

**Hardee County Economic Development Council/Industrial Development Authority**  
**Regular Meeting Minutes**  
**September 15, 2015**  
**Hardee County BOCC**

**Vanessa Hernandez- Chair-P**  
**Gene Davis- Vice Chair-P**  
Dottie Conerