

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

October 14, 2022 @ 8:30 a.m.

Statham Park

7101 U.S. Highway One

Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Dr. Brenda Fettrow, Bart Gaetjens, Rodney Honeycutt, George Mikitarian, Donn Mount, and Stan Retz

Telephone: N/A

Absent: Al Matroni

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

Pledge of Allegiance: Dan Diesel, City of Titusville Mayor

I. Moment of Silence for Louis Sanders

Approval of Agenda

Motion by Dr. Brenda Fettrow, seconded by Rodney Honeycutt, to approve the Agenda as presented. Motion carried and ordered unanimously.

Approval of Minutes

Troy Post, CEcD, CBE, NBEDZ Executive Director, mentioned a correction to be made to the minutes which was the length of time Bart Gaetjens was with Florida Power and Light, which was 40 years, not 4 years.

Motion by Bart Gaetjens, seconded by Dr. Brenda Fettrow to approve the September minutes with the recommended correction. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, mentioned the new Fiscal Year has only just begun; he provided a document that was close to the end-of-year report, the way the system works, NBEDZ is considered a department of the County so it works with the Clerk of Court's County Finance department, which will compile the information from last year and create a financial statement which will be published at the beginning of next year; he stated that because he thinks at a recent City Council meeting, a resident asked whether the Zone actually went through a financial review;

those records are all screened by the Clerk's office; and on the current budget, one could see the current month actuals and it is tracking very close in all categories except for travel. He went on to say that last year when he did the budget, there was not enough budgeted for travel, but it was increased for the new fiscal year; and there is another payment due to the City for the Titusville Mall project and also the last installment for Blue Origin will be paid.

Motion by Dr. Brenda Fettrow, seconded by Bart Gaetjens, to approve the Report on Expenditures as presented. Motion carried and ordered unanimously.

III. Staff and Partnership Reports/Updates

NBEDZ Executive Director

Troy Post, CECD, CBE, NBEDZ Executive Director, stated he was contacted last month by Kennedy Space Center's Office of Technology Transfer, as they are trying to roll out more of a presence of what they do; they talked about ways in which they can make a software application that has been developed by NASA, available to the private sector, as well as many different patents that they have on many different products; he feels encouraged that NASA is making this outreach effort, along with other groups in the County; and he is considering having a half-day seminar for local businesses in 2023. He mentioned providing a site tour for a Tampa-based real estate development company that is looking for more residential construction, as there is some deficiency of housing stock in the area; and they are looking for property suitable for a mixed-use development with high-end apartments and retail components. He continued to say he met with Jackie Reason, the Executive Director of G.R.O.W. and the Progressive Action Society, which leases space at the Gibson Center, to discuss the plans of a "kitchen incubator", making use of the commercial kitchen equipment at the Gibson Center; but there is no proposal at the moment. He added his staff has been working on a developer's guide book; this would combine much of the information that is given into one source, which could be provided to developers; it will contain statistical information on the area and checklists for developers to help navigate City/County requirements for building projects and licensing; and hopefully next month he can provide the Zone board with a copy of that. He attended the quarterly meeting of Spaceport Commerce Park tenants where he heard updates on company's projects and shared information on topics that included an initiative from Florida Power and Light to increase electric vehicle charging infrastructure in the area, food trucks, and the latest on Space Florida/Economic Development Commission's (EDC) rebranding effort for the Spaceport Commerce Park and surrounding property. He mentioned he also attended a webinar discussion on the HUB Zone program; there is only one HUB Zone in the area which is near downtown; one of his concerns is, because of the success of the Zone over the past 10 years, he thinks that some of the census data points will probably be changing, which could mean a change to the HUB Zone area and it could get smaller; and the HUB Zone boundaries have been frozen until June 2023. He added he is still doing some networking with some of the local bankers; he met with Kevin Daugherty, TICO Airport Director, and NBEDZ may be asked to help

with the Innovation Park development, which is going to take some of the acreage owned by the airport between the Perimeter Road and Grissom Parkway for multiple spec buildings which they will try to find tenants for; this is desperately needed; and this will be a tremendous undertaking with a tremendous expense. He also is tracking six active projects, including the EDC-led projects, which he mentioned has been quiet over the last 30 days.

Bart Gaetjens asked if there has been talk of affordable housing.

