

MINUTES OF NORTH BREVARD ECONOMIC DEVELOPMENT ZONE
(NBEDZ)

SPECIAL DISTRICT BOARD, GOVERNING BODY OF THE SPACEPORT
COMMERCE PARK AUTHORITY

August 11, 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, George Mikitarian, Donn Mount, Stan Retz, and Edna Wilson

Telephone: Dr. Brenda Fettrow

Absent:

Call to Order: Meeting was called to order at 8:30 by George Mikitarian, Chair

Pledge of Allegiance: Robert Jordan

Special Recognition of Christine Schverak

George Mikitarian stated a special guest is present who has been with the Zone for quite a while; from his perspective, and he thinks he speaks on behalf of the Zone board, she has done an incredible amount of intelligent, academic, and sometimes frustrating work, as she attempts to interpret the intentions of nine separate and distinct members of the Zone board; the board has a lot of thanks to throw her way; but he does not think he can say anything that comes close to the work, and quality of work, that she has done over the years. He stated he is sad to see her go, but happy for her in terms of the next phase of her life and journey; he hopes she stays in touch, but knows she will be watching a lot of the projects to see them through fruition, knowing she had a large part to play in the success of those projects, the companies, the people that work for those companies, and this community that has relied on the Zone to help it revitalize and thrive; she had a large role in that; and he thanked her for that.

Christi Schverak thanked the Zone board; she stated it has been a pleasure and a privilege working with each board member; she believes in the work the Zone board is doing and continues to do; she wished everyone the best; she knows good things will continue to happen; and she knows the board is in good hands with Morris Richardson.

Troy Post, CEcD, CBE, NBEDZ Executive Director, presented Ms. Schverak with a plaque; he stated he appreciates all the time she spent with the board; he mentioned

how often he and Ms. Schverak would get together to work on the details and language for the agreements; and he thanked her and stated she will be missed.

Ms. Schverak stated she wished everyone the best of luck.

Approval of Agenda

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

Approval of Minutes

Motion by Robert Jordan, seconded by Dan Aton, to approve the minutes from July 14, 2023. Motion carried and ordered unanimously.

Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated the financials are tracking well towards the end of the Fiscal Year; he will be updating the cash flow analysis; he will be preparing for Clerk's Finance an update on all the projects with pending disbursements; and that will be seen in the next couple of months as the year is closed out.

Motion by Bart Gaetjens, seconded by Robert Jordan to accept the Report on Expenditures. Motion carried and ordered unanimously.

Staff and Partnership Reports/Updates

North Brevard Economic Development Zone Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he participated in a webinar presentation by the Department of Commerce on the Hurricane Ian Recovery Fund for housing assistance; some of the uses include infrastructure improvements, which could include the sanitary sewer improvements along Grissom Parkway; he met with SpaceTec about a training center project; and he worked on the North Brevard Business Review newsletter. He added he met with Commissioner Steele about Project "Topaz"; it is a possibility that it could be on the next Board of County Commission meeting on August 22; he is trying to get more information on the downtown farmer's market and street parties to see if there is anything that the Zone could do; he attended another webinar and met the new leadership at the Florida Department of Commerce; and there have been a lot of changes, but most of the programs that were in place are still there. He noted he is working with the Economic Development Commission of Florida's Space Coast (EDC) on two new projects, "Hummingbird" and "Nova"; he mentioned Space Perspectives is having a ribbon-cutting event on August 22; and he is currently tracking seven EDC-led projects.

City of Titusville

Scott Larese, City of Titusville Manager, stated the City has mobilized on a \$9.5 million sewer project, replacing a force main that runs from the South Street lift station up to the Osprey Plant; there will be rolling road closures, but hopes it will be done by the end of the year; and the Southside project should be ready for final inspection soon. He added that Titusville is usually in the top 20 of affordable Florida cities and, as of yesterday, it is the most affordable city in Florida.

Titusville-Cocoa Airport Authority (TCAA)

Kevin Daugherty, TCAA Director, stated the master plan is moving forward; they will be notifying technical advisory group committee members and community advisory group members up next; Space Coast Innovation Park phase one is in for site plan approval of the three buildings; and they are moving forward on the Challenger Avenue extension.

