

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

January 13, 2023 @ 8:30 a.m.

Statham Park
7101 U.S. Highway One
Titusville, Florida 32780

Board Members:

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

Telephone: Dr. Brenda Fettrow, Bart Gaetjens

Absent: Al Matroni

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

Pledge of Allegiance: Dan Diesel, Mayor, City of Titusville

I. Approval of Agenda

Motion by Robert Jordan, seconded by Donn Mount, to approve the Agenda as presented. Motion carried and ordered unanimously.

Approval of Minutes

Motion by Robert Jordan, seconded by Bart Gaetjens, to approve the December 2022 minutes as presented. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget

Troy Post, CECD, CBE, NBEDZ Executive Director, stated it is now the second quarter of the Fiscal Year; he mentioned everything is tracking as it should and not much new activity; there are several grant installments that are being processed, so next month there can be some change seen; the final installment for the Blue Origin grant will be this month, for a total of \$8 million; and the job tracking for Blue Origin will continue until 2026.

Robert Jordan commented that is a major feat to be able to pay what the Zone board promised; he mentioned they are doing very well; and it shows that NBEDZ is important in the area and has the funds to support its commitments.

Mr. Post noted at this point, the number of jobs Blue Origin was supposed to have is 145; and they have gone far beyond that.

Motion by Robert Jordan, 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 he is working on a project that would have a significant capital investment in the area, provided he can find a site suitable for their purpose; when a site is found, it may need a zoning change or variance; he has been working on several Economic Development Commission of Florida's Spacecoast (EDC) projects; he met with the East Coast Florida Regional Planning Council (ECFRPC) to discuss the strategic plan review and they will be conducting two focus group sessions with local business and key NBEDZ stakeholders this month; and he met with City staff to discuss road improvements needed at Spaceport Commerce Park (SCP). He added he met with Dark Storm Industries for an update on its new facility at SCP; he mentioned the Titusville Mall developer plans to file an application for NBEDZ assistance soon for infrastructure improvements; he feels it may be a large incentive that would require going to the Board of County Commissioners for approval; and after completing the Lean Six Sigma "gate review" presentation, changes may be made to assist with the jobs creation report by asking for the Federal quarterly employment tax return to help validate the numbers reported by companies receiving incentives.

City of Titusville

Lisa Nicholas, Economic Development Director, City of Titusville, mentioned that she did discuss the road improvements at SCP with Mr. Post; she has discussed it with her manager and they are working on a report; and she talked about a community bike ride event in Titusville on February 18, 2023.

Titusville-Cocoa Airport Authority (TCAA)

Kevin Daugherty, TCAA Director, stated the master plan is in full kickoff for the three new buildings; engineers are making their assessments; next, they are setting up their technical advisory committees; 321 Launch, the new satellite processing facility, is 90 percent complete with the architect and engineering and working on the site plan submittal and Water Management District application; and Space Perspective continues to work on their facility and are in discussions about a new facility on the east side of the airport.

IV. Discussion and Direction

Strategic Planning Exercise - Materials Related to Next Month's Meeting

Troy Post, CEcD, CBE, NBEDZ Executive Director, asked that the board members complete the SWOT Analysis Worksheet Strategic Planning Exercise that was provided, within the week; he noted it was interesting, in looking back in the past, that back in 2013

there was talk about diversification, creating a brand for the County, and doing something with the Miracle City Mall; and some of these things have been accomplished since that time.

Karen Tooley-Curry - Project Involving Former Cuyler School Property in Mims

Mr. Post introduced Karen Tooley-Curry to discuss an interesting project at the old Cuyler School in Mims.

Ms. Curry stated she is distressed about the statistics related to education in the Mims area; her father was one of the first black engineers at NASA and her mother was a teacher at Astronaut High for 30 years; she started a summer Science, Technology, Engineering, and Math (STEM) academy last year and she is looking at ways to expand that to accommodate more students; they have partners with NASA and Jacobs Technology at the Kennedy Space Center and are able to bring the students to work on STEM projects; and she wants to use the Cuyler school to build on the academy to add workforce development. She added there are five, 800 square-foot laboratories at the school to enable training for any trades; they have a partnership with Eastern Florida State College and Brevard Adult Education and would like to bring educational services to that community; there is also office space available for a co-working project to bring some services in that are not available in Brevard County; the co-working lab could bring in some income for the organization; and they are working on five grants. She went on to say they are working to fill the gap in the budget for phase one; and she is hoping that NBEDZ can help with that.

