

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

August 12, 2016 @ 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, Robert Jordan, Micah Loyd, George Mikitarian, and Stan Retz

Absent: Brenda Fettrow, Donn Mount, and Louis Sanders

Call to Order: Meeting was called to order at 8:34 a.m. by George Mikitarian, Chairman.

Pledge of Allegiance: Stan Retz led the assembly in the Pledge of Allegiance.

I. Approval of Agenda:

Motion by Robert Jordan, seconded by Stan Retz, to approve the Agenda as presented. Motion carried and ordered unanimously.

Review and Approval of Board Minutes:

Motion by Robert Jordan, seconded by Micah Loyd, to approve the NBEDZ meeting minutes of June 10, 2016, as presented. Motion carried and ordered unanimously.

II. Report on Expenditures to Budget:

Robert Jordan, Secretary/Treasurer, stated the budget is tracking well.

Motion by Dan Aton, seconded by Stan Retz, to approve the 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 Susan Palma, Percision Shapes, Inc., who is coming along well and based on the expenditures provided, they have now qualified for incentive award from last September; a lot of documentation had been provided to him which is needed to turn in to the Clerk of Court Office for qualification of incentive award, evidencing what the business has done; two large machines have been put in place and to date, \$646,740 had been spent in order to do the project; 15 jobs were created versus seven to 10 jobs, with a total workforce of 51; she has some additional plans to do over the next couple of years; and she offered a tour after the conclusion of next month's meeting of the facility. He went on to say he was invited to appear before the Titusville Cocoa Airport Authority (TICO) to discuss initiatives

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because they are in the process of updating some plan documents and trying to determine the best use for some of the property they have at the Airport, along with the 110-acre tract they purchased between S.R. 407 and Grissom Parkway, that is just south of the Spaceport Commerce Park (SCP), and surrounding properties at the Airport; and he stated that TICO is interested in participating in the proposed certified site program that the Zone and the Space Coast's Economic Development Commission (EDC) have to implement on a Countywide basis. He advised he joined Edyie McCall, City of Titusville Economic Development Director, in a discussion with Forrest Smalley, Florida Natural Gas Association, on the feasibility of extending natural gas service to users in the SCP; it will be an expensive undertaking extending a line from the west along S.R. 405 for SCP tenants such as Astrotech/Lockheed and Knights Armaments needing to participate in a cost-sharing arrangement bringing natural gas to SCP; and if an economic development project is wanted in SCP, maybe there could be some piggybacking for federal assistance for needed natural gas as an alternate energy source. He stated the bylaws for an industrial park association at SCP, has the goal of sending out the initial document to companies in SCP by Labor Day, following the review of County Attorney, and meeting with firms through a series of one-on-one sessions to get feedback. He stated he met with Tom Engler, Center Planning and Development Director at John F. Kennedy Space Center (KSC), National Aeronautics and Space Administration (NASA), and Nancy Potts, Senior Economic Development Manager, about initiatives that NASA is pursuing for land development; they currently have a notice of availability that he passed around to the Zone board, where they are trying to get private sector companies to see what the assets are at KSC, and if interest they can submit an application and go through a review; it is an approach to try to redevelop some available spaces through private sector companies; and giving the Zone an opportunity to find out if some companies may want to have presence outside the fence, by giving the leads from this to the EDC. He advised that he submitted a written Request for Qualifications proposal for retaining civil engineering services on a continuing basis, to help with pad-ready site work at SCP; due to the cost, it will probably exceed County requirements to go through the bidding process; and he is hopeful to bring some finalized information to the Zone board in September. He mentioned there are projects coming for the September meeting, with one involving the Logistics Center; and he will keep the Zone board apprised as no formal application had been received. He provided the Zone board with a PowerPoint Presentation of iCAST 2016 Annual Trade Show of the American Sport Fishing Association; he stated he was a guest of the Tourist Development Council (TDC) Florida's Space Coast Office of Tourism, to explore the show; it attracted more than 15,000 industry representatives and over the next several years it will take place in Orlando; in the United States there are over 60 million anglers and recreational fishing generates \$115 billion to the economy; since 2006, angler numbers have grown by 11 percent; the show featured product demonstrations, debut of new products and equipment, promotion of brand and ad messages, and networking opportunities; a few local firms already have a presence at the show; the possible steps for partnerships could be build a campaign for relations with select companies, work with existing firms in the area to create synergies, partner with TDC for exhibition space at the 2017 iCAST Show, and use some SEDC volunteers to help stage exhibition space for some marketing to take place; and he provided a flyer to the Zone board of Join a Vibrant Community of Marine and Fishing Equipment Manufacturers in North Brevard, Titusville, Florida.