Mr. Post replied yes, and that it was a good Segway into the next part of the meeting, discussion and direction; he will talk about that, although he does not intend to get into great detail; he has been studying some of the things that could potentially be done; for those who are unaware, the Board of County Commissioners has been trying to come up with some solutions; the Zone board can do some things to help with the infrastructure to accommodate residential development; and he added the challenge is if too much of that is done, there is no benefit from a tax standpoint, as the tax revenue comes from the commercial and industrial properties, but it does not preclude NBEDZ from helping support residential development.

Donn Mount asked if the status of the sewer line is known.

Mr. Post replied they are still working on it; he has taken pictures of the new lift station area at Bob Kirk's property, where Wonderland used to be; he thinks most of the line has been installed; the first installment has been paid, the second one will be paid when all the lines are in place and approved by the City, and the last one will be when the line and lift station is operational; and he thinks it may be completed by March 2023.

City of Titusville

Neha Pandit, NBEDZ Special Projects Coordinator, stated there was a manufacturing summit that was held in Orlando and she attended the first day; the focus was on how the problem that is being faced by the majority of manufacturers in the country, is a labor shortage; this is due to many reasons, one being a misalignment in education, as America has a highly educated workforce with many in the workforce having college degrees, but six million of the 10 million jobs available in manufacturing do not require a college degree, only certifications, so there is a bit of a disconnect there; also the labor force participation in 16-24 year olds has gone down; and there is a shortage of immigrant workers due to COVID-19. She added there were many suggestions as to how to solve the problem in the short term; some manufacturers have looked into the incarcerated population and different talent pools to bring them into the workforce; and the focus was on how important it is to build awareness with the youth and teach what manufacturing actually is, and for the public and private sectors to work together to bring programs to the kids for them to see what the modern manufacturing facility looks like, and that it could be a viable career option.

Lisa Nichols, Economic Development Director, City of Titusville, stated the second day was also packed with great speakers and panels; the non-traditional pools of talent was one panel, which had a speaker talking about disabled and veteran workers; refugees

was another option, which people do not normally think about tapping into this resource, but they are talented in many fields; and then correctional facilities which have programs in place to rehabilitate individuals before returning to the workforce. She added the key takeaways were the lack of awareness of what manufacturing is, and children learning about manufacturing as soon as possible through schooling; she asked how a municipality could help with that; there will be some meetings which she thinks will form a great partnership; and she has invited Ms. Pandit to attend.

Brevard School Board

Misty Belford, Brevard County School Board Chair, stated she has been out in the community talking to folks and doing their best to make people aware of the issues facing public schools; she loves that it was mentioned to expose children to technical certifications, because Brevard Public Schools (BPS) has a very robust career and technical vocation program with over 82 different programs and many of them focused around manufacturing; she is speaking of the proposed millage increase which could help expand those career and technical vocation programs; she is asking citizens to support a one-mill ad-valorem in support of Brevard schools; and she mentioned Brevard schools are facing some challenges. She added there are some amazing things going on in BPS but there will be trouble keeping that going; a couple of things happened this year that has made things more difficult; one being that two years ago the teacher minimum salary requirement came down from the State requiring all teacher's salaries should be brought to a minimum of \$47,500 and funding was provided to do so; at that time, the entry salary was just over \$39,000; and BPS has increased the entry salary to \$48,725, but the challenge is the average salary is \$51,000 and there has not been any funding to address the veteran teacher's salaries. She explained the calculations and requirements the State mandated, which does not work; she explained she has teachers that have been working 17 years that only make \$400 more than a new teacher's starting salary; outside funding is the only way to address this, as State funds cannot be used; the problem she is seeing is that the teachers can leave and make much more money elsewhere; the other thing that happened is the State voted to raise minimum wage to \$15 by 2026, but said all State employees will need to be \$15 this year and provided funding for that; but the reality is that some new employees now make more than existing higher-level employees because funding for the differential was not provided. She advised that everyone in the district, except for seven people, will benefit from the millage increase if it passes; the breakdown is that 80 percent will go to compensation, and 20 percent will go to programs and expanded staff; BPS wants to put more staff in the kindergarten through third-grade classrooms; they are also looking to hire more guidance counselors to help with the mental health challenges students are experiencing; and they are hoping the community will support this.

Stan Retz asked what the plan is for after the four-year plan ends.

