

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

March 11, 2022 @ 8:30 a.m.

Statham Park

7101 U.S. Highway One

Titusville, Florida 32780

Board Members:

In Attendance: Dan Aton, Rodney Honeycutt, Al Matroni, Donn Mount, Stan Retz, and Louis Sanders

Telephone:

Absent: Brenda Fettrow, Micah Loyd, and George Mikitarian

Call to Order: Meeting was called to order at 8:30 a.m. by Donn Mount, Treasurer.

Pledge of Allegiance: Donn Mount, Treasurer

I. Approval of Agenda

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

II. Report on Expenditures to Budget

Donn Mount stated everything is pretty consistent and nothing outstanding.

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he noticed a formatting error on the spreadsheet that threw off the total; under life insurance premiums, there are two \$14,000 amounts listed, which is incorrect; it should only be one amount of \$14,000, which may actually be a little high; his staff spoke with the Budget Office and they are looking into the formatting; and it is under budget in this category and that is not expected to change. He also mentioned under the current budget, the allocations for grants and aid has increased to \$3.1 million to cover some anticipated payments in the spring.

Report on Expenditures accepted into the record as presented.

III. Staff and Partnership Reports/Updates

North Brevard Economic Development Zone Executive Director Report

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated he has been working on next year's budget; there are several projects being worked on including several

redevelopment projects; he met with Spaceport Commerce Park (SCP) tenants and reviewed the restrictive covenants; once the tenants agree to the revised covenants, action can be made on changing the park's name to Exploration Park West; and he met with representatives from Cigarette Racing Team, a company that recently acquired VectorWorks and is contemplating future growth plans. He mentioned Jo Sojourner updated the NBEDZ Products and Services Directory, which encourages companies to buy from local vendors; Neha Pandit created a "prosperity scorecard" on the local area, a tool that can be used to track trends in the local economy, which will be placed on the website; he and staff attended the "Power Networking Lunch" at the Titusville Chamber of Commerce, a meeting with the Homebuilders Association, and met with representatives from Brightline; he met with the owner of Fine Line Printing about a possible building acquisition; and staff attended training sessions to keep certification up to date and to help keep up with current trends in economic development.

City of Titusville

Lisa Nicholas, City of Titusville Economic Development Director, provided the board members with a flyer for the Public Workshop on Brownfield Site Identification on March 29, 2022; she stated in October of 2021, the City of Titusville received a grant in the amount of \$300,000 for a community-wide brownfield site assessment; once identified, consultants can do a phase one environmental site assessment for determination of contamination; if there is contamination, the grant provides for some clean up; and the purpose of the workshop is to get input from the business community to determine what sites might be good candidates for these assessments.

Titusville-Cocoa (TICO) Airport Authority

Kevin Daugherty, TICO Airport Director, stated his board approved the ground lease for Space Coast Innovation Park, on the west side of the airport; the runway reconstruction project has had the milling work completed; and there is an airshow scheduled for May 21, 2022.

IV. Discussion and Direction

Draft of Proposed Budget for FY 22/23

Troy Post, CEcD, CBE, NBEDZ Executive Director, highlighted some items from the proposed budget; it will be brought back in April or May for Zone board approval, then it will go to the City Council; the exact amount of revenue will not be known until the late summer after the property tax evaluation; the County Commission has asked him to look into putting together a proposal to include a cost of living adjustment, as well as the projected increase of healthcare costs; and in the list of operational expenses, the contracted services fees have been increased some, and the mileage rate has been increased. He stated he is not expecting any large capital expenses from the County's Tax Increment Financing (TIF), as it will be primarily for the grants and aid to private organizations; there is a decent balance in the reserves, but it should not be allowed to grow too much, as that is to be used for projects; with the City TIF, it will pay the obligation to Trimback Construction for the new sewer line; there is a projection of \$800,000 for the City TIF in the next year based on the new valuations; and the

Spaceport Commerce Park fund is based on revenues and is used for improvements on the park, such as the new signage. He reiterated that this was sent to the board electronically and if there were any questions to contact him, otherwise it will be brought back in April for the formal adoption.

