

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

April 8, 2022 @ 8:30 a.m.

Statham Park

**7101 U.S. Highway One**

Titusville, Florida 32780

**Board Members:**

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

Telephone: Brenda Fettrow and Micah Loyd

Absent: Stan Retz

Call to Order: Meeting was called to order at 8:33 a.m. by George Mikitarian, Chairman.

Pledge of Allegiance: Donn Mount, Treasurer

**I. Approval of Agenda**

George Mikitarian asked if there were any changes to the Agenda.

Troy Post, CEcD, CBE, NBEDZ Executive Director, replied not the Agenda that is in the book.

**Approval of Minutes**

Motion by Louis Sanders, seconded by Dan Aton, to approve the March 2022 Minutes as presented. Motion carried and ordered unanimously.

**II. Report on Expenditures to Budget**

Donn Mount, Treasurer, stated nothing has changed and the new budget is in there.

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated there is still an anomaly with the SAP software; on the line item for life insurance premiums and worker's compensation, there is a \$14,000 figure which is an error that keeps duplicating; and he is trying to see if they can correct that.

Motion by Louis Sanders, seconded by Dan Aton, 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, stated over the past month he and staff have completed re-working the website to make it compliant with Federal laws governing accessibility of data for the visually-impaired; the NorthBrevard.biz website has been temporarily taken offline pending updates; he met with a client that is contemplating the purchase of a Marina property for a mixed-use development; and he met with a client considering the redevelopment of a structure on Josephine Street for a brewery. He added he attended the city's Brownfields workshop; he met with staff from East Central Florida Regional Planning Council (ECF-RPC) to discuss the Florida Resilient Coastlines Program; met with Scott Larese, Titusville City Manager, and staff about requesting to reserve use of a city-owned 20-acre site by the airport for an economic development purpose only; and he is currently tracking eight prospects. He mentioned Praxair has been acquired by another firm who is planning to make some substantial investments of up to \$25 million, which is all taxable, on the tax base, and funds into the Zone.

#### **City of Titusville**

Lisa Nicholas, Economic Development Director, City of Titusville, advised the Brownfields workshop determined some potential properties; there was a decent turnout for the citizen's workshop as well; and the consultant has conducted two phase-one Environmental Site Assessments (ESA) to date.

Mr. Post mentioned he had another item to discuss; last month he provided a copy of the proposed budget for next year for NBEDZ, which is actually three budgets, one with the County Tax Increment Financing (TIF), one with the City TIF, and one for the Spaceport Commerce Park (SCP); the City TIF, most of that will be used for the Sanitary Sewer Project, the SCP budget is being held for improvements to the Park, and the County TIF had one change from last month which was an adjustment to the indirect cost, per the County's Cost Allocation Plan, the amount that is charged to the Zone to help defray the expenses that the departments have when assisting the Zone, such as Human Resources and County Attorney; the cost for this year is going to be \$93,950; and this cost should remain approximately the same for several years. He added there needs to be board approval to go to the next step and have the City Council approve the City TIF budget, then to the County Manager's office to begin putting together the budget to be present to the County Commission.

Motion by Louis Sanders, seconded by Dan Aton, to allow Troy Post to appear before the Titusville City Council and to the County Manager for NBEDZ budget approval and review. Motion carried and ordered unanimously.

Kevin Daugherty, TICO Airport Director, stated he is still working with Project Enroute, a space-based company; they are looking at the five acres on the west side of the airport; they have completed their geotech and survey, hiring an engineer to design their building, and hope to be under construction sometime next year; also, he is in initial discussions with Orlando Utilities Commission (OUC) for a common use of the Indian

River dock; Space Perspective is really interested in utilizing the dock to retrieve the Neptune capsule; OUC seems to be willing to entertain a Memorandum of Understanding (MOU); and this would make TICO a multi-mobile spaceport.

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

##### **Request for Assistance: Small Business Capital Match (3558 S. Hopkins Avenue)**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated a company in town, Fine Line Printing, a full-service printing operation, want to purchase a larger building, presently owned by Hines Furniture, for a greater capacity to do more business and hire a few more employees; the project could be as high as \$725,000; in looking at the project, he was trying to determine something NBEDZ could do to induce them to go forward with this; the Matching Capital Investment Program, small business program, which was used for the Brix Project several years ago; and the Zone board could provide a dollar-for-dollar match of a Capital Investment commitment, which would be the equity injection going into the project. He added this project anticipates having a 20 percent equity being put into the Project, borrowing the 80 percent balance, and at the high range, that is \$725,000; that 20 percent would represent \$145,000 that the business would have to put in; and half of that would be \$72,500. He proposed to assist the business with a commitment that would be up to \$72,500, representing half of the equity match that they would have to put into this project to make it go forward.

