

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

April 11, 2014 @ 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, Robert Jordan, Micah Loyd, George Mikitarian, Donn Mount, and Louis Sanders

Absent: Stan Retz

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

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

I. Approval of Agenda

The NBEDZ Board acknowledged the Agenda as presented.

II. Review and Approval of Board Minutes:

Motion by Brenda Fettrow, seconded by Robert Jordan, to approve the NBEDZ Meeting Minutes of March 14, 2014. Motion carried and ordered unanimously.

III. Executive Director's Report:

Troy Post, CEcD, NBEDZ Executive Director, stated he has been in his position for one year; he then came up with the NBEDZ Prospect Tracking chart of project/code names generated by initial contact date of expansion, relocation, start-up, and type, if an NBEDZ application was applied for, when the most recent phone, letter, e-mail, or meeting follow-up activities, the status if active, complete, cold, or ended, and he is hopeful for the next year to be just as busy as the last year. He advised the statistical information website www.northbrevard.biz is currently being worked on and will be active by the month's end for site plans and reports on property in the area, including the Spaceport Commerce Park (SCP); and the Zone's descriptive website is still www.NBEDZ.com. He advised he visited the National Entrepreneurial Center in Orlando; he stated it is a one-stop shop for entrepreneurs with a resource center that houses several non-profits, but is not a business incubator; he met with TrepHub a non-profit organization dedicated to growing the technology and entrepreneur community in Melbourne; and they have a good model for a co-work space concept for the Zone to possibly consider in a couple of months. He advised the Mall developer is trying to get a handle on the demographics of the area; he stated there may be an undercounted part of the seasonal resident's population; and is thought to be about 4,500 people not being

counted in the data access. He talked about a new boat manufacturer project that may be going to a facility on Merritt Island; he received information from Rocket Crafters that they are aware of the three months extended deadline of the incentive agreement given has now expired; they would like to have the opportunity to resubmit an application at a future date, along with an updated business plan for consideration of any additional assistance, once they have identified what their needs are; and the DARPA announcement anticipated for March did not take place, which is now being anticipated for May. He advised he has been working on text changes to the Zone's proposed Operating Procedures Manual (OPM), which will function as by-laws and Policy statements of how certain expenses will be treated; the Zone has certain categories unique to the County because there are categories that are different than other County agencies; there could be certain expenses related to traveling for marketing that are not normally found in a County agency; and the OPM would require NBEDZ approval and Board of County Commissioners (BOCC) approval.

Micah Loyd inquired what happens to the designated money for Rocket Crafters. Mr. Post responded before the end of this deadline there was a contractual obligation with the company if they complied and met the specifications in the agreement that the Zone would be obligated to provide certain assistance; the contingent liability of the financial statement will no longer need to be carried for \$1.7 million; and that money could be re-budgeted. He went on to say if Rocket Crafters comes back with a request, it would have to be looked at in relation to what can be afforded.

Laura Canady, City of Titusville Economic Development Director, advised that she spoke with Michael Powell, TICO Airport Executive Director, yesterday, and Rocket Crafters was tied to the realignment of Perimeter Road; there are now problems with the State because Rocket Crafters is not going to be built as planned; the road cannot be realigned and a lot of other projects that would benefit from that; and she suggested to Mr. Powell that he needs to talk with Mr. Post about the importance of that realignment, and the creation of the extra airfield capabilities.

Mr. Post advised he is meeting with Mr. Powell on Monday.

Mark Ryan, City of Titusville City Manager, suggested redirecting the Rocket Crafters dollars towards the realignment of Perimeter Road.

Paula Cardwell advised she is accustomed to using Gantt charts; and inquired if Gantt charts could be provided. Mr. Post replied he will try to produce something like a Gantt chart.

IV. Discussion and Direction of FY 2014-15 Budget:

Troy Post, CECD, NBEDZ Executive Director, provided the Zone with a draft of NBEDZ proposed operations budget for Fiscal Year 2014-2015; the revenue stream has been fairly small; the first installment payment anticipated from Florida Power & Light (FPL), is a significant amount of money, and will need necessitating of how that money could be used; in the following years, there will be a dips in revenues because of the Zone not getting that kind of a large sum to be able to do a lot of stuff, which could necessitate for carrying over some of the categories into the following year to implement some projects; and beginning in year six, the Zone will be back in a regular revenue stream with more

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anticipated revenues at that time. He stated the projected revenue is \$3.1 million tax allocation from the County and \$50,000 tax allocation from the City of Titusville; it is likely the amount from FPL would be actually larger because he is being conservative until actually getting back the final confirmation from the Property Appraiser's Office as to the value; and the personnel expenses are staying the same. He explained the high wage business attraction/retention is a list of programs available for financial incentives; the second component of the Economic Development Plan (EDP) is redevelopment of commercial/industrial sites showing the first principle and interest payment due for the year for the Mall Project; the third component of the EDP is infrastructure development of pad ready sites and spec-building development; and the fourth component of the EDP is small business development. He advised there are strategic initiatives for site marketing, job creation infrastructure, communications infrastructure, administrative costs, and the reserves/unobligated in the current Fiscal Year. He advised to provide him with additional feedback in the next few weeks for adjustments in budget categories of the budget; he will bring back to the May meeting a revised budget; and adoption of the budget can take place in May or June for budget submission to the Board of County Commissioners.

