

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

July 14, 2023 @ 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, Stan Retz, and Edna Wilson

Telephone: Dr. Brenda Fettrow

Absent: George Mikitarian and Donn Mount

Call to Order: Meeting was called to order at 8:31 a.m. by Robert Jordan, acting Chair.

Pledge of Allegiance: Robert Jordan

- I. Motion by Stan Retz, seconded by Dan Aton, to allow Robert Jordan to Chair the meeting in George Mikitarian's absence. Motion carried and ordered unanimously.

Approval of Minutes

Motion by Stan Retz, seconded by Dan Aton, to approve the minutes from June 9, 2023. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated they are in the last quarter of the Fiscal Year; he mentioned the budget has been presented to the County Manager's office; the budget has been approved by the Titusville City Council for the use of the City's Tax Increment Financing (TIF); and operating expenses have been less than originally anticipated.

III. Staff and Partnership Reports/Updates

North Brevard Economic Development Zone Executive Director

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he had a meeting with the Federal Deposit Insurance Corporation (FDIC) as he has done several times over the years; they update information on different economic development organizations that exist within the State; many banks are trying to make sure they know more about what economic development organizations do and ways to partner with them; and there are a

number of FDIC small business programs. He and his staff hosted a team from Global Location Strategies at the Spaceport Commerce Park (SCP) in reference to a grant program from Florida Power and Light (FPL) to select sites to do some preparation activities, environmental studies, and geo-technical studies; he received preliminary notification that SCP had been selected; the City of Titusville obtained clarity on the Brownfield Grant Program and environmental assessments can be conducted at SCP; this will help demonstrate to a client that due diligence inquiries have been done at SCP and show what needs to be done there; he attended the Emergency Management Coordinators presentation; and he has several projects in the works and two new prospects. He advised he expects the people with the Darkstorm project to attend the next meeting, although it looks like they will not be proceeding with the project; the Zone board will discuss the option to repurchase the property; he toured the Brevard Workspace in downtown Titusville; he met with the GenH2 administrator and discussed that they may need to revise the contract as they are not going to need the number of employees as originally thought; and he attended his required ethics training course.

City of Titusville

Scott Larese, City of Titusville Manager, stated he had no report but mentioned a successful Fourth of July event with approximately 8,000 attendees; and the Development department is now fully-staffed.

Dan Aton inquired about the street parties that were held in the Downtown Titusville area, and why there has not been any.

Mr. Larese replied the City used to help fund the parties with the Community Redevelopment Agency (CRA) funds and the rules were changed as to how that marketing money could be used; he mentioned the Downtown Merchant Association was in charge of that, but are dysfunctional now; the big cost is for closing down US Highway One, which is about \$5,000; and other options have been discussed but were not approved.

Mr. Post remarked that NBEDZ has a line-item in the budget for promotional activities; he would need to have the County Attorney review to see if it is an appropriate use of the funds as a marketing activity; and he can look into it, as there is enough money in the budget for that.

Titusville-Cocoa Airport Authority (TCAA)

Mr. Post noted that there is a page in the binder from Kevin Daugherty, TCAA Director, in his absence.

IV. Discussion and Direction

Titusville Mall Developer Redevelopment Project:

Developer's Capacity Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the report from the East Central Florida Regional Planning Council, as well as the Economic Impact Study performed by NBEDZ staff, was sent out electronically to the board members for review;

he reviewed the ratings on the reports with the Zone board, noting that he does not expect a recommendation from the Zone board today for the incentive; he suggested a feasibility study could also be helpful to prove the project could actually work; and he asked the Zone board to do some additional due diligence before taking a vote.

Input on Possible Inducement Structure

Mr. Post stated a possible incentive could be given under redevelopment or strategic initiatives; for the redevelopment, the emphasis would be completion of the new buildings, like the Titus Landings project; for strategic initiatives, it would be a reimbursement for some of the infrastructure taking place; the legal question would be whether or not this would qualify as a public purpose use; and he mentions that because the money for the grant would likely come from the City Tax Increment Financing (TIF), not the County TIF. He added under the City TIF, the understanding is that the money would have to be used for a public purpose to drive economic development; he would have to make sure that the things being reimbursed for could be considered a public purpose, such as sidewalks, and stormwater retention; as far as the amount of the grant, it will be a small percentage of the total amount for the project; and the most that NBEDZ could provide would be \$2.4 million. He went on to say the reimbursements would be made in phases upon each specified level of completion over the next three or four years; the approval would go to the City Council and then to the Board of County Commission; and he made some suggestions for the clawback.

The Zone board discussed the inducement and the qualifying factors; the consensus was for strategic initiative for the infrastructure, as it would be beneficial to the City; the majority of the board suggested it would be better to demolish the entire building first, rather than in phases, but understood it was due to financing and the existing retailers; and Mr. Post opined it would be best to follow what was done with Titus Landing.

