

HARDEE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY (EDA)
(INDEPENDENT BOARD)
COUNTY COMMISSION CHAMBERS
412 WEST ORANGE STREET, ROOM 102
WAUCHULA, FLORIDA 33873
October 10, 2016 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 Birge, second by Atchley to approve the agenda. Motion carried unanimously.

AFFIDAVIT OF PUBLICATION –The Herald Advocate 10/06/16 & The Florida Administrative Weekly 10/04/16.

- I. Discuss ranking process for Cycle 13.

Chairman Royal asked if they had any questions about the projects. There were none. He then asked for them to complete their ranking sheets.

Doubleday explained she wanted to thank Dr. Steele for her efforts and her vision and as her business grew she felt it would be an asset to Hardee County. She further explained she could not reconcile what she felt was the intent of the law when it came to funding public money on private property, so she was unable to rank the project. Miller asked the County Attorney if he could speak on the intent of the law regarding EDA funds on private property. County Attorney Evers advised he had not been able to come up with a comfortable feeling when it came to building infrastructure on private property because they could not lien it and he had struggled with the issue from the beginning. He further explained they would really need to discuss the deliverables if the board decided to go in that direction. Commissioner Birge explained she had

struggled with the issue as well. Pelham stated he felt it would open a Pandora's Box. Atchley explained economic development would not happen if people did not come forward with ideas and they were not going to be able to accomplish the things they wanted to accomplish without the private investor coming forward. Miller explained that Dr. Steele's project was very unique and he thought it would be a different asset for Hardee County and they should try to figure out how to make it work. Doubleday stressed her concern had to do with it being public money.

Chairman Royal then read the ranking:

- 1- Water/Sewer Corridor – IDA
- 2- Pretreatment – IDA
- 3- Admin Funding – EDC
- 4- Incubator – IDA
- 5- Utilities Expansion – City of BG
- 6- WH Bostick Road Loop – Hardee County
- 7- WH Old Bradenton Road – Hardee County
- 8- Steele Equine
- 9- Spec Building – City of BG
- 10- EMR Solutions

He stated there was tie with the Incubator (IDA) and the Utilities Expansion (City of Bowling Green) projects.

He then asked if they wanted to go over each one individually. Atchley reminded everyone just because they had the money they did not have to spend it all. Miller requested they go through each one individually.

Chairman Royal stated the Water Sewer Corridor would be the first one they discussed. Southwell explained he felt they were having to prioritize the water projects for the county and how he felt they really did not have the vision for that and thought it might be good for them to have a plan if these projects kept coming before them, so they made sure they got the most bang for their buck. Miller stated he has asked Mr. Winter those similar questions at the last meeting and he explained they were just the next projects in the sequence and there really wasn't any vision or plan. Pelham stated he felt their intent was the corridor area. Atchley explained when they were having the corridor meetings the consensus was the Highway 17 corridor because they wanted to have that area ready for when a business came, so they would not have to wait. Roberson asked Atchley was she wrong in thinking that when they were having the corridor meetings they were supposed to have an engineer get with all of the entities engineers and come up with a plan down the highway. Atchley advised she was right and there was some discussion on that, but they would have spent all of the money on that and they decided to move in the direction where pipe in the ground was needed

first and move from there. The planning and engineering would have used all of the money and then they would not have had any to move forward with.

MOTION by Miller, second by Birge to approve funding as requested the water sewer corridor project. **Motion carried unanimously.**

MOTION by Birge, second by Miller to approve funding as requested the pretreatment project. **Motion carried unanimously.**

MOTION by Atchley, second by Southwell to approve funding as requested the EDC Admin Funding request. **Motion carried with Pelham Abstaining copy of Conflict Form attached.**

MOTION by Pelham, second by Atchley to approve funding as requested the Incubator project. Miller asked about a presentation on performance data. Mrs. Pelham explained she had spoken with Debut Development and they would be happy to give a presentation, but were currently working on some really good videos and wanted to get those done so they could have them ready for the board to see. Southwell stated that would be good too, but he would like to see the data from the very beginning of the project as well. Mrs. Pelham stated they could do that and would give the presentation at the next EDA meeting. **Motion carried unanimously.**

MOTION by Atchley, second by Miller to approve funding as requested the Utilities Expansion Phase 1 project. **Motion carried unanimously.**

MOTION by Birge, second by Pelham to approve funding as requested the Bostick Road Loop project. **Motion carried unanimously.**

MOTION by Birge, second by Pelham to approve funding as requested the WH Old Bradenton Road project. There was discussion on this project and how long it would take and would it be leveraged with other funds.

County Manager Albritton read from Senate Bill 3110 and explained to the board they had approved the application process and then he read the infrastructure definition the board had developed. He further explained his interpretation of the projects was public purpose and there was not a statute that defined what they did and just wanted to remind all the board members.

Motion carried unanimously.

