

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

May 13, 2016 @ 8:30 a.m.
Parrish Health Village West/Heritage Hall
931 N. Washington Avenue
Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Paula Cardwell, Brenda Fettrow, George Mikitarian, Donn Mount, and Stan Retz

Absent: Robert Jordan, Micah Loyd, and Louis Sanders

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

Pledge of Allegiance: Jim Tulley, City of Titusville Mayor, led the assembly in the Pledge of Allegiance.

I. Approval of Agenda:

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

Review and Approval of Board Minutes:

Motion by Donn Mount, seconded by Paula Cardwell, to approve the NBEDZ meeting minutes of April 8, 2016, as presented. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget:

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the Zone is tracking well in all categories; line item number 34 is Rentals and Leases, has a differential amount than what was budgeted versus what the actuals are, and it is due to the Cowork having to do a Budget Change Request (BCR) for allocated money previously elsewhere in the budget to cover is now under Rentals and Leases; line item number 46 is Office Supplies, the furniture originally for the Cowork Space was under line item 57, Machinery and Equipment; and part of the BCR allowed monies to shift to cover the furniture outlay for Cowork Space. He pointed out line item numbers 65 and 66 is Aid to Private Organization, showing the first installment for Embraer; he stated the building is up and the interior is being worked on, and it should be completed in about two or three months; and another installment is paid once the Certificate of Occupancy (CO) is complete, and number of jobs is met.

Motion by Stan Retz, seconded by Brenda Fettrow, to acknowledge the expenditures to budget as presented. Motion carried and ordered unanimously.

III. Staff and Partnership Reports:

NBEDZ Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he attended the announcement of Project Sable and by the third quarter of 2017, the incentive will be triggered as the Project creates jobs; part of the incentive is to pay up to \$250,000; and he provided the Zone board with a handout of the NBEDZ sign used to show Zone dollars are at work. He went on to say that he participated in the 32nd Annual Space Foundation's Space Symposium in Colorado Springs, CO; during the four-day conference, he met with representatives of leading aerospace firms and personnel from governmental entities; he is working to find 15,000 square feet of space for an assembly firm; he is continuing to meet with Lee Thompson of Warburton about a property acquisition; and he talked to a second tier supplier to an aerospace company that has a need for 100,000 square feet of space, that may temporarily go into the Titusville Logistics Center. He stated he participated with the Lean Six Sigma team led by the County's Budget Office to focus on improving the process wherein tax abatements and certain economic development incentives are tracked and monitored by County staff; and he met with the County Manager's Office and the Emergency Management Office to work on a business continuity plan for bringing the local business community back from the wake of a major storm or hurricane event. He mentioned participating in the iCast trade show event in Orlando this summer, featuring marine and fishing companies from across the nation; the Tourist Development Office has indicated he can access its booth at the show for networking with companies that may have interests in a Brevard location; and the show will be attended by several local firms, such as Renzetti's, Falcone Marine, and Hell's Bay Boatworks. He went on to say he spoke to the Space Coast Board of Realtors at a meeting in Melbourne about the Zone and its recent projects as part of a discussion on community redevelopment/tax increment financing districts; he advised that he is putting together the initial draft for a micro-loan program for small businesses; and he is seeking input on model from several partners, including Greater Titusville Renaissance and weVENTURE. He added, the Zone board may be asked to attend a one-on-one briefing meeting for a potentially large project before the June meeting.

Greater Titusville Renaissance Executive Director Report

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, stated the 4th Annual Arts and Algorithm event is underway right now; the artist's contracts have been secured; and the event is being moved to Sand Point Park because of the huge exhibits and displays being featured this year. She advised there are two applicant candidates for Lead Brevard who received scholarships that GTR raised money for; and she is continuing to work on projects with Keep Brevard Beautiful (KBB), by recognizing beautification of "We Noticed" signs for businesses in a blitz campaign that have made major improvements over the past year. She went on to say she has moved into COlaunch; she stated furniture was delivered last week; it has been a lot of work building all of the furniture; and COlaunch should be operational in a few weeks after the keyless access locks are in place. She stated Career Source Brevard and another basic level membership is moving in at the end of June; there are addition applications being submitted for a private office space, a cubicle, and one basic level membership; and she has submitted those to the GTR advisory council, but there are additional applications also. She stated COlaunch is starting to be toured; she has secured Eastern Florida State College to offer an entrepreneurial class on Tuesday nights and starting in the fall, that will bring people into

the space and it is a credit/non-credit course; she met with Pam Hoezle, Start Something, to develop a COlaunch branded online training program for startups; it is an online self-paced course that is a revenue generator for GTR; the way the split is GTR gets 70 percent and Ms. Hoezle gets 30 percent; and starting off the course will be \$98.

