

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

June 12, 2020 @ 8:30 a.m.

Parrish Medical Center – Heritage Hall at Parrish Health Village West  
931 North Washington Avenue  
Titusville, Florida 32780

**Board Members:**

In Attendance: Micah Loyd, Al Matrioni, Donn Mount, and Louis Sanders

Telephone/Video: Dan Aton, Dr. Brenda Fettrow, George Mikitarian, and Stan Retz

Absent: Rodney Honeycutt

Call to Order: Meeting was called to order at 8:36 a.m. by George Mikitarian, Chairman.

Pledge of Allegiance: Donn Mount, Treasurer

**I. Approval of Agenda**

Motion by Al Matrioni, seconded by Stan Retz, to approve the Agenda as presented. Motion carried and ordered unanimously.

**II. Approval of Minutes**

Motion by Louis Sanders, seconded by Micah Loyd, to approve the September 2019 minutes as presented. Motion carried and ordered unanimously.

**III. Report on Expenditures to Budget**

Donn Mount, Treasurer, stated nothing has changed.

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated there were only regular administrative expenses.

Motion by Louis Sanders, seconded by Al Matrioni, to approve the Report on Expenditures as presented. Motion carried and ordered unanimously.

**IV. Staff and Partnership Reports/Updates**

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

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he is working with Space Florida and a real estate developer that is looking in the area for some build to suit property along the Interstate; the Spaceport Commerce Park may be suitable for what they are looking to do; he is working with the County on a proposal to use some of the CARES Act funds for small businesses; he went through the budget process and

completed the County Manager's office review; the final taxable value figures will be available next month; and prospects have picked up a bit with a couple of new projects. He added he has attended a few meeting online, such as the National Association for Business Economics (NABE); he received a letter from Delaware North declining to proceed with the financial partnership for the new hotel build due to the uncertainty of the pandemic; and he reminded the board that their Form 1 financial disclosures are due by July.

### **City of Titusville**

Lisa Nicholas, Economic Development Director, City of Titusville, mentioned in addition to the new projects he mentioned, she has also had an increase in potential clients; and she is working to identify some sites.

Scott Larese stated the City has not experienced a slow-down of building activities; and he thinks Mr. Post's focus with the County should be on small businesses.

## **V. Discussion and Direction**

### **CARES Act Working Group**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated about a month ago he put together a proposal for the Board of County Commissioners to assist business recovery; \$105 million was given to the County for COVID-19 relief, and some of that money could go to small businesses; he and other economic developers have been working on some programs that they think the Commission should consider; and he thinks the funding will help small businesses without the Zone having to make any changes to its programs. He asked the board to consider ideas to help with the proposal of things that could help small businesses.

Micah Loyd asked if any of the program participants have requested extensions on conditions of their agreements.

Mr. Post replied he has not had any, but it may impact some of them; if he receives a request for an extension, he will bring it back to the board; and he feels it may be likely.

## **VI. New Business Items**

### **Economic Impact Analysis – U.S. Highway 1 South Corridor**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this is concerning a proposal he received from the East Central Florida Regional Planning Council (ECFRPC), based on a request he made to them about a section of U.S. Highway 1 that runs south of Highway 50 down to State Road 405; most of this is undeveloped property with potential for commercial development; and an issue has developed that threatens this potential, as the sanitary sewer line for this area is not able to handle the capacity of additional growth.

Scott Larese stated that sewer line runs north through one of the oldest sections of town and with the addition of the proposed development, it would be beyond the capacity of that system; the proposal from the engineers is to take that material south and adjoin another system and carry it south; and the City does not build sewer systems based on speculation or a proposed development but he is hopeful to find a way to support the project and build that to encourage the developer.

Mr. Post stated this is being mentioned because a developer has indicated they might put in an application for assistance through the Zone to try to cover the cost of putting in the sewer line; they may apply in July or August, so he thought it might be appropriate to have an outside group assess the impact of this, as this could help many developments in the future; a study or report would be helpful if these developers request assistance through the Zone; he contacted ECFRPC because they have software to make a more valuable report; and the cost of this study for the economic benefit of having the sewer line in place is \$15,000.

Micah Loyd stated he knows of several landowners in that area looking to develop their property; and he thought it may be possible to bring several developers in to make an application.

Mr. Larese stated the big residential project is Antigua Bay and they are committed to put the sewer line in from their project on down to the southern section; but if that project fails, the developers will have to continue the line on down.

Mr. Loyd stated if the infrastructure is there, it makes it easier to develop the property.

Al Matroni stated when he was developing, if he had to put in additional utility lines, as people hook up to the line that was put in, they would reimburse the person that put the line in; and he asked if the City was going to pay a portion of that sewer line cost.

Mr. Larese replied for the Antigua Bay project, the sewer line is a part of that project; but that is assuming that the project moves forward.

Mr. Matroni mentioned there may be some incentives the Zone board could offer to get their project moving forward.

Mayor Walt Johnson stated the City has had discussions with the owners and they wanted to provide a cash bond instead of a performance bond; the problem with the cash bond is it falls on the City to do what does not get done; they were told it would have to be a performance bond which guarantees the project gets done; and they are waiting to hear back.

Mr. Loyd asked if it was possible for the Zone to front the money for the infrastructure and, through the City's impact fees, reimburse the Zone.

Donn Mount stated, to get back on track, who would benefit from this study.

