

HARDEE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
(INDEPENDENT BOARD)
COUNTY COMMISSION CHAMBERS
412 WEST ORANGE STREET, ROOM 102
WAUCHULA, FLORIDA 33873
AUGUST 23, 2010 8:30 A.M.

MINUTES

Members:

David Royal, Vice-Chairman, P
Bill Beattie, P
Paul Samuels, P
Vanessa Hernandez, P
Roger Hood, P

Bridget Merrill, P
Perry Knight, P
Bill Lambert, Chairman, P
Bobby Smith, A

County Attorney Ken Evers, P
Office Manager Sandy Meeks, P

County Manager Lexton H. Albritton, Jr., P

Chairman Lambert called the meeting to order at 8:31 a.m.

MOTION by Merrill, second by Hernandez to approve the agenda. Motion carried unanimously.

MOTION by Royal, second by Knight to approve the May 25, 2010, regular meeting minutes. Motion carried unanimously.

- I. Acknowledge receipt of Clerks Financial Report for period ending 05/31/10, 06/30/10, and 07/31/10.

County Manager Albritton explained there was a \$120,000 error on the spreadsheet/worksheet that was completed for the last cycle. **MOTION by Merrill, second by Hernandez to acknowledge receipt of Clerks Financial Report for periods ending 05/31/10, 06/30/10, and 07/31/10. Motion carried unanimously.**

- II. Acknowledge receipt of Ranking Sheets from Town of Zolfo Springs, Hardee County BOCC, City of Bowling Green, and the City of Wauchula.

MOTION by Merrill, second by Hernandez to acknowledge receipt of Ranking Sheets from the Town of Zolfo Springs, Hardee County BOCC, City of Bowling Green, and the City of Wauchula. Motion carried unanimously.

- III. Presentation by City of Bowling Green.

Yvonne Kimball, City Manager of Bowling Green explained the City's request was the same request as last cycle and they would be grateful for any amount of funding that could be given.

IV. Presentation by Town of Zolfo Springs.

Linda Roberson, Town of Zolfo Springs Town Manager/Finance Director and David Ledgerwood, PE, Inwood Consulting Engineers came before the Board and explained how the Town of Zolfo Springs had some unexpected utility expenses due to the widening project of Highway 17. Mr. Ledgerwood explained they were working on the design of US17 for the Florida Department of Transportation (FDOT). He touched on how the project was 5.5 miles of widening and reconstruction from Sweetwater Road to 7th Avenue in Zolfo Springs. He went on to explain how the Town's water line would need to be relocated. Ms. Roberson advised they had set up a payment plan with FDOT and the first payment would be due 10/15/10. Chairman Lambert asked what the total cost of the widening project was. Mr. Ledgerwood advised he did not have that figure, but the cost of the utility relocation would be approximately \$160,000. Chairman Lambert advised he only asked the question so they could understand the relative importance of the grant to the Town of Zolfo and the size of the infrastructure improvement for the county. Merrill asked about the letter in their package dated 01/01/10 stating the Town of Zolfo Springs would provide FDOT a letter stating whether or not the Town could financially afford to perform the relocation/adjustment work for the project by 02/01/10. Ms. Roberson advised they did submit a letter and that was how the payment plan was set up.

V. Presentation by Industrial Development Authority (IDA).

Chairman Lambert turned the gavel over to Vice-Chairman Royal, so he could make the presentation for the IDA. Mr. Lambert, Director of Economic Development advised the Board that since the project no longer existed he was only making a presentation to give the Board some insight of the mechanics of applying the Economic Development Authority Grants to Economic Development Projects. He explained how he had been approached by a company in Desoto County that had about 75 employees with an average salary in the mid 40K range. The company's intention was to find an adjacent county to locate in and keep their existing employee base and they were looking at Charlotte, Manatee, Sarasota, and Hardee County. He went on to explain how they (EDC) had put together a good, competitive package. He touched on the incentives that was offered to the company and explained the package had about three million in incentives. After further discussion, he advised the company rejected the package and chose to locate in Sarasota County with a \$650K incentive package. He then explained how they were providing incentives that were inordinately higher relative to even what the urban market was producing, but they were being rejected, so they needed to continue to make insightful looks into why there were failing, what caused it, and what they could do to change it. Knight asked if he thought the inability to move rapidly had anything to do with the decision. Mr. Lambert advised he did not think that was a deterrent. Hood asked if he had been made aware of why they didn't choose Hardee County. Mr. Lambert explained he had discussion with the site selector regarding Hardee County being too far for the management company to commute and how they felt the lack of appropriate domicile was an issue. After further discussion, Mr. Lambert advised the application was withdrawn right at the ranking time. Knight asked about the spec building project. Mr. Lambert advised the original spec building had not been started yet. He went on to explain how there had been so many suitors wanting them to build a custom building for their company. He went on to explain how the spec building would work for them and be a very powerful marketing tool.