Paula Cardwell inquired what is the number of vendors SEDC has. Mr. Post replied he can find out. Ms. Cardwell inquired what part of that \$115 billion industry the Zone has

carved out. Mr. Post responded he does not know, but he could generate that information. Ms. Cardwell pointed out there are 124 Charter Licenses in Titusville.

Greater Titusville Renaissance Executive Director Report

Cathy Musselman, Greater Titusville Renaissance (GTR) Executive Director, stated business development is continuing and she gave four tours; she is working to drum up new membership interests; she met with Dr. Michael Foster on a business workshop for artists; and she met with Eastern Florida State College (EFSC) about options on training programs being offered out of COlaunch. She went on to say the Bike Trail Beautification Project is moving forward and she is talking with Florida Department of Transportation (FDOT) about regulations of planning's to do along the U.S.1 corridor, coming in from the north side of the City of Titusville; and she is continuing with Food Truck Mondays, downtown street parties, Art & Algorithms 2016, Indian River Festival, 150th Anniversary of Titusville Celebration, local arts initiatives, and attending North Brevard Mural Society mural dedications. She stated she is continuing with communications of weekly events listing and newsletter on Facebook and Twitter to promote area events; she submitted to Lead Brevard a community project proposal for GTR Youth Academy, and she is collaborating with The Forge Youth Center on youth programs; she is attending Florida Main Street Conference in DeLand for community sustainability projects, building a vibrant downtown area, and volunteer retention and recruitment; and she worked on grant research and submissions, and she submitted an application for a Brevard County Cultural Grants, TD Bank community grants, Publix Charities grant, and met with GTR board members and City of Titusville's City Council regarding GTR funding.

Paula Cardwell inquired the percentage of occupancy at COlaunch. Ms. Musselman responded COlaunch has six members; she stated two are using offices, and four are using basic services; there is one walk-in; and she met with an attorney from Pennsylvania who is looking for a satellite office in Florida, and may use COlaunch as a mail drop and occasionally visit with a client.

Micah Loyd inquired if Patrick Pearce is a client of COlaunch. Ms. Musselman replied he submitted an application and was accepted; but he declined acceptance through an email due to conflict of interest.

IV. & V. Discussion and Direction:

Presentation by Mayor Jim Tulley on Space Coast FABLAB

Jim Tulley, City of Titusville Mayor, introduced David Beavers, Manager, and Kevin Hanson, Financial Manager, of Space Coast FABLAB to the Zone board; he provided a presentation of Space Coast FABLAB; he stated FABLABs are a global network of local labs, enabling invention by providing access for individuals to tools for digital fabrication; the Project-Based Learning (PBL) is a Florida non-profit dedicated to helping individuals grow through knowledge and skill; and PBL owns and operates both the Space Coast FABLAB, the largest makerspace in Florida and Brevard Tech Village, a startup incubator for students and entrepreneurs. He went on to say FABLAB has grown from 1,000 square feet to 22,000 square feet for classrooms, meetings, laboratories, entrepreneurship, shops, and project spaces for groups of all ages; they are already doing what he imagined could be done in North Brevard; and it has a similar appearance of COlaunch that he noticed while attending a quarterly Mayors meeting held at FABLAB. He advised the Zone board

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that FABLAB is looking to expand throughout the County; this is an opportunity for the Zone board; this is already part of the Business Plan, to encourage entrepreneurs which is why there is COlaunch; but this is bigger and better than what COlaunch could be, combined with the kind of thing the Space Museum wants to do to encourage and motivate students. He went on to say this is to motivate and encourage students, and taking that part at COlaunch, and putting those together because FABLAB would like to help COlaunch; and he is hopeful for the Zone board to amend its Business Plan to include workforce development to help start funding something like FABLAB, and being one more thing showing the high-tech nature of knowledge in the County, in North Brevard, and another attractor to enhance the area.