IV. Discussion and Direction

New Business:

Purchase Offer - ACT 2 TECHNOLOGIES

Troy Post, CEcD, CBE, NBEDZ Executive Director, introduced Craig and Mary Tafoya of ACT 2 TECHNOLOGIES and Hank Taylor, Real Estate Agent; he stated discussions have taken place with the Tafoya's about a three-acre site located on Shepard Drive; an offer was received; and the Zone is the authorized agent for the sale and development of the Spaceport Commerce Park (SCP) property. He went on to say once there is an offer made, the Zone is bound to bring any offer to the Zone board who is the acting agent to negotiate a deal, and to try to get something that can be brought before the Board of County Commissioners (BOCC); due to the BOCC meetings schedule it is unlikely the offer will make it on its last meeting Agenda for May; but it will be available to be scheduled for a meeting in July. He added, it is up to the Zone to accept or reject the offer, or to make a counteroffer; there has been no real estate appraisal done at SCP; and as a point of reference for any past sales at the Brevard County Property Appraiser's website may be reviewed.

Mrs. Tafoya provided a handout of ACT 2 TECHNOLOGIES to each Zone board member.

Mr. Tafoya stated ACT 2 TECHNOLOGIES is based out of Fort Lauderdale; it also has a rental facility located in Titusville where equipment is built; the original thought was to move the company down to Fort Lauderdale; but at a last moment, he decided to come before the Zone board to explain how the company was started. He went on to say the company was purchased from a gentlemen in Cocoa Beach and he would like to bring the company to Titusville, and there are a few of his employees that live in Titusville and he is looking for the opportunity to expand and grow the company in a larger facility; and the company is dedicated to water reclamation of water, specializing in advanced water and wastewater treatment, purification of toxic wastewater, neutralizing of landfill leachate and toxic chemical removal, wastewater purification, zero discharge systems, closed loop water systems, cities runoff water, and laboratory documented waste to water systems. He added, they have another company called Penumbra Marine and they want to move both companies to Titusville; and they are renting two warehouses in Titusville now and they want to build a 7,500 square foot building on the three-acre site in SCP, with the ability of building another 7,500 square feet building behind it.

Paula Cardwell inquired if the Tafoya's have talked with the City of Titusville about working with them as being a secondary wastewater treatment; she inquired what the issues are with sludge and how it is disposed of; and she inquired if there is capability of disposing sludge in Brevard County. Mr. Tafoya responded solids from wastewater are turned into water; and he stated they specialize in taking biodegradable organic solids and turning it into 100 percent water. Ms. Cardwell inquired how long has the company been in business. Mr. Tafoya replied since 2008. Ms. Cardwell inquired what the sales are. Mrs. Tafoya responded last year it was about \$2.2 million. Ms. Cardwell inquired why Titusville

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is being chosen. Mr. Tafoya reiterated they have two employees that live in Brevard County; and he stated he spoke with the founder to get the business involved in the marine field, because of sewage going overboard.

Dan Aton inquired if this is a manufacturing facility for the equipment versus a treatment facility. Mr. Tafoya responded they manufacture the equipment and they have been using local vendors such as Sunshine Welding, Excel Coatings, Blue Trail Graphics, The Mail Room, ACE Hardware, and Home Depot of Titusville; but once they have a facility, all of the welding and the manufacturing will be done at this facility site by building the equipment for water reclamation. He added, in the future they would like to build standby equipment needed to help with disasters and to help stop the spread of diseases.

Mr. Post noted the SCP is designed for manufacturing and distribution type of businesses; discussions have taken place of the conveyance of the SCP; and this classification is warranted to that. He stated the closing statement is a purchase price of \$60,000; there is a realtor commission due of six percent that is \$3,600; there is a cost for the survey of the property identified which is provided by the Zone; there is also a cost to be divided equally between both parties; and it will be netting approximately \$52,000. He went on to say if the Zone board is accepting of the offer it would then go the BOCC to vote upon; and he stated he is impressed with the company and he thinks it would be a great fit into SCP.

Donn Mount inquired how long the option of time for acceptance and closing is available due to the BOCC's meeting schedule. Mr. Post replied that section of time for acceptance and closing would have to be amended; and he advised that it would have to be rejected and countered back to change the time for acceptance and closing, to allow a few months for the offer to be accepted by the County.

Scott Knox, County Attorney, advised it is labeled as an option to purchase, but it is really a contract for purchase; it is not the standard type of document tailored for County use; and he will get with Mr. Post about using a modified version for the contract. He added, there is a provision in the Florida Statutes stating that certain transactions has to be labeled as an option, per Legislature.

Brenda Fettrow, Vice Chair, suggested rather than going back and forth on the amount of cost per acre, try keeping the price at \$60,000, and have the buyer pay all of the closing costs.

Stan Retz inquired if the County uses Documentary Stamp Tax. Attorney Knox responded affirmatively.

Motion by Donn Mount, seconded by Stan Retz, to accept the offer of \$60,000 from Act 2 TECHNOLOGIES for a three-acre site located in SCP, contingent upon Scott Knox, County Attorney, providing the correct Contract for Purchase; and authorized the timeframe for acceptance to be presented to the BOCC at a future meeting in August. Motion carried and ordered with Brenda Fettrow voting nay.