VI. EDA Ranking.

Chairman Lambert explained that Sonata had withdrawn their application. He explained they had filed their application with the presumption that the legislative changes would be considered during this cycle. Chairman Lambert then asked how they handled the ranking. County Manager Albritton advised they usually just compromised between all the applications. County Attorney Evers advised they should at least state verbally how each city and county ranked the applications. Chairman Lambert advised they acknowledge receipt and would that be adequate. County Attorney Evers advised it would be fine. Chairman Lambert explained they had two applications to consider. He touched on the City of Bowling Green already putting the line in and didn't know if that was anything more than a technical violation of the application process. He went on and asked was the Bowling Green application purely reimbursing them for something for which there were other revenue streams. He advised the intent of the money was not to be utilized for projects that there were other historical, traditional income streams and with the City of Bowling Green it could have been general revenue dollars or from a more specific grant provided by the state.

He then explained how Zolfo's project was a little more peculiar because the County's number one project from an economic development standpoint had been the four laneing of US 17. He went on to explain how Zolfo had some increased encumbrances put upon them that was beyond their ability to pay without some sort of subsidy. Merrill asked if Zolfo had an open/current economic development grant. County Manager Albritton advised they did and had not requested any reimbursements as of yet. He also touched on the ranking process and how it might be a good idea if the applicants did a presentation to the cities and the county when requesting the ranking because the county did their ranking before having the discussion on the projects and that was why Zolfo ranked low. Merrill asked if anything had changed from the City of Bowling Green's application from last cycle when it was disallowed because it was supposed to come before the Board before any dollars were spent. Ms. Kimball advised there were three phases and that phase two and three had not been built. Knight explained they had applied for a Community Development Block Grant (CDBG) but that would not cover any engineering costs. He then touched on the completed phase one and their current request. Merrill asked if they were funded from the EDA their entire request of \$449,460 would they still need CDBG funding. Knight advised not for this project. Merrill asked what it would cost to have the engineering done for phase two and three. Ms. Kimball stated it would be hard to say. Merrill suggested around \$75K because usually engineering was around 10% of the project cost. She then asked how they would feel if the EDA granted them 75K for the design and engineering and then once that was complete they could either go through CDBG or come back to the EDA. Knight stated that would be fine. Hernandez advised she would like for the stipulation to be that it would be engineered specific for developing the park for commerce use and not for residential because the purpose of the grants were for job creation. Chairman Lambert advised he was concerned about funding Bowling Green under the current language. He further explained Zolfo's project was easier because of the US Highway 17 project. Knight stated how important the Highway 17 project was and anything that they could do to speed the project up he endorsed 100%. Samuels asked what their timeline was on relocating the utilities for the Highway 17 project. Mr. Ledgerwood advised the end of next year and relocating the utilities would have to be done first. Merrill stated in response to the Chairman's concerns on economic development and infrastructure, one of the things that precluded economic development was a lot of businesses did not want to wait. She further explained if infrastructure was

necessary to get it ready so it could at least be under consideration then that was part of economic development. Chairman Lambert explained if the application had been filed as it was described during the meeting it would be far easier for them to consider funding. Knight advised they could reapply under those terms and conditions. Chairman Lambert stated they could do the engineering with justification as a match so they could at least get the engineering done. He further explained how he felt that the engineering should have been done this cycle, but it wasn't and how they came back with the same application that was rejected last cycle. He also stated how they really wanted to fund Bowling Green, but they could open some serious scrutiny if they did. Royal asked if they could do an addendum to their application. County Attorney Evers advised he believed they could accept addendums to the application. Chairman Lambert asked if they advanced the engineering with an amended application would that help. Knight advised it would and if a problem arose they would pay for the engineering out of their general fund. He went on to explain that he did not want to cause any problems for the Board. **MOTION by Royal, second by Hernandez** to fund the City of Bowling Green up to \$75,000 with an amended application that it would be applied to economic development of an industrial park for engineering and to fund the Town of Zolfo Springs \$158,829. Samuels explained he wants to help Bowling Green and Zolfo, but if they start amending projects and allowing amendments during presentation time was it going to set precedence. He further explained he will support the motion, but he just wanted his feelings to be heard. Knight advised as the Mayor of Bowling Green he was going to direct the City Manager of Bowling Green to contact the engineers and put Phase III under the direct review of the \$75,000 for engineering fees for the development of the industrial park and make sure the engineering was focused on that area. County Attorney Evers explained his reasoning for advising it was okay to accept an amended application was because they only had two applicants and one was being funded the full amount. **Motion carried 7 to 1. Samuels voted nay.**

VII. Public Comment

There was no public comment.

VIII. Discussion of recommended legislative changes.

A. Creation of Economic Development Application and appropriate rule changes.

Chairman Lambert explained he was pleased that the legislature felt like making the changes that were made, but they now had opportunity and with opportunity came increased responsibility. He went on to explain the change from infrastructure and economic development to infrastructure or economic development brought more opportunities in infrastructure and more opportunities in economic development. He further advised he would like for the Board to direct the County Manager to begin the process of the creation of an economic development application and also, to add the impact to the infrastructure application in order to provide further clarification so they did not have issues like they faced during the meeting and he would like it done expeditiously so they could begin another cycle. County Manager Albritton asked if they were going to continue their discussion on what their interpretation of the change meant. He explained that had to be done by the Board not staff. County Attorney Evers advised what they had traditionally done was look at the purpose of the local bill and it read infrastructure and economic development and they created three different applications which were infrastructure, job creation, and joint.