MOTION by Miller, second by Atchley to approve funding as requested the Steele Equine project. Southwell expressed his concern over the number of jobs for the amount of money requested and he also stated they needed to structure this in a way that demonstrated they were being good stewards of the money. Chairman Royal

asked for Bill Lambert, Economic Development Director to come forward and explained that Dr. Steele had really done a good job scaling back her request from last cycle and felt that this project could really bring a lot of recognition to Hardee County.

Mr. Lambert advised he was just before them to proffer an option subject to IDA approval to develop some performance criteria in order to fund Dr. Steele's project. He went on to state he felt that if the EDA funded this project through the IDA they could come up with some criteria such as a performance based note or mortgage. He also stated he had spoken with Dr. Steele and she agreed. He advised the agreement would be subject to the board's approval as well as the IDA Board and maybe they could develop an agreement that would put everyone's concerns to rest. County Attorney Evers advised the IDA would be meeting the next day, but would like for the EDA to discuss deliverables. Atchley stated in light of the discussion he would withdraw his second. Miller stated he would withdraw his motion and restate. **MOTION by Miller, second by Atchley** to approve funding the Steele Equine project through the IDA subject to terms and conditions they discuss along with subject to approval of the IDA. Atchley asked for Mr. Lambert and Dr. Steele to be involved in their discussion. Mr. Lambert advised there were several different areas they had to look at before they crafted the agreement but the one area that was important was how she would get the money and what benchmarks she had to meet and that they had a good idea of where to start, they just needed a little more time. He further stated they hoped they could develop something and use it as a template for future projects. Miller explained he had no expertise in developing these type of agreements and he was more concerned about reports down the road on how the project was doing and what impact it has had on Hardee County. Chairman Royal asked Dr. Steele to come up and discuss the jobs that could be created. Dr. Steele explained when they start they will need a surgeon, rehab manager, vet tech, office personnel, and a part-time grounds keeper. She further explained she had put a tab in her application for evaluation methods and measures by objective and she would be open to any other measureables the board might have. Southwell explained it was important to him that money be spent in Hardee County, but wasn't sure if it was possible to measure that. Commissioner Birge stressed her concern on this as well because of her location being so close to Highlands County. Dr. Steele explained she wasn't sure how that could be measured either, but when people came to her facility she wanted to have that package to give them that she wanted to develop with the Chamber of Commerce with the hotels and restaurants in Hardee County and she knew they would be asking her and her Staff about where they should stay and eat and she would give the board her word she would always suggest they stay in Hardee County. Pelham stated he knew she could not require her employees live in Hardee County, but she could encourage them to. Pelham also stated the private funds should be expended first. Dr. Steele stated that would be fine because the larger equipment items were going to be purchased later. Atchley stated he had heard three good things they could use as performance measures which were the minimal job creation, the grant funds be spent last, and the board should retain ownership of equipment until performance measures had been met. County Attorney

Evers advised if they could just get a consensus from the board that the comments be included in the motion. Pelham also recommended they have a second mortgage. Miller stated all of the comments would be part of his motion and was open to any other suggestions from anyone with experience with financing or from any of the IDA members. **Motion carried with Doubleday voting Nay.**

Pelham explained he had a problem with the severance tax money being used for a spec building government/retail office in regards to the City of Bowling Green's Spec Building project. Southwell explained he agreed. Atchley explained he understood the challenges they City was facing, but had concerns as well. Birge advised she had concerns with funding this without having a potential client. Mr. Jerry Conerly, City Manager, City of Bowling Green explained he did not understand how retail with the creation of jobs was not economic development and the Board found a way to fund Dr. Steele which he thought was great project but was using that just in comparison. He further explained there project would be spending money on public property, they were located on the main corridor, they were one of only three of the cities, and they were not asking for a lot of money. He also stated he just needed more understanding on what they were trying to say. Atchley explained with Dr. Steele they were partnering with a private investor that was putting in just as much money, but the City of Bowling Green was asking for the entire amount of money hoping they find a business to move into the building. He further stated the buildings they had funded in the past through the IDA had potential clients. Commissioner Birge explained that was her concern as well. Mr. Conerly explained they had some interest but did not have anywhere for them to locate and this would be a way for them to have a building built, so when they did have a potential client they would be ready. He further stated there was no risk besides time and added the building would be occupied eventually. Commissioner Birge asked about the interest they had had and was it office or retail. Mr. Conerly stated it was retail. Mr. Sam Fite, Mayor, City of Bowling Green explained what had brought the idea up was a Therapy Center needed a place in Bowling Green to locate to serve the children in Bowling Green. He further stated it was a trade of money, they had awarded them a grant for a spec building in the Commerce Park they were planning so did not understand what the difference was because this building was smaller and had a better chance of being occupied. He further stated they would not be moving the City Hall into the building and they needed the building to entice business to come to Bowling Green. He also stated they would not be able to sell the property because of the covenants. Atchley stated that he remembered their previous grant had a stipulation in it that they had to have a tenant before they would release any money for a spec building. Mr. Conerly explained it was for the Second Phase and they were authorized to spend the money, but did not and turned it back in. Pelham advised with the smaller building job creation would be smaller. Mr. Conerly advised it would depend on the type of business. Doubleday stated she was concerned from the last meeting that the building would just end up being a government office building. Mr. Conerly advised there was not a plan for the City Hall to locate there. He apologized for the confusion from the last meeting and stressed they did not intend to

