

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

April 9, 2021 @ 8:30 a.m.
Titusville Public Library - Auditorium
2121 South Hopkins Ave
Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Rodney Honeycutt, Donn Mount, Stan Retz, and Louis Sanders

Telephone: Dr. Brenda Fettrow, Al Matroni, and George Mikitarian

Absent: Micah Loyd

Call to Order: Meeting was called to order at 8:30 a.m. by Donn Mount, Treasurer.

Pledge of Allegiance: Donn Mount, Treasurer

I. Approval of Agenda

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

II. Approval of Minutes

Motion by Dan Aton, seconded by Stan Retz, to approve the January, February, and March 2020 Minutes as presented. Motion carried and ordered unanimously.

III. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he processed another payment from Lockheed Martin for Project Landmark, which is about halfway through their commitment based on the jobs they have created; the Zone has expended about \$740,000 of the commitment which was \$1.75 million; this included a bonus if they hit a target of new hires by a certain date, which did not happen; and the potential incentive would now be about \$1.5 million if they hit all the future job goals.

Donn Mount asked Mr. Post if he looked into whether or not there needed to be a vote to approve the Treasurer's Report.

Mr. Post replied he did not have a chance but he believed he was correct and it did not need a vote, it just needs to be accepted into the record.

III. Staff and Partnership Reports/Updates

North Brevard Economic Development Zone Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the Qualified Targeted Industry (QTI) tax credit program has lapsed and they no longer have that tool; this is one reason why Project Freedom needed more from the local jurisdictions to incentivize the project; and there is an

attempt to get the program reinstated through the Legislature. He stated Florida Power and Light (FPL) has an initiative to reach out to local economic development practitioners for input to structure some programs to help historically disadvantaged groups; FPL is a main source of funding for the Zone; he spent most of his time reviewing reports on incentivized projects, making sure they are doing what they are supposed to be doing with regards to job creation; the Zone board has been increasing the clawback provisions on its agreements which are tied to job creation; and he makes sure they are compliant. He mentioned there are four active Economic Development Council (EDC) led prospects; one being Project Freedom, and another which is an alternative fuel manufacturer looking at an existing building in the area; in reference to the job tracking, he has been looking at database tools that could be used; Salesforce is a database tool that has a new program more tailored to Economic Development and could improve project tracking and management; and there is money for the program under Contracted Services in the budget for next year. He added he had provided a presentation at the Citizens Academy to help educate people as to what Economic Development is all about; he attended the County's annual ethics training class; and he mentioned the Milken Institute report that Lisa Nicolas, City of Titusville Economic Development Director, brought up at the last meeting which showed Titusville ranked as number two in the top 200 Metropolitan Statistical Areas (MSA) regions; he stated back in 2013, the area was ranked as number 177; and he had a copy of the reports to share.

Donn Mount mentioned Project Freedom is looking for a location to move into temporarily while their building is constructed, if they decide on Titusville for their site location.

Mr. Post stated they are looking for a building to house Project Freedom for about 18 months while their building is constructed; that would be if Titusville was chosen for their new site location; and if any of the board members know of a space that would be good for them in the northern part of the County, please let him know.

City of Titusville

Lisa Nichols, Economic Development Director City of Titusville, spoke about the Miliken rankings, and she mentioned that the MSA also ranked in the top 25 of the most dynamic metropolitan regions; National Geographic Traveler named the Spacecoast as one of the 25 best of the world destination; in 2019, CNN listed it as one the top 19 places in the world to visit; and North Brevard has been receiving many accolades and she will be putting the word out.

IV. Discussion and Direction

V. New Business Items

Request to Adopt Tentative NBEDZ Budget for FY 21/22

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated there are three budgets to approve; if they are approved today, it starts the process and goes to the City of Titusville Council, then it goes to the County Manager's office, and then it will go before the County Commission; and the three account divisions are the County Tax Increment Financing (TIF) fund, the City TIF fund, and the Spaceport Commerce Park (SCP) fund. He continued to say the County TIF fund is projected at over \$3 million in revenue next year and the Indirect Cost listed is higher than anticipated at over \$75,000 this year; the City TIF traditionally generates less than the County TIF but has been increasing over the last few years; the amount under Grants and Aids of \$1.5 million is for the sanitary sewer project along US Highway 1, which he hopes to get started soon; and the SCP TIF which is used for capital outlays, is growing.

Request to Add Two New NBEDZ Staff Positions

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he had an opportunity to do a mid-year supplement submission to the County Commission, which has to do with budget for the current year, and Commissioner Pritchett suggested doing a Budget Change Request (BCR) to add two new positions to the Zone; the two positions would be an Administrative Secretary and an Economic Development Specialist; this was approved by the County Commission and he needs a vote from the Zone board also; he is looking to hire the Administrative Secretary in the next month or so, and hopes to have the other position by the end of the Fiscal Year; and these two positions would be paid for out of the County TIF. He stated the salaries would be approximately \$35,000 and \$50,000; and there is already a pool of candidates for the positions.

Scott Larese, City Manager, asked Mr. Post if the City should be paying a portion of the salaries for the new personnel as it pays 50 percent of his salary.

