

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

**COWORK SPACE COMMITTEE**

July 8, 2015 @ 8:30 a.m.  
Titusville Chamber of Commerce – Board Meeting Room  
2000 S. Washington Avenue  
Titusville, Florida 32780

**Board Members:**

**In Attendance:** Paula Cardwell, Robert Jordan, and Stan Retz

**Call to Order:** Meeting was called to order at 8:33 a.m. by Robert Jordan, Chair.

**Discussion and Direction – Proposed Cowork Space Project:**

Troy Post, CEcD, NBEDZ Executive Director, stated three questions are needing to be answered; one is does the Zone board want to pursue to cowork space project; two is whether the choice of the bank building is the best place to locate cowork space; and three what the terms are for leasing, improving, and operating. He stated it was the Committees feeling, due to Paula Cardwell's absence at the last meeting, to reconvene and hear Ms. Cardwell's input today; there was no action taken on June 26; he was charged with providing comparative analysis of membership fees at the regional cowork spaces; and he has provided some options today to consider for the Cowork Space Project. He provided a revised cash flow statement showing revenue projections listed under Income Assumptions of membership fees; he stated the numbers originally were felt to be too conservative; and he now is showing a larger revenue projection than in previous projections by assuming an average of 20 members paying \$25 a month for 12 months, three members paying \$75 a month for 12 months, and one member paying \$300 a month for 12 months. He provided a matrix of calculated rent by square footage; and he stated there was discussion about what would be the expected outcome of having a cowork space in Titusville by the end of program year three.

Motion by Paula Cardwell, seconded by Stan Retz, to approve supporting the concept of a Cowork Space in Titusville. Motion carried and ordered unanimously.

Ms. Cardwell provided a handout of listed properties that has some including utilities and a one-year lease,

Mr. Post inquired what the issue is Ms. Cardwell has with the bank building; and he stated downtowns are the fabric of communities. Ms. Cardwell replied the crime rate in the downtown area is high and the bank building is over 100 years old; she stated she thinks \$74,000 is not going to cover the costs of repairs; and she had talked with two contractors who said for a building as old as the bank, there should be a tack on of 20 to 30 percent more, and totaling about \$120,000 to \$150,000 versus \$74,000.

Mr. Retz inquired if the County Attorney is reviewing the lease. Mr. Post responded affirmatively.

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Chair Jordan inquired what the requirement of square footage is. Mr. Post responded 24/7 access ability, easily identifiable if a standalone structure, secure surroundings, plentiful and secure parking, ability to be able to serve telecommunication services, walking distance of proximity to restaurants and shops, and having visibility to promote the space; and he stated having square footage large enough to have the capability of servicing 25 to 30 members at any one time, plus having a dedicated office space.

Ms. Cardwell suggested having some opt out options in the lease. Mr. Post advised the lease will have an improvements list attached as an exhibit of required construction expectations; and having been evidenced before the last draw of money. Ms. Cardwell reiterated that she still thinks there needs to be an out option in the lease. Mr. Post stated there can be a clause in the lease for a final inspection walkthrough.

Mr. Retz explained another way of tackling this is presenting a building with certain improvements already made; and then Zone would lease it for \$12.00 a square foot rather than \$8.00 a square foot lease, and adding money for improvements up to \$80,000.

Ms. Cardwell stated she wants a three-year lease instead of a five-year lease and an out option, for the owners if they do not do the improvements. Mr. Post advised the lease would be voided if the owners did not do the improvements; and if they failed to deliver the improvements, the Zone would be entitled for reimbursement for any outlays made.

Mr. Retz reiterated the owners are to do the improvements up to \$80,000; and he inquired if there is anything about the bank building that Ms. Cardwell likes. Ms. Cardwell replied the Zone just landed on that bank building and did not take any other buildings into consideration; and she inquired if the bank building is the best use for the City of Titusville, and its taxpayers.

#### **PUBLIC COMMENTS:**

City of Titusville Mayor Jim Tulley stated the Zone supports the concept of a cowork space; it is finding a building that is the focus. He advised that he has some reservations about the bank building due to its age; the bank building is in a great location but it has many unknowns; it does not look like the place that he is envisioning for a cowork space in Titusville; and he suggested for visiting Orlando sites for its concept of a cowork space.

Mr. Post advised he is not opposed to touring Orlando, but it is a bigger marketplace with a lot more places to choose from; and he stated it could be very informative and instructive for the Cowork Space Committee to view some places.

Ms. Cardwell remarked the competition on Garden Street needs to be reviewed as well.

Chair Jordan stated his concern is Return on Investment (ROI); the third question is very important to him; and every time the Zone has done a deal, it had ROI.

Mayor Tulley stated in the past, he had provided Mr. Post with some ideas of how to measure ROI for the cowork space concept; by touring other cowork spaces is key to having a vision for the limited resources of having a cowork space in Titusville; and by locating the cowork space across from Titus Landing may help with creating a second downtown area for Titusville.

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Ms. Cardwell pointed out there is a competitor at Garden Street Executive; and she stated it is a cowork space.

Chair Jordan inquired who operates the cowork space. Mr. Retz responded the Cerrato's own the building.