Discussion and Direction of Spaceport Commerce Park:

Troy Post, CECD, NBEDZ Executive Director, introduced Rodney Honeycutt, Honeycutt & Associates, Inc. and Lisa Toland, Ecologist and President of Toland Environmental Consulting (TEC); and he advised there will be a request of the Zone to approve a Budget Change Request (BCR) for the current budget and a contractual arrangement with Honeycutt & Associates, Inc., to do work related to the spec-building. He referred the Zone back to the budget line of Other Contracted Services amount for \$2,500; he stated if the Zone decides to proceed with the spec-building, there is not enough money allocated for the project, and there is about \$82,000 in reserves for the Zone; but it is not line itemed in the particular category. He advised they would be pulling some money out of reserves and putting it in the Other Contracted Services line; the Zone will need to approve it and then it will go to the County Manager's Office; and because of the dollar amount, it will need to go before the Board of County Commissioners. He explained there could be some people that might have some problems with the Zone asking for a BCR; and if there is no vote taken today to start the budget change process, the additional engineering services would have to wait to the start of the next Fiscal Year in October. He recommend the Zone amend the Other Contracted Services line to \$45,000, because in addition to covering the engineering work if going forward with Honeycutt & Associates, Inc., invoices later in the summer will begin to be received for some of the legal work done forming the Zone.

Paula Cardwell inquired if due to the Zone contract with Honeycutt & Associates, Inc. if the Zone is under any obligation to have these things goes out for bid. Mr. Post responded affirmatively; he advised if it meets a certain dollar amount, it does not have to go through the formal bidding process; and the threshold is \$25,000.

Mr. Post advised a location has been came up with for the spec-building or a pad; there can be a clearing of 25 acres, creating a parking lot, having a bare tilt-up concrete building, or a concrete pad; and a debt instrument would be needed because the Zone does not have enough money.

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Mr. Honeycutt stated the second lot north of Shepard Drive was looked at for an overall scope to clear an area to mitigate for the environmental issues allowing for maximizing the access on the lot; a topography survey would be done, including all the elevations to pick the best site; the wetlands have already been located at the site; and they will prepare a clearing/grading plan and permitting with the City of Titusville, St. Johns River Water Management, the Army Corps of Engineer, and the Fish and Wildlife Commission.

Ms. Toland stated pre-applications meetings will be held with many agencies; when the follow-up cost estimate is done, they will have concurrent from the agencies that they agree with the analysis of the site; and it will help tighten the objective for mitigation costs.

Brenda Fettrow, Vice Chair, inquired what the cost estimations are for scrub jay, gopher tortoise, and mitigation. Ms. Toland responded for scrub jay there is none because the habitat is so overgrown; he stated there are five active gopher tortoise burrows; when there is a large project like this with multi-phases, the 10 or Fewer Burrows Relocation Permit is applied for and the cost is fairly low, and is folded into the next phase of the project; and there is about one acre of wetland, and any impact to that realm would require mitigation, with a 25 foot buffer all the way around the wetland. She advised there is a mitigation bank at the Turnbull Basin, which is approximately \$5,000 for one-tenth of one acre.

Mr. Post advised that Mr. Honeycutt has a listed fee breakdown of his proposal on page four of the boundary and topographic survey; there are agency meetings, construction plans, permitting with Florida Department of Environmental Protection (FDEP) and Notice of Intent (NOI), and environmental consultant; these are steps that can be done now because it is going to be required for any actions; this is an attempt to speed up the timetable; and if these are not done when there is an interested prospect, they will have to cross all these hurdles, and it could be the difference in doing the project or not.

Ms. Fettrow stated the discussion started with a potential budget amendment of \$45,000; the rate sheet is one document and the other services sheet behind it needs to be considered; and she inquired if it is a maximum total of about \$22,000. Mr. Honeycutt responded affirmatively. He added, when getting to the point in the permitting process that the mitigation costs are known and how much is being cleared; and he will provide an estimate for the clearing. He advised he would come back to the Zone before getting a permit to tell what the overall costs will be, with all the details for budgeting purposes that is outside of his fee; and it is something the Zone would have to pay to go forward and to get the permit.