V. Old Business Items

Second Amendment on NAP Proposed Purchase

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this has already been approved to enter into a real estate contract and approved by the Board of County Commissioners; it was scheduled to close in June, but NAP would like to assign the contract to its Ohio LLC and take title in that corporate entity's name; they do not have the ability to assign it without the Zone board's and the Board of County Commissioners' approval; and he asked Morris Richardson, County Attorney, for direction.

Attorney Richardson remarked he would look for authorization from the Zone board to do whatever is required; at a minimum, there is going to be an assignment, but it may require an amendment to the contract, as there was some contractual language about the assignee being a Florida entity, but this LLC is based in Ohio; and the entity would have to be authorized to do business in the State of Florida.

Rodney Honeycutt inquired why it is in the NBEDZ contract that it should be a Florida corporation.

Mr. Post replied it does not have to be, but the contract was already signed; and NAP cannot do an assignment without the Zone board's approval.

Attorney Richardson stated he thought it was unusual as well; he asked Christi Schverak, Assistant County Attorney, and she was not aware of any reason that was there; and to his knowledge, there is no reason why that requirement was inserted there.

Motion by Dan Aton, seconded by Bart Gaetjens, to recommend to the Brevard County Commission that it permit the assignment of the real estate contract with NAP to its Ohio LLC and, if necessary, a contract amendment, thus permitting the development of a pad-ready site, subject to all other existing provisions, including the clawback agreement, remaining. Motion carried and ordered unanimously.

Approval “as to form” for Project Topaz

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated that he was trying to comply with the company’s deadline to make a decision; NBEDZ is in competition with Alabama, Colorado, and Texas for this business; an agreement must be made so it can be taken to the Board of County Commission as soon as possible; he discussed with the Zone board the changes needed for the contract; and he asked for a motion that gives him the ability to go back to the company with legal counsel to negotiate the final form of the document. He noted that he wanted to get it on the agenda for the next Board of County Commission meeting on July 25, 2023; and he would ask the Commission to approve the final contract.

Morris Richardson, County Attorney, inquired about the insertion of the overtime wages that was not there previously in the definition of average project wage; he does not know if it was a discussion issue in the past or if there is any reason why the Zone board would not want to consider that revision; he will review for compliance and legal requirements; and he asked for any comments about that.

Robert Jordan remarked he does not remember that ever being included in the wages; but it could make a difference in the number of employees or rate of pay.

Stan Retz noted the agreement does have a number of employees and the average wage.

Attorney Richardson mentioned that the agreement requires a minimum number of employees and a minimum annual salary; even though the annual goal for salary might be reached if overtime is included, it could reduce the hourly rate; and it is not a concern for him, just a policy issue for the Zone board.

Rodney Honeycutt stated he might be concerned if the wage was \$40,000 per year, but not as concerned at \$89,000.

Mr. Post mentioned there were some language changes to Section 3.1., Project Description; he noted there are always a few details of the square feet of the building, construction, et cetera in this section, but the company wanted it more vague; the number of employees was changed to “up to” 300; and they would only get paid for the jobs created.

Bart Gaetjens asked about “multi-decade” and when NBEDZ would sunset.

Mr. Post replied the incentive would have to be paid-out by a certain date, which is well before the end of the Zone; and the clawback covers a three-year period after the incentive is paid.

Attorney Richardson noted that Section 3.1.1. is really just aspirational marketing from the company and does not need to be in there; and it does not have anything to do with the actual timeline.

Mr. Post noted that Section 3.1.3. has been stricken but he did not think it needed to be in there anyway.

Attorney Richardson responded he will check with Christi Schverak, Assistant County Attorney, next week; he wants to see why it was added in the first place; it is really just restating Federal law; and he feels it is unnecessary, but will look into it. He stated that Section 3.2.1. has "a minimum of 25 jobs" inserted, but there is a provision in the Zone Plan with an eligibility provision that states the company must create a minimum of 30 new permanent full-time jobs within a three-year period; that number will need to be changed to 30; and he has no objection to the addition of "or such earlier date..." clause, as this would be similar to paying off a loan early.

Mr. Post asked Attorney Richardson to review the changes in Section 5.2. and 5.3. with the company's attorney and determine if the Zone board should agree to the changes.

The Zone board discussed the amount of clawback and how it should be determined; Attorney Richardson was given enough direction to suggest changes to the language with the company's attorney; and the Zone board agreed it was a big win for the area and the local economy.

Mr. Post asked Attorney Richardson about the proposed change to the public records disclosures and whether that could be changed.

Attorney Richardson replied the company would have the ability to interject if, for instance, it was a trade secret; and he has no objection to the change.

Motion by Stan Retz, seconded by Dan Aton, to authorize Troy Post, CEcD, CBE, NBEDZ Executive Director, to negotiate with the applicant (Project "Topaz") within the parameters provided by the Zone board; for the agreement to be brought before the Board of County Commissioners to be subject to the County Attorney's approval, with a provision that the company shall create a minimum of 30 jobs, not 25; and incorporating the board-recommended changes to minimum wage and the clawback provision in Section 5.3. Motion carried and ordered unanimously.

Upon consensus the meeting adjourned at 10:03 a.m.



Donn Mount, Secretary/Treasurer

Approved on August 11, 2023