

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

December 10, 2021 @ 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 Matroni, George Mikitarian, Stan Retz, and Louis Sanders

Telephone: Brenda Fettrow

Absent: Donn Mount

Call to Order: Meeting was called to order at 8:31 a.m. by George Mikitarian, Chair

Pledge of Allegiance: Dan Diesel, Mayor of Titusville

I. Approval of Agenda

Motion by Louis Sanders, seconded by Rodney Honeycutt, to accept the Agenda. Motion carried and ordered unanimously.

Approval of Minutes

Motion by Louis Sanders, seconded by Micah Loyd, to approve the minutes from November 2021, as presented. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, mentioned there are a couple of items in the spreadsheet to point out; the amount of \$252,000 is the next installment for the Lockheed grant, based on the jobs that have been created; and in the last column, is an amount of \$1.3 million for the next installment to Blue Origin.

Motion by Stan Retz, seconded by Louis Sanders, to approve the Report on Expenditures as given. Motion carried and ordered unanimously.

Mr. Post stated the spreadsheet titled "Grant Funds Committed by NBEDZ", which is a list of all of the current commitments, has a total of \$22,147,079 obligations, and remaining disbursements of \$13,437,016; and he also reviewed the Cash Flow Statement, the City of Titusville and County Tax Increment Financing (TIF) funds, and the Financial Disbursement Forecast. He explained that the anticipated funding for the next Fiscal Year is \$1,352,000, which will need to be moved from the reserves through a Budget Change Request; this will need to be added to the Board of County Commission agenda sometime in January 2022 for approval; and he tries to put in the first column anything that he thinks will be paid out this year, although some projects may not make it.

Motion by Rodney Honeycutt, seconded by Stan Retz, to move \$1.352 million from the Reserves to the NBEDZ fund to cover incentive payments for Fiscal Year 2022. 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, mentioned a prospect that is interested in developing some of the Titusville-Cocoa Airport Authority (TICO) property; there may be some opportunity to work with them on infrastructure improvement; he is excited about the possibility of a builder coming in and creating building space, which would open up that area tremendously; he is working on several projects with the Economic Development Commission of Florida's Space Coast (EDC), and continuing to work with the owner of the Titusville Mall for the redevelopment project; the covenants for the Spaceport Commerce Park (SCP) (Exploration Park West) are in the process of being reviewed and any changes made will have to be re-recorded to effect the name change; and he hopes to complete that in January. He added the County Manager's Office wants all the departments to do formal succession planning; he stated the County has approximately 25-30 percent of its department heads that could potentially retire over the next few years and this will help with the transition of the new successor; he attended a sustainability workshop with the City of Titusville, which is working on an environmental and economic sustainability plan for the next 20 years; the food trucks at SCP have been well-received; he spoke with an investor who is interested in building in the Riverfront Business Center; and he met with the director of the Gibson Marketplace, a program at Gibson Community Center that helps economically disadvantaged people start new business ventures. He added the American Police Hall of Fame and Museum has re-worked its plans and received backing from the Tourist Development Council; he feels they may come back with a formal application for assistance; he participated in the AARP/Federal Reserve webinar on "The Great Resignation and Long-Term Unemployment" which addressed recent changes in the labor market; and he stated the announcement of Terran Orbital planning to build a manufacturing facility, near the former Space Shuttle Landing Facility, is expected to create 2,100 jobs and will mean a substantial amount of indirect jobs as well.

City of Titusville

Scott Larese, City of Titusville Manager, passed out a list of Top 20 Information Points about Titusville and a list of 46 pending Titusville projects; there are 1,484 housing units in construction as well as 3,200 more in planning stages; and he appreciates everything that the Zone board does for the City, as he feels this growth is because of NBEDZ.

Al Matroni asked how all the services such as sewer, water, et cetera is doing with all the growth.

Mr. Larese replied the sewer capacity is at 50 percent right now; and he stated one of the wastewater plants is under a \$9 million renovation presently.

Commissioner Pritchett mentioned her District recently received some Federal funds and many projects have been put into place, including many water projects; at the last Commission meeting it was announced that Brightline is committing to a station in Cocoa; and the income that will come from that is substantial.

Dan Aton asked if there was any news on the sewer extension.

Mr. Post replied that Justin Trimback gives him updates periodically; they are still going through the approval process; and he thinks it may begin in January.

V. New Business

Troy Post, CEcD, CBE, NBEDZ Executive Director, advised Justin Hilligoss is present to discuss a redevelopment project; he has selected a property in North Titusville that will involve waste material, and a lift station will need to be built to connect to sewer; this has caused this property to sit vacant; and Mr. Hilligoss wants to develop this property and build a coffee house. Mr. Hilligoss owns Pier 13 Coffee in the downtown Titusville area and has already made some substantial investments in the area; the property is priced at \$260,000, and \$90,000 has been quoted for the site improvements; the project will not create a substantial amount of jobs, but this project is a redevelopment project; and he feels it will be an improvement to the community.

