

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

March 8, 2019 @ 8:30 a.m.

Parrish Medical Center - Health Village West/Heritage Hall
931 N. Washington Avenue
Titusville, Florida 32796

Board Members:

In Attendance: Dan Aton, Dr. Brenda Fettrow, Rodney Honeycutt, Micah Loyd, Al Matroni, George Mikitarian, Stan Retz, and Louis Sanders

Absent: Donn Mount

Call to Order: Meeting was called to order at 8:32 a.m. by George Mikitarian, Chairman.

Pledge of Allegiance: Walt Johnson, City of Titusville Mayor, led the assembly in the Pledge of Allegiance.

II. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, advised everything is tracking well and nothing has changed in capital outlay; next year the category for debt services will be eliminated; and he provided a spreadsheet of the active funds committed.

Motion by Micah Loyd, seconded by Louis, to approve the Report on Expenditures as presented. Motion carried and ordered unanimously.

III. Staff and Partnership Reports

North Brevard Economic Development Zone Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, provided the Zone board with a handout of his report and a brochure from the International Economic Development Council annual conference explaining what economic development is. He asked the Zone board for its support to send a letter supporting the Space Coast Consortium Apprenticeship and Workforce Initiative, which is seeking financial assistance from the Partnership to Advance Youth Apprenticeship (PAYA).

Motion by Dr. Brenda Fettrow, seconded by Stan Retz, to authorize Troy Post, CEcD, CBE, NBEDZ Executive Director, to execute a Letter of Support for an application of financial assistance supporting the Space Coast Consortium Apprenticeship and Workforce Initiative from PAYA.

Greater Titusville Renaissance Executive Director Report

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, provided the Zone board with a handout of her report and the Greater Titusville Renaissance, Inc.

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(GTR) Statement of Financial Position as of December 31, 2018; she stated she knows there may be questions about why GTR is at a deficit; and she explained it is because they book the Zone funding at the end of the last quarter last year, but do not receive the funds until usually in the first quarter of the year and as soon as the grant funding is received, GTR is okay.

Stan Retz inquired what accounts receivables are for \$47,000. Ms. Musselman replied \$35,000 is from the Zone, some is from the board dues, and some is the fee from Exxcel Project Management for GTR managing the shopping center.

Mr. Retz advised instead of total accounts receivable, the Zone money would be under the income statement already, whether it is received until later or not so that it is not contributing to the deficit.

Troy Post, CEcD, CBE, NBEDZ Executive Director, advised it does show local government grants.

Commissioner Rita Pritchett remarked they have a hybrid of cash and Ms. Musselman used QuickBooks online and did it herself.

Ms. Musselman advised she had the GTR treasurer look it over.

Chair George Mikitarian inquired if the financial statement is acceptable in terms of presentation to the Zone board, or would it like to see it categorized differently. Dr. Brenda Fettrow responded she is worried a little bit about it showing a deficit; she stated if this is accepted as presented, the Zone board is allowing one of its sister agencies to operate in a deficit; and she inquired if the Zone board would like for it to be corrected.

Mr. Retz inquired about what the prepaid expenses for \$17,000 are. Ms. Musselman replied it is for an art exhibit from when there was a hurricane; she explained an artist is prepaid because they had already had items in shipment for the exhibit; and it is a credit for the artist because the event has not been rescheduled. She went on to say that amount it is a couple of years old now and it will be another \$20,000 to bring that exhibit back when rescheduled; and the GTR board needs to decide what it is going to do with that prepaid expense soon.

Al Matroni inquired what is the fee received to manage the shopping center. Ms. Musselman responded approximately \$2,200 a month.

Mr. Retz inquired where that revenue is shown in the Statement of Activities. Ms. Musselman replied in program service fees.

Micah Loyd stated he would like to see the Statement of Financial Position be cleaned up by next month.

Dan Aton stated he agrees with Mr. Retz, that the expenses exceed the income by the way the handout is stated; and there has been significant discussions on the GTR side as to it moving towards a nongovernment supported organization.