Ms. Belford replied the way this millage is coming into the salaries is as a retirement eligible supplement, and in four years, if this is not supported again, the supplement will go away unless something changes in the funding structure for the schools in the interim.

Dan Diesel, City of Titusville Mayor, mentioned his son left teaching and is making more than double of what he was making in the classroom; when everyone is paying more there will be a loss of the brain trust; and he feels that this is a must.

Dr. Brenda Fettrow thanked Ms. Belford for her service.

Bart Gaetjens mentioned the loss of State funding is due to reduced student numbers; and he asked her to address that.

Ms. Belford responded that the student numbers at public schools are actually increasing; there has been an expansion of charter schooling; there has been an intentional effort in Florida to expand voucher programs; there is an expansion going in at Southlake Elementary, Mims Elementary, and there is a new middle school being built in Viera; and she said to not believe everything on social media.

George Mikitarian asked how many openings are at BPS.

Ms. Belford replied they are down about 175 teachers, and about 200 for support staff; and they are also working with a company to bring teachers in from another country.

Mr. Retz suggested to promote the benefit and pension package that BPS provides to teachers, because the younger applicants do not understand that it will provide for them in the future.

Mr. Mikitarian asked how she would rank BPS salaries to the surrounding counties, before and after the proposed passing of the millage increase and after.

Ms. Belford replied BPS is ranked fairly low compared to other counties, but to remember that Orange and Indian River Counties already have millage for the employees, but there are other counties that are going to ask for millage as well; and there is a significant difference in salaries between Volusia and Orange counties, but Volusia is very close to the BPS salary.

Dan Aton asked how the millage is dedicated to the school system if this passes, compared to how other counties receive their funds for pay increases.

Ms. Belford replied that some of it is tax based and explained the Florida Education Finance Program, which funds the schools, and District Cost Differential.

IV. Discussion and Direction

Troy Post, CEcD, CBE, NBEDZ Executive Director, introduced Morris Richardson, County Attorney, and thanked him for joining the meeting.

Mr. Post mentioned the strategy plan was approved in 2012 to set forth the programs that are followed today; when an incentive is awarded, Christi Schverak, Assistant County Attorney, makes sure it aligns with the program elements in the plan; he thought it was a great idea by George Mikitarian to review the program again, as it was done about five years ago with no changes made; he asked for input from the board as to how it would like to do the review; he has met with most of the board members; and with some of the feedback, he made the list of potential discussion items. He stated

there is a need for more industrial park land in the area; in order for that to happen, the Zone board would have to start looking for a 100 acre, or so, site and find one within a year because the NBEDZ program is only set to run for another 20 years, and a financing mechanism would have to be put in place; workforce housing is another area that could be discussed and more specifically outlined in the plan; gateway development and enhancements at the major entrances into Titusville are needed and more direction in the plan may be needed to accelerate improvements; he mentioned entrepreneurial development is still very important to economic development but things have changed where more emphasis is on growing one's own business locally and putting more resources behind entrepreneurial development, which NBEDZ has done some of over the years; and lastly he mentioned facilitating the building process by creating a guide to help businesses navigate through the public sector process or a capital building project. He asked what type of meeting the Zone board would prefer to have this discussion, as it would need to be a public meeting.

Stan Retz mentioned the relevant timing as there is little to no available workforce or building, it gives the Zone board the opportunity to focus on who and what to attract, unlike 10 years ago when it took anyone who applied; and it could target a certain industry to attract to the area.

Bart Gaetjens stated he thinks a good time would be early January; he would like to talk about the project he mentioned at the airport with the hurricane rating of the building; and he questioned if sustainability could be incentivized.

Dan Aton mentioned expanding on the workforce housing, and suggested workforce enhancement with education and housing as a component of it; he feels it is hard getting a professional that wants to live in Titusville and remote work is not possible with some jobs; and he thinks it may help to bring a focus group of businesses that the Zone has funded for their feedback as to entire process, as he thinks there may be something that could be done to help with all the steps to be successful with their project.

Donn Mount suggested contacting the major players that have been brought into the area and ask them to help with resources that they may have or suggestions to better the program; and get them more involved with the community that way.

Rodney Honeycutt agreed with the January meeting suggestion.

Mr. Post asked whether it would be a separate meeting or at a regular board meeting.

George Mikitarian suggested that Mr. Post propose a structure for the meeting at the next board meeting, as the proposed meeting may need more time; he suggested taking some of the accomplishments and relate them back to the various points in the current plan to see how well it has done; and if the City Council or County Commission is asked to approve any revisions, it may help to establish some credibility with what has been done on behalf of the City of Titusville and the County.

Dr. Brenda Fettrow mentioned that the City Council and the County Commission will change, so a side-by-side comparison of what the accomplishments are versus the plan's suggested changes may be helpful.

Dan Diesel, City of Titusville Mayor, mentioned one of the comments most commonly heard at his meetings is what would be the benefit for the City of Titusville or North Brevard; he stated while the Zone board has a wealth of knowledge, most people do not know it even exists; he often shares how much the Zone board cares about Titusville and North Brevard; and he feels that a PowerPoint presentation would be beneficial.

Mr. Post stated that every year he submits a budget package to the Budget office that goes to the County Commission for approval and he has been including that in the notebooks as a handy reference; and in addition to showing the accomplishments, it shows the budget, the variances, and the capital expenditure budget items.

Mr. Aton suggested a report card stretching across the life of the Zone, on a deal-by-deal basis, to compare what the applicant stated they were going to accomplish and what actually happened; for example, the Blue Origin deal was the shining star of over-producing and he is sure there are some that have under-produced; he thinks it will help guide the Zone board moving forward; and it could show the results in terms of what the public would understand, by explaining that the additional job creation and tax base created that the NBEDZ incentives brought forth will work toward the demographics needed to bring the Chick-fil-A, Olive Garden, and et cetera that the people want brought to the area.

Mr. Post responded that Neha Pandit, Special Projects Coordinator, has been tracking that as part of the compliance for the incentive agreements that NBEDZ has provided; he mentioned he intends to do a publication to highlight some of the best projects that NBEDZ has supported to help show what the program is about; and he feels it would be helpful to new Commissioners and Council members.

Mr. Retz mentioned he would like to see it include the projects that did not succeed to show the agreements are structured so there is not a loss to NBEDZ.

Mr. Post stated he would have a structure of how that would look at the November meeting.

V. New Business Items

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the third item for North America Properties will not be discussed, as they are still not ready to submit their application; but their option on the lot is still good until May 2023.

Land Purchase Offer: Olympian LED, LLC

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the company is currently on Hopkins Avenue and needs a much larger facility; they are looking for a 20,000 square foot building; the property they are interested in is the lot that NBEDZ is currently repurchasing after the Engineered Bonding group found another lot and sold it back to NBEDZ; and it will be bought back at the same price it was sold to them for. He added the offer for this property is \$190,000; a recommendation will be brought to the Board of County Commissioners for approval of the sale; and the project would be over \$1.5 million, add to the tax rolls, and would create about four jobs.

Dr. Brenda Fettrow mentioned the last land sale was for \$50,000 per acre.

Mr. Post remarked the purchase has not gone through yet, but that was the approved purchase price; in the summer of 2021, a market evaluation was done and the suggested price for property at the Spaceport Commerce Park should be \$65,000-\$70,000 per acre; and the Zone board is inching slowly towards that.

Dan Aton asked if there was anything about this property that should be considered as a discount factor as compared to the \$50,000 property, as he has a hard time going backwards in valuation; and he asked if there is anything that justifies the \$10,000 per acre delta as far as negatives on the property.

Mr. Post replied the lot is a wooded lot, with not much wetlands, and gopher tortoises may be prevalent on the site; he added there is nothing that would prevent the company from applying for assistance with some of the site preparation work; and this has been done for a company before when the price per acre was higher and NBEDZ was able to offset that cost with an incentive for the site work. He stated there may have been some studies done on the property and he would try to find out.

Rodney Honeycutt asked if the contract states that the owners must do diligent studies and provide NBEDZ with copies.

Christi Schverak, Assistant County Attorney, stated she does not think it is in the contract but it could be added.

Mr. Honeycutt agreed with Mr. Aton about not going down on the prices and the possibility of receiving an incentive to help with the site preparation.

Mr. Post mentioned that a lot of the businesses do not understand the impact fees; and it was determined the impact fees for this project would be \$77,000.

Dr. Fettrow stated if the going rate is \$60,000-\$65,000 per acre, then \$50,000 is still a discount rate; and they would be getting a reduction of \$45,000 to go towards their site development.