Mr. Post remarked it is important to mention that there has not been an application, although he anticipates one; he brings this up now because most of the civil engineers have said this process could take 18-22 months; he thought to take advantage of the time to get this in the works, as it may be needed to make a decision on the incentive;

the benefit would be that it would increase the tax base for that area, which is the Zone's funding; and it would generate general revenue for the County and the City, including job creation. He stated he feels the benefit of having the sewer line in place will make it easier for future development versus not having it done and no land development because of the lack of sufficient sewer lines.

Mr. Matroni feels the study would not be realistic.

Mr. Post agreed that no one can predict the future and there is no guarantee.

Mr. Loyd stated the marina owner that is also looking into adding a hotel, is having trouble with the cost of hooking up to the aging sewer; he stated he is doing a project downtown with old clay sewer pipes and trying to hook up a six-unit restaurant to clay pipes, which is a City-wide issue; if they want the most valuable piece of property in the city to be developed, it is probably wise to look at the infrastructure and decide if the cost is put on the back of developers or put the infrastructure in place for the property to be used; he thinks if they really want to use this property, the study of the density and zoning of what could be there, and what the cost would be to put the sewer line in, would be good information.

Mr. Post mentioned the other option would be to do this report in-house; but he thought using an outside firm would give the report more validity.

Christi Schverak, Assistant County Attorney, stated from the legal standpoint, with this type of program, falling under strategic initiative, it would give the legislative findings to show why the grant money is being awarded.

Mr. Matroni remarked at that point an engineering study would be needed.

Motion by Louis Sanders, seconded by Micah Loyd to approve spending up to \$15,000 for the economic impact analysis. Motion ordered and carried, with Al Matroni and Donn Mount voting nay.

Mayor Johnson remarked that his comments are not meant to be negative; he was just adding the City's viewpoint; and to understand that if the City were to do this, then it would have to do it for everyone else.

Mr. Matroni stated if the City was able to tax residents in their utility bills for the purchase of the necessary infrastructure, which could be a way to pay for adding the new sewer line.

## **VII. Old Business Items**

### **Request from Developer Re: Titusville Mall Incentive Provision**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Jesse Wright, owner of the Titusville Mall, was on the line; he reminded the Zone board that Mr. Wright was approved for an incentive in the fall; and Mr. Wright informed him that he was looking to change what he originally proposed for the mall which may require him to come back to

the Zone board with a new request for assistance, which may change the provisions of what was initially approved.

Jessie Wright stated for the Sears building, he has decided to go in the direction of development; he has been speaking with Mr. Post for some time about commercial development which would include the 12 acres facing U.S. Highway 1, and the residential portion facing Hopkins Avenue in the back; he is trying to do a hotel project of about 175 rooms on the southeast corner, an open mall on the northeast portion, and an apartment complex on the west side; and he will be requesting assistance for the commercial portion of the project.

Mr. Wright explained some of the different aspects of the plan, including an observation deck on top of the hotel, parking, apartments, and garage parking; and he described the plans to begin construction.

Mr. Post reminded Mr. Wright that he would need to get an application in for the board to review and make a decision.

Mr. Wright replied he would be submitting the application within the next few months when he has the master plan.

Al Matroni stated he is a little concerned without seeing the plans and the application.

Micah Loyd stated Sears is an eyesore and he is supportive of new development there.

Mr. Matroni mentioned the one side of the site is mostly residential and expressed his concerns.

Mr. Post remarked that the portion that the Zone could contribute to would be the commercial portion, not the residential.

George Mikitarian asked about the existing retail stores, as he does not want them to end up asking for assistance from the board to relocate.

Mr. Wright replied most tenants are in short-term leases, with the exception of Beall's Outlet; not all businesses will be moved to the new mall, as some of them may not make it through the pandemic, and some may not fit; he cannot be specific as to which will be moved into the new site and which would not; but he may incur the costs of moving the businesses as well.

Donn Mount asked what the status of the sewer and water at that site.

Mr. Loyd stated it is probably like the rest of Titusville, old asbestos or clay pipes; and he mentioned a good thing is that all of that would have to be brought up to code with the improvements.

Stan Retz's absence is noted at 9:55 a.m.

## **Approval “as to form” of Project Green Incentive Agreement**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he sent out a copy of the proposed agreement for Project Green to the board members; LaCita Country Club is trying to improve the irrigation system at their facility; benefits would include retaining jobs, and the Indian River Lagoon; the agreement for \$200,000 is ready to be approved by the Zone board; and it will be provided in two installments after benchmarks have been met.

Al Matroni expressed his concern is dealing with a corporation, as most of their agreements are with individual companies; he has learned that sometimes, though they try their best, things do not work out and the business ends up in bankruptcy; if they end up selling the property, and the new owner shuts it down, the Zone would be out a lot of money and have no recourse against the entity due to the bankruptcy; and he asked if it could have it structured to require a personal guarantee for a certain period of time, as clawbacks are no good with a bankruptcy.

Christi Schverak, Assistant County Attorney, remarked the Zone would be an unsecured creditor, to be paid last if at all; for the personal guarantee, the person would sign as well as the company; but she is not sure if that would work.

Mr. Post stated that the way these incentive agreements are created, the incentives are given once the work is done, which would eliminate the need for the guarantee; and he would get with Attorney Schverak to work on wording for future agreements.

Motion by Brenda Felltrow, seconded by Micah Loyd to approved the adoption of the agreement and authorized the Chairman to execute the agreement. Motion ordered and carried.

Upon consensus, the meeting adjourned at 10:09 a.m.



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Donn Mount, Secretary/Treasurer

Approved on July 9, 2021