

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

May 22, 2015 @ 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, Stan Retz, and Louis Sanders

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

**Pledge of Allegiance:** Robert Jordan, Secretary/Treasurer, led the assembly in the Pledge of Allegiance.

**V. Discussion and Direction:**

Troy Post, CEcD, NBEDZ Executive Director, expressed his thanks to the Zone board for scheduling a one-on-one briefing with him regarding the Projects being discussed today; the questions were very good; and he is hopeful those will help to craft a very good deal. He provided the Zone board with a geographical layout of the Zone; he stated for the record about if Project Panther is related to a site at Exploration Park, about a question asked if Zone funds could be utilized for what is considered Phase II, and which is across the road from an area that most people consider Exploration Park that is a graded site-ready area; he checked the Ordinance adopted by the Board of County Commissioners (BOCC); the Zone can work in Phase II; and he can forward a copy of the Ordinance if needed. He added, if an incentive is offered to Project Landmark and Project Panther, the final agreements will be brought back to Zone board for its approval, if the Zone board should choose to adopt a resolution for if any incentive package is offered to any Project; and the final written agreement specifying the terms and conditions for the incentive provisions would be presented to the BOCC at a later meeting for its formal approval prior to the execution by all parties.

Robert Jordan, Secretary/Treasurer, stated he does not have a problem with a resolution; but he does not know why a resolution is needed for what the Zone board does.

Greg Weiner, CEcD, Senior Director Business Development at Economic Development Commission of Florida's Space Coast, clarified that it is standard operating procedure; this will be closely scrutinized and typically the public does not understand; it is really just going on the record for the public about a deal that is going on and then it going on for its final approved; and if it is not approved, the deal does not move forward.

Motion by Brenda Fettrow, Vice Chair, seconded by Robert Jordan, Secretary/Treasurer, to approve if an incentive package is offered to either Project Landmark or Project Panther, and is subsequently accepted by either company or both companies, that the final written agreement specifying the terms and conditions for the incentive provision

will be presented to the Zone board at a later meeting for formal approval prior to the execution by all parties. Motion carried and ordered unanimously.

## **VI. Business Items:**

### **New Business**

#### **Economic Development Projects:**

##### **Project Landmark**

Greg Weiner, CEcD, Senior Director Business Development at Economic Development Commission of Florida's Space Coast, stated Project Landmark has been in the works for a long time and is still not a done deal; the Zone's inducement is important for the deal; there would be no way for this Project to move forward if the Zone did not exist; and he is available for any questions.

Paula Cardwell inquired if a projection for Lockheed Martin does not come to term from this offer is there anything the Zone board can do to identify that. Mr. Weiner responded affirmatively; he stated normally the terms are not negotiated until the end, but in this case two-plus years ago there were so many different scenarios about job creations and timelines, capital investment levels, and for reasons that he understands but cannot share at this time; and this is the ask of the Zone board to set aside some funds for this organization promising to create between 25 to 300 jobs, and having clarity of if they do not do certain things within certain periods amount of time. He added, due to the organizations uncertainty, the deal was constructed to provide flexibility; there are two years from the time the incentive is earned to make payment; and it is payment in arrears that is structured to work for both parties.

Motion by Brenda Fettrow, Vice Chair, seconded by Robert Jordan, Secretary/Treasurer, to approve provision of an incentive package to the economic development prospect known as Project Landmark, said provision to totally approximately \$1.75 million, subject to certain terms and conditions regarding job creation activities. Motion carried and ordered unanimously.

##### **Project Panther**

Greg Weiner, CEcD, Senior Director Business Development at Economic Development Commission of Florida's Space Coast, stated Project Panther represents an extraordinary opportunity for international recognition; the company has the ability to become a SpaceX; and had this company been in place prior to the end of the Shuttle Program, there may not have been such a hard hit to the area because it is total transformation.

Paula Cardwell stated she does not know about the scope and she thinks the diseconomies in this is quite high; she has given this a great deal of thought; she filters two things when spending taxpayer money; one is being a business person would she spend \$8 million of her own money for the risk that she sees; and two is if she said yes would she spend someone else's \$8 million in this endeavor. She went on to say that

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she would not spend \$8 million of her own money; she is not going to ask the taxpayers to do that and exposure to taxpayer risk is too high; and her vote will be no.

Mr. Weiner stated the deal is complex; Project Panther plans to create 330 new jobs with an average wage of \$89,000 and a total capital investment of \$205 million to \$220 million; the President of the company has guided SpaceX; the company does have financial ability; and they are asking for \$8 million worth of support.

Louis Sanders stated like Ms. Cardwell, he thinks about taxpayer dollars; on a bigger scale taxpayer dollars are spent every day for projects; when it comes down to the Zone board level of spending taxpayer dollars to create jobs, the risk is worth taking because some other entity will take the risk; and he is 100 percent in favor of the Project.

Commissioner Fisher stated he is sensitive about taxpayer dollars and of the Zone's accusations; he helped to create the Zone; the deal being seen is not what the company asked for; and he had said no to several other things that the company wanted. He went on to say the company has 14 years of experience; this is for 330 jobs plus the construction jobs, United Launch Alliance (ULA) has invested \$100 million in the company to help solve the Russian rocket engine problems, has built a \$50 million TestStand in Texas, and is talking about putting \$200 million in the ground here before the Zone ever pays it one penny; and he was very adamant about the Zone being the last one to write the check. He assured the Zone board that he is always worthy of the taxpayers money, but these are the deals that are giving Titusville a bad name when there is opportunity to grow; he thinks this is going to do better than SpaceX is doing, because this is a company that says they are going to manufacture here, build here, put a Launchpad here, and going to make it work in Florida; and it is a game changer that is worth the risk and has a good return on investment.

