

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

January 14, 2022 @ 8:30 a.m.
Statham Park
7101 U.S. Highway 1
Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Rodney Honeycutt, Micah Loyd, Al Matrioni, Donn Mount, and Stan Retz

Telephone: Dr. Brenda Fettrow

Absent: George Mikitarian and Louis Sanders

Call to Order: Meeting was called to order at 8:33 a.m. by Donn Mount, Treasurer

Pledge of Allegiance: Dan Diesel, Mayor of Titusville

I. Approval of Agenda

Motion by Micah Loyd, seconded by Dan Aton, to accept the Agenda. Motion carried and ordered unanimously.

Approval of Minutes

Motion by Rodney Honeycutt, seconded by Al Matrioni, to approve the minutes from December 2021, as presented. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, mentioned it is still early in the year and just ending the first quarter; he stated there is one big project to come from the City Tax Increment Financing (TIF) which will be the sewer line project; there were small expenditures under the operating expenses; and he is preparing a Budget Change Request, which was approved at the last meeting, to take to the County to be in the position to provide incentives for projects that are nearing completion.

The Board reviewed and accepted the Report on Expenditures as presented.

III. Staff and Partnership Reports/Updates

North Brevard Economic Development Zone Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he had a good meeting with the Space Florida team and another large project is in the works; in the next few months there may be a possibility for the Zone to help; he is continuing the conversations with the Eastern Florida State College in reference to the current aviation technician program and planning the "Aerospace Center of Excellence" program at the Titusville campus; he is not sure of the role that the Zone

could have with that program; he had a follow-up with Raider Outboards and civil engineers to discuss plans for creating a common stormwater retention area in the Spaceport Commerce Park (SCP); and Raider is comfortable with the timeline and a quote should be available soon. He added he met with some new economic development prospects, one from Michigan looking for a temporary and a long-term site for a manufacturing facility, and another looking for a three-acre site for a water purification equipment manufacturing facility; his staff is working on a new performance metric to use to track a community's prosperity; he is working with Christi Schverak, Assistant County Attorney, to revise the covenants at SCP and he plans to meet with the tenants of SCP next month; and after the tenants have approved the revised covenants, he can go to the County Commission for the final approval of the name change to Exploration Park West. He continued to say staff met with new Small Business Development Center (SBDC) team who detailed programs they will offer for entrepreneurs; he met with the Police Hall of Fame group and he feels a proposal may be made at the next NBEDZ meeting; and he received an application from Renzetti, who is considering an expansion, which will also be at the next meeting.

City of Titusville

Lisa Nicholas, Economic Development Director, City of Titusville, stated she attended the 48th annual SpaceCom, which was very interesting, informative, and a great opportunity for networking; her biggest take-away was that there are 13 active spaceports currently, and 11 that are awaiting licensure; she thinks one may get complacent with all of the space infrastructure and being across the river from Kennedy Space Center; and she thinks it will be important, moving forward, to not become complacent in the efforts, as there is a lot of competition.

TICO Airport Authority

Kevin Daugherty, TICO Airport Director, stated he has fielded several corporate hangar development inquiries, for anything between 10,000 to 50,000 square feet; they are finalizing the agreement for the phased industrial development, with phase one being around 40 acres with around 50,000 square feet of vertical improvement; and on January 27, 2022, the funding request will be considered for the Spaceport master plan and the rocket testing facility.

V. New Business

Redevelopment Project: Request from Joanne and Daniel Griffin – “Project Driftwood”

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Joanne and Dan Griffin are present as the applicants for Project “Driftwood”; this building had been used as a home, a doctor's office, and a restaurant, and has now been vacant for about 15 years near Cheney Highway and U.S.1 in Titusville; the site has several issues, such as vandalism, theft of the Air Conditioning units, and parking problems; the City of Titusville has indicated there would need to be some stormwater retention which, when updated, will help the Indian River Lagoon directly across the street; and there is a buried pool which is planned to be removed to help with the additional parking. He added the investment is just under \$2 million, which includes the land; the quote for the site development is \$214,000; he would like to propose to incentivize the project by off-setting some of the site work cost by up to \$125,000 as an infrastructure/redevelopment grant with the typical conditions to include a Certificate of Completion and be open for six months; and the fiscal impact analysis shows a good return to the Zone.