Motion by Micah Loyd, seconded by Dr. Brenda Fettrow, to approve the GTR Annual Financial Report and the Statement of Financial Position; and authorized for next

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month's Report to be a cleaned up version with explanations. Motion carried and ordered unanimously.

Mr. Retz clarified that he is not implying that it needs cleaning up, he is just concerned about what is in accounts receivable that does need to be cleaned up.

IV. Civil Engineering Services Proposal – EPIC Consultants

Troy Post, CEcD, CBE, NBEDZ Executive Director, pointed out lot 17 on the Spaceport Commerce Park (SCP) map that is about 22 acres; he stated a deal was approved a couple of months ago to sell some property to Merritt Precision Technologies, but in order to get everything done, there has to be a survey of the four acres of property that is going to be sold; there were discussions on getting an idea of how the rest of that property would be affected if the carving out that lot utilizes the property, which necessitates having a civil engineer look at it; he received a proposal from EPIC Consultants for a real estate plan on the property; but there will have to be a survey before going through with the sale. He advised the engineering plans will be conceptual, but may not go forward with doing the road construction because it may not be necessary for in the future; he does want to have that flexibility to have the road put in if development of lots exceed; the hourly rate is consistent; and there needs to be someone onboard for the civil engineering.

Rodney Honeycutt stated when looking at the SCP map, many years ago there was a preliminary project started there, and it never was completed; Paragon Plastics bought that lot and they developed it, and then they bought the parcel next to them; developing the next lot, the one recently sold to Merritt Precision, could land lock the remaining acreage to the south of that lot, if an easement for a roadway is not provided; and the City's process has to be gone through of preliminary engineering to approve the preliminary sketch plans, which requires the surveying and the investigation that is in this proposal by EPIC Consultants. He advised he has looked it over and it looks good to him; and he does not know if there is a limit of how much the Zone can do for grant funding in the case.

Mr. Post advised it can be up to \$25,000.

Micha Loyd inquired if it includes the pond right beside that. Mr. Post responded L.V. "Woody" Rice, P.E. and he have been discussing it; Woody is going to help come up with a possible solution to have one common retention pond area to share into; but one of the issues is how to maintain it.

Mr. Honeycutt explained typically how that it is done is the owners of the lots in that area are responsible for that pond, through a property owners association; he would think that is the way it would be until all of the lots are sold; and the County would still have some portion of that.

Mr. Loyd inquired if this proposal is for bringing the property through the sketch and plat processes. Mr. Honeycutt responded no; he stated there is a stormwater pond and the first developer on that lot could build the stormwater pond line larger than needed; however, there would need to be some kind of agreement of who would not be the sole maintenance person for that; but it would be part of the agreement, that it is constructed

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as part of that site plan. He added it would not be an official plat that those lots are divided, it would just be a plan so that when the next guy comes along it could be divided, and discussed that there would be no separate entrance off of Armstrong Drive; and the Zone could help with the build of that portion of the road, that is part of the plat as the entrance for Merritt Precisions' new lot.

Dan Aton inquired if there is a benefit for Paragon Plastics if this is done. Mr. Honeycutt responded affirmatively; and he stated they could use that stormwater pond.

Stan Retz advised that off and on in the past EPIC Consultants have been a client of his, but for this year they are not currently a client.

Christine Schverak, Assistant County Attorney, remarked Mr. Retz is fine to participate in the vote, because EPIC Consultants is currently not a client of his.

Motion by Dr. Brenda Fettrow, seconded by Rodney Honeycutt, to approve up to \$24,950 for the civil engineering services proposal by EPIC Consultants. Motion carried and ordered unanimously.

Mr. Aton asked for background information of the driving force behind this. Mr. Post explained the Merritt Percision sale would be consistent at \$30,000 an acre of usable acreage; and this process would ensure there is usable acreage behind there, and are not handicapping a future deal.