Mr. Post replied he did not mind going before the City Council to make the request.

Mr. Larese remarked he thought it was only fair, as they would be doing the overhead that is required; and he thought the Council may consider that as favorable.

Motion by Louis Sanders, seconded by Stan Retz, for approval to hire staff for two new positions at the Zone. Motion carried and ordered unanimously.

Motion by Dan Aton, seconded by Louis Sanders, to approve the proposed budgets. Motion carried and ordered unanimously.

Motion by Louis Sanders, seconded by Dan Aton, to approve Executive Director to make a request to the City Council of Titusville to pay a portion of the two new salaries. Motion carried and ordered unanimously.

Mr. Post mentioned that these items could change these budgets after the decisions are rendered; and it will be brought back for the final approval in August.

Request for Redevelopment Assistance – Titusville Plaza, LLC

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Kirk Von Stein and Robin Fisher are present to talk about improvements to the Winn Dixie Shopping Center, Titusville Plaza, on Harrison Street; he mentioned the plaza is mostly vacant and a portion of the roof is caved in over one of the stores causing major water damage; he feels this is an opportunity to revitalize that property and secure Winn Dixie to stay in the plaza, as they are considering whether to remain at that plaza; Mr. Von Stein's company has purchased the plaza and are trying to weigh what they can do with the site and try to keep Winn Dixie; and they have prepared a projected budget for the project. He continued to say their budget is just over \$2 million for repairs and improvements; if the project moves forward, there is a potential for about 30 construction jobs as well as about 60 retail jobs when the project is complete; he mentioned the developer has a great track record in Florida, including a project in Titusville; the Property Appraiser lists the value of the plaza at approximately \$2.5 million, and with the capital investment, the assumption is that the value would increase to \$4 million; and about \$9,500 would go to the Zone per year if this project moves forward. He stated it will be presented as a redevelopment project, and they are not looking at jobs; this could be turned into a nice retail center which could generate a lot of returns; and he introduced Kirk Von Stein to speak.

Mr. Von Stein stated he is with Charles Von Stein, Inc., a third generation property and leasing company in the State of Florida; he has been running the company for the past 20 years, and has changed it into a transformation type of company for commercial real estate; this property has been neglected for years, has many challenges, and Winn Dixie is discontent; Winn Dixie only pays \$4 per square foot for rent, and the property owner could not afford the repairs with that low rate for rent; and if Winn Dixie does not stay, it could be a challenge to get another tenant due to the secondary location. He continued to say the numbers do not work with the amount of rent that Winn Dixie pays; it was recommended to him to apply for the NBEDZ grant to help offset some of the costs; he feels it will help better the community; but the damage is significant and it is one of the most challenging projects he has taken on.

Stan Retz asked if they planned to get a commitment from Winn Dixie for a lease renewal at a more reasonable rate or just wait and hope they come around.

Mr. Von Stein replied he has been working with Winn Dixie for the past month and they are not the easiest to deal with, as they expect a lower rent; and he hopes to reach an agreement with Winn Dixie to keep them in the plaza.

Al Matroni stated he remembers working with this company in south Florida, which was well respected; he remembers it to be a Property Management company; and he asked if that has changed.

Mr. Von Stein stated his uncle has been out of the business for 20 years; he moved the company from south Florida to this area; and he now looks for properties that are run down to renovate for the communities and still be profitable for the investors.

Mr. Matroni asked about Winn Dixie's lease and when it was set to expire.

Mr. Von Stein replied their lease is up in February, 2022; and they have been doing one-year renewals as a stand-off with the landlord.

Mr. Matroni stated he felt like Winn Dixie was key to the success of the plaza.

Mr. Von Stein replied Winn Dixie is very tough to deal with; the intent is to have a dialogue with them; he is trying to develop a budget that he can back up, but it is hard to determine where to start after so much neglect; and he wants to make it look better, but primary functionality is the starting point.

Mr. Post stated the projected budget shows the amounts for the upgrades for the redevelopment project which includes parking lot repairs, landscaping, signage, tree canopy, sidewalks, and painting at about \$240,000; and this fits into a good number from a fund-availability standpoint with the Zone.

Donn Mount asked what the timeline is for paying the money out; and does he need to negotiate with Winn Dixie first.

Mr. Post stated the Zone board can set the criteria; and generally, when doing these projects, the key is the Certificate of Occupancy for projects that are not able to be occupied when the project begins, which is the case with some of the adjoining retail spaces.

Mr. Von Stein stated with some of the projects, they might have to curtail what is done to keep the budget low, and it may not be enough to get Winn Dixie to stay; ideally, they need to increase the rent; and he hopes the Zone can be part of the solution.

Dan Aton asked if there was a way to determine what ranking that Winn Dixie holds in comparison to other Winn Dixie stores in the area.

Mr. Von Stein stated he thinks with the big retailers, actions speak louder than words; the property looks terrible and the previous owners should have done it; this is why he asked for \$1 million off the sale price, and they still stayed; he thinks there must be something about the location that keeps them there; Winn Dixie may come to the table a little bit, but that is not their style, as they do have low prices; and they want a landlord that will get the place under control.