Dan Griffin stated his wife, Joanne has been in Titusville for 46 years and owns United National Travel, and he has been here since 1990; his father had an electronics company in Spaceport Commerce Park, then it was at the Ace Hardware building, where it was sold so his father could retire; he stayed on and eventually opened his own company, Aero Electronics, which is now on Park Avenue; they recently added a 9,000 square foot expansion, and employ around 130 people; and he is also a co-owner of Durango's.

Al Matroni asked how many employees are at Durango's.

Mr. Griffin replied about 70 right now.

Mr. Matroni remarked that he has around 200 employees in the area.

Dan Aton asked if on the site plan, the retention area was his or shared with Cumberland Farms.

Mr. Griffin replied it is part of the property and they intend to fill-in some of it for parking and move the retention along the front; and he is close to having the plan ready to be submitted for approval with the City.

Mr. Aton mentioned he knows there was an issue with the parking when it was last opened and asked if there had been any neighborhood meeting about that; and his concern is to take taxpayer dollars to fund something that upsets the neighborhood.

Mr. Griffin replied he has not had any meetings at this point but that is the reason for addressing the additional parking; and he thinks if they can get the additional parking on the site, they will move forward with the project.

Mr. Aton asked if he thought 12-15 extra spaces is enough.

Mr. Griffin remarked after his meeting yesterday, they think they can get 20-22 extra spaces, which would make a total of close to 50 spaces.

Donn Mount asked what the capacity is for the facility.

Mr. Griffin replied they wanted to have an upscale dining atmosphere; capacity is 150 but they want to keep it at 120; and he feels having a larger restaurant does not do the food justice.

Mr. Matroni stated he would like to know about the food and what the building would look like.

Mr. Griffin replied he is modeling it after a restaurant called Enzo's on the Lake in Longwood, which is casual, Italian, Mediterranean, upscale dining, not requiring a formal attire, with the view; he mentioned that is their favorite restaurant and they would like to make this place like that, as Titusville does not have that.

Mr. Aton stated he is still concerned about the parking.

Mr. Matroni stated the parking would have to meet City code.

Mr. Griffin remarked the parking meets City code now, but he does not feel it is enough.

Motion by Al Matroni, seconded by Stan Retz, to approve an incentive of up to \$125,000 for the site work of the proposed Project "Driftwood". Motion carried and ordered unanimously.

Redevelopment Project: Request from Titusville Land, LLC – Project "Custard"

Mr. Post stated the next application is for Project "Custard", which is a three-acre lot on Cheney Highway, with a new assisted living facility behind it; an issue with the Project is the intersection, which will need to have full signalization; there will need to be extensive infrastructure work done on the street to relocate the traffic light; the estimate is \$451,000 to get the necessary work done to make the site useable; and he would propose an incentive up to \$300,000 to help with that cost.

Jay Campbell, contractor for Julie and Don Michels, stated the Michels' have been Culver's owners for over 20 years; Florida has been the fastest-growing state for the Culver's franchise, and this will be the sixth franchise for the Michels'; there are usually around 60 employees both part-time and full-time; with the challenges of the intersection, this lot is virtually inoperable; he stated working with the Florida Department of Transportation (FDOT), this is the only way to develop this parcel of land; and financial help is needed to offset some of that cost. He added they were able to reduce the purchase price of the land by \$140,000 and between that and the assistance from NBEDZ, they would be able to overcome this financial obstacle and proceed forward.

Donn Mount asked if they would own the property and if they would sell the other half of the lot.

Mr. Campbell replied after they get it to the pad-ready stage, it would be leased or build to suit.

Micah Loyd stated the traffic light is in the wrong place; the parcel was originally part of the parcel behind it and nothing could be done with it; and it sat for a long time.

