

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

December 8, 2017 @ 8:30 a.m.

Parrish Medical Center - Health Village West/Heritage Hall  
931 N. Washington Avenue  
Titusville, Florida 32780

**Board Members:**

In Attendance: Dan Aton, Robert Jordan, George Mikitarian, Donn Mount, Stan Retz, and Louis Sanders

Absent: Paula Cardwell, Brenda Fettrow, and Micah Loyd

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.

**I. Approval of Agenda**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he has one change to make to the Agenda to make; under Old Business is Stinger Fiberglass; and it needs to be moved to Discussion and Direction.

Motion by Robert Jordan, seconded by Dan Aton, to approve the Agenda; and to approve moving Old Business to Discussion and Direction for Stinger Fiberglass. Motion carried and ordered unanimously.

**II. Report on Expenditures to Budget**

Robert Jordan, Secretary/Treasurer, advised Embraer has qualified for its last installment; and the remaining report on expenditures to the budget is tracking well.

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

**III. Staff and Partnership Reports:**

**NBEDZ Executive Director Report**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he met with a firm considering the acquisition of either the grouping of buildings once occupied by Ecklers' Industries on U.S. Highway 1, or a vacant industrial facility on White Drive in Spaceport Commerce Park (SCP); he has continued the conversation with Pratt CNC for the firm needing additional manufacturing and warehousing space; and he met with a real estate developer in the Port St. John area, who is considering a series of projects, that has new commercial development on Fay Boulevard and Curtis Boulevard in recent months. He went on to say he has continued his efforts to visit area bank branches and distributing updated

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materials on the Zone; he and Eric Garvey, Florida's Space Coast Office of Tourism Director, have been talking about how best to do the feasibility study of the Sports Arena Project; and he completed the latest draft issue of the *North Brevard Business Review*. He provided the Zone board with an economic dashboard templet to show select local economic statistics for North Brevard of the general population characteristics, employment activity, housing activity, construction activity, region comparison by North Brevard, Melbourne, and Daytona Beach, skills transferability for select occupations, and place of residency. He mentioned he attended a series of workshops at the National Entrepreneur Center in Orlando; he participated in a manufacturing outlook talk presented by the National Association of Business Economists (NABE); and he provided the Zone board with a handout of manufacturing outlook briefing of factors positively impacting the current United States economy, with a weaker dollar impacting American exports, and the average age of manufacturing workings in the United States is 50.

### **GTR Executive Director Report**

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, stated the offices in COlaunch are being repaired; she is expecting to be in and fully functional on January 2; and she gave a few tours to potential members and she is hopeful for those individuals to join COlaunch in January. She went on to say she held Titusville Entrepreneur Club House (TECh) meetup event at Pizza@ Titus Landing; she is applying for a beautification grant for landscape improvements at SPCA on Cheney Highway; and there are plans to have a large Christmas tree at Titus Landing since there were no holiday decorations this season. She mentioned Troy Post, CEcD, CBE, NBEDZ Executive Director, and she held the first Port St. John Entrepreneur Community meeting looking to create a Port St. John Renaissance; there are many who are interested in forming a Renaissance; and GTR was awarded a County Cultural Grant in the amount of \$4,388 for the Playalinda Festival of the Arts.

### **IV. Update on Space Coast Consortium Apprenticeship Program**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated back in August Bryan Kamm came before the Zone board about a workforce initiative called Space Coast Consortium Apprenticeship Program; there are many companies that are a part of the workforce initiative such as RUAG Space, OneWeb Satellites, Blue Origin, SpaceX, ULA, Kamm Consulting Group, and other community stakeholders; they filed for a grant through the Florida Department of Economic Opportunity (FDEO) but have not been awarded anything; it may take up to 18 months before being able to place something at the Whispering Hills campus in Titusville; and Mr. Kamm contacted him to place an item on the Agenda for January or February. He advised he is looking for some direction from the Zone board before attending any meetings next week; and he inquired if the Zone would be interested in trying to fill the \$40,000 gap that Mr. Kamm has, in addition to the \$20,000 grant given by Jobs for the Future JFF.org, and the \$20,000 grant given by National Institute of Metalworking Skills NIMS-skills.org.

Robert Jordan, Secretary/Treasurer, inquired where to put this for its requirements. Mr. Post replied two possibilities temporarily are at FABLAB or RUAG; he stated in the future they will consider building something; but at the moment a temporary structure is needed.

George Mikitarian, Chairman, suggested talking about where to put this for requirements during the January 12 planning session.

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Louis Sanders stated the skillset acquired of jobs will be for local jobs; it sounds like someone needs to go to the companies who are going to benefit from the skilled people coming into employment and getting them to step-up to the plate as well; and he thinks it would be doable for them because they are the ones who are going to get the most out of this, by having these people come right to them, and by already being trained on the machinery they are using. He went on to say there has to be a way to approach those businesses for awareness of what is going on; if they are not aware, they should be; they need to be told that a way is being looked into for them to get this type of program off the ground; and he thinks several of the bigger aerospace companies would really be interested in this, because it is for robotic machinery.

Mr. Post started some of the companies are aware it; he agreed with Mr. Sanders, that the companies should be involved; he mentioned there being some kind of formula that does involve them; he will ask when making the proposal; and this feedback helps him to give them information.