Stan Retz asked how long the lease is with the School Board.

Ms. Curry replied it is five years and it was made specifically for five years because there is a termination clause in it; she stated once they put more money into the building, she wants the clause removed; and there is an option to renew as well as an option to buy, but she does not want to buy until the renovations are complete.

Mayor Dan Diesel commented everyone knows the area she is working with and thanked her for being there.

V. New Business Items

NAP Proposal for a Pad-Ready Development Site at the Commerce Park

Troy Post, CEcD, CBE, NBEDZ Executive Director, noted that this project was originally proposed in Spring of 2021, with an option agreement for an 11-acre corner lot in Spaceport Commerce Park, which was approved with a \$50,000 deposit; they are now in the second year of the option, set to expire in May 2023; they have had some challenges trying to find a company to take on the build-to-suit project; and he is asking the Zone board to allow their proposal to go forward and buy the property and make the site pad-ready.

Shawn McIntyre, North American Properties (NAP), stated Mr. Post has basically already made his case; the amount of time it takes to develop a green field is very substantial and expensive; companies do not want to wait two to four years; these industries are leaving the area to find buildings; and his company has already spent

\$127,000 in third-party expenses. He went on to say they are at the point where they would have to spend a substantial amount of money to hire engineers, architects, and local contractor to make sure that what they are planning is actually buildable and in order to do that, it would be another half a million dollars in fees; what they would like to do is close on the land, pay the full amount, and close in May 2023; they would hire the engineers and architects, get the site plan approved, and clear the site, in order to close the gap; and they would keep the same restrictions of the 25,000 square foot building and 50 employees.

Kat Butler, NAP, and Edgar Campa-Palafox, Economic Development Commission of Florida's Spacecoast, reiterated what Mr. Post and Mr. McIntyre shared; the companies want to come to the area but are not finding buildings or pad-ready sites to build on; companies want to be in a building immediately or, at the least, within a year; and project activity is at an all-time high.

Mr. McIntyre commented NAP sees the opportunity and opened an office in the area and are now building in the area; they believe in the area's potential, but there is a gap; they want to fill in the gap by purchasing the land, fulfilling their contract, finish the permitting, and clear and fill the site to become pad-ready; and they are taking the risk and believe that if they build it, they will come.

Mr. Post noted NAP sent a proposal letter, with a notation about a clawback; and he would like to keep the clawback consistent with other projects, which includes site grading and the building footprint done.

Stan Retz asked how large the building could be on the lot.

Mr. McIntyre replied 100,800 square feet; and that would be maximizing the lot.

Mr. Retz asked if the building was going to be built all at once.

Mr. McIntyre replied all at once.

Bart Gaetjens asked about the infrastructure and how it is set up for water and electricity.

Mr. McIntyre replied it would be through the site process.

Mr. Gaetjens suggested to contact Florida Power and Light in advance so it does not hold anything up.

Christi Schverak, Assistant County Attorney, commented she thinks she is hearing two amendments to the contract; in order to purchase it, there is a requirement to have a user under contract; and she understands NAP does not have that and would want to remove that.

Mr. McIntyre remarked they want to close for the full price, with the restriction to stay on the property, and the clawback would be to produce that user.

Attorney Schverak noted they are also required to build a 25,000 square foot building, which is considered a poured foundation.

Mr. McIntyre responded that would be user-dependent also by spending the \$3 million to improve the site, he believes that will attract a user; and the one year from closing would have to be extended until there is a user.

Attorney Schverak noted that there are two amendments to the existing contract to be approved by the Zone board and the Board of County Commissioners.

Mr. Gaetjens asked if the buildings would be category-rated; when giving out money, he wants to make sure the project can withstand the storm; and he asked if there was talk about sustainability that would be involved with this project, such as lead certification and things like that.

Mr. McIntyre replied it would be built to the current building codes, tilt wall construction; he believes that is in the 150 mph category; and the user will dictate the sustainability.

George Mikitarian noted the creation of this product is not the end result the Zone board seeks; it seeks a company that employs people; and he asked if there is a right of first refusal of who the tenant might be.

Attorney Schverak responded her thoughts would be it would have to be someone that would qualify to be in the Spaceport Commerce Park, as there are restrictions; and if the Zone board wants to negotiate to have a right of first refusal as to who the tenant is, it would be contractual and could be written in.

Donn Mount asked when the clawback would kick in, because it says when there is a tenant.