move City Hall there. Doubleday asked would they be willing to put a provision in the agreement that the City Hall would not locate there. Mr. Fite stated they had no problem with that restriction being in the agreement. Roberson explained she understood what they City of Bowling Green was going through. Atchley explained he understood as well, but he was concerned about not having someone step up to the plate with them. **MOTION by Pelham, second by Southwell** to not fund the City of Bowling Green Spec Building project. **Motion carried with Roberson and Doubleday voting Nay.**

MOTION by Atchley, second by Southwell to not fund the EMR Solutions project. County Manager Albritton explained he was not sure why they did not present, but there were some issues with the project being \$4 million and then the jobs temporarily not being located in Hardee County, but there was not a requirement they present. **Motion carried unanimously.**

- ii. Acknowledge receipt of Reimbursement Request Package Cover Sheets for Incubator (Cycle 11) totaling \$62,739.04.

MOTION by Atchley, second by Pelham to acknowledge receipt of Reimbursement Request Package Cover Sheets for Incubator (Cycle 11) totaling \$62,739.04. **Motion carried unanimously.**

- iii. Trey Flemmer – Discuss remaining \$19,000.00 and the designation of the funds.

Pelham stated the IDA was turning back in the Spec Building Grant and the Pretreatment Grant, and then the City of Bowling Green was turning back in their grant as well, so was wondering if they needed to make a motion to not extend those for bookkeeping purposes. County Manager Albritton stated yes.

MOTION by Pelham, second by Atchley to not renew agreements for the IDA Spec Building and Pretreatment Projects and the City of Bowling Green Project. **Motion carried unanimously.**

Commissioner Birge stated she wanted to let Mr. Conerly and Mr. Fite know that she would like them to come back before the board if they got a tenant. Mr. Fite stated they needed a building when the business was looking. Commissioner Birge stated that the IDA always had potential clients for their buildings before the EDA funded them.

County Manager Albritton stated the IDA was turning back in the \$1 million Spec Building because they did not have a potential client. He further explained the EDA Board had never funded retail and economic development was a discipline and that any training you received would tell you that economic development was not retail and the true definition of economic development was increased wealth into the

community. He further explained to increase the wealth of Hardee County it needed to be money being spent in Hardee County from sources outside the county. He added that retail just recycled the money. Commissioner Birge clarified that when they did fund the spec building Mr. Lambert did have tenants, but things had changed. Mr. Lambert explained they still had tenants, but the IDA was in better financial shape and since the EDA board had so many requests this cycle, he felt it would be better to turn the money back in and the IDA Board agreed. He further explained if they landed the tenants they would build the building with IDA funds. He also stated he would be willing to work with the City of Bowling Green if they had a manufacturing type business that needed a building.

Mr. Flemmer provided each board member with a marketing budget. He explained the money would be strictly for marketing, a little overhead, and product development. He advised they would not be paying any salaries and the balance was even less. Chairman Royal asked what he was seeing so far with his marketing. Mr. Flemmer explained they were seeing favorable response and curiosity. He further explained the issues they were hearing was the cost, size, and weight of the boat. Atchley asked what his marketing plan looked like for the next 90 days. Mr. Flemmer explained they would be working with SEED Marketing and it would be a strong web based plan and another unique thing they were planning on using was a display to put in shops instead of the actual board that way it would not take up so much space. Pelham asked what he was doing about staffing. Mr. Flemmer explained he worked nights and worked on the project during the day.

MOTION by Atchley, second by Miller to approve funding Peace River Paddlesports for the next 90 days. Roberson asked about the amount under Equipment in the budget. Mr. Flemmer apologized and stated it did not follow down and the total needed \$300 added to it. **Motion carried unanimously.**

County Attorney Evers explained to the board that when the Grant Award Agreements for this cycle came before them there would be a new provision in them reflecting Florida's Prompt Payment Act for the payment and processing of the Reimbursement Request Packages. He further explained the IDA Board continued to have problems with the processing and payment of their Reimbursement Request Packages and they were planning on discussing this at the IDA meeting the next day. He also stated if the board did not wish to have this in the agreement just to let him know, but felt they needed to have something in the agreement. Chairman Royal asked if anyone had a problem with that. No one did.

Chairman Royal asked how long they needed to develop the agreements. Mr. Lambert explained the first thing he needed to do was to get IDA approval and then he would need a couple of weeks, but would get done expeditiously as possible. Mrs. Meeks, Office Manager advised she would set the meeting up with the board once everything was ready.

County Manager Albritton explained to the board that when the contract was written for the Admin Dollars it would need to be retroactive back to October 01, 2016.

Meeting adjourned at 10:40 a.m.



David Royal, Chairman