Mr. Aton stated there is an existing plat and the Zone is spending money to do something related to the Merritt Precision piece; and he inquired why this needs to be done at all and how does the Zone recover the money. Mr. Post replied the Zone needs to make sure that whatever is done with Merritt precision, the Zone is not handicapping itself for in the future by having a right-of-way that is too short; he thinks there is potentially a way to recoup by some increased pricing; the land for sale will eventually run out, and for those parcels remaining will have a shared retention pond that will have great value; and be able to get more per acre over time because of doing that.

Mr. Honeycutt clarified there is not an existing plat; the proposed lot that Merritt Precision was going to buy did not leave any room for the road to go through the back; and by cutting that off, means the stormwater pond in the back is extra property, and they could use that; and it ensures the property in the back is sellable.

V. New Energy – Assignment of Incentive Agreement Request

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated in July 2016 he was working with New Energy which is a pretty large commercial contractor who is running out of rental space at 3050 South Hopkins Avenue; they found a commercial building located on Norwood Avenue; the Zone board approved a commitment grant of up to \$90,000 once they acquired the building, do the renovations, and move in; but the company went through some internal struggles with some of its partners. He added the entity still exists, under the terms of the agreement there was a timeline of three years to complete the project, or the commitment would expire; that timeline is approaching in July; the company bought the building and the new name of the company is NES Investment Group, LLC; some renovation work was done and they have received a temporary Certificate of Occupancy; but they are still working on some of the elements and will

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have things done before the three years of time. He advised the issue is there is another buyer Randall Real Estate Investments, Inc.; NES has indicated that if they sell the property, they would like to assign the incentive as part of the deal; this is a formal request to have the grant provision assigned to Randall Real Estate Investments, Inc.; and he provided the Zone Board with provision nine in the Agreement of not being able to assign to the company without prior written consent of the district, and only upon the satisfactory terms for completing the project. He went on to say if the assignment is agreed upon, he will need something from Randall Investments evidencing they are going to buy it, and for the use of the building; and showing proof that they are buying assets that the NES Group has; and there may be some other needs in order to validate that everything is going forward to protect the Zone.

Dan Aton expressed his concern about the original intention being to improve a derelict building and to expand, and to give a local company a home that it can be proud of; if an Orlando company is buying it and has intentions of leaving the operating business in that building; and he suggested for some kind of clawback be in the Agreement for the Zone, so it is not funding the improvement of a building that is vacant two months after a check is written.

Stan Retz reminded the Zone board that he previously filed Conflict of Interest because New Energy and Nes Investment are both clients of his.

Dr. Brenda Fettrow stated she does not know if it is in the original Agreement, that the Zone is not helping to fund them improving the building to perhaps resell it, and to make a profit on it.

Mr. Post advised he does not have the full Agreement with him, but he thinks there is a requirement to stay in the building for a period of six months.

Micah Loyd agreed with Mr. Aton and Dr. Fettrow.

Motion by Dr. Brenda Fettrow, seconded by Micah Loyd, to table the New Energy assignment of incentive agreement request to the April 12, 2019, Zone board meeting. Motion approved, with Stan Retz abstaining from the vote.

VI. Final Version of Incentive Agreement for Beachwave

Troy Post, CECD, CBE, NBEDZ Executive Director, stated he provided the Zone board with the final Beachwave Incentive Agreement electronically; and the incentive is for up to \$150,000.

Dr. Brenda Fettrow inquired if E-Verify needs being used for the employees. Christine Schverak, Assistant County Attorney, replied E-Verify is for contracts for services; she stated with this grant, Beachwave is not performing services; and it is an economic development grant, not a contract for services.

Dr. Fettrow advised that she wanted to ensure that the minutes reflect that the Zone board properly asked that question and analyzed that; and it was advised by the Assistant County Attorney Schverak that it is not necessary.

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Motion by Dr. Brenda Fettrow, seconded by Micah Loyd, to approve the Beachwave Incentive Agreement. Motion carried and ordered unanimously.

Upon consensus, the meeting adjourned at 9:57 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 10, 2020