Update on Dark Storm Industries (DSI) Project by Company Principal, Ed Newman

Ed Newman, DSI, stated he wanted to give an update on how the project is going and give some insight on some of the challenges they have faced; when the project originated, it had a budget of about \$2.7 million and there were some expansions in the scope of that project which brought it to about \$3.5 million; they faced a number of challenges with the supply chain for materials which changed the materials used for the walls and roofing and increased the cost to about \$5.5 million; additionally, the interest rates have risen and they have faced increased costs due to that as well; and they have been working with the City of Titusville to navigate the new tree ordinance. He added on the good side, some of the changes made in the last couple of months are beneficial to those doing developments of five acres or less; one of the questions that came up a lot, since they are preserving 40 percent natural space on the property, he asked why they could not meet the canopy requirements; the answer was that at the 20 percent level, any preservation for tree mitigation, so they had to cut down several large trees in the middle of the property, that preservation was independent of the canopy; if they needed 20 percent canopy, and 22 percent mitigation, and they were only preserving 40 percent, and the math did not work; and it was discovered that if they went to the 25 percent canopy level, it eliminates the mitigation requirement. He added that if they met the 25 percent, they would be able to do what was needed; that allowed them to go back and use the five-acre rules, which were slightly more beneficial than the 10-acre rules; in the long run, it is a good thing to try to preserve some trees, and it was definitely a challenge; the second problem is the tortoises; they thought there was only one active tortoise burrow that was a concern; but things have changed dramatically and he is having trouble finding a place to relocate them. He stated they are now looking at up to 10 tortoises at a cost of close to \$100,000; they have put in a permit request to relocate them on-site; normally the State would not permit that, but because of the circumstances with nowhere to relocate them, and the amount of land they are preserving, they are hoping to get that approved; he mentioned that is a challenge, as there are many tortoises in the park; and it will affect every project there. He advised he hopes to be breaking ground in April or May; the site plan has been submitted to the City of Titusville; and he would encourage the Zone board to consider looking at some of the other properties it has and work with the City to pre-prepare the lots to sell a more "turn-key" type lot; and there are not many commercial lots in Brevard County, so the more attractive the lot is, the better.

V. Old Business Items

Request for Assistance: American Police Hall of Fame – Event Center Project

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated there are two guests from the American Police Hall of Fame present to discuss the Event Center Project; he asked the board members to turn to the Strategic Initiative Plan that was adopted by the Zone board; when a new Project is reviewed, the Zone board is bound to have the project fit into the parameters of what was approved by the Zone board, the Brevard County

Commission, and the City Council; the Project he is about to talk about fits into this Plan and is very similar to other projects talked about over the years, which have a tourism development component, which is a very important part of the local economy, yet another industry sector that is less dependent on just aerospace, in particular, the development of infrastructure; and infrastructure can be a tourism product. He stated the Zone board may recall about a year ago, there was a presentation about the American Police Hall of Fame and the beginnings of the Project being talked about today, the expansion of the museum and an event center; this Project will generate jobs; he reviewed the cost expenditures for the next few years; and they have come to the Zone board with a request for \$500,000.

Barry Shepherd, Chief Executive Officer, Police Hall of Fame, stated he thinks most people believe all they do is run a sleepy little museum for law enforcement, but that could not be further from the truth; they actually have programs to support law enforcement across the country, for families of fallen officers, and for disabled officers and their families, as well; they have been in the community since 2003, using their own money to build the facility on land purchased from Boeing; and they have been around for 62 years in different locations in the State. He stated the organization wanted to do more to spread the word of what they do; they came up with this Project and assembled a group of really good people to bring it to fruition; and the Project is extensive at \$19 million and is expected to go up due to the rising costs of materials.

