Report on Expenditures to Budget**

Troy Post, CEcD, CBE, NBEDZ Executive Director, noted the financial documents sent out has four spreadsheets included, one for the City Tax Increment Financing (TIF), one for the County TIF, one for the Spaceport Commerce Park (SCP), and one with all accounts on one spreadsheet; this was changed after a suggestion at the last meeting and the notebook will now have the spreadsheet for the funds committed, which will include the total commitments and remaining disbursements; and he reviewed some of the disbursements.

Motion by Stan Retz, seconded by Bart Gaetjens, to approve the Report on Expenditures as presented. Motion carried and ordered unanimously.

### **III. Staff and Partnership Reports/Updates**

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

Troy Post, CEcD, CBE, NBEDZ Executive Director, shared that he and Neha Pandit, Special Projects Coordinator, attended the I/ITSEC trade show and exhibition in Orlando; the show provides networking opportunities with firms and supplier companies that provide products and resources to larger firms and governments; he mentioned now that the pandemic has ended, he may be attending more trade shows; he attended a virtual meeting with the County's Federal lobbyists, the law firm of Gray Robinson on the possible application of Community Project Funds (CPF) from the U.S. Department of Housing and Urban Development, under its Economic Development Initiative (EDI) program, to begin an economic development project at the former correctional facility site; and he is thinking it may have to be just a few moderate-sized, light-industrial sites. He advised he is continuing to work with prospects of commercial redevelopment in the City of Titusville; he joined a session of the entrepreneurial group "1 Million Cups", and he is hoping to begin something similar here, working with the partnership with Groundswell; he met with Karen Tooley about the Cuyler School property in Mims, to discuss transforming the old school into a community center and co-work space; he spoke with Matt Jimenez from NASA's Partnership Development Office about obtaining an inventory of available properties on the Kennedy Space Center (KSC) campus and Federal lands outside of KSC property; he mentioned projects from the Economic Development Commission of Florida's Space Coast (EDC), one being aerospace and one in the armament industry, that are looking at Brevard as a possible site for their facilities; he mentioned this could be a very large request; and he provided a list of other projects he continues to track. He went on to say there is a survey going around sponsored by the EDC and Space Coast Office of Tourism to explore whether or not a rebranding of what is called the space coast is something that should be pursued; there are more industries in the area than just aerospace and they are wanting to see if there is a way to market some of the other industries; the Groundswell startups will begin in January; and he noted there is a copy of the Titusville-Cocoa Airport Authority (TCAA) report included in the packet as well.

Bart Gaetjens asked Mr. Post if Lynda Weatherman, President and CEO of the EDC of Florida's Space Coast, has spoken to him about the wastewater treatment project she is looking at.

Mr. Post replied he did not believe so.

Mr. Gaetjens remarked the EDC received a grant and she is looking at a project because the infrastructure at KSC is crumbling and no one wants to touch it; she is looking at a government and municipality project for the wastewater treatment plants; the EDC received a grant so they are looking at some different companies; and he feels it may be something that comes to the Zone board in the future.

Mr. Post stated he would reach out to Ms. Weatherman.

Mr. Gaetjens commented about the branding and noted the Orlando EDC has a rocket launching on their logo, as if they are trying to say they have the space coast; he

mentioned the Melbourne Airport is now the Melbourne Orlando International Airport; the area needs to determine who it wants to be and how to brand itself; and he reiterated to the Zone board about taking the time to do the survey.

### **City of Titusville**

Lisa Nichols, Economic Development Director, City of Titusville, stated she was also going to talk about the branding initiative; she attended one of the sessions last week and it was very informative; she feels it is going to be challenging to capture all the assets on the space coast; in addition to Space, the recurring themes were nature, the Lagoon, recreational opportunities, rich history, and advanced technology; she will be interested to see how that is packaged; and she would suggest the Zone board attends a session.

### **Titusville-Cocoa Airport Authority (TCAA)**

Kevin Daugherty, TCAA Director, stated the kick-off meetings with the funding agencies, Federal Aviation Administration (FAA), Florida Department of Transportation (FDOT), and Space Florida, are scheduled next week; the 30 percent design review has been completed for the traffic control tower and it is moving forward; an FDOT grant was received for that; and TCAA has continued to work on several aerospace prospects.

## **IV. Discussion and Direction**

Troy Post, CEcD, CBE, NBEDZ Executive Director, mentioned he had homework to task the board members with in preparation of the plan review in February; Commissioner Pritchett suggested that he get input from the members; he provided some worksheets and will also send them out electronically in the next week with some suggestions to be considered; he explained what he is looking for; and he asked that it is completed prior to the January meeting so that the information can be compiled ahead of the February meeting.