Mr. Beavers stated he would like to have a location in North Brevard as well; there is room for it in North Brevard; and it would collaborate well with COlaunch by helping to put startup companies into the community.

Mayor Tulley suggested planning a fieldtrip for a Zone board meeting at FABLAB to tour and use its conference room, to discuss ways of how it may apply to North Brevard.

Mr. Hason stated the total budget to operate Space Coast FABLAB is \$475,000 a year; 50 percent of that is earned from certification programs and classes that corporations pay for its employees to continue learning; product companies pay to sponsor Elementary and Middle School fieldtrips; the community support that comes in from volunteerism is great because they have to compete to be a volunteer; and they have an entrepreneurial wing of the building, where if one would want to be in that center they must bring value to the center, and they may be able to be have space in that center for free through volunteering, which is helpful in keeping the operating budget low. He explained that the reason for expansion is from all the donations received; and it does not take a lot of staff when there is over 1,800 hours a month of volunteered time.

Mr. Beavers added, most of the electronics FABLAB has come as donated garbage; and initially there is about \$250,000 worth of startup equipment.

Secretary Jordan inquired what is the number of students visiting FABLAB each month; and he inquired the number of square feet needed. Mr. Beavers replied the field trips generate approximately 400 to 600 students per month, and 5,000 to 10,000 square feet is needed.

Paula Cardwell stated FABLAB has a great program.

Dan Aton stated FABLAB goes hand-in-hand with COlaunch and is only needing access to capital equipment, expertise, and mentoring because those are not things one would have access to.

Mr. Post stated he met with Mr. Beavers about one year ago and FABLAB is very impressive; after today's feedback he will get together with Mr. Beavers to see what could be crafted; and he will bring them back at a subsequent meeting for the Zone board to review.

V. Business Items

New Business: Redevelopment Project in Port St. John – Phillips Edison & Co.

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Scott Adair is Vice President of Community Partnerships at Phillips Edison & Co.; this project is located in Port St. John and the Company acquired the property that has a grocery store anchored currently by Winn-Dixie, and it has about 80,000 square feet of space; Phillips Edison & Co. presently owns 320 plus shopping centers across 39 states; and the situation faced is with the Winn-Dixie lease expiring this year, seven other retailers at the site have leases expiring over the next three years. He went on to say the Company has come to the Zone with a request to help assist property improvements and to redevelop the site; and in doing so, it will result in retaining Winn-Dixie, and ensuring that the shopping center remains a competitive retail location in the future. He stated the property improvement breakdown is to replace the roof and gutter over Winn-Dixie and shop spaces, LED lighting upgrades and conversion, refurbish existing pylon sign and sign panels, repaint building storefronts and facades with multi-tone paint, parking lot resurfacing and stormwater contouring, new trash receptacles, Americans with Disabilities (ADA) upgrades and corrections, irrigation upgrades and water mitigation, new landscaping, and tree removal and detention pond mitigation; the property improvements is \$1,034,000 and is likely to go up to \$2.5 million; and maintaining the 5:1 ratio need to be considered a redevelopment project. He advised the benefit of a project like this is to encourage the retention of those existing tenants and hoping to fill up the vacant spaces; and in addition to enhancing the capital improvement it will increase the property value. He stated as a redevelopment project jobs do not necessarily have to be tracked, but he had the Economic Development Commission of Florida's Space Coast prepare an Economic Impact Analysis of 93 direct jobs, 14 indirect jobs, and 17 induced jobs for a total of 124 jobs; and the Company is trying to do what it can to maintain its existing tenants. He mentioned the economic impact and corporate responsibility are to improve the safety for the site; the stormwater runoff and pond detention area helps to improve the health of the Indian River Lagoon; he thinks it is a good project, and based on the current property improvements, it is an incentive of \$200,000; and if the property improvement totals do increase up to \$2.5 million, the total incentive would be \$250,000. He stated this incentive would be a performance-based grant incentive of up to \$250,000 to be reimbursed for the overall project cost.