Attorney Schverak replied right now, in order to buy the property, NAP must have a tenant, and the building foundation within a year; she advised that is in the real estate contract; they are asking to change that to have five years, essentially, before any clawback kicks in; and the clawback would be, or what they are asking for, is the Zone's right to repurchase the property at NAP's actual costs of the site, which is around \$3 million. She added this is not what the Zone would normally do; and it would want to buy the property back at the purchase price, after the owner failed to develop the site.

Mr. Post remarked if NAP did nothing and two years from now it looks like it does today, that would be the typical deal with no site work completed; then the Zone would buy it back at the price it was sold to them for; NAP is proposing that if they built the pad and still did not find a tenant, then it could be bought back at the cost; and the Zone is not interested in that. He added the pad being developed is what the Zone is after; and if they get it to a pad-ready site, that would satisfy the clawback.

Mr. McIntyre reiterated that there is still a year of permitting and another 18 months of spending the money to get it pad-ready.

Robert Jordan stated the Zone board has to try its best to have relationships with developers and people who have money, and who are willing to take the chance to do something for the Zone's vision; the vision is to have pad-ready sites; and he does not think what is being asked for is unreasonable, as he thinks it makes a lot of sense.

Mr. Retz stated the reality is that the Zone needs three or four pad-ready properties; and he reiterated that there is not much available in North Brevard or surrounding areas.

Mr. Mount asked what would happen if NAP were to go bankrupt and what would be the Zone's rights.

Attorney Schverak responded as it is now, it is in the deed that the Zone would have the right to repurchase; the Zone would have to deal with the bankruptcy, but NAP is asking to change that, so it would be in the clawback; and she would have to think through how that language would work with the amended contract. She added if it is voted for, she will have to amend the contract and it will have to come back to the Zone and to the Board of County Commissioners for approval.

Mr. McIntyre stated he is committed to pad-ready, but will not spend \$3 million to have it sit there.

Mr. Retz suggested the clawback repurchase option could be 75 percent of the costs.

Mr. McIntyre remarked 25 percent would be a pretty substantial hit; and he mentioned they already send Mr. Post quarterly reports on what has been done.

Mr. Mount stated it would be important to determine in the agreement, who is going to determine the costs were valid; and an arbiter would need to be agreed upon to validate expenses.

Attorney Schverak stated a contract can be drafted any way both sides agree to; and if the Zone board wants that drafted to provide third-party invoices, then both parties would need to agree to what is reasonable.

Dan Aton stated his focus is on what could happen between now and the completion of a pad-ready site and what the Zone's ability to clawback at reasonable costs; taxpayer dollars cannot be spent to buy back the property to finish it to a pad-ready site; and he asked Mr. McIntyre if he intends to move forward and make it pad-ready even without a tenant identified or if there is some trigger related to a third-party signing a contract before it is pad-ready.

Mr. McIntyre replied no; he advised the only way to get a tenant there is for it to already be done; and the intent is to permit it and get it pad-ready.

Mr. Aton opined his concern is something happening in the 18 months that it will take to get it pad-ready; he asked what is a reasonable clawback to get the property back and get it pad-ready; and he asked about the possibility of flipping the property.

Attorney Schverak stated there is a no right to assign without the Zone's consent.

Mr. Post noted that is only until they own it, then there is no restriction.

Attorney Schverak stated she will have to draft something to meet these concerns as it seems there are two clawbacks; one clawback to get a tenant in five years once it is pad-ready; and one in-between while it is getting to pad-ready.

Mr. McIntyre stated he would agree to not convey the site until it is pad-ready.

Ms. Butler stated no financial obligation unless it is pad-ready.

Mr. McIntyre stated the Zone would not have any obligation until it is pad-ready; and the clawback would be at the price.

Attorney Schverak noted at the land price, clawback to the point of pad-ready; and then from pad-ready, five years.

Ms. Butler asked if someone wanted to buy it from them, post pad-ready, would not the user have to qualify under the covenant of the Park.

Attorney Schverak responded it is little different because the contract includes creating 25 jobs; if it transfers over, it would be in addition to the covenant; and that would have to be included in the new deed.

Motion by Robert Jordan, seconded by Stan Retz, to approve the sale of property in the Spaceport Commerce Park, with modified changes to the existing real estate option contract with North American Properties (NAP), thus permitting the development of a pad-ready site, subject to the following conditions: 1) until the site is pad-ready, no conveyance by NAP and Brevard County may repurchase at cost until pad-ready, 2) once site is pad-ready, NAP can convey or lease to a company that meets the requirements of the existing option Contract, 3) after five years, if NAP has been unable to convey or lease the property to a company meeting the requirements, Brevard County can repurchase at NAP's costs or Brevard County can bring a third-party user to purchase it, and 4) NAP's actual costs will be based on invoices provided to NBEDZ during the construction that can be verified and reviewed by the County as reasonable and actual costs, excluding interest and overhead costs. Motion carried and ordered unanimously.