Ms. Toland explained when the permitting process begins it starts with St. Johns Water Management District (SJWMD) and Army Corp of Engineers; as soon as the wetland permit is submitted the Army Corp of Engineers (ACE) must consult with all of its agencies to make sure its permit is not illegally issued or in violation; and they send the permit to the Fish and Wildlife Commission (FWC), which can take months to look and review the package. She advised she is trying to expedite the process by having a pre-application meeting before submittal of the permit topographic to the SJWMD to try and bypass the loop to going through the ACE; and if they are not busy, they are pretty good about coming and doing those pre-application meetings. She advised the problem with this site is poor habitat and it is on a lot of different maps for environmental preservation;

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they were put on the maps because a lot of scrub jays are declining rapidly in the North Brevard area; and that decline is because of habitat loss due to the fire suppression in overgrown habitat. She stated when this project first started compared to today, there is almost a 70 percent decline of the scrub jays numbers, which is consistent with what is being seen in North Brevard. She pointed out when an agency sees that this is in an area of sensitivity, they are not going to say there are no scrub jays without taking a strong look at it; and once that process has been gone through, they will have to answer to all those environmental agencies that tend to disagree with a decision. She advised if it known that they have a lot of confidence in what that administrative record is going to be, the Zone can keep going forward, and the permit will come while working on the site plan.

Commissioner Fisher advised the County owns the land and there may be a survey available in the Public Works Survey Department for Mr. Honeycutt to view. He stated in the next 30 days he is meeting with a potential developer who might want to partner with the land and put the spec-building up, which might change this conversation; and he will keep the Zone posted.

Mark Ryan, City of Titusville City Manager, stated the potential of a spec-building at a pad ready site has been a priority of the City for many years; and if the City were to accelerate a transfer of \$50,000 to the Zone for engineering associated with this project, there would be no need to ask for the BCR.

Mr. Post believed that would be correct; and he stated in his recommendation earlier, the legal fees connected to the formation of the Zone will have to be paid at some point, which is outside of the spec-building project; and the dollar amount of the BCR could be reduced.

Mr. Ryan explained if City Council were to transfer \$50,000 to the Zone, to offset these costs, it would help get this project underway.

Ms. Fettrow inquired what the bidding threshold is; and if the additional \$21,800 is approved for Honeycutt and Associates, Inc. scope of work does it put it over the bidding threshold for this perspective project. She stated the City's offer is quite generous to advance \$50,000, but it should go before the City Council.

Mr. Post advised the Zone has not spent anything for the spec-building project.

Scott Knox, County Attorney, advised the bidding threshold is \$25,000, but it may be \$35,000; he stated if the project is extended and more engineering services are needed, the threshold would have to be looked into of how to deal with that because it cannot be incrementally added.

Motion by Robert Jordan, seconded by Brenda Fettrow, to approved authorization for Troy Post, NBEDZ Executive Director, to submit Budget Change Request to the Board of County Commissioners for modification of budget line item Other Contracted Services from Reserves for \$45,000. Motion carried and ordered unanimously.

Mr. Post advised approving the line item for Other Contracted Services does not prevent the Zone from going to the City for the proposed offer from the City Manager of \$50,000 to help with the spec-building project.

Motion by Robert Jordan, seconded by Brenda Fettrow, to approve proposal submitted by Honeycutt and Associates, Inc. up to \$22,000 for clearing and grading a portion of the 38.58-acre tract located in Spaceport Commerce Park for scope of work fees to include collecting boundary and topography survey, agency meetings, construction plans, permitting/National Pollutant Discharge Elimination System (NPDES) and Notice of Intent (NOI), and environmental consultant. Motion carried and ordered unanimously.

V. Business Items:

New Business:

Troy Post, CEcD, NBEDZ Executive Director, advised several people have made comments about the condition of the sign leading into the Spaceport Commerce Park; there could be options to refurbish it or resign it, with some possible signage available on S.R. 407 as well; and he asked the Zone to be thinking about a concept preference for the sign at the next meeting.

Old Business:

Public Comments:

Mayor Jim Tulley advised Gantt charts are appropriate to have for scheduling and a successful budget to know how to pay for a particular project; he suggested for the Zone to have discussions about if it is better to put up one spec-building that a person could move into rather quickly or to have multiple sites with approved preliminary site plans; and he suggested figuring out a way to optimize the amount of money there is to spend, to get the greatest benefit out of all those dollars.

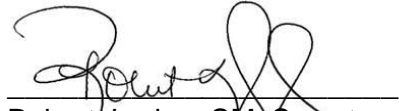
Brenda Fettrow, Vice Chair, expressed her appreciation to Mark Ryan, City of Titusville City Manager, for working with the Zone; and she wished him well in his future endeavors.

Mr. Ryan stated it has been a privilege to work with the Zone because a lot has been done; it is amazing for him to look back at the last seven years for all that has been achieved; economic development has been a forefront for this community; he thinks the Zone has dispelled the statement about the City of Titusville not being business-friendly; and he is proud of that.

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Adjournment:

By consensus of the Board, the meeting adjourned at 10:19 a.m.



Robert Jordan, CM, Secretary

Approved by the Board May 9, 2014.