Mr. Aton noted that the reduced price per acre is an economic incentive, as part of the sale being \$20,000 per acre.

Project New Energy:

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Stan Retz advised that he is abstaining from the vote for Project New Energy, because it is a client of his firm: he stated he has no direct or indirect financial benefit; and he is supportive of the project.

Troy Post, CEcD, CBE, NBEDZ Executive Director, introduced Bob Ziegler, Vice President and Chief Financial Officer of New Energy Service, Inc.; he stated this is a redevelopment project and he provided the Zone board with photos of the vacant building; and it is an industrial building that has a view of Garden Street. He went on to say the Zone board is being asked for an incentive for an investment of around \$650,000; he advised the Zone's role would be up to \$90,000 for a reimbursement grant, that amount is also predicated on funding availability, and that the performance measures are in place; and it is likely for them to acquire the building quickly, by doing the renovations over the summer.

Mr. Ziegler stated over the past several years New Energy Service, Inc. has grown from 34 employees to over 100 employees, with an annual sales increase from \$5 million in 2015 to \$7.5 million in 2015; the projected sales for 2016 is \$10 to \$12 million, with an additional 20 new jobs; and a new corporate headquarters is needed to meet the growth of staff, and to serve as a support center for work across the southeast. He went on to say the corporate headquarters, warehouse, and storage facility are located in three different areas of North Brevard; by consolidating all three facilities into one larger, centralized location, they will increase efficiency and support growth; and there will also be additional benefits to the landscape of North Brevard from the construction, renovation, and beautification of the new headquarters. He added, the proposed property and facility has fallen into disrepair and it will need a complete renovation of the interior, exterior, roof, paved parking, and surrounding site areas; the location is next to the Rail Trail and another 3,000 square foot of office space would be constructed to facilitate needed office space for supporting the offsite team working locally and throughout the southeast; and the new construction is planned for the east side of the existing warehouse building, located on Robbins Avenue, and including a new facelift, entryway, parking, and hardscaping. He pointed out that not only is the Zone's money going to help with putting more jobs in North Brevard, but it will be helping to with making the facility nicer.

Scott Larese, City of Titusville City Manager, opined it is a great redevelopment project.

Jim Tulley, City of Titusville Mayor, advised it is would be a great site for a mural painting.

Mr. Post inquired if he may submit two Zone board members emails he received for how they would vote. Scott Knox, County Attorney, responded voting in absentia is not permitted.

Donn Mount inquired what happens to the current facility being used. Mr. Ziegler responded it is owned by David Boland.

Mr. Mount inquired if it is a \$90,000 reimbursement grant request. Mr. Post replied they will do certain elements qualifying them for the reimbursement; and he stated in this case the Certificate of Occupancy (CO) is required after the buildout of all the improvements, and by showing documents of it meeting Code. Mr. Mount inquired if there is a claw back if the building is sold at any period of time. Mr. Post responded if sold they would pay the reimbursement grant back.

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Paula Cardwell inquired if this is located in the City of Titusville downtown Community Redevelopment Agency (CRA). Mr. Larese responded it is located outside of the CRA.

Motion by Brenda Fettrow, seconded by Dan Aton, to approve Project New Energy for a reimbursement grant of \$90,000 with a claw back measure of reimbursement to the Zone, if the Company meets all thresholds.

Mr. Retz advised the Zone board that Project New Energy is it is looking for a home to stay in North Brevard; and he reiterated that he will be abstaining from the vote.

Dan Aton advised having the claw back for a period of two years and 20 jobs is sufficient.

Ms. Fettrow agreed to amend her Motion, to the claw back period of two years and 20 jobs.

Motion by Brenda Fettrow, seconded by Dan Aton, to approve Project New Energy for a reimbursement grant of up to \$90,000; and approved a claw back of reimbursing the Zone in two years if the measurement of 20 jobs is not met. Motion carried and ordered with Stan Retz abstaining from the vote.

Old Business:

Troy Post, CEcD, CBE, NBEDZ Executive Director, advised the Fiscal Year 2016-2017 budget has to be submitted to the County with a Departmental summary showing Projects worked on; there are key statistics shown for using the program for the Zone has leveraged the creation of jobs, or the potential to create jobs and capital investment; and the change from last month is the initial estimate from the Property Appraiser's Office of what the tax increment revenue that is just a little under \$3.3 million. He noted Spaceport Commerce Park improvements were added; a cash flow format for the next few years out; and debt services will have one principle and interest payment made for Titus Landings.

The Board reached consensus to submit the proposed Fiscal Year 2016-2017 budget for the NBEDZ to the City Council of Titusville and to the Brevard County Board of County Commissioners.

Public Comments:

Upon consensus, the meeting adjourned at 9:50 a.m.



Robert Jordan, CM, Secretary/Treasurer

Approved on June 10, 2016.