Mr. Mount mentioned this lot will be improved, with assistance from NBEDZ, and then part of it is going to be sold, which will benefit the Michels'; and he asked if the Zone board is doing the right thing.

Mr. Post remarked there was a Fiscal Impact Analysis prepared, and because this is such a large capital investment Project, the NBEDZ return on this is quite large; and not only does it help this vacant lot, it corrects the intersection issue, and increases the property values.

Mr. Aton asked about the disbursement milestones.

Mr. Post replied it is the typical process of a reimbursement grant; and they would need to be operational for six months before they could apply for the reimbursement.

Mr. Loyd asked what the incentive would be to NBEDZ; for instance, the Project that was approved for the sewer line made 350 acres developable, that is an infrastructure Project; and this is moving a traffic light pole.

Mr. Mount stated what he has seen in grants before is that the property has to be held for a certain period of time, sometimes 10 years, and when it sold, a portion of it had to be paid back according to a declining scale.

Mr. Post replied to Mr. Loyd that there have been similar Projects, one being the Hyatt; they also had an infrastructure issue with the driveway that went into Boeing but it was not a dedicated road; NBEDZ helped with that and in return, they would build the hotel and develop the attached lot with a pad; similarly, for this Project, there is vacant property with an issue with the traffic light that may not be attractive to a buyer, as anyone that wants to develop this lot is going to have to tackle that problem; and this lot has not been developed for decades and probably would not be anytime soon. He added the return to the local community is not only the jobs, but the capital investment and the tax base.

Stan Retz asked if there was any additional benefit for correcting the traffic light.

Rodney Honeycutt replied there may be an impact of additional traffic through the intersection.

Mr. Retz remarked the commercial value of the property on the east and west corners of the Hickory Hill subdivision may increase; but the neighborhood may not like it.

Al Matroni asked how large the residual lot is.

Mr. Campbell replied he thinks 1.7 acres.

Mr. Matroni remarked that is a \$1 million lot.

Mr. Campbell replied he hopes so.

Dr. Brenda Fettrow stated she agreed with everything being said and is in support of it, but what if a good amount of money is made selling parts of it; there may be a threshold with which NBEDZ could recover some of its funds if the seller makes a lot of money in the future, for some period of time; and she does not know what the parameters are but that seemed interesting.

Mr. Post replied the Project at hand is to try to do lot redevelopment to get Culver's, the end-user of the majority of the lot; the future cannot be speculated as to the other lot, like the case with the Hyatt Project; the Zone board is really looking at the Culver's operation itself; vacant property could be considered blight if it is not contributing to any commercial development, when it is zoned commercial on a major commercial corridor, which Cheney Highway is; and he feels it is appropriate. He added as far as having to pay the grant back after a period of time, he knows that typically the Zone board looks at different kinds of requirements, like jobs, for clawbacks; generally, for the redevelopment Projects, that is not one of the clawbacks, as it is different for redeveloping a property than a manufacturing company creating jobs.

Mr. Mount remarked a clawback is generally for when a company does not meet their conditions; and this is talking about a potential of a windfall.

Commissioner Pritchett mentioned that, community-wise, everyone has been trying to get this type of a restaurant in the area; the fact that they are willing to come has her excited; the job creation portion of this is substantial; she is going to meet with Florida Power and Light to see if they can help as well; she thinks this is a very good Project and the applicants are sincere; and she thinks that light might be her fault from when she was on the City Council. She added she sees the potential for the other lot to help build-up that area; she is still hungry for every business and entity that can come here; and she thinks this is a great business and a great opportunity.

Mr. Retz stated he was thinking along the lines of Dr. Fettrow; if it is seed money and the Zone board helps them get it done, then they sell half of the property, maybe NBEDZ could get half of that money back; then he realized that lot would be likely to sell, and not just sit there, which will bring another business in; and he changed his mind and he is good with it.

