

HARDEE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
(INDEPENDENT BOARD)
COUNTY COMMISSION CHAMBERS
412 WEST ORANGE STREET, ROOM 102
WAUCHULA, FLORIDA 33873
January 27, 2015 8:30 a.m.

MINUTES

Members:

David Royal, Chairman, P
Linda Roberson, P
Kenny Miller, P
Stanley Pelham, P

Donna Doubleday, P
Terry Atchley, P
Sue Birge, Vice-Chairman, P
Steven Southwell, P

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

County Manager Lexton H. Albritton, Jr., P

Chairman Royal led the invocation followed by the pledge to the flag.

Chairman Royal called the meeting to order at 8:30 a.m.

MOTION by Pelham, second by Atchley to approve the agenda. Motion carried unanimously.

MOTION by Birge, second by Pelham to approve the minutes for the regular meeting on October 06, 2014, at 8:30 a.m. Motion carried unanimously.

I. Election of Officers.

Chairman Royal turned the meeting over to County Attorney Evers for the election of officers. County Attorney Evers explained that the Board had a Chairman and Vice-Chairman and if someone wanted to make a motion for both they could. Pelham advised the Chair and Vice-Chair had done a great job and he would like to nominate David Royal as Chairman and Sue Birge as Vice Chairman. There were no other nominations.

II. Acknowledge receipt of the Clerk's Financial Report for period ending 09/30/14.

Doubleday asked for clarification that they were just acknowledging receipt of the report. Chairman Royal advised that was correct. **MOTION by Atchley, second by Pelham to acknowledge receipt of the Clerk's Financial Report for period ending 09/30/14. Motion carried unanimously.**

- III. Acknowledge receipt of Reimbursement requests from the Hardee County Industrial Development Authority for the Water/Sewer Corridor, the Incubator, and the Spec Building (Florikan).

MOTION by Pelham, second by Miller to acknowledge receipt of the Reimbursement requests from the Hardee County Industrial Development Authority for the Water/Sewer Corridor, the Incubator, and the Spec Building (Florikan). Roberson stated for the record she wanted to make sure these were done according to the checklist.

Mr. Hank Kuhlman, Citizen, Ollie Roberts Road, Fort Green asked for clarification on what acknowledging receipt meant. Chairman Royal explained they had received the reimbursement requests and they had been checked and it was a policy for the Board members to acknowledge receipt of a copy of the request. Mr. Kuhlman then asked what had been checked. Mrs. Meeks, Hardee County BCC Office Manager explained she had a checklist that she used to make sure all the required items were included with the reimbursement request. Mr. Kuhlman then explained he felt that Mrs. Meeks was just doing an administrative function and wondered what the Board was doing to validate the projects were being actively managed.

Motion carried unanimously.

- IV. Request approval and authorization for the Chairman to sign the Grant Award Agreement with the Industrial Development Authority (effective 10/01/14) for \$1,500,000.00 for the Incubator Project.

County Manager Albritton explained the Agreement was not brought to the Board sooner because the pro formas and the budget were not sufficient at the time. He then touched on what Mr. Kuhlman was discussing earlier and explained the Clerk of Court was the final verifying factor in the reimbursement process. He then went over the budgets that were in the Exhibit of the Agreement and explained how those would have to supersede any other budgets and that would need to be in the form of a motion, he also explained how they would still need to break down the Incubator budget and how this process was always going to be difficult for them. County Attorney Evers advised their motion would need to be to approve the agreement with the substitution of Exhibit B and then the IDA would need to make that motion as well at their next meeting. Doubleday was concerned if the IDA had adopted the budget and that she thought they had approved the Incubator and three companies and how it now appeared one of the companies had evolved into two companies and she was very concerned because she had not vetted the new company.

Mrs. Pelham, EDO Office explained there was only one company and the two columns Mrs. Doubleday was referring to in the agreement were for Production Cost and then actual Operating Costs. Atchley asked if they had approved any subgrant agreements or any lease agreements. Mrs. Pelham advised the Policies & Procedures were complete and they hoped to approve the subgrant agreements at their next meeting. Royal asked when their next meeting would be. Mrs. Pelham advised the second Tuesday of the month. Royal asked the County Attorney if they could table this until they had all the agreements in place. County Attorney Evers explained from a legal perspective they could do that. Chairman Royal advised he thinks they should have the complete package before they vote on the agreement. County Attorney explained that would be a good idea. Chairman Royal asked the Board if the IDA met on the 10th could the Board meet again on February 24th. Doubleday advised she could come back, but she was still hoping they would have their workshop. Atchley asked Mr. Lambert if this would work for the IDA Board. Mr. Lambert, Director, EDO Office explained he hoped it would and explained there were a lot of moving parts to this project and offered to meet with each member to go into greater detail. He also touched on one of the tenants having some difficulty and may need to put their project on hold. Doubleday expressed her concern over an independent operator taking over the Incubator. Mr. Lambert clarified the independent operator had to deal with the fill line aspect of the project. He further explained how they had to be licensed to run the fill line and the EDO staff was not able to do that. Doubleday advised she was very uncomfortable and asked why they couldn't hire someone to do the job. Chairman Royal tried to clarify the issue by stating he thought the IDA would hire the licensed operator to manage the fill line. Mr. Lambert advised the operator could not be an employee of the IDA or EDO because of liability issues and how they did not want to get involved with that aspect. Southwell asked what type authority would be given to the operator in respect to the businesses in the Incubator. Mr. Lambert advised they would be a 1099 contractor for the EDC/IDA. Southwell asked what their duties would be. Mr. Lambert explained they would be the licensed fill line production manager. Doubleday stated the deliverables should be very specific. Mr. Lambert stated where they could be specific they would, but some would have to be general. Doubleday asked who would be responsible for the additional services. Mr. Lambert stated they were contemplating putting the marketing in the same RFP. Doubleday advised she wanted on record she was very uncomfortable with this and this was not what she envisioned for this project. Mr. Lambert asked what her original vision was. Doubleday explained she understood the fill line issue, but it appeared the project was moving in the direction of becoming another business in itself where it would not be under the control of the IDA. Mr. Lambert stated some of her concerns were valid, but the fill line would need to become an independent operated business, but the balance of the Incubator would continue to run according to the plan. Doubleday stated she still does not