Rodney Honeycutt asked what improvements they are making to the building.

Mr. Post replied there are several items listed on the application such as renovating the interior to make a production room, improvements to the parking lot, landscaping, a new façade, and that sort of thing.

Al Matroni asked how many new employees.

Mr. Post replied two to four new jobs to be created.

Dan Aton mentioned he did not recall the Zone board doing the 50 percent of the equity versus doing 20 percent of the upgrade piece.

Mr. Post remarked if they are having \$250,000 on the upper range, it would be a little more than 20 percent of that total; the Zone board looks at the total project cost, so it would include the acquisition of the building; and based on that, it would be a 10 percent grant.

George Mikitarian asked if there is a mechanism to track this; he asked if staff is going back and tracking when the board approves 20 percent of project costs; and he thinks that is something that needs to be talked about.

Mr. Post replied that this will be discussed later on the Agenda, after the agreements are approved on the other commitments; and part of the documentation that is provided to County Finance, who disburses the money, is a listing of all the Project expenditures, which is compiled for a total amount of what has been spent on the Project.

Mr. Mikitarian asked if that was a report that could eventually come back to the board to see how previously-funded businesses did relative to the imagined numbers.

Mr. Post replied that could be done.

Mr. Matroni mentioned it seemed like the only thing the board tracks is job placement, which is important, but he has never been comfortable with the costs as it is taxpayer money, and it is not known how much is being spent; and he knows it is a big job to track this, but this one should be fairly simple. He added the Zone board has that responsibility to make sure it is not giving away taxpayer money and to stay within its guidelines.

Mr. Post remarked that later in the meeting, when he will go through the pending agreements, he will show the language that is used and all the different types of things that are needed to process the grants.

Mr. Aton asked what the mechanism would be, as everything is based on the high-side; he stated he is more comfortable with a lower number; he asked how the Zone board is protecting itself; he advised the concept of the percentage of the money they are borrowing does not seem like the right formula; he realizes it is in the plan, but it seems to him that the recent funding has been more about improvements that are going to be beneficial to the community and keeping jobs; and he is in favor of it, but the numbers seem a little high, as normally the Zone board does not fund the building, only the improvements. He added that, splitting the middle, adding three jobs, that is almost \$25,000 per job; and he asked if there was a normal amount per job.

Mr. Post remarked that is a good question; for the jobs, he mentioned the Department of Housing and Urban Development (HUD), with their Community Development Block Grant Program (CDBG), has a mechanism not to exceed \$35,000 per job, for the money being involved in a grant provided; he has always made sure that those dollar amounts do fall under the jobs being created, so it doesn't get too high; he would not want \$50,000 per job, for example; and he is glad Mr. Aton mentioned the percentages, because he was assuming they would hit that high side, for example if they got close to \$1 million in improvements, the Zone board would want to continue that 10 percent, but would cap it at the \$72,500 amount. He added they could end up spending less, as they are showing improvements at \$150,000 to \$250,000; if that ended up being less and they had to inject a smaller amount to make that 20 percent equity injection, say they were on the low side, the total Project was \$575,000 and 10 percent of that is only \$57,000, so the Zone board's equity would only be half of that; and he asked if that made sense.

Mr. Aton replied he struggles with the equity; and if they were in a position where they paid cash for everything and they put all \$750,000 in, he asked if the Zone board's calculation would be half of \$750,000.

Mr. Post replied that is why he would say to cap it off at the high end, at \$72,000.

Mr. Aton stated he didn't recall ever using the half of the equity invested in a Project; he is very comfortable with the 20 percent of the renovations or something tied to jobs, or to approve a not-to-exceed amount and whatever the mechanism is to do it; if it starts

funding small businesses buying real estate, it could be inundated with many things; and he just wants to understand the metrics around how it is done.

Mr. Post stated everything that is done has to relate around the Plan; because it is an occupied structure that is generating an economic use, it wasn't seen as a redevelopment project, but they are going to do improvements; it is not just the acquisition, but also the improvements; and the best program fit would be under the small business assistance section.

Mr. Aton stated he did not want the Zone board to have a reputation of funding and displacing other businesses; and it would be good to understand what is happening there, whether Hines is still occupying the building.