Mr. Adair stated his role with Phillips Edison is to work with the community on these types of proposals; he served in his community on boards like the Zone; the concern with this site is that Winn-Dixie seems to have lost some interest because of activities occurring in the area and because of the Publix located up the road; and while talking with Winn-Dixie about renewing the site, they shared that the store was not a poor performer, but was not a great performer either. He went on to say they were kind of on the fence of they wanted to renew at the same location; and once a shopping center loses its major anchor it devolves other business occupying space there. He added, the goal is to be able to improve the site and to retain Winn-Dixie at the site, and to encourage working on an added term to exercise its option of a long-term commitment.

Stan Retz pointed out a grocery lease is usually 10 to 20 years with options.

Dan Aton inquired if the funds would be contingent on Winn-Dixie signing a new long-term lease; and he inquired what Winn-Dixie does for the community to give dollars back other than just jobs. Mr. Adair responded affirmatively; and he replied they advocate for

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community partnerships and work with communities to host events for bicycle safety, flu shot mobile clinic parking, a float staging area for municipalities, for utilizing space to cobrand and drive in activity, and being a member of the local Chamber of Commerce.

Mr. Retz's absence is noted at 9:59 a.m.

Micah Loyd stated it should be tied to capital improvements, not maintenance; and the purpose of the Zone is to increase the tax base and to partner with businesses, and people to put money into the community helping to increase the tax base.

Paula Cardwell agreed with Mr. Loyd; and she recommended up to \$200,000 for capital improvements.

Motion by Robert Jordan, seconded by Micah Loyd, to approve up to \$200,000 for capital improvements to Phillips Edison & Co., as long as it meets the definition of capital improvements provided by the County Attorney, contingent upon a five year lease term extension with Winn-Dixie, and to maintain the 5:1 ratio. Motion carried and ordered unanimously.

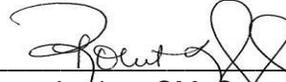
Commissioner Fisher stated during his budget process learning he has recognized with the Community Redevelopment Agency (CRA) there is about \$5 million a year going to those districts; as he watched deal after deal come before the Board of County Commissioners, it was incentivizing companies in South Brevard; and the Zone was created for North Brevard and now the benefits of that are beginning to be seen. He went on to say he has concern of the rhetoric heard of the campaign, that people want to do away with the Zone; if that happens the CRA's that are in place are pretty old and it is hard to stop funding those; the Zone has some commitments out there, but it is a fairly new organization; and what will happen is falling back into the cycle of where the dollars that the Zone gets will fall into the General Fund, and those dollars will get distributed in whatever way the Commissioners see fit. He stated Titusville will be taking steps backwards in being able to incentivize and get people to come; the Zone board needs to be weary of that; he heard Commissioner Infantini has never liked the Zone and Commissioner Smith has had some concerns, but has been supportive of the Zone; Micah Nix, John Tobia, and Kristine Isnardi all want to abolish the Zone; and Patrick Pierce is another person for the Zone to be concerned about. He advised they would not be able to get rid of the CRA's in South Brevard easily because they are already committed with dollars tied to them; and he asked the Zone board to weary of who the next District 1 Commissioner is. He stated there was no population grown from 2000 to 2013 and he has a fear of things going backwards; growth is starting to be seen due to incentivizing; and he has a fear of the Zone being at risk. He stated he has been working hard trying to get a hotel in downtown Titusville; the hoteliers keep telling him there is not enough activity to make that kind of future investment and the bicycles just are not enough, but he will continue to work on that; the Port's deal for the Cove fell apart; and he is participating in a fourth meeting with Harley-Davidson about coming to Titus Landing.

Ms. Cardwell stated it is inappropriate for Commissioner Fisher, being an elected official, to bring up other candidates having a different stand than he. She inquired if in the budget expenditures per business can be extrapolated out to see running data of what

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was paid out and the milestones accomplished. Mr. Post stated due to them all being performance grants, they have timelines that are really contingent on a company getting these types of deals. Ms. Cardwell suggested a forecast with contingencies.

Upon consensus, the meeting adjourned at 10:31 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 December 9, 2016.