

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

September 13, 2024 @ 8:30 a.m.

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

Board Members:

In Attendance: Dan Aton, Bart Gaetjens, Rodney Honeycutt, Robert Jordan, Jeff Gray, Donn Mount, Stan Retz, and Edna Wilson

Telephone: Dr. Brenda Fettrow

Call to Order: Meeting was called to order at 8:30 by Bart Gaetjens, Chair

Pledge of Allegiance: Robert Jordan

I. Approval of Agenda

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated there was an additional item of business on the original Agenda that has been pulled; and he hopes to have the SLS Project on the next month's Agenda.

Bart Gaetjens asked if any board member needed to report a conflict with any of the Items.

Rodney Honeycutt remarked he has a conflict with the Trimcor Construction Contingency Grant Item; and he noted he has filled out the Form 8B.

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

Approval of Minutes

Motion by Robert Jordan, seconded by Edna Wilson, to approve the minutes from August 2024. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the spreadsheet provided is the regular budget to expenditure report showing the County Tax Increment Funding (TIF) and the City TIF; for the year so far, there has been disbursements of about \$3.2 million; and the Zone is coming in under budget in every category. He noted the final document is ready to present to the County for the budget; and he will bring it to the Titusville City Council as well for final approval.

The Report on Expenditures was accepted into the record as presented.

*Stan Retz's presence is noted at 8:40 a.m.

III. Staff and Partnership Reports/Updates

North Brevard Economic Development Zone Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated recently, the County enacted a requirement that all the advisory boards must provide reports that track different types of things the County wants to see; much of the information that is found in the budget is provided, as well as activities, attendance, participation, and frequency of meetings; he noted this initiative was enacted due to some advisory boards not meeting very often; and the Zone board fulfills all those obligations. He mentioned the advisory boards can be found on the County website, including the Zone board. He added the brokerage firm that is trying to structure a proposed mixed-use development on the former Wonderland site near Highway 50 and U.S. Highway One; the developer is interested in submitting an application for NBEDZ assistance to defray the cost of road work; he expects this to be on the agenda in the next couple of months; and this could be a sizable project for the area. He met with the chief operating officer for Q4 Services, a company that makes simulation displays such as flight simulators; the company has been looking for sites in the surrounding counties for a new building; and they may be interested in a site at the Spaceport Commerce Park (SCP). He stated there is a developer looking at the old Nevins Fruit Plant in Mims to convert it into a light manufacturing space for the construction of "tiny homes"; and they came to NBEDZ because there will be extensive renovations required. He noted he attended the first public hearing of the County Commission on the budget; he met with Stockton Whitten, Cocoa City Manager, to talk about the Brightline Station; the proposed location is just outside the boundary of the Zone, so it is likely that over time, the Zone geography will be impacted by the station; and he wanted to see if there was any kind of project that NBEDZ could assist with inside the Zone boundaries. He mentioned many of the projects brought by the Economic Development Commission of Florida's Spacecoast (EDC) have stalled or been put on hold; he feels this could be due to the national economy or even the election, but he is keeping in contact with them; the Minnesota-based company has decided to lease a building in Cocoa for use while they finish a new building somewhere in the area; and they are interested in a site at SCP. He welcomed and introduced the new staff member, Tammy Adams.

Bart Gaetjens noted that he heard the Stuart City Council rejected the request to help with the Brightline station; and he asked if the Cocoa Brightline Station was the same situation.

Mr. Post replied according to Mr. Whitten, Brightline is still in the process of addressing some of the funding gaps that are needed to build the station in Cocoa; there was money allocated by the County Commission; and they are working to get a Federal grant.

City of Titusville

Scott Larese, City of Titusville Manager, stated he had no report.

Titusville-Cocoa Airport Authority (TCAA)

Troy Post, CEcD, CBE, NBEDZ Executive Director, noted that there was a copy of the TICO monthly update report included in the board package.