Mr. Hilligoss stated he started Pier 13 Coffee about two years ago in downtown Titusville; he and his wife have been in Titusville for most of their lives; his goal is to see an improvement in the community; and he loves living and working here. He mentioned he is outgrowing his present location for Pier 13 Coffee and he is looking at creating a 3,000 square foot café with all the bells and whistles, and improving the appearance of this property; he is planning a separate building for retail sales; he plans to have a drive-through; and at this point he is not planning to move from his present site, as he likes the downtown area and he also owns the Hotpoint Boutique next door. He added he has eight full-time employees now, and two part-time, and he thinks that number will double.

Mr. Aton asked if they had an online presence.

Mr. Hilligoss replied yes; he stated he has a personal goal to sell coffee to every state; and so far, he has sold and shipped coffee to about 32 states.

Mr. Post stated the total project cost is approximately \$750,000; were the Zone to approve to do a disbursement grant of up to \$90,000 to cover the cost of the sanitary sewer and lift station, it will still be under the 20 percent ratio; and it meets the test of doing something that is infrastructure-related as it relates to the overall redevelopment project.

Mr. Aton asked if the lift station would only serve this location.

Mr. Post remarked that is his understanding.

Motion by Al Matroni, seconded by Micah Loyd, to approve an incentive of up to \$90,000 for the Pier 13 proposed redevelopment project. Motion carried and ordered unanimously.

VI. Old Business

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated these are projects that were approved that are now coming back for approval of the agreement; the first is Project Chariot, which is Space Perspective, Inc., a company that manufactures a balloon-type vessel that will take eight-10 passengers just beyond the stratosphere of space for about six hours; they plan to have different launch sites all over the world; and the manufacturing will be done here. He mentioned what was talked about at the meeting in August when the Zone board approved the incentive; the agreement includes the typical project description which identifies exactly what the project is going to involve; what qualifies them for the grant is in this project description; the grant commitment made to them is \$453,480, which will be in two phases; the first phase payment is \$105,000, which will be paid when the Certificate of Occupancy (CO) has been issued; and the second phase of the grant is to offset the cost of the lease at the Space Coast Regional Airport, not to exceed \$348,480 and paid directly to the airport. He then discussed the clawback provision relating to job creation.

Al Matrioni asked Mr. Post if he meant the payment of \$43,560 at the end of the year, as normally, rent is not paid in arrears.

Mr. Post replied that was his understanding but he could be wrong; but the commitment is for up to \$43,560 per year for rent.

Mr. Matrioni asked if the clawback had any teeth; and if the Zone board would have any way to get money back if the company did not do well.

Christine Schverak, Assistant County Attorney, replied it would have to go to court and get a judgment; and then get a lien on the property.

Mr. Post remarked that the Titusville-Cocoa Airport Authority is having to make a substantial investment as well to accommodate this project, like road infrastructure; but he does not have a dollar amount for that.

Micah Loyd stated typically, these are land leases, so any improvements are paid for by the tenant; at the end of that lease, the building would have to be torn down or left for the airport; and the County could be left with a large building.

Dan Aton stated if the company does not do well, the building would still be there.

Mr. Post mentioned if they cannot build the building, the Zone board's obligation would be over.

Mr. Matrioni asked if the Zone board had the right to assume the tenant's position in order to get the building and put the lease in the Zone board's name, since it is obligated to make the payment, but not under the lease.

Attorney Schverak replied that was a good point; but it is not in the Agreement.

Micah Loyd stated the Zone board is relying on the Airport Authority to have a solid lease with their tenant; there are job requirements and performance requirements; and if they are not met, then the tenant would have to leave and the Airport Authority still owns the property.

Mr. Matrioni remarked the Airport Authority would not be looking for the Zone board to make the payment.

Mr. Aton stated the Zone board's money flows through the company, so if the company defaults, the Zone board is not on the lease with the airport.

Attorney Schverak remarked the airport is not on the grant, as it is to the company; if the company stops performing, the Zone board stops paying the company; and the Zone board would not have any requirement to pay the Airport Authority.

Mr. Matrioni asked if it was possible to have an agreement with the Airport Authority so if the tenant defaults, there is no obligation to make additional payments.

Attorney Schverak replied the commitment is to the company, not to the Airport Authority, so there is not an obligation to pay the Airport Authority.

Motion by Micah Loyd, seconded by Dan Aton, to approve the Incentive Agreement for "Project Chariot" as to form. Motion carried and ordered unanimously.

Mr. Post stated the next topic is the same but for "Project Petro", the project with Jeff Green and Robin Fisher that originally bought the Garden Street site and received an incentive from the

Zone board, but is now selling, and wants to transfer the incentive of up to \$125,000 that was received to the new owner; and the assignment gives an additional two years from the signature date to complete the redevelopment project in order to receive the reimbursement grant.

Motion by Rodney Honeycutt, seconded by Micah Loyd, to approve the assignment of the Incentive Agreement for "Project Petro" as to form. Motion carried and ordered unanimously.

Mr. Post stated the January meeting may be a bigger meeting; and he encouraged everyone to be in attendance.

Mr. Aton mentioned the success with the food trucks at SCP which brought to light the need for sidewalks in the park, and reclaimed water for irrigation; and he asked to look into ways to improve SCP.

Scott Larese, City of Titusville Manager, stated he could ask the County about it, as it is a County-maintained road.

Mr. Post remarked he thinks that could be a potentially eligible project as it relates to infrastructure; and it was determined that he will look into it.

Upon consensus, the meeting adjourned at 9:30 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 January 14, 2022