Jeff Strine, American Police Hall of Fame Fundraiser Director, presented some slides to show some of the things they do; he stated there are many things they do that most people do not know about and it is a best kept secret, but they want to change that; they honor law enforcement by illuminating their stories, creating opportunities to impact the future, and supporting officers through training and education; they want to change the view of the law enforcement stories from bad to good by starting a podcast; and they do tactical training for officers as well as civilians. He added that they are going to add life skills training for officers which will include financial and emotional health; this will be a local pilot program and eventually across the country; they hope to inspire future generations of law enforcement with more interactive displays and less museum; the first part of raising millions of dollars is access to the right type of people who are passionate about law enforcement and wealthy; and they have many leaders that support the program. He stated the eternal flame will be an amazing attraction and there is nothing like it in the world; there will be a 10,000 square foot pavilion with 700 seats and educational space; he understands there is nothing like this in the County and it is needed; the eternal flame will be a major visual attraction that can be seen for miles; and the campaign goal is \$19 million, with the local goal being \$6 million, and the national goal of \$13 million. He advised he is present to speak about the \$500,000 request for NBEDZ funds to help build the event space for the community and education; 35 new jobs will be created, nine of which will be professional, and they hope to increase the pay for some of the existing professional positions; they envision these new positions to be filled by law enforcement, present or retired; most of the donations received are from out of the area; and this supports the local law enforcement agencies.

Al Matroni asked how much has been received from the Tourism Development Council.

Mr. Strine replied \$714,000.

Mr. Matroni asked if it was still a non-profit.

Mr. Strine replied yes.

Mr. Post stated the Zone board would have to condition the grant of up to a \$500,000 contribution to the project, subject to obtaining the other funds and starting the project, which is standard.

Donn Mount asked if the Return on Investment (ROI) would be based on the funds that are brought into the community.

Mr. Post replied based on the total amount of what the project will cost, \$500,000 will be well under the 20 percent ratio; and a time limit may be considered, maybe two to three years before they could make a claim to the \$500,000

Dan Aton asked how this would affect the reserve calculation if a commitment is made.

Mr. Post replied it would be entered into the cash flow and marked as a 2024 or 2025 expectation; and he feels it would not be a challenge.

Christie Schverak, Assistant County Attorney, asked if there would be a jobs requirement.

Mr. Post mentioned they do have jobs that will be created, which could be a good mechanism for a clawback, but it has not been discussed; and this would be a board decision.

Mr. Mount asked if the board was focusing this money on the whole project or what.

Mr. Post replied the incentive would be for the new and expanded areas of the facility, which would have to be built before they would receive the incentive.

Stan Retz stated there is definitely a need for a large event center; and he is more comfortable with this proposal over the last one, as it fills a need.

Kevin Daugherty, TICO Airport Director, mentioned the Valiant Air Command is building an event center but he is not aware of the exact size; and they are in the fundraising stage.

Mr. Aton mentioned the job requirement may be difficult, but the event center is an important part of this incentive; he suggested that the event center should have a certain percent of availability to the public; and that could be a part of the final motion.

Motion by Al Matroni, seconded by Rodney Honeycutt, to approve an incentive of up to \$500,000 for the construction of the 10,000 square foot event center at the American Police Hall of Fame within the next three years; and for Mr. Post to compose the motion, to include a recapture mechanism, for final approval. Motion carried and ordered unanimously.

Request for Assistance: Justin Hilligoss – Redevelopment Project

Troy Post, CEcD, CBE, NBEDZ Executive Director, reminded the Zone board that this was an agenda item back in December; Justin Hilligoss is the owner of Pier 13 Coffee and is interested in obtaining the dilapidated building just north of the college; he is now having an issue with the impact fees of \$156,478.81; Mr. Hilligoss was told he could come back to the Zone board to amend the original incentive of \$90,000 that was approved in December to \$130,000; and that would still keep it under the 20 percent threshold.