## **V. Old Business Items**

Troy Post, CEcD, CBE, NBEDZ Executive Director, reviewed the request from the Titusville Cocoa Airport Authority (TCAA) for assistance with the "Innovation Park" project that was brought to the Zone board at the November meeting; he thinks this falls under two categories, the strategic initiative, and the spec building and pad-ready sites; he stated Space Coast Innovation Park, LLC would like to build-out over one million square feet of space south of the Perimeter Road area; infrastructure is going to be one of the most critical parts of this project; TCAA is trying to come up with the revenue to have a match to the Florida Department of Transportation (FDOT) funds; and this would allow TCAA to perform the infrastructure needs of approximately \$5 million. He added last month the Zone board discussed how the agreement would be structured and the suggestions for clawbacks; he thanked Morris Richardson, County Attorney, and Christi Schverak, Assistant County Attorney, for their work to come up with a proposal for the grant; and he reviewed and explained the thresholds and clawbacks that are suggested in the revised proposal.

Attorney Schverak stated this is just a draft; Avcon had provided a proposal of their costs, and when looking at deliverables, it talked about providing plans for review at 30, 60, and 90 percent completions, so that is where the thresholds came from; she further discussed how she came about with the revised proposal; and she was hoping that Rodney Honeycutt might provide some suggestions for further requirements due to his expertise.

Stan Retz stated it sounds like a good project; and he asked what if after thresholds one and two are met, and \$276,000 has been reimbursed, and the project is cancelled for some reason, what would be the clawback to get that money back.

Attorney Schverak replied if the project does not proceed after any threshold, NBEDZ is not liable for any further funding; secondly, there is a condition in the clawback that says if construction has not begun, a refund would be due.

Mr. Honeycutt agreed and suggested getting deliverables on the different thresholds also.

Attorney Schverak noted that is where she needed his help; and she put most of that in threshold four but knows that some of the items may be completed and available prior to that.

Mr. Honeycutt suggested to talk to the engineer and see when the deliverables are planned to be completed and list those at each threshold.

Mr. Post mentioned that some of that is included in the draft agreement.

Mr. Honeycutt and Attorney Schverak further discussed the verbiage of the second clawback condition pertaining to the road and what "clearing" would consist of.

Kevin Daugherty, TCAA Director, remarked he was hoping for three years for the agreement, just in case they have to do the project in stages.

Bart Gaetjens asked what the process for reimbursement would be if the project were to be shut down along the way or criteria was not met.

Attorney Schverak replied a letter would be sent and upon receipt of the letter, the money would be owed; she mentioned these are both dependent districts of the County, and she questioned whether it would sue a dependent district of the County; and she would presume that it would be resolved prior to any lawsuit.

George Mikitarian asked if there was any revenue coming back to TCAA from the developer and if there were terms and conditions there.

Mr. Daugherty replied there is a long-term ground lease agreement with the developer that states they are going to develop it in three stages; after phase one is complete, TCAA will be receiving about \$170,000 per year in ground rent revenue, and phase two would probably be around the same revenue; and TCAA will not see the full revenue until 2024 or 2025, which is why the assistance is needed from the Zone.

Mr. Mikitarian asked Mr. Daugherty if there are clawbacks in the lease agreement in the event that the developer does not fulfill the contract with TCAA.

Mr. Daugherty replied there are several schedules and clawbacks in the agreement and will share that with the Zone board; and he mentioned this developer has already spent over \$1 million and is one year ahead of schedule, so he has a lot of confidence for the project.

Attorney Schverak stated that could be a clawback, if TCAA would agree to reimburse the Zone through the payments that are being received through the developer.

Donn Mount remarked he thinks it may be making it more difficult than is needed.

Mr. Daugherty stated the intention of TCAA with the roadway is to move forward, even if the developer happens to go away; and there are 100 acres just sitting there and it is marketable property.

Al Matroni asked if tax revenue is received from the building and property on the airport.

Mr. Retz replied there should be tax revenue on the buildings but not the land.

Mr. Matroni stated the road is for the Airport Authority and, except for the first 200 feet, has nothing to do with the development of the buildings; he asked is the main reason for the roadway to give access to Grissom Parkway; and he stated it looked like the project could be done with the access to Grissom Parkway.

Mr. Daugherty replied the roadway could be phased as they start the building, but in phase one alone, building three is 220,000 square feet, building one is 212,000 square feet, and building two is 206,000 square feet, so that is close to 900,000 square feet of new buildings; and there is no way that Perimeter Road can handle that amount of traffic.

Attorney Schverak noted the other thing to consider is what the public purpose is and how to get this road into the Zone's mission; when drafting the agreement, she looked at this as being in support of the development of the spec buildings and a public partnership for Economic Development; if it was just building the road for the airport, she asked how it could get the Economic Development; and that is how she determined public purpose.