Motion by Dr. Brenda Fettrow, seconded by Rodney Honeycutt, to reject the offer and make a counter-offer at the price of \$50,000 per acre for the 4.5 acre lot in the Spaceport Commerce Park. Motion carried and ordered unanimously.

Modification to Incentive: Renzetti, Inc.

Troy Post, CECD, CBE, NBEDZ Executive Director, explained that the Renzetti's have a 15,000 square foot building at the Spaceport Commerce Park, and they planned to double the size of it; the Zone board approved a grant of up to \$150,000 in February 2022, with the understanding the project would create four new jobs; City code has required them to do many things that were not a part of the original plan, such as sidewalks and increased landscaping requirements, including a detention pond; and these costs and inflated material costs have increased the cost of the expansion by an estimated \$600,000. He added they are tabling the project unless they can get additional funds to offset rising costs and site requirements; and he asked the Zone

board if they would be interested in amending the agreement to an amount of up to \$300,000 although this project is not a huge job-producer.

Rodney Honeycutt stated the costs look low.

Mr. Post remarked that he is looking at the old proposals, as he has not been provided with the new ones.

Dr. Brenda Fettrow mentioned it would be helpful to ask for the updated cost estimate before proceeding.

Mr. Post replied it was not ready for the meeting.

Dan Aton mentioned the Renzetti's were one of his vendors, and he seems to remember abstaining at the last vote; he had mentioned the sidewalks at that time as more of an enhancement to the Spaceport Commerce Park (SCP), because if it waits until more improvements are done, it will end up looking hodge-podge with some having sidewalks and others without; and he asked if there was a way to earmark 100 percent of the cost of the sidewalk out of the SCP dollars versus the NBEDZ dollars. He mentioned that along Grissom Parkway it would be good to have sidewalks for safety and SCP does need sidewalks.

Mr. Post replied that it is possible that the SCP funds could be used for infrastructure projects; it would have to go through the County bidding process; the question would be how far up Grissom Parkway the sidewalk would go; technically it is SCP related, but this area is actually just north of defined SCP boundary; and it could be explored. He mentioned one option could be to go back to the Renzetti's and get the updated cost proposals and to have them present for the meeting; they have stopped pursuing the project at this point to try to get these issues resolved; and it is not critical that a decision is made today.

Motion by Dr. Brenda Fettrow, seconded by Stan Retz to table the item until a future meeting. Motion carried and ordered with Dan Aton abstaining.

VI. Old Business Items

Approval "as to form" Economic Incentive Agreements

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated there were three agreements that need approval as to form; the first one is "Project Green" for the LaCita Golf Course's irrigation system; this was approved up to an amount of \$260,000; and he described the project.

Christi Schverak, Assistant County Attorney, explained that the agreement had expired and it was re-written the same way as the first agreement, and she added a provision that it would have to be operated open to the general public during the five years it cannot be sold.

Motion by Dr. Brenda Fettrow, seconded by Donn Mount, to approve the "Project Green" incentive agreement "as to form". Motion carried and ordered unanimously.

Mr. Post stated the next agreement is for "Project Grand", the Red Canyon Software group renovating the old Walker Apartments; and he explained the amendment to the agreement with the extension to August 15, 2024.

Motion by Dr. Brenda Fettrow, seconded by Bart Gaetjens, to approve the agreement "as to form", including an amendment on page two to change the date from August 15, 2023, to August 15, 2024, as the default date. Motion carried and ordered unanimously.

Mr. Post stated the next agreement is a grant agreement with Groundswell to offset some of the cost of the business counseling they will do; and he explained the agreement is to provide a reimbursement for expenses.

Motion by Stan Retz, seconded by Dr. Brenda Fettrow to approve the grant agreement with Groundswell "as to form". Motion carried and ordered unanimously.

Public Comments

Donn Mount mentioned there will be a beer tasting event on November 5, 2022, at Sandpoint Park which is a fundraising effort for an all-inclusive playground, hosted by the Rotary Club.

Stan Retz commented that Christi Schverak is doing a great job.

Bart Gaetjens stated that not only will the school millage be on the ballot, but also the Environmentally Endangered Lands (EELS) program will be on the ballot.

Upon consensus, the meeting adjourned at 10:21 a.m.



Donn Mount, Secretary/Treasurer

Approved on November 18, 2022