### **Stinger Fiberglass**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he moved this from Old Business to Discussion and Direction because he spoke with Artie Schricker, President/Owner of Stinger Fiberglass, Design, Inc., about his proposal to purchase one acre behind its building in the Spaceport Commerce Park (SCP); he met with Rodney Honeycutt, Honeycutt & Associates, Inc., who came up with a bit larger configuration of the parcel; and he met again with Mr. Schricker to see if he wanted to make a counteroffer because of the Zone board rejecting his original offer of \$15,000. He explained the situation for Stinger Fiberglass is that they have some money budgeted to do some construction of a fourth building, but only have about \$15,000 budgeted for additional land purchase; Mr. Schricker had inquired if there were any other kinds of programs that could possibly assist him; he provided Mr. Schricker with an application for assistance to see if something that was similarly done with Embraer's ground lease, that may have a nominal rent charged in the first two years; and then allowing for Mr. Schricker to take possession of the property to do the fourth building project, and taking what money was budgeted for the land acquisition and going forward with site work and the building. He went on to say at the end of that, maybe receive some type of grant from the Zone that would reimburse the development costs of up to \$15,000; at the end of the two-year period of the lease there would be a purchase option for Mr. Schricker to exercise, the \$30,000 for the acreage, take the \$15,000 already budgeted, combine that with the grant from the Zone, and pay the Zone \$30,000 per acre; in doing this, it would help maximize his money; and it would ensure a land sale, consistent with recent activity in the SCP, and if there is no exercise of the ground lease it would just be continued as market rent.

John Denninghoff, Assistant County Manager, stated if the lease is structured properly and it ensures that the site development plan allows for re-dividing the property effectively and efficiently, that will be fine; one thing that could not be done is move all of the retention onto one parcel; all of that can be prevented from happening with just a little bit of experience and forethought on the deal when working on the ground lease process; and later if the land is purchased, it will all come together, and it will all work out just fine.

George Mikitarian, Chairman, inquired if there is a timeline. Mr. Post replied he will have to wait to see because he has not received the application back yet.

**V. Blue Origin**

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated a Certificate of Occupancy (CO) is anticipated next week, which is the trigger of providing grant incentive within a certain period of time on the 30-acre parcel for site development costs of \$12 to \$15 million, just to make the site useable; the incentives that was offered from the Zone offsets expenses to do the site work; and in promise for that, they would build a building, and start hiring for the 300 positions. He went on to say the trigger in the grant agreement was for the construction of a 200,000 square foot building, but today the building measures 653,000 square feet, their plan has greatly expanded; one of the things told to Blue Origin was to attempt to provide them with \$8 million grant incentive in a lump sum fashion to offset expenses; the Zone does not have enough in its annual allocation each year to be able to provide the incentive of that dollar amount; and the Zone looked at a financing mechanism similar to Titus Landing. He added in order to begin this process and go before the Board of County Commissioners, will involve the County incurring the debt instrument and having the Zone through its annual allocation, to provide the necessary debt and interest payments on that, and there has to be an interlocal agreement between the North Brevard Economic Development District and Brevard County relating to the payment of debt instrument payment on the financing of Blue Origin's grant agreement. He advised if he is unable to get the Board to approve this, there is a clawback provision where the Zone would be required to make payment of about \$1.35 million each year to the company over a six-year period of time. He added it is preferred not to do that because the Zone is trying its bests to give in a lump sum fashion to the company, but that higher dollar amount per year limits for new incentives.

Scott Knox, County Attorney, advised the timing on the agreement is 120 days from the CO; however, Blue Origin has been told that this involves borrowing by the County, and the lenders will need assurance that the County has the ability to repay it; part of the issue that comes up, is whether or not the Zone and the Board had authority to borrow money and give it to a private entity like Blue Origin; in his dealings with bond counsel, they want to make sure that the courts approve that kind of arrangement; and it will require going through a validation, in order to get them to render an opinion that they think it is legal. He explained validation means going through local Circuit Court by presenting the legality, with this type of approach, and a Judge weighs in it to decide whether it is good or it is bad; after the Judge says yes it is good, then it is off-to-the-races unless somebody intervenes in the case, and tries to appeal it in supreme court; and he is hopeful for the Board of County Commissioners to hire the bond counsel to do this that is coming up on December 19.

George Mikitarian, Chairman, inquired if it is because government entities cannot use its credit for private entity. Attorney Knox replied the County cannot pledge its credit in order to benefit a private company; he stated there is an exception to the rule which is, if not pledging the credit one does not qualify; but if pledging the credit, it can be done by proving there is a paramount public purpose. He went on to say the example he has used for what a paramount public purpose is, is if the courts approved spring training facilities as a paramount public purpose, he thinks Blue Origin qualifies.

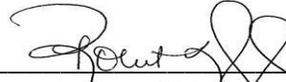
Robert Jordan, Secretary/Treasurer, inquired the total amount would be to incur offering the \$8 million. Mr. Post responded it is based on an interest rate of 3.5 percent; he stated the interest would be around \$1.2 million; and is just under \$10 million.

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Attorney Knox pointed out the Contract with Blue Origin says there has to be a good faith effort to get the financing and have to proceed on the financing.

Motion by Robert Jordan, seconded by Donn Mount, to approve moving forward with the Interlocal Agreement between the North Brevard Economic Development District and Brevard County relating to the payment of debt service on financing of Blue Origin Grant Agreement. Motion carried and ordered unanimously.

Upon consensus, the meeting adjourned at 9:19 a.m.

A handwritten signature in black ink, appearing to read "Robert Jordan", written over a horizontal line.

Robert Jordan, CM, Secretary/Treasurer

Approved on April 13, 2018.