Discussion and Direction

SpaceTec's Proposed Defense Training Center

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated SpaceTec has been around for years providing aerospace technical education and certifications in the industry; they received an appropriations commitment for \$1.5 million to do a defense training center; NBEDZ has already been working on an aviation training facility at the Eastern Florida State College (EFSC) in Titusville; this training center will be different and will target mechatronics, advanced machining, fiber composites, aerospace welding, additive manufacturing, and IT cyber security; and there is a real need for this. He went on to say that he thinks there will be an application for assistance forthcoming; they plan to lease 22,000 square feet from Beyond Gravity in the Titusville Logistics building, build out the training center, purchase capital equipment, and hire instructors; the training center will not be limited to EFSC students, as it would extend training opportunities to non-students as well; and they will likely need financial help from other entities as well.

Dan Aton asked if capital equipment is under the workforce training initiative or under the workforce development component.

Mr. Post replied it would be under workforce development under the strategic initiatives part of NBEDZ.

Letter of Support – City's Application to EDA for Special Purpose Grant

Mr. Post stated the City of Titusville has identified a grant program through Economic Development Agency (EDA) to apply for; it is going to require having a lot of community organizations provide letters of support; and it is a competitive grant that the funds could be used for a variety of economic development purposes such as infrastructure and workforce training.

Nicholas Gow, City of Titusville Economic Development Director, stated the grant is specifically designed to attack areas that are deemed to have a high prime-age employment gap; Titusville is eligible on a lot of different census tracks; and it can be

used for workforce development, capital, infrastructure investments, or used in conjunction with another grant. He went on to say Phase one is for developing a plan, using \$250,000-\$500,000; and Phase two would be \$20-\$50 million.

Scott Larese, City of Titusville Manager, noted that after Phase one, everyone that wins Phase one does the strategic plan; and all the plans go into a drawing to be selected for the Phase two money.

Mr. Post stated this is just permission to prepare the letter; there is no commitment from the board financially; and it is only a letter of support.

Motion by Robert Jordan, seconded by Bart Gaetjens, to prepare a letter in support of the City of Titusville's application for a grant from the Economic Development Administration's Recompete Pilot Program. Motion carried and ordered unanimously.

New Business Items

Request for Inducement on Titusville Mall Redevelopment

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Jesse Wright has a very comprehensive plan for the redevelopment of the Titusville Mall; there are several challenges with the site, including stormwater detention; Mr. Wright is asking for assistance from the Zone; and the grant award could be up to \$2.4 million for the redevelopment. He added that this would be a redevelopment project so he would not be tracking jobs, although he would be interested to know the number; he suggested breaking down the grant into installments of \$600,000 per year beginning in 2026, to be based on performance measures; the clawback would be tied to holding the property for a certain number of years, or possibly allocating a percentage of residential space to workforce housing; and he opened the floor for Mr. Wright and his partners.

Mr. Wright stated he had a good meeting yesterday with the City of Titusville and the site plan should be approved soon; he mentioned he has no intention of selling any portion of the property; he introduced Bill Mullally, liaison between Commercial Property-Assessed Clean Energy Financing (CPACE) and United States Department of Agriculture (USDA) financing, Daniel McKenna, president of Pace equity, Matt Beasley, president of Beasley Construction, and Dale Parsons with Construction Design Group of Florida; and he plans to include the Cambria hotel, assisted living, and the two restaurants on US Highway One as part of phase one.

Robert Jordan asked to help him understand how the CPACE people get paid.

Mr. McKenna replied usually the bank will issue a Uniform Commercial Code (UCC) on the property; Chase has a special assessment, similar to a Tax Increment Financing (TIF), allocated for that parcel; and when Mr. Wright gets his property tax bill, there will be a line item for CPACE.

Mr. Jordan mentioned the tight schedule and asked Mr. Beasley if he had any concerns.

Mr. Beasley replied the issues would be with the lead time for the lift station, which usually takes around eight months; and he briefly discussed some of the other projects he has done.

Bart Gaetjens asked whether there were any rankings from the financial analysis and if there was any cause for concern.