Mr. Retz inquired if there was a requirement to use local vendors.

Mr. Post replied it is not a requirement but there is language in all of the agreements that mirrors a lot of the Housing and Urban Development documents, that the developers will make their best efforts to use local vendors; and in reviewing the itemization of the contractors and subcontractors, he collects the data of the percentage of local vendors.

Request from Project "Edge" to Perform Preliminary Site Assessment on Two Lots in the Commerce Park

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this is related to lots seven and eight at Spaceport Commerce Park (SCP) which are roughly 15 acres each; there is a company that wants to build, with sizeable employment; it is a financial services company which will help with the diversification strategy; they are not making an offer for purchase yet; but they want permission to perform some preliminary tests and site assessment.

Donn Mount asked if there was any value to getting the results of that testing.

Mr. Post replied he requested that the Zone receives copies of all reports on the property.

Motion by Robert Jordan, seconded by Stan Retz, to provide permission to Project "Edge" and its designated agents to perform preliminary site assessments at Spaceport Commerce Park (SCP), in order to determine whether it will submit a formal request to purchase land within SCP; Project "Edge" to apply and receive any necessary permits required; if any code violations are found, due to the site assessments, they would be responsible for any fines; and Project "Edge" to provide copies of site assessment reports to the Zone. Motion carried and ordered unanimously.

VI. Old Business Items

Incentive Agreement on Project "Green"

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this is the irrigation project for LaCita; it is being brought back for approval; LaCita has approved the terms; and it will be paid in two installments, 40 percent at the completion of required events, and the balance upon completion of secondary events.

Rodney Honeycutt inquired how the company is to verify operation of the new irrigation system.

Mr. Post replied the language is left a little vague and he will defer to the company to demonstrate to the Zone board in a way they feel is best to verify that; it may be going to the site for field observation; and it would have to meet the Zone's approval.

Motion by Dan Aton, seconded by Rodney Honeycutt, to approve "as to form" the Incentive Agreement for Project "Green". Motion carried and ordered unanimously.

Proposed Agreement with TCAA – Project "Innovation Park"

Mr. Post stated Christi Schverak, Assistant County Attorney, was trying to capture what was discussed at the last meeting relating to what some of the conditions might be for this agreement; back in November the Zone board approved to provide an incentive for "Innovation Park" up to \$460,000; the challenge now is to craft terms acceptable to the Zone board and to the Titusville Cocoa Airport Authority (TCAA); in the draft, the clawbacks includes four things: assignment of rent, clawbacks due to the sale of the property, clawback due to failure to build, and a provision about the double-dipping; and he asked Attorney Schverak to explain about the double-dipping.

Attorney Schverak explained she looked at the lease with Spacecoast Innovation Park, and in that lease, if Spacecoast Innovation Park does not live up to its portion of the agreement, then there is the ability for TCAA to receive some funds back from

Spacecoast Innovation Park; the double-dipping clause is supposed to convey that if TCAA receives money back for something the Zone has reimbursed them for, it should be passed back to the Zone; if the Zone has not extended funds yet, but TCAA has been reimbursed from the LLC for a cost, then the Zone would no longer have the obligation to provide an adjustment for that amount; it is known that Spacecoast Innovation Park is paying rent to TCAA, and if the Zone had to clawback the grant, it could make them give the Zone the rent money; and she thought, why not make it legally available funds, it does not have to be rent. She added there was discussion of making a lien on the rent and to do that, there has to be an assignment of rent and the document has to be recorded in the Official Records; she added that so the Zone board could see what it would look like; the assignment of rent is only applicable after the Zone has paid the grant money and the extension of Challenger Parkway to Grissom Parkway is completed; and from listening to the board, she thought it wanted the road actually built, so she added the first layer of asphalt in there.

Mr. Post remarked being consistent with other deals, he thinks that would be under 5.5, provision B, the clawback on the sale, and provision C, the clawback on the failure to build.