Mr. Matroni asked if the Zone board is just handling the improvements, is it opening the door for building owners to say they want to make improvements and come to the Zone board and ask for money to do improvements.

Mr. Post replied he would say yes, probably, because the Zone board wants there to be capital expenditures, especially if they are creating more jobs; in this situation, the business owners are not only retaining what they have, but going to a larger building that they would own and not lease, making an investment in the area, making improvements, and adding jobs; he would say if they had a similar project come from another business, the Zone board would do that too; and keep in mind, the Zone board needs to be actively trying to use the funds allocated to it for projects like this. He added the Zone board does not need to continue to have large fund balances, where projects are not being found.

Mr. Aton remarked he is all for it; the charter is for job creation and as long as it is furthering that; and it is more about the right metrics for tracking.

Louis Sanders asked if it could be done only on the improvement part; the purchase of the building, he does not care how much, but if they are going to put \$200,000 into improvements, to him, that is more what the Zone board is geared for; he does not feel the overall purchase price is relevant, only the improvement side, if it does the 20 percent based on the estimation of the improvements; and if it gets into putting the percent on an investment of an existing structure, not blighted, or in a terrible part of town.

Mr. Post remarked he is trying to make it fit into a program that it has, and the Small Business Program looks more at the equity injection; there have been a lot of redevelopment projects where it has done a percentage of the redevelopment budget up to maybe 20 percent; he did not feel like it fit into that category; and since it is a dollar-for-dollar match it could be capped at a certain dollar amount or a certain percentage.

Mr. Mikitarian stated it sounded kind of arbitrary; he thinks he is hearing the board wanting a better sense of the mathematical equation because it is setting a precedent for other businesses coming before the board.

Mr. Post remarked if the upper end of the budget was \$250,000, if the board said it would not do more than 20 percent of that, like a redevelopment project, that would be a \$50,000 grant.

Mr. Aton stated he is more comfortable with that, even though it is not doing it under that program, it could be said there are three different ways to justify that number; if the higher number is picked, there may be only one way to justify it depending on the jobs number, but then the contract is complicated by tying it to jobs, waiting to hire people, and other stuff; and it feels sort of arbitrary when they are putting 20 percent down.

Mr. Sanders remarked he is leaning more towards tying it to the improvement part and not the total venture.

Mr. Aton stated it could still be done, but just make the not-to-exceed number \$50,000.

Mr. Post stated it could be crafted as a redevelopment project for 20 percent of the redevelopment budget, capped at \$50,000; if they go above \$250,000, the assistance will end at \$50,000.

Mr. Matroni stated the language could be used "the lesser of actual cost, or (10 or 20) percent" that way it is covered when documenting what the actual costs are, if they are less than originally thought, and then pay the lesser amount.

Christi Schverak, Assistant County Attorney, stated it could be crafted that way, but the verbiage has not been used at this point; the exact grant amount has always been used, but it certainly can be used; and she opined that the board wants to give them 20 percent of the improvements/renovations to a cap of \$50,000.

Motion by Louis Sanders, seconded by Dan Aton to approve a Redevelopment Incentive for Fine Line Printing for 20 percent of the renovation costs up to \$50,000. Motion carried and ordered unanimously.

### **Request for Assistance – Project Lock**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this project has several things to consider; three things are asked: termination of the existing Incentive Agreement with Engineered Bonding, to recommend re-purchase of Spaceport Commerce Park (SCP) property, and redevelopment assistance for a different property at 1455 Buffalo Road; the concern is that the property originally purchased in SCP is going to take too long to complete due to supply issues; they have found an existing building to purchase and renovate; and they are asking NBEDZ to re-purchase the property at SCP and provide a Redevelopment Incentive for the new property. He went over the documentation provided by Acra-Lock, as well as the impact analysis; there is an advantage to getting the SCP property back, as it can be resold for a higher price; it may also be helpful with the common retention pond for SCP properties as previously discussed; he feels this fits in with the Redevelopment Program; and he suggested doing half of the renovation budget, which would still be less than 20 percent of the overall cost. He proposed the assistance to be up to \$350,000 which represents about 10 percent of the overall project cost.

Al Matroni suggested to structure something like the value of the lot is reduced from the incentive or offer less for the lot.

Christi Schverak, Assistant County Attorney, stated the Zone board has the right to repurchase the lot for \$162,000 if they do not build within two years, per the deed.

Mr. Matroni asked if it was still within the two-year period.

Attorney Schverak replied yes.