Mr. McKenna replied the appraisal is the governing document for the analysis; they have very tight standards on their underwriting and have to make sure they are 35 percent or less on the completed asset value; they have to insure there is enough cash flow to cover both the USDA loan and the CPACE assessment; and there are no concerns as their financing is fixed for 30 years.

Bill Mullally explained the USDA loan portion; they work with a group called Greater Commercial Lending, a packaging group, who will put the package together and submit it to USDA; once USDA approves it, they will fund it with a community bank or credit union as a lead lender; and it takes four to five months for the process, start to finish.

The board continued with questions and discussion about green energy certification, energy audits, funding of the different phases, parking, the lift station, and milestones; and then they discussed how to structure the inducement with Morris Richardson, County Attorney.

Motion by Robert Jordan, seconded by Bart Gaetjens, for Troy Post and Morris Richardson to work together with the Titusville City Attorney and the developer to bring back a more finalized agreement to the board at a future meeting for final approval. This will include a not-to-exceed amount of \$2.4 million for the inducement, with the incentive structure to be based on milestones related to completion of thresholds in the project, making sure they comply with the redevelopment plan, which requires a 5:1 Return on Investment; and to include a clawback not to sell the property for a period of two years after completion. Motion carried and ordered unanimously.

Redevelopment Project: 3304-3310 South Hopkins Avenue (Tuan Le)

Troy Post, CECD, CBE, NBEDZ Executive Director, stated this is a redevelopment project for Hopkins Avenue being brought to the Zone board by Tuan Le, whom the Zone has provided an incentive for in the past; he has incurred a City ordinance violation on the building that must be corrected or an order will be issued to demolish the building, which he does not want to do; and he plans to rehab all the units with exterior and interior improvements, site work on the parking lot, electrical, plumbing, and air conditioning, costing \$1.1 million. He recommended to the Zone board that it could be a redevelopment project with a possible inducement of \$100,000 or possibly more; and reimbursement would be conditioned upon levels of completion and code violation satisfaction.

The Zone board discussed the project and the success of Mr. Le's previous project that the Zone incentivized; and suggested Mr. Post contact Mr. Le and request a proposed concept of the completed project.

Old Business Items

Approval “as to form:”

EIA on Valiant Air Command

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this agreement was accepted by the organization for \$500,000; the agreement included that the building would be available for public rent or lease and that they would agree to civic community use, enabling it to be used by the City of Titusville or the County for up to 10 days per year at no charge; and there are clawbacks in place.

Motion by Robert Jordan, seconded by Dan Aton, to approve the agreement for Valiant Air Command “as to form.” Motion carried and ordered unanimously.

EIA on Project “A&B Automotive”

Mr. Post stated this is a standard redevelopment project with the typical clawback that the owner not sell for a period of two years after completion.

Motion by Bart Gaetjens, seconded by Edna Wilson, to approve the agreement for A & B Automotive “as to form.” Motion carried and ordered unanimously.

Request for Amendment on ACRA Lock Project (Eamon Holdings)

Mr. Post stated that the project known as ACRA Lock, which is also Engineered Bonding Solutions, was originally going to build a building in Spaceport Commerce Park; they found a better opportunity to renovate an existing building on Buffalo Road; the incentive agreement was changed and issued to Composite Construction and Realty Corporation and Eamon Holdings; the reimbursement for the grant should go to Engineered Bonding Solutions; and another amendment would need to be made to affect that change.

Donn Mount noted that this grant was already agreed to and executed; and all that is being done is changing the name of the entity for the grant check.

Motion by Rodney Honeycutt, seconded by Bart Gaetjens, to accept the amendment to the ACRA Lock Project, reflecting the assignment of the grant money to Engineered Bonding Solutions; and the board authorized the Chair to sign the amended agreement. Motion carried and ordered with Stan Retz and Dan Aton abstaining.

Robert Jordan asked if there was an agreement to give a grant to the Police Hall of Fame; and he asked how much.

Mr. Post replied yes; and he believes it was \$500,000.

Upon consensus, the meeting adjourned at 10:20 a.m.

A handwritten signature in black ink, appearing to read "Donn Mount". The signature is fluid and cursive, with the first name "Donn" and the last name "Mount" clearly distinguishable.

Donn Mount, Secretary/Treasurer

Approved on September 9, 2023