understand why they could not hire that person. Pelham stated weren't they looking at fostering independent businesses. Doubleday explained that was not the original intent. Doubleday stated she would like to see the RFP for the operator when it was completed. Birge asked what type of person they were looking for. Mr. Lambert explained they would need marketing and chemistry experience and management related to fill lines. Atchley asked who the financial gain of the fill line would go to. Mr. Lambert explained the operation of the fill line would be converted to an hourly cost and explained the process of how they would invoice. Southwell advised he was trying to reconcile the budget numbers from the application. Chairman Royal explained the budget had changed. Mrs. Pelham explained they would not reconcile because the original budgets that were put in the application were done by the individual tenants and the budget that was with the agreement was more defined. Doubleday asked if the specific amounts for the businesses were the same. Mrs. Pelham explained they were. Miller asked about the line item cost for the operator of the fill line. Mrs. Pelham explained they were still working on that with the tenants and that the budget would need to be amended when they had all the details worked out.

Mr. Kuhlman, Citizen, Ollie Roberts Road thanked the board for tabling the item and for having a great discussion. He then touched on how all of the items discussed should have been finalized first. He then mentioned the IDA meeting from the previous week and mentioned Ms. Blum and Ms. Guilliani and how he believed the fill line was Ms. Blum's genesis and would eventually be given to her.

Birge stated she would like to give Mr. Lambert an opportunity to respond to the allegations made by Mr. Kuhlman.

Mr. Lambert explained Ms. Blum cannot be an operator of the fill line and she had a non-compete with her former employer. He further explained how the project was more sophisticated than anything they had done before, but it would be great for Hardee County. Pelham advised being in business things change daily. Mr. Lambert also explained how they had a complexity about making a capital investment on private property and the whole intention of the incubator was to provide a venue where they could accomplish growth and development of these companies' especially local companies.

MOTION by Atchley, second by Birge to table this item until their February 24, 2015 meeting. Motion carried unanimously.

- V. Request approval and authorization for the Chairman to sign the Grant Award Agreement with the Industrial Development Authority (effective 10/01/14) for \$150,000.00 for the Pretreatment Project.

Doubleday asked where the other monies would be coming from when the bid that came in from Halfacre was \$371,000+. Atchley advised if he remembered correctly this was the one they closed out and this was the remaining portion of that grant.

MOTION by Atchley, second by Pelham to approve and authorize the Chairman to sign the Grant Award Agreement with the Industrial Development Authority (effective 10/01/14) for \$150,000.00 for the Pretreatment Project.

Mr. Hank Kuhlman, Citizen, Ollie Roberts Road asked how much the facility would cost. Mrs. Pelham explained the quote they received from Halfacre in the amount of \$371,675 was for the facility. Mr. Kuhlman then asked if the \$150,000 was making up the difference. Atchley explained the grant was expired and they approved a new grant award agreement. Mr. Kuhlman then went on to talk about the water being polluted at the Commerce Park. County Manager Albritton advised the Board not to confuse water with wastewater and then went on to explain the slug and how these things happen. He also explained how the \$150,000 was just to get them started and the \$371,675 was an estimate and they would not start a project they could not complete or get funding from some other source. Mr. Kuhlman asked why they needed it. County Manager Albritton explained how it would serve the entire Commerce Park and it was precautionary. Doubleday explained she was confused again and asked if they should also table this one until they got an up to date budget so they would know what they were looking at. Mr. Lambert explained he had already advised the Board when they originally applied for the grant that it would not be adequate funding and they would find other sources or either come back to the board for additional funding. He further advised they would not spend the money unless they had supplemental funding and touched on why they needed the plant.

Motion carried unanimously.