He went on to explain how they now had an option of economic development or infrastructure so the question became what changes if any, did they want to make to their applications, criteria, bylaws, rules, and policies and procedures. He advised he thought the County Manager was looking for some discussion on the scope on what that term meant to them and what they were willing to fund under that term. County Manager Albritton explained his concerns over public/private infrastructure. Merrill advised she did not know what the specific intent of the change was because she was not involved in the discussion when the change was made, but knowing what she had heard from Representative Troutman and Senator Alexander previously she thought they needed to make public infrastructure investments and private economic development incentives. Chairman Lambert advised he agreed. County Manager Albritton advised he was not sure from an ownership perspective what that meant. After further discussion, Samuels advised he liked Merrill's definition. Chairman Lambert advised Merrill suggested they do private sector economic development and public sector infrastructure and if the infrastructure happened to be on a private sector project then it should be a joint application, so there was some level of government stewardship. Chairman Lambert asked the County Manager if they directed him to look at all the applications and come back to the Board with a recommendation that addressed the philosophy they had discussed would that be enough. County Manager Albritton explained he thought it would. County Attorney Evers advised he understood the direction on infrastructure but was wondering about the economic development incentives and how they would be measured. Merrill explained what they were observing and trying to come to grips with at the state level because all of the states incentives were being based on job creation, wage level, and what the intent had been of the states roll in economic development and with that being said, they were now seeing more of a shift to a greater capital investment in technology and fewer jobs, so as they looked at economic development opportunities did they want to tie capital investment and jobs to it or just look at capital investment or did they want to look at jobs or job numbers and wages or restrict it like it had been done in the past to those entities that had to export a portion of their product. She then asked the County Manager if those were the questions he wanted addressed. County Manager advised yes and explained his concern as county staff and a taxpayer was if they put one or two million dollars into a project on private property and it was not public/private on the land how they would control it. Merrill explained how businesses did not like government to be in their personal business, so that was why with the economic development side they tied it to jobs and then they could do whatever they wanted with the money. She further explained if it was tied to capital investment they did the same thing and they would still have infrastructure that would be public/public/private and they would have economic development that was capital investment or jobs. She also advised how they did not restrict where they spent the monies and long as they had either invested an amount of money, started production, hired so many people they met the criteria to receive the incentive and it was not up to them to follow the funds. She explained they paid on a deliverable. County Attorney Evers asked what the formula was they would use for the capital investment. Merrill explained it was on a project by project basis and they looked at the project overall, total capital investment, where it fit in as it related to their industry cluster, was it an ancillary business or an anchor business, what was the average wage, how hard were they being recruited by another entity, what was the gap and how much was needed to fill the gap and with the QTI it would be the jobs. She further explained with the capital investment side they looked at did they pull the permits, construct the building, start production, and hire people. County Attorney Evers stated it was just case by case there was no formula. Merrill advised they just negotiated it out. County Manager Albritton advised it would not be the application needed changed it would be more in the contract. County Attorney Evers advised they would still need something that stated economic development application so they would have four applications now.

Merrill advised they may be able to limit it to two. County Manager Albritton asked what the public/private relationship meant. Merrill advised when you had private on private it was going to be economic development opportunities and when you were going through the contractual process you would state you do X and you will receive Y. After further discussion, Merrill suggested they may want to rethink and allow the Industrial Development Authority (IDA) the opportunity to apply for a pool of funds to be used for job creation activities between cycles. Chairman Lambert advised they needed to create an economic development application that gave them latitude and flexibility in that arena in addition with the other things discussed during the meeting. Chairman Lambert then advised they were going to take a break and then they would come back with the motion.

Chairman Lambert advised he had attempted to capture the essence of what they had been trying to accomplish during the meeting and asked for each member to look at the notes that he had taken and then they could tweak it as necessary and then go to a formal motion.

MOTION by Merrill, second by Royal to direct the county manager to review and make update recommendations to bylaws, applications, guidelines, and other documents as a result of recent legislative changes with the following stipulations:

1. Modification of Job Creation Application (if any).
2. Creation of an Economic Development Application.
3. Modification of Infrastructure Application as it relates to public infrastructure and private infrastructure.
4. Modification of Joint Application (if any).
5. And further, to consider incentive criteria being provided by the state and additional discussion from the tape at this meeting.

Motion carried unanimously.

Chairman Lambert asked if there was any other business. Merrill advised not business, but she just wanted to let everyone know about the Rural Broadband Alliance award in the amount of \$23.4 million.

Meeting adjourned at 10:40 a.m.

William R. Lambert, Jr., Chairman