County's AVT Program Overview

Presentation by AVT Tax Abatement Council

Holly Carver and Lisa Earnhardt, of the Ad Valorem Tax (AVT) Abatement Council, gave a presentation to the Zone board on the AVT program; Ms. Earnhardt stated this comes up every 10 years and is on the ballot now; she asked for the Zone board's help in spreading the word; she noted that companies looking to relocate, look for programs like this, so if this is not offered, the County would not be considered; the program makes Brevard County more competitive at a time when the State incentive programs are at an all-time low; and it is designed to bring new revenue into the community. Ms. Carver stated the company has to create or expand at least 10 new jobs, follow the stipulated target industries, and pay must be above the median County wage of about \$62,000; this is reviewed every year; the program abates a portion of the general fund taxes, not the entire amount; the school taxes, water management, special district, endangered lands, recreation, and non-ad valorem taxes must still be paid; and the program does not abate all of the taxes. She explained the process of getting accepted for the tax abatement for eligible companies; these companies can be removed if they do not meet the qualifications and job creation; there have been over 9,000 jobs created, with 4,500 being direct jobs, and 2,800 indirect jobs, and 1,900 induced jobs; there has been \$83.8 million in taxes paid, with \$17.4 million abated; and \$4.43 billion in total wages, with \$2.2 billion in indirect wages. She stated it is like having a \$1 coupon, and getting \$4.82 back; it is not a payment, it is an abatement, like a discount on their taxes; for every \$1 capital investment, is \$33.38; and she asked the board to help spread the word.

Robert Jordan remarked people talk negatively about this, saying the County is giving money away; this makes no sense because if the businesses do not come, there is no money; this is not a loss, it is a gain for the County; he feels it is important to continue this, as it is an important tool to incentivize new business; the businesses have to apply and there are guidelines that have to be followed; and it is monitored to make sure the businesses meet their requirements.

The Zone board members discussed the Ad Valorem Tax Abatement and their understanding of the program, as it is similar to the NBEDZ program.

IV. New Business Items

Purchase Offer: MJW Consolidated – Expansion Project

Troy Post, CEcD, CBE, NBEDZ Executive Director, explained the location of this project is on Shepard Drive; he noted MJW bought the five-acre lot in 2020 and built a 20,000 square foot building for piping fabrication; the company's growth has exceeded their

space; and they are requesting to acquire the land to the east of their lot, which is still available. He added MJW wants to double the space they have now and add 25 more employees; they need at least two acres but prefer five acres; he feels the purchase offer is a bit low; and he reminded the Zone board that its recommendation will be forwarded to the Board of County Commissioners for approval.

Dr. Brenda Fettrow asked what the purchase price per acre was for the most-recent sale of property at the Spaceport Commerce Park (SCP).

Mr. Post replied it was \$50,000 per acre; he hopes to increase that over time as more is developed; but the lots are mostly undeveloped.

Robert Jordan mentioned that just last month, the Zone board countered an offer for \$50,000 per acre.

Donn Mount remarked that was for property behind an owner's existing property; and this property has street frontage, so it is worth more.

Dan Aton asked if after peeling off the acreage for MJW on the adjacent lot, will there be enough left of that lot to build upon or would it hamper the ability to sell the remaining piece of the lot.

Rodney Honeycutt remarked that it is probably low, but there is a road, and water and sewer there, so in a way it is developed; if the wetlands are less than one-half of an acre, the owner does not have to mitigate for it; it is hard to tell how much is there; and he is in favor of selling the least amount at a reasonable price.

Mr. Aton noted it looked like about two acres if it were squared-off at the corner.

Dr. Fettrow stated she thinks \$40,000 per acre is too low; and she thinks it should be countered for at least \$50,000.

Mr. Post noted the owner mentioned the stormwater pond on the present lot should be large enough for both properties; and the additional property should not be needed for additional stormwater retention.

Mr. Aton stated he thinks \$50,000 may be a little low considering it is the better part of that lot and has street frontage.

Mr. Jordan asked how much was paid for the original lot.

Mr. Post replied it was around \$37,000 in 2020.