Robin Fisher mentioned there have been at least four contracts on this property over the last 10 years and none of them ever came to fruition, mainly because of the infrastructure problem; this would be a quality return for the taxpayers and get a good tenant such as Culver's; he does not think the applicants would have a problem saying they will not sell and make a profit from it; and he thinks they will be there for many generations.

Ms. Michels stated their son and daughter are in the business too; and they plan to retire in Florida.

Motion by Dr. Brenda Fettrow, seconded by Stan Retz, to approve an incentive of up to \$300,000 for the proposed Project "Custard". Motion carried and ordered unanimously.

Redevelopment Project: Request from Reuben Wooten – Project "Harvest Market"

Mr. Post stated Rueben Wooten is the owner of Hero's Grill and has purchased the vacant portion of his building for the purpose of turning it into a small grocery to serve the "food desert" in the area that can accept the Supplemental Nutrition Assistance Program (SNAP) assistance; he

mentioned that Mr. Wooten needs assistance for the roof to be replaced; in addition to the cost of \$341,000 for the capital investment to the building, the estimate for the roof repair is \$26,400; Mr. Wooten has been doing the repairs out-of-pocket thus far and needs some assistance for the roof repair; and this Project will add to property appreciation by taking the vacant part of the building and turning it into a useful operation. Mr. Post suggested an incentive of up to \$35,000; and he added this would be conditioned upon getting a Certificate of Completion, meeting the building code standard, and being in operation for six months.

Mr. Wooten stated he and his wife own Hero's Grill and are now venturing into grocery retail with the Harvest Market; they are lifelong residents of Titusville and a military family; he is excited to bring their military representation to Titusville and make a living in their hometown; and he is excited about finishing the Harvest Market and would appreciate any assistance that can be given.

Stan Retz asked if he had acquired the building; and mentioned he noticed that he had recently painted the building.

Mr. Wooten replied he owns the building; in the last year and one-half, he has made significant improvements; he mentioned if one had seen the building two years ago, they would know; the reason he started this project is because the community really needs something like this, as the average family in this area has four kids and no vehicle; he can offer SNAP assistance without a \$16 Uber ride to a store, as it will be in walking distance to most families in the community; and he mentioned that a large portion of SNAP recipients live in the community and it is mostly spent outside of the community.

Mr. Retz stated many of the NBEDZ Projects are glitz and glam, like Titus Landing and Blue Origin, but this Project could be one of the most impactful that it has had, as there is a real need there; and he is all for it.

Dr. Brenda Fettrow thinks this is a wonderful Project; and she made a motion to approve it with all the conditions and caveats that Mr. Post mentioned earlier.

Mr. Retz seconded the motion for discussion.

Alan Matrioni stated obviously this type of Project helps that area dramatically and he feels the Zone board should do more of this type of Project; he wishes there was a way to provide more assistance than just the roof; Mr. Wooten has revitalized and remodeled the building; and he wished that someone who is trying to change that community and help the people in the community better their lives by making it easier on them, could get more assistance.

Mr. Post remarked that one of the rules is to try not to go beyond 20 percent of the overall Project cost; and it could be increased based on the budget of \$341,000, to over \$60,000.

Dan Aton mentioned there was a time the City had some façade grants and that is one area that could be beneficial to the entire community; and he asked if there was a way to get more money if he brought in some façade improvements, as well as the roofing.

Mr. Post remarked that helps him because he has to have something to tie the assistance to that can be documented.

Donn Mount asked if he was proposing an amendment to the motion to increase the incentive to 20 percent of the \$341,000; and he asked Dr. Fettrow if that amendment was accepted.

Dr. Fettrow replied yes, and the amount comes out to \$68,200; and she would amend her motion for an incentive of up to \$68,000 with the same conditions.

Mr. Retz accepted the amendment.

Motion by Brenda Fettrow, seconded by Stan Retz, to approve an incentive of up to \$68,000 for the proposed Project "Harvest Market". Motion carried and ordered unanimously.

Upon consensus, the meeting adjourned at 9:37 a.m.

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

Donn Mount, Secretary/Treasurer

Approved on February 11, 2022