George Mikitarian asked if the Zone board did not re-purchase the lot, would the owners be restricted on who it could be sold to.

Attorney Schverak replied it would become a title issue if they were to sell the lot to someone else; but there is a way to work it out.

Louis Sanders mentioned he knows a little bit about that building and he would be concerned about environmental issues.

Mr. Post remarked there may be some stuff there and he thinks the number they proposed is low by the time they get it done.

Mr. Sanders mentioned he thinks it is a cleaner deal just to accept the offer to relinquish the property and the Zone board's offer to re-purchase the property; he knows it can be re-sold; and he would rather just do it that way and be done with it.

Mr. Matroni asked if an environmental study has been done on the SCP lot; if there are gopher turtles on the property, the board may not want it back.

Attorney Schverak stated as part of the termination agreement, it could add in certain things such as asking for the environmental assessment or any due diligence that has been done.

Motion by Louis Sanders, seconded by Dan Aton to terminate the existing Economic Incentive Agreement with Acra-Lock and approve the re-purchase of the lot in Spaceport Commerce Park originally purchased from Acra-Lock for \$162,000, plus recording fees. Motion carried and ordered unanimously.

Mr. Post stated the second part of this is to induce Acra-Lock to go forward with the new building and renovations; he discussed the \$3.5 million costs for the project and proposed \$350,000 as the Redevelopment Incentive; and the clawback will be based on not selling the building within a two-year period.

Donn Mount remarked that generally the Zone board is trying to induce someone to come here; and he asked if it should give an incentive.

Mr. Aton asked if the board was giving an incentive to expand; and he thinks the Zone board is allowed to do that for local businesses.

Mr. Post remarked it is a great point; the way he has always looked at it is if there is a way to provide an inducement and they have a budget to be able to do what they want to

do, with the possibility of the grant, they may be able to do more than they were able to do; and it would make it more of an economically feasible project.

Mr. Matroni asked if Mr. Post knew where the company was with the acquisition of the building, as he would hate for the board to buy back the property and then they leave town.

Mr. Post replied the Zone board would still buy the lot back; but he does not know if they have gone through with the purchase.

Mr. Sanders asked what if they end up with an environmental issue; and could they add that on to the renovation costs.

Mr. Aton replied the incentive is not to exceed \$300,000; and they would have to come back to the Zone board and ask for more.

Motion by Dan Aton, seconded by Rodney Honeycutt, to approve a Redevelopment Incentive of up to \$300,000 for Acra-Lock. Motion carried and ordered unanimously.

### **Request for Option Extension by North American Properties**

Christi Schverak, Assistant County Attorney, stated North American Properties (NAP) is exercising its option for another 12-month period; and no action needs to be taken.

Troy Post, CEcD, CBE, NBEDZ Executive Director, explained North American Properties had optioned Lot 1 at Spaceport Commerce Park (SCP) when they were working with an aerospace tenant to build to suit; the aerospace company ended up going to Scotland; NAP has been doing assessments on the property and are working through the permitting process to do what would ultimately be a 50,000-75,000 square foot building, but have not identified a tenant; and NAP would still like to continue with another option for another year, with the understanding that the Zone board will now keep a portion of their deposit. He added they are also looking at the possibility to do a spec building on that site, which is different than the original plan; and they would need to return to the Zone board for that.

### **Approval as “to form” for Incentive Agreements on Harvest Market, Project Driftwood, Pier 13, and Pritchard Crossing**

Troy Post, CEcD, CBE, NBEDZ Executive Director, discussed the four Incentive Agreements that needed to be approved as to form for Harvest Market, Project Driftwood, Pier 13, and Pritchard Crossing; these Redevelopment Projects do not have a clawback for jobs created, but the building must remain entitled to the group that is being provided assistance for two years; and Christi Schverak, Assistant County Attorney, has created language in the agreement that covers when the title to the property is in a different entity's name than what is on the Agreement, which makes both entities jointly and severally liable and determines which entity to provide the assistance to.



Motion by Al Matroni, seconded by Dan Aton, to approve as “to form” the Incentive Agreements for Harvest Market, Project Driftwood, Pier 13, and Pritchard Crossing. Motion carried and ordered unanimously.

Upon consensus the meeting adjourned at 9:29 a.m.

A handwritten signature in black ink, appearing to read "Donn Mount". The signature is written in a cursive style with a horizontal line extending from the end of the name.

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Donn Mount, Secretary/Treasurer

Approved on May 13, 2022