Mr. Hilligoss stated with the new costs, the construction costs have gone up to around \$700,000, not including the land; with the land acquisition, it will be probably be close to \$1 million; he still feels it is a good option for Titusville, near the Chain of Lakes, the hospital, the college, and Temple Baptist for viable sources of revenue; he mentioned it is just he and his wife, not a corporation; and the costs are more than he anticipated, so any help would be appreciated.

Dan Aton asked what the original impact fees were.

Mr. Hilligoss replied he had not gotten that far yet when he first applied for the incentive; now that he has gotten further into this, he anticipates being able to hire more people; most likely 10 to 12 part time employees, and a manager as well; and he has received a pre-approval from the bank, but they are interested to see how this incentive goes.

Mr. Aton asked if the impact fee was specific to the use of the property.

Mr. Hilligoss replied the impression he got was that the impact fees are based on what the building is designated for; he stated the existing building is designated as a restaurant; and it appears the charge is around \$35,000 per 1000 square feet.

Mr. Post mentioned it is the restaurant/retail buildings that are much higher in impact fees than an office building.

Al Matroni stated he fought the transportation impact fees years ago because they are so high; and he asked if the County has ever tried to mitigate a portion of that fee if a request is made to modify it.

Mr. Post remarked during the recession there was a moratorium on certain fees, but the moratorium was lifted in 2017; and if the project is valuable enough to achieve a certain redevelopment or economic development mission, the Zone board would step in to help offset that cost.

Motion by Louis Sanders, seconded by Stan Retz, to accept the amended incentive amount of \$130,000, with the same stipulations to meet the NBEDZ requirements. Motion carried and ordered unanimously.

VI. New Business Items

Request for Assistance: Redevelopment Project (Former Portofino Restaurant)

Troy Post, CEcD, CBE, NBEDZ Executive Director, stated Jessica and Shawn Landry, have been behind several innovative and successful restaurants such as Bagel 13, Third Culture Kitchen, and Moonlight Drive-In; they made an offer to purchase the former Portofino's restaurant and are planning a new modern Italian restaurant; this could be a good job-creator for people with food service type skills; the projected capital investment is going to be \$1.6 million; there have been costs for improvements that were not anticipated; and with the increase in construction costs, they are applying for an incentive in order to replace the asphalt in the parking lot with a cost of \$75,000. He mentioned with the capital improvements being made, this property will have a higher valuation, property tax revenue, sales tax revenue, and return money back to the Zone.

Jessica Landry stated they are both North Brevard natives and small business owners in Titusville; they are taking the old Portofino building and making it brand new; there will not be one piece of it that is not renewed; the parking lot is another story, as it is an eyesore with stormwater retention issues; they have been dealing with price increases, then had to replace the roof, replacing air conditioning units, and now are facing plumbing issues; and these have been some costly expenditures. She feels if they could get an incentive to replace the parking lot, it would look brand new and add to Titusville; they want to remove 2,400 square feet of asphalt and add new green space to help with the runoff for the Lagoon; and there will be approximately 50 new jobs for the area with benefits for the full-time employees.

Mr. Post mentioned on all of the NBEDZ redevelopment projects, there is not a recapture process; it is about getting the building completed, obtaining a Certificate of Occupation or Completion, and being in operation for a limited time, usually about six months; and then they would be eligible for the incentive payment.

Dan Aton inquired as to the budget as of today.

Shawn Landry replied without equipment, probably around \$550,000.

Stan Retz mentioned the Landry's used to be clients of his, but are no longer since he sold his practice; restaurants are a tough way to make a living; all of the Landry's projects have been successful; and he is confident they will succeed as they are hard-working, energetic, business folks.

Mr. Post remarked that local restaurants give much more back to the community; they provide more uniqueness, unlike the standard fast-food restaurants; and the money stays locally.

Motion by Stan Retz, seconded by Al Matroni to approve and incentive of up to \$75,000, subject to the standard conditions. Motion carried and ordered unanimously.

Upon consensus, the meeting adjourned at 10:06 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 April 8, 2022