Motion by Dan Aton, seconded by Stan Retz to approve the sale of two to two and one-half acres of additional land in the Spaceport Commerce Park, depending on lot configuration, to the company known as MJW Consolidated, for the price of \$58,000 an acre, provided that the deed contains the same clawback provisions as are present in recent land sales of Spaceport Commerce Park property. Motion carried and ordered unanimously.

V. Old Business Items

Proposed Amendments to Incentive Agreements:

Hot Pointe/Pier 13 – Time Extension

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Justin Hilligoss is present to request an extension on this project; he advised that there was a previous amendment to the agreement to increase the financial assistance; he noted the amendment was never formally executed, which needs to be done today; the other thing is a request for an extension on the time, due to some challenges he has had with the project; and to give him ample time to complete this, he feels the date should be extended to the end of 2026. Mr. Post commented there is not an issue with the funds availability; and if it is approved by the board, it can be signed-off and he can move forward.

Justin Hilligoss mentioned he felt like a frequent flyer; he stated that, essentially, the contractor was stealing from him; the contractor was able to get past him and the bank somehow; the amount was pretty large, but there was also indirect costs of firing contractors and sub-contractors and hiring new contractors and sub-contractors; this has cost him a year; and he feels in January next year it should be done. He noted he had sufficient funds to complete the project; and he has new contractors and sub-contractors now.

Mr. Post mentioned the way the Grant Agreement works is that the project has to be completed and occupied for an amount of time; and he is concerned that Mr. Hilligoss will not be able to complete the project and still maintain the occupancy requirement by the end of 2025.

Mr. Hilligoss stated the buildings are basically done as far as construction; the last big hurdle is the site work; he still has to work with Florida Department of Transportation on the deceleration lane; he is trying to do the site work and the turning lane at the same time; and he has been told the turning lane may take a long time. He added he hopes to be able to be done by November or December of this year, but he feels it may be January before he gets the Certificate of Occupancy and opening.

Robert Jordan asked if he will be done in 2025, why give him a year.

Mr. Post remarked he just went out to 2026 in case anything else happens; and if Mr. Hilligoss reaches compliance with all the things in the agreement before the end of 2026, he can still turn in all the documents and request his grant; he noted it could be made to the end of 2025; and he could always come back for another extension if there are more issues.

The Zone board had some discussion about the due date and the conditions that must be met for Mr. Hilligoss to be in compliance to receive the incentive; and he could always meet the conditions earlier.

Motion by Stan Retz, seconded by Robert Jordan, to approve the first amended Incentive Agreement for Pier 13 Coffee as presented, extending the due date for all conditions to be met, to December 31, 2026. Motion carried and ordered unanimously.

Trimcore Construction (Project “Sewer”) – Contingency Grant

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this item is the project with Justin Trimback who built the sanitary sewer line along U.S. Highway 1 and replaced the lift station; a grant was developed for the project to reimburse the cost of installation; there was a contingency grant listed in the agreement of up to \$225,000 for any overage in costs; payments were made at different thresholds, with the third and fourth threshold payments pending approval; and the cost of the total project was over by \$7,221.32. He added the contingency grant amount has to be approved by the Zone board, but will not have to go back to the Commission or the City of Titusville; and as the project is complete, the overage needs to be approved by the Zone board for payment.

Dan Aton noted that he understands that Mr. Trimback did an awesome job with the project; and he looks at it like the project came in at about \$218,000 under the available contingency amount.

Mr. Post noted this project has brought up interest for other projects due to the sewer hookups being available.

Motion by Robert Jordan, seconded by Donn Mount, to remit the contingency grant in the amount of \$7,221.32 to Trimcor Construction. Motion carried and ordered, with Rodney Honeycutt abstaining.

Public Comment

Holly Carver noted she found the ballot language for the Ad Valorem Tax Abatement; and she read aloud “Economic Development Ad Valorem Tax Exemptions for New Business and Expansions of Existing Business – Shall the Board of County Commissioners of Brevard County Florida continue to be authorized to grant pursuant to Section 3, Article VII of the State constitution, property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in the County?”

Upon consensus the meeting adjourned at 9:30 a.m.



Bart Gaetjens, Chairman

Approved on November 8, 2024