Motion by Brenda Fettrow, Vice Chair, seconded by Robert Jordan, Secretary/Treasurer, to approve the provision of an incentive package to the economic development prospect known as Project Panther, said provision to total approximately \$8 million, subject to certain terms and conditions regarding capital investment activities. Motion carried and ordered, with Paula Cardwell voting Nay.

## **Old Business**

### **Reimbursement Agreement on Titus Landing**

Troy Post, CEcD, NBEDZ Executive Director, stated Richard Broome, Titusville City Attorney, is present today to discuss the changes made to the Reimbursement Agreement for Economic Incentive Grant between Exxcel Project Management, LLC, the City of Titusville, and the North Brevard Economic Development Zone (NBEDZ); after the Zone board approved the Reimbursement Agreement, the City Council approved it with some minor changes; and he provided the Zone board with a handout showing the changes made.

Mr. Broome advised the Zone board that it has the strikethrough copy of the changes made at Tuesday's City Council meeting reflecting changes made in paragraphs one, two, and seven.

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Motion by Brenda Fettrow, Vice Chair, seconded by Robert Jordan, Secretary/Treasurer, to approve entering into a revised Reimbursement Agreement with the City of Titusville and the developer EXXCEL Project Management, LLC connected with Titus Landing, further clarifying the terms for the receipt of grant proceeds, as approved in the Economic Incentive Agreement executed by the North Brevard Economic Development Zone (NBEDZ) and the developer in 2014. Motion carried and ordered unanimously.

Paula Cardwell inquired if through the Robert's Rules of Order that she may bring up again for a vote the Cowork Space Project lease agreement; she stated she is not at all in favor of the Project and the way the agreement is written; and she asked if that could be brought back up for a discussion and for a revote. Scott Knox, County Attorney, responded a motion would be needed to add it the Agenda; and then another motion would be needed to rescind the prior action taken at a previous meeting.

Motion by Paula Cardwell, seconded by Robert Jordan, Secretary/Treasurer, to approve adding the Cowork Space Project lease agreement to the May 22, 2015, Agenda. Motion carried and ordered, with Brenda Fettrow voting Nay.

Paula Cardwell stated she would like for the Zone board to rescind its previous action on the Cowork Space Project lease agreement; and there has been some things that have come to light in the past few days that she thinks is important to bring up, and that directly effects the lease agreement. She went on to say the Zone is spending \$143,000 for a five-year grant and spending another \$80,000 for improvements to a building; how the Zone board is going to pay this stuff off is unknown; and she inquired why the Zone board should enter a five-year agreement if bills cannot be paid or if it is not viable at the end of one year, and that there is no get-out clause.

Troy Post, CEcD, NBEDZ Executive Director, responded he is not prepared for this discussion today. He stated at the last meeting the Zone board approved allocating up to \$200,000 to try to do the Cowork Space Project; last month the concept was outlined of how to spend that \$200,000 and if the Zone board wanted to proceed; and there was an \$80,000 amount to be used in the first year to subsidize the operations, because this is a venture that would not be able to sustain itself based on the participation of just membership fees. He added, there was also an allocation for improvements to the building, that could be ready for occupancy but it does not show well right now for what is wanted to be done; some paint, new carpet, upgrade of plumbing, some furniture, and some new fixtures throughout the building needs doing; and the landlord still has responsibility to take care of the roof, the air conditioner, and the electrical needs. He stated one thing that was floated as an option was to have the landlord take on those improvements done in modification to the space; and it is for not getting into the minutia of doing a Request for Proposals (RFP). He advised the Zone board that a three-year lease agreement was originally looked at because it was felt that it might take three years to know whether this experiment would succeed or not succeed; he thinks it will succeed based on the things that are in a report, but there is no guarantee; and after three years it was felt that it would be a good indicator of whether to do the project or not. He stated the base-rent figure is \$8 per square foot and totaling \$150,000 over the five-year period; the base-rent figured is well within the market rates for what kind of space existed in the downtown Titusville or in the area; and then if adding in the

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improvement costs over a three-year period to come up with an effective lease rate of \$19 a square foot. He stated the five-year lease was wanted to be done for the Zone to realize the benefit of those improvements over a five-year period instead of a three-year period; and meaning that the effective lease rate would come down to about \$12.50 a square foot when adding in the improvements. He stated last month the Zone board was asked to make a multi-year commitment for a five-year lease term and for a three-year commitment on the program; at the end of the three years, it would give sufficient time of whether the concept would work or not, and for giving time to figure if it is wanting to continue the subsidy each year or not; and then trying to sublease the place out and do something different with the building space, with use control of the building for two years.

Ms. Cardwell reiterated that there should be a get-out clause; and she thinks the Zone should not be on-the-hook if this does not fly for five years.

Ms. Fettrow inquired if in the motion to rescind is to come back to the Zone board for discussion.

Attorney Knox clarified a motion can be made to rescind the prior action and bring it back to the Zone board

Motion by Paula Cardwell, seconded by Stan Retz, to approve rescinding the prior action taken on the Cowork Space Project lease agreement to come back to the Zone board on June 12, 2015, for further discussion. Motion carried and ordered, with Dan Aton, Micah Loyd, Donn Mount, and Louis Sanders voting Nay.

Upon consensus, the meeting adjourned at 9:50 a.m.



Robert Jordan, CM, Secretary/Treasurer

Approved by the Board on July 10, 2015