Mr. Daugherty remarked it will be a public road, not a private road.

Dan Aton asked if the taxes would flow to the Zone or if it was like a Community Redevelopment Agency (CRA) where it would go into its fund.

Mr. Post replied the downtown CRA is the only one that does not get captured.

Mr. Aton asked if there was enough information, with the analysis that Mr. Post usually does on other economic development projects, or because there is not a tenant, can that not be done.

Mr. Post replied yes to the last question; he stated the difficulty in doing the fiscal impact analysis is that there are not really those details; but he did ask the Economic Development Commission of Florida's Space Coast (EDC) and they said if this was built-out, based on the companies that they talked to that need space like this, it could create as many as 1,000 jobs, but a fiscal impact analysis has not been done; but looking at the potential capital investment of \$175 million, the Zone will see the benefits of that.

Mr. Retz commented all of the equipment in the building would be taxable, which could be significant; and he asked if the airport is adding any cash, or just the land.

Mr. Daugherty replied the airport authority will be taking care of the roadway and will have to come up with the local match for the grant, which will be around \$2.5 million.

Mr. Gaetjens asked if there had been an environmental impact study.

Mr. Daugherty replied all of the pre-development studies have been done for phase one and two, which included the roadway; and there are normal issues that will have to be taken care of.

Mr. Honeycutt questioned if the airport is making payments to the engineer, and once they do that, they request reimbursement.

Attorney Schverak replied affirmatively; and she advised every threshold is a reimbursement, not upfront money.

Mr. Daugherty remarked the disbursement structure of the thresholds in the document are exactly like the FDOT grants.

Robert Jordan commented he thinks it is a great project but it sounds like it is getting a little clouded because the contract is with TCAA; and it sounds to him like TCAA feels justified in this request based on the project to come.

Mr. Post remarked that his understanding is for TCAA to be successful with the State matched funds, they must show there is an economic development purpose behind it and they are tying that with what the developer is planning; and if the developer were to go away before the State funding could be secured, it would put that in jeopardy, as they have to be able to tie it back to jobs.

Mr. Jordan stated the Zone wants there to be a spec building, something to draw the industry here; and he asked if the justification for giving the money is going to be because TCAA wants to build the road that will allow for the facility to go in.

Attorney Schverak explained the way she has it written up is that it is very heavily tied into support of this economic development project, as that is how it is tied into the strategic goals, the spec building pad program, and the economic development rationale; she has written a page and one-half of the draft agreement on what the bigger picture is to support the justification for the road; and it would become a problem if it is just for the road.

Mr. Mount stated that people are wondering what would happen if the developer goes away; the road would still be used and help to develop the property along that road; and it still serves the purpose of where the Zone is trying to go.

Mr. Retz asked if TCAA was borrowing the \$2.5 million; he looked at their financials and they only had \$1.3 million in cash two years ago; and he asked how TCAA is going to raise the funds.

Mr. Daugherty replied they would use a line of credit and other possible funding opportunities; but they will definitely need help.

Mr. Mikitarian and Attorney Schverak discussed how this project is similar to the sewer line project on U.S. Highway 1.

Mr. Matroni commented he assumes that TCAA will come back to ask for assistance with the buildings.

Mr. Post remarked he did not know about that; but TCAA owns the land that is south of this, with the possibility of adding more projects that the road would allow access to.

Dr. Brenda Fettrow proposed a motion to table the item in order to allow Attorney Schverak time to edit the document, based on the board's input today.

Mr. Post replied the board could still approve the broad outline of the grant incentive, as the agreement would still come back for final approval.

Dr. Fettrow agreed and suggested a motion to approve the incentive agreement in a broad sense, with Attorney Schverak to bring it back to the next meeting with the edits brought up in the meeting today.

Attorney Schverak clarified that the vote today is to approve the project; if the board is not comfortable with the \$460,000 incentive amount, then it should table it; and if the Zone board approves of the \$460,000 incentive amount, the draft language will be brought back to the board for the consideration of the language in the agreement.

Motion by Dr. Brenda Fettrow, seconded by Robert Jordan, to approve the broad version of the Incentive Agreement with Titusville Cocoa Airport Authority of up to \$460,000. Motion carried and ordered with Al Matroni voting nay.

Mr. Post provided an update on the repurchase of the Spaceport Commerce Park property.

Mr. Jordan expressed his appreciation to Commissioner Pritchett for placing him back on the Zone board.

Mr. Aton and Mr. Post commented on the benefits of attending the trade shows.

Upon consensus the meeting adjourned at 9:38 a.m.

A handwritten signature in black ink, appearing to read "Donn Mount". The signature is fluid and cursive, with the first name "Donn" and last name "Mount" clearly distinguishable.

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Donn Mount, Secretary/Treasurer

Approved on January 13, 2023