

MINUTES OF NORTH BREVARD ECONOMIC DEVELOPMENT ZONE
(NBEDZ)

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

September 8, 2023 @ 8:30 a.m.

Statham Park

7101 U.S. Highway One
Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Rodney Honeycutt, George Mikitarian, Donn Mount, Stan Retz, and Edna Wilson

Telephone: Bart Gaetjens and Robert Jordan

Absent: Dr. Brenda Fettrow

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

Pledge of Allegiance: Dan Diesel, City of Titusville Mayor

Approval of Agenda

Motion by Rodney Honeycutt, seconded by Dan Aton, to approve the Agenda as presented. Motion carried and ordered unanimously.

Approval of Minutes

Motion by Stan Retz, seconded by Edna Wilson, to approve the August 2023 minutes as presented. Motion carried and ordered unanimously.

Report on Expenditures to Budget

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated it is near the end of the Fiscal Year; he noted that it is tracking below the budgeted amounts of each category; and the \$288,000 amount that is listed under land represents the two reacquisitions of land in the Spaceport Commerce Park (SCP).

Motion by Dan Aton, seconded by Rodney Honeycutt, to accept the Report on Expenditures into the record as presented. 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 had a meeting with realtors about a prospect from the Tampa area that is looking at a lot in Spaceport Commerce Park (SCP) and they were sent information; he is working with the Economic Development Commission of Florida's Spacecoast (EDC) on several projects, including Projects "Nova" and "Hummingbird" and a meeting with a Space Florida client that is considering several airport sites in Florida; he attended another One Million Cups entrepreneurial networking session; he attended the Space Symposium in Cocoa; and he participated in the Space Coast Transportation Planning Organization meeting, considering a site in the County for a Brightline rail station. He added he spoke with the general manager of The Great Outdoors, who is contemplating a major capital improvement project to fix drainage issues and install new irrigation; the Regional Planning Commission is interested in hearing more about the sanitary sewer project and he is working on that; and Neha Pandit is working on a Developer's Guide book that can be given to companies coming into the area to help with development projects.

Stan Retz asked when the LaCita grant expires.

Mr. Post replied he looked at that recently and communicated that to LaCita's management and owners; and they have one more year.

Dan Aton mentioned he saw the news about Draper coming to town; and he asked if they had applied for assistance.

Mr. Post replied NBEDZ was working with them as "Project Magnitude" when they were looking at a site in the Spaceport Commerce Park; he noted it was a non-profit entity; he thinks that the building would not be subject to ad-valorem tax, which would have to be disclosed when submitted to the Board of County Commissioners; but North American Properties pitched a build-to-suit at the Riverfront Center, which they accepted.

City of Titusville

Scott Larese, City of Titusville Manager, stated Titusville is in the middle of the budget, with the final hearing next week; property values in the City are up 13 percent; the millage rate has been lowered; and equipment and personnel costs are up.

Titusville-Cocoa Airport Authority (TCAA)

Lisa Nichols, TCAA Business Development Manager, stated that Space Coast Innovation Park has received its phase one site plan approval and hopefully will be

breaking ground soon; Space Florida has offered a grant of 50 percent for the Challenger Avenue extension; 60 percent design plans are due this month and the project will go out to bid in November, with construction to begin in early 2024; and they are working on a lease agreement with Operator Solutions, a company that performs human space flight rescue operations.

Discussion and Direction

Update on Potential Sanitary Sewer Improvement along Grissom Parkway

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he provided the quote for the sanitary sewer improvement along Grissom Parkway, which is \$3,182,317.85; this project will support sewer capacity for Spaceport Commerce Park (SCP), KB Homes, and portions of the airport; KB Homes has a temporary solution to correct the problem which bypasses the current lift station on Grissom Parkway; the proposal would give greater capacity in the future; and if unaddressed, it could limit growth in SCP, the airport construction, and KB Homes ability to build up to 1,200 homes. He added he is looking into a way for NBEDZ to help with the project; he thinks it may qualify for the Florida Jobs Growth Grant through the State, which requires a local match; and he plans to bring this back later and relate what the NBEDZ participation may be.

New Business Items

Agreement Modification Request – GenH2

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated GenH2 representatives are present for discussion; NBEDZ provided a grant of \$500,000 for the redevelopment project and has paid-out half of it; in the agreement, there was a stipulation to create a certain number of jobs per calendar year; and they are asking for an amendment to the job creation table to give them more time to create the remainder of the jobs. He advised Rusty DiNicola stated the reason they need the extension for jobs is related to a delay of over a year in receiving a final component for their manufacturing, which should be arriving this week; Mr. DiNicola and Amy Craddock of GenH2 provided a presentation to the Zone board of the types of products that GenH2 produces; and they shared some of the sponsorships they have made to several local schools and programs.

Stan Retz asked how many employees they presently have; and he asked if they were all local.

Mr. DiNicola replied there are 43 full-time employees and about five of them live out of town; there are eight contract employees that are local; and those numbers will continue to increase.

Motion by Rodney Honeycutt, seconded by Stan Retz, to allow a motion by board members via phone. Motion carried and ordered unanimously.

Motion by Robert Jordan, seconded by Rodney Honeycutt, to amend the existing incentive agreement with GenH2 Corporation, thus providing a three-year extension to the jobs table found under Section 3.4.2 of the incentive agreement, to provide sufficient time for the company to reach its job creation goal. Motion carried and ordered unanimously.

Proposal from SpaceTEC Partners – Creation of a New Training Center

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Steve Kane, SpaceTEC Partners representative, is present to speak about a new training center; SpaceTEC Partners have worked with the Space Coast Apprenticeship Program successfully getting students to work as interns for local aerospace companies; their company has been around for decades providing specialized training to aerospace companies; and they have an opportunity to create a defense industry training center in the area using monies from the U.S. Department of Defense (DOD). He added the company has asked NBEDZ for assistance with the project; the site for the facility is at the Logistics Center in the Beyond Gravity facility that they will share; there will be \$1.4 million in improvements and they will place specialized equipment in the facility; and he advised the proposed commitment would be \$500,000 which would be used to match a DOD grant they have applied for.

Mr. Kane provided a presentation to the Zone board; he stated SpaceTEC Partners started at Brevard Community College in 2002 as a National Science Foundation grant to create an aerospace technician training and certification entity and continues at Eastern Florida State College as Aerospace Technology which graduates 40-60 students a year; they provide industry certifications to service members to convert skills obtained in the service to an industry certification that is recognized by employers; they also have apprenticeships through some high schools; and there is a need in Brevard County for a pipeline of aerospace manufacturing talent.

Mr. Post stated the Zone board should consider whether it wants to be the source of the local match; it could be a grant of \$500,000 and would be conditioned as usual by building out the space and getting a Certificate of Occupancy before the funds would be provided; and the total project would include \$1.4 million for improvements as well as \$3-5 million in equipment for the facility.

Stan Retz asked if the students pay anything.

Mr. Kane replied not in the beginning; they work with CareerSource which helps students with funding; but eventually there will be a seat cost.

Mr. Retz asked about interns and who pays them.

Mr. Kane replied the apprenticeship requires that the intern is hired by the company before beginning the apprenticeship; the companies pay the entire cost of the apprenticeship, which is two and one-half years; most companies feel that this is too long; and that is the intent of the training program with short-term skillsets.

Mr. Retz remarked there is no question that the need is there; and he is just questioning the financial viability moving forward if it is based on grants.

Dan Aton stated he agrees with Mr. Retz that the need is there; he asked what would be done to monitor the success to assure the money is well spent; and he would like to hear from the local employers that would take advantage of the training.

Mr. Post advised he could contact the businesses that are in the Space Coast Apprenticeship Program; and since this program is run with a close relationship with DOD, he is interested in what commitments or statements they could make to help answer that.

Mr. Kane stated that DOD and the State of Florida require them to report quarterly on the progress of the center; and those reports can be made available.

Mr. Retz noted it is hard to get a clawback on something like this.

Mr. Post remarked that is why it is listed as a Strategic Initiative, as that part of the planning gives more flexibility to do something different under Workforce Development; and he can do some follow-up with those companies to try to get more information from them.

The Zone board took no action at this time; but Mr. Post will come back to the board with more information.

Request for Re-Purchase of Industrial Lot from Dark Storm Industries

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Dark Storm encountered many delays and problems after purchasing the lot in Spaceport Commerce Park; now, given the increase in construction prices and the cost of financing, it is no longer feasible for them to pursue the project as originally hoped; they are now looking at leasing an existing smaller space; under the terms of selling them the lot, NBEDZ has the ability to repurchase at the price it was sold for; and he is asking the Zone board for approval to go back to the County Commission for permission to repurchase the lot for approximately \$350,000. He added the money is in the restrictive account for Spaceport Commerce Park.

Stan Retz asked if permission is needed or is it in the contract that it can be repurchased.

Mr. Post replied it needs to go back before the Commission for permission because it is a purchase.

Motion by Stan Retz, seconded by Edna Wilson, to approve the recommendation to the Board of County Commissioners for the repurchase of the Dark Storm property located in Spaceport Commerce Park. Motion carried and ordered unanimously.

Old Business Items

Request for Assistance on Proposed Redevelopment Project – Tuan Le

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated last month the Zone board received information about a project on Hopkins Avenue to redevelop an eyesore

building; Tuan Le has applied for a grant to assist with the cost of improvements; and the grant would be \$100,000-\$150,000.