Mayor Tulley inquired what the address is. Ms. Cardwell replied 1231 Garden Street. Mayor Tulley stated he is familiar with the building and the space is empty at this time; it is a very large building; maybe the real estate agent is putting it out as a proposal for a cowork space; and there is no cowork space located on Garden Street.

Mr. Post advised touring sites has value; and finding a unique property for a brand needs to be found.

Ms. Cardwell stressed to the Committee her concern of the bank building being a money pit.

Mr. Post stated the owner of the bank building is not opposed to a shorter lease term having two-years option carried out for a term of 15-years, if wanting to term that long; and leasing for the \$8 square footage rate.

Mr. Retz stated his search area was from Garden Street to State Road 50; if 1,500 square foot or more is needed, there is only six available; and if 2,000 square foot or more is needed, there is only three available.

Ms. Cardwell stated she is good with the three-year lease term with the two-year option; she would like to see in the sub-lease part that it specifies only leasing as a cowork space to be taken out of the lease; and having an out clause for renegotiating the lease.

Cathy Musselman, Greater Titusville Renaissance Executive Director, stated she has seen the Melbourne and the Orlando facilities, they are like opened boxes with high-tech furniture; Titusville is not going to be like Orlando because it does not have the facilities that Orlando has; she has researched other communities similar to Titusville throughout the United States; and a lot of the cowork spaces she found were done in downtown buildings.

Patrick Pearce stated he is supportive of the cowork space; he asked the Committee to consider the cowork space as a bridge for small and existing businesses, and startups to be able to mitigate risk in the real business world; an office is coming available at 2475 South Washington Avenue that used to be a bank building and it is located next to the Post Office; and it is located across from Titus Landing, with four restaurants within its walking distance. He stated the bank building is old and he thinks the renovation numbers are too conservative; and he does not know if the folks who own the bank building are able to financially support a hit, if the bank building takes up to \$180,000 to renovate. He asked the Committee to consider the building when touring other locations.

Mr. Post advised he could set up a time to tour the bank building and the All Points building, find out if 2475 South Washington Avenue is available, and set up a time to tour any other locations available. He encouraged all Cowork Space Committee Members to attend the tour.

Mr. Pearce pointed out if 24/7 access is available at the bank building he would not feel safe going to that location at 3:00 a.m. Mr. Post noted Mr. Pearce's perception.

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Ms. Cardwell stated the Cowork Space Committee will look to see if there are any viable options, any competition, and how that competition stacks up to what the Zone is trying to do; in number nine of the draft lease she is not comfortable with the lessor within a reasonable time restores said premises to substantially the same condition as they were in immediately prior to such fire or other casualty; and she think that paragraph needs more clarification.

Mr. Post stated depending on what the casualty is depends on the amount of time to restore; he can put a clause in the participation agreement for if there is inability to operate the cowork space, payments could be suspended for a period of time for time to restore the building before memberships begin again. Ms. Cardwell agreed.

Mr. Retz pointed out number nine reads should the above-described leased premises become wholly tenantable during the term of this lease agreement because of fire or other casualty, occurring without lessee's fault, the lessee shall in no manner be liable for the payment of rent from such time as said premises becomes un-tenantable, until lessor within a reasonable time restores said premises to substantially the same condition.

Ms. Cardwell stated she thinks there needs to be opportunity to get out of the lease if it is going to take four or five months to make repairs.

Mr. Post clarified that in the last clause of draft lease has in order to keep the agreement in force and effect, must, within 30 days after a said fire or other casualty, give unto lessee notice in writing of intention to restore; and he stated if repairs could not be made, that would void the lease agreement.

Ms. Cardwell stated she is not comfortable with number 11 waiving all exemptions secured to the laws of the State of Florida; she thinks there should be some bio lateral wiggle room for the Cowork Space renters; and number 12 has in the event the lessee shall be adjudged as bankrupt during the term of the agreement, to the extent allowed by law; she does not want the taxpayers to be on the hook if this goes down in flames. She added, she is okay with the draft lease being for three years instead of for five years.

Mr. Retz inquired who the lessee is. Mr. Post responded the Zone is the lessee.

Ms. Cardwell stated there are only five designated parking spaces for the bank building. Ms. Musselman replied people are able to park all over downtown. Ms. Cardwell stated parking downtown is a huge issue; and the parking is located at the back of the bank building.

Mr. Retz pointed out there would not be a parking issue downtown overnight.

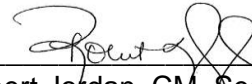
The Cowork Space Committee reached consensus to make recommendation to the Zone board that the Committee plans to tour the former bank building at 301 Main Street, the All Points building at 2323 South Washington Avenue, 1231 Garden Street, and the City Square Processional Center at 815 South Washington Avenue in Titusville; and they agreed to no more than a three-year lease commitment.

The Cowork Space Committee reached consensus to charge a proposed fee of \$20 day-only pass, \$50 for monthly basic membership fee, and \$100 for monthly dedicated workstation.

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The Cowork Space Committee reached consensus to meet on Wednesday, August 5, 2015, at the Titusville Chamber of Commerce at 8:30 a.m.

Upon consensus, the meeting adjourned at 10:02 a.m.



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Robert Jordan, CM, Secretary/Treasurer

Approved on October 6, 2015