- VI. Request approval and authorization for the Chairman to sign the Grant Award Agreement with the Industrial Development Authority (effective 10/01/14) for \$1,000,000.00 for Spec Building #7.

Doubleday expressed her concern about the agreement not having a budget attached. County Manager Albritton explained when it came to building and infrastructure projects they did not get too concerned because they would be going through site development plans, site construction plans, and the building and permitting process. Mr. Lambert further explained how the money was allocated to the IDA until they had a tenant. Doubleday explained she agreed in the spec building concept, but did not agree with the agreement not having a budget. Chairman Royal stated they did not want to hold up the process when

the IDA had a tenant and also, they all needed to remember the key was the IDA would own the building. Doubleday explained it was still public money and they needed to justify reasonable and necessary costs. Robertson asked about the bidding process. Mr. Lambert explained they would use that process and how they would have a budget once they had a tenant and knew what they would need. He further advised they could develop a budget, but it would not be correct if that was what the Board wanted. Pelham explained he disagreed. Doubleday explained they had historical costs to use. Mrs. Pelham, EDO Office advised when they start to move forward with the construction of the spec building every facet of the building was bid out and lowest bidder was chosen. She went on to explain a pre-budget could be created, but they would have to come back before the board every time a portion of the building was bid out and the budget needed to be amended. She also stated they used historical data when they completed their application requesting a million dollars for the spec building. Roberson advised the bidding process protects the public's money. Commissioner Birge explained she felt they needed the tenant first and then they could do the budget. Royal touched on how every spec building was different. He then asked if the IDA was planning on building a shell building or waiting for a tenant. Mr. Lambert advised they have not had any discussions with the IDA on building a shell building. Royal advised they could approve this with the clauses that before they started construction they would bring back to the board the type of building they were planning on building. Mrs. Pelham advised that would be done anyway. Royal advised that would solve the problem then. Mrs. Pelham also added they would not seek reimbursement on the grant until a budget was in place and they had a tenant and a plan. Miller added how this was a placeholder grant and how the IDA had been very good about coming back to the board when they had a tenant in the past. County Manager Albritton further explained that was how government worked. **MOTION by Pelham, second by Miller** to approve and authorization for the Chairman to sign the Grant Award Agreement with the Industrial Development Authority (effective 10/01/14) for \$1,000,000.00 for Spec Building #7.

Mr. Kuhlman, Citizen, Ollie Roberts Road spoke on how he thought they should do this grant just like they did the City of Bowling Green. He also stated he did not feel any of the spec buildings had been successful. He also stated they needed to put some meat in the contracts.

Motion carried unanimously.

- VII. Request approval and authorization for the Chairman to sign the Grant Award Agreement with the Economic Development Council (effective 10/01/14) for \$150,000.00 for the Admin Funding.

Pelham advised he would reclude himself because his daughter-in-law worked for the EDO Office (Copy of voting conflict attached).

MOTION by Atchley, second by Miller to approve and authorize the Chairman to sign the Grant Award Agreement with the Economic Development Council (effective 10/01/14) for \$150,000.00 for the Admin Funding.

Mr. Kuhlman, Citizen, Ollie Roberts Road spoke on how the charter of the EDA never intended for their funds to be spent on administrative costs of another entity. He also stated the IDA was planning on coming to talk to the EDA about their projects and how they were supposed to vet the projects.

Motion carried unanimously.

Mrs. Doubleday thanked Mr. Lambert and County Manager Albritton for coming up with the deliverables for the agreements.

Chairman Royal stated that before they began a new cycle, he would like to bring a thought up for discussion. He further stated that when they started the EDA they knew it would be a work in progress and that the first few years were projects with “bricks and mortar”, but as they expanded with new opportunities, he felt they needed to spend the next coming year going through all the processes and making adjustments to their applications and setting guidelines for the contracts. He further explained he hoped they would be getting the “C.F.” (Mosaic) funding for education and recreation and that would give them time to set those applications and guidelines for contracts. He closed in stating they had been successful with their projects that they had funded and had been able to help every community and they wanted to continue to grow their community and bring new opportunities for their residents and youth. Birge asked if they wanted to postpone the cycle for a year. Atchley asked if the statute allowed them to do that. County Attorney Evers advised they could carry funding over. Southwell advised he agreed and wondered if they could shorten the cycle. County Manager Albritton explained the cycle was long because of what the statute required. After further discussion, everyone expressed their support of the idea and decided they would make their decision at the meeting on February 24th. Miller asked for the County Attorney to look at the statute and their bylaws to see if they needed to take any action at their next meeting on postponing their cycle. County Attorney Evers advised he would check the statute and bylaws.

VIII. Public Comment.

Mr. Kuhlman, Citizen, Ollie Roberts Road spoke on how the ideas were great that were discussed today and that the money was the EDA's and they needed to make sure they were spending the money correctly and how they might want to get outside help to assist them with their contracts and applications. He also stated they might need to hire some staff.

MOTION by Atchley, second by Miller to adjourn. Motion carried unanimously.

Meeting adjourned at 10:30 a.m.



David Royal, Chairman