Tuan Le stated he lives in Titusville and loves the town so much, he collects old properties and refurbishes them; he has previously completed the old Citgo plaza on U.S. Highway 1 across from the GenH2 building with help from NBEDZ; he wants to renovate the building on Hopkins Avenue for light industrial use; he has tenants interested in the building once it is completed; and he plans to keep it long-term. He added the cost of the renovation is more than he had estimated in the beginning; the proposal he submitted is for the lowest amount he feels it will cost, but he plans to add more; he plans to manage the project himself, cutting the cost of a project manager; and he is requesting an incentive grant to help with the improvements.

Stan Retz commented good job on the last project; and he thinks his renovation cost projection is really low.

Mr. Le remarked he was low on the Citgo project also; and that is why he manages the project himself and self-finances the projects.

Mr. Post commented that Mr. Le's last project had an amendment to the agreement, as it was originally set up as a job creation project, but it was really a redevelopment project; this was an error on his part; and when Mr. Le came back, the clawback was changed to prohibit Mr. Le from selling for two years.

Mr. Le stated he intends to keep his properties; he wants to make the city pretty; and he intends to live and die here.

Motion by Donn Mount, seconded by Rodney Honeycutt, to provide an inducement totaling \$150,000 to the real estate development company known as C-Cubes Landing, LLC, to induce its redevelopment of an existing commercial building on South Hopkins Avenue, thus enhancing its appearance and functionality, subject to a clawback tied to the real estate title (cannot sell the redeveloped lot for four years following completion of the building renovation.) Motion carried and ordered unanimously.

Approval as to Form – Amendment on Engineered Bonding Solutions Project

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated this is a follow-up from last month pertaining to Jeff Gray's company, Engineered Bonding Solutions, LLC; NBEDZ had entered into an agreement with the entities Composite Construction and Realty Corporation and Eamon Holdings, LLC; when preparing the documents, there was an issue that these two entities are not on e-verify, and a couple other issues, and County Finance was not able to process that grant; and Mr. Gray is still an owner and partner in Engineered Bonding Solutions, LLC (EBS), which meets all the standards and requirements, and was the original applicant. He stated that Mr. Gray has asked for an assignment, which the County Attorney helped with, that would recognize EBS as the assignee, with Composite Construction and Realty Corporation and Eamon Holdings, LLC, as the assignor; this would allow all the rights and obligations to go to EBS, who would have to follow all the rules and obligations of the incentive agreement; and EBS would be the recipient of the funds due for the redevelopment project.

Dan Aton and Stan Retz advised they would abstain from the vote; and action was tabled until the next meeting in order to obtain a quorum.

Public Comments

Andrew Connors, Chair of the YMCA Board of Directors, commented that before a board meeting, he was speaking with some business owners, one of which had shoulder surgery at Parrish Medical and the other went to Orlando; he wondered why everyone that lives and works in Titusville using Parrish Medical; it all related to financial reasons; he had an idea of creating a community-based collective, with Parrish Medical as the anchor, which would drive-down the rates of health insurance of North Brevard employers by 20-30 percent; and it would bring approximately \$1-2 million in new revenue to Parrish Medical. He added each new Fiscal Year, the city looks at the budget for the next year and notes the benefits have increased so the city raises taxes; this makes it tougher for businesses; and he wanted to share his idea with the Zone board because he thinks this is something that NBEDZ would endorse and support, because as it tries to attract new businesses here, it would be great to say it has healthcare figured out. He went on to say when new businesses come here, their employees will be taken care of by a great hospital locally, with the cost of that care to be 30 percent below market; and there is a very simple way to do it.

Jared Mongold stated he has partnered with Mr. Connors in different companies; Mr. Connors brought this idea to him; basically, he wanted to propose the exploration of a community center clinically integrated health insurance program for North Brevard employers anchored by Parrish Medical; the idea is to drive towards zero dollar out-of-pocket costs for employees and their families when they stay local and reduce leakage of North Brevard residents seeking health care elsewhere; this would increase gross and net income to Parrish Medical and reduce employment costs for private and government employers in North Brevard; and it could take advantage of Legislative and regulatory changes so this program could be stood up in months, not years, as it was in the past.

George Mikitarian remarked in the past, in other communities, the Chambers of Commerce have helped drive this because they cannot create consortiums, group buys, so to speak, and allow local businesses to take advantage by membership; and this is one avenue of how to assemble that.

Mr. Mongold commented he has spoken with the Chamber of Commerce and members of the City Council as well.

Upon consensus the meeting adjourned at 10:19 a.m.



Donn Mount, Secretary/Treasurer

Approved on October 13, 2023