Attorney Schverak stated the failure to build is the second clawback, where for 36 months following the point that they meet the requirements for reimbursement of threshold four, if TCAA gets the NBEDZ money for the design, then they do not actually get to the point of building it, they would owe NBEDZ the full amount of the grant money; construction is considered laying the first layer of asphalt under provision C; and provision B is the clawback due to sale, once TCAA qualifies to be reimbursed, for 36 months if they sell the property to another entity, they would owe NBEDZ the full amount of the grant money prior to the transfer of title.

Kevin Daugherty, TCAA Director, stated he has no issues with the design thresholds, or the clawbacks with the exception of the assignment of rent; everything TCAA does is with Federal and State grants and their attorney is concerned that this could be a form of a grant insurance violation through revenue diversion; and he did not know if there could be some different language to soften it up.

Attorney Schverak remarked the language about assignment of rent could be removed, and leave it as 'other legally available revenue'; exhibit B is two things, an assignment of rent and a lien on the legally available revenue, so something will still have to be recorded; but she can take out the rent if the Zone board so desires.

Mr. Retz stated he thinks the last time the Zone board talked, he questioned where all of the other money is coming from; he thinks the answer was they had applied for lots of grants and there is a line of credit; and he doubts this will qualify as a revenue bond project, but if it was under a revenue bond, the assignment of rent would be a problem.

Mr. Daugherty remarked at Space Florida's request, the grant application was updated this week; TCAA also had initial discussions with U.S. Economic Development Administration (USEDA) and they are very interested in the project; there is also the ability within the lease agreement to have Spacecoast Innovation Park do the improvements and then receive rent credits; and there are many variations to get the project done.

Attorney Schverak stated assignment of rents is not a grant, so if TCAA is getting the assignment of rent, it is coming from a private company, private money that the LLC is paying, as is legally available revenue; and if giving grant funds back to the Zone violates the grant, it is not legally available revenue from that standpoint. She stated the Zone board needs to tell her whether to leave it in or take it out.

Mr. Mount suggested to leave it out, because the other clawbacks, essentially, if getting those rents is legal, the Zone would get it anyway.

Mr. Aton stated if it is taken out, the Zone is covered with the other term.

Attorney Schverak remarked if a lien is going to be put on the legally available revenue, exhibit B would have to be signed and recorded, and she can take out the assignment of rents; and she added she could have a conversation with TCAA's attorneys and leave it in.

Mr. Aton asked if there is a downside to leaving in the assignment of rents versus taking it out.

Attorney Schverak replied either way, the lien or mortgage will have to be enforced by putting it in the public record; she is not surprised that the TCAA attorney does not like the assignment of rent provision in the contract; and she sees no reason it cannot stay but she can have further conversation about it.

Mr. Honeycutt remarked he would like to see it left the way it is; and he asked if Attorney Schverak could talk to the TCAA attorney.

Motion by Rodney Honeycutt, seconded by Robert Jordan, to accept the proposed Agreement with TCAA "as to form", and to bring it back to the Zone board if TCAA cannot agree with it. Motion carried and ordered unanimously.

Mr. Honeycutt mentioned someone brought up a pad-ready site, and in this case, they are going to submit a plan and show a building; he has had someone come to him with a pad-ready site but it did not show a building; currently, the City staff interprets the Code as that cannot be done; development order means it has to include the building and parking; he does not know if this needs to be discussed more; he feels it would be important for the City to consider "industrial area only", as he feels the pushback from staff is due to trees being cut down and people complaining; and he would like to see a way that an industrial site in Vector Space and Riverview Park, could clear their site and get it pad-ready without having to go through the process. He added it worried him when there is a building and parking shown and the City approves it; and he asked how someone gets a Certificate of Occupancy for a pad-ready site when there is not a building.

Lisa Nicholas, Economic Development Director, City of Titusville, commented she discussed this with the Community Development Director and explained the same scenario Mr. Honeycutt just described; and in an unofficial decision, he said that as long as there is a pad and the plan depicted the parking and landscaping, then the site plan may be able to be approved.

Mr. Honeycutt remarked it is still showing the building and the parking; the land is cleared and ready, but the site plan is still showing the building and the parking so there is not a clearance from the City and the project is finished; and then there is an open permit with an unfinished product and the City can issue a fine. He asked why not have a permit where just the clearing and grading can be done, but limit it to particular areas, such as industrial; and he knows staff would not want to open it up for the whole City.

Scott Larese, Manager, City of Titusville, stated he could bring it up to the City Council.

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

A handwritten signature in black ink, appearing to read "Donn Mount". The signature is fluid and cursive, with a long horizontal stroke at the end.

Donn Mount, Secretary/Treasurer

Approved on March 10, 2023