Louis Sanders inquired what the rent would be in today's market, after the improvements.

Mr. Von Stein replied it should be between eight and ten dollars per square, or perhaps more.

Mr. Sanders asked what would be the possibility of another grocery store moving in if Winn Dixie decides to go after the improvements have been done.

Mr. Von Stein replied if the improvements are done, it may move the needle some; but retail is going through major change, and industrial is king.

Mr. Sanders stated the location must have the customer base to keep the store going; and he asked what the Zone could offer.

Mr. Mount replied he thinks \$240,000, which can be justified by the condition of the property; but first they need to come up with the criteria, such as Winn Dixie signing a new lease.

Mr. Matrioni stated his concern is that without a commitment from Winn Dixie, the space would be renovated and might not be able to secure a tenant to anchor the plaza.

Mr. Post stated that whether Winn Dixie goes or stays, there is still a building that needs to be fixed up; he feels that even without Winn Dixie, with the plaza improved, there would be a good likelihood of getting new tenants; but it would be worse to leave it unimproved.

Mr. Aton stated he thinks as long as the Zone's funds are tied to the total improvement of the building, he does not think that it needs to be tied to Winn Dixie being a tenant.

Mr. Retz stated it is almost a defensive move to get a good tenant to replace Winn Dixie, as well as fixing up a dilapidated building; if it were 2010, this would be a different decision to invest in something like this, but with the improving economic status, he thinks it makes sense; the Winn Dixie is in an appropriate demographic for their store; and he would be surprised if they walked away from that property, especially after the renovation.

Mayor Dan Diesel stated he attended the grand opening of another Winn Dixie north of there; he spoke with someone at the event who stated there would be more stores in the area upgraded, but it sounded like this store was forgotten about; and if that is the case, he would be concerned about what they are intending with the store on Harrison Street.

Mr. Von Stein stated it is a polluted environment; first Winn Dixie acted like they were enthused about the new ownership and they wanted to talk about an extension; but they probably still want to pay \$4 per square foot.

Mr. Mount stated the improvements to the plaza may ignite Winn Dixie to make the same improvements to the one on Harrison Street.

Motion by Louis Sanders, seconded by Dan Aton, for the Zone to approve a \$240,000 reimbursable improvement grant, tied to the overall capital improvement budget of over \$2 million, subject to execution of the presented improvements. Motion carried and ordered unanimously.

Request for Financial Assistance – American Police Hall of Fame

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this is a follow-up to a presentation made back in December; the Police Hall of Fame and Museum is trying to do a major expansion, with the first part being an eternal flame sculpture, and the second part would be adding about 30,000 square feet to the existing building; they do show some jobs being created, approximately 30 over several years; the request is for year three and four, so it would be several years down the road before the Zone board would have to provide them with any money; but they need to know what commitments they have for their fundraising efforts. He stated they have requested \$500,000; because the entity is a non-profit, they pay no property taxes; this project would not result in an increase, because of capital improvements, coming back to the Zone; during his research, he came across some negative articles, including some states having cases against them, which they stated have been resolved; and he thinks it is prudent to make a part of the criteria, that they demonstrate that any pending cases have been resolved. He added he spoke with Brent Shepherd, Chief Executive Officer, who stated that some of those cases went back as far as two decades ago; this project is much like the project for Delaware North about a year and one-half ago which was approved, but later declined the incentive; he thinks this project would fall under the strategic initiative section of the plan, which allows the Zone board to look at infrastructure, and tourist development products are a part of that infrastructure because tourism is a part of economic development; and he would like to see the museum do well and attract more people to come into the area.

Louis Sanders stated he would rather hold onto \$500,000 for job related income than to spend it on tourism right now; and he does not think the taxpayer's money should be committed now to be used three years from now.

Mr. Post remarked that they did say there would be jobs created.

Dan Aton stated he agreed with Mr. Sanders, and thinks this should be brought to the Tourism Development Committee, as it is not what this group was created for; and the Zone board needs to stay in its lane.

Al Matrioni stated tourism is good for the area but he is concerned with the lawsuits.

Mr. Aton asked if the matter could be tabled.

Mr. Post replied yes; and he stated he thinks they wanted to get as many commitments lined up now to help with their fundraising efforts.

Stan Retz stated he would like to ask them to share their financial statements with the Zone board.

Motion by Stan Retz to table the request for financial assistance from the American Police Hall of Fame until at least the next meeting, seconded by Dan Aton. Motion carried and ordered unanimously.

Mr. Post stated he thought getting the financial statements is a good idea; they did send him audited financials which he has not completely gone through as of yet; and he does not want to cast a poor light on them, as everything he has heard is that it is a good organization.

Mr. Retz stated he heard that too but he would like to see the financials.

Rodney Honeycutt stated the flame is going to be a big feature for this community, which could attract many more tourists.

Upon consensus, the meeting adjourned at 9:52 a.m.

A handwritten signature in black ink, appearing to read "Donn Mount". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Donn Mount, Secretary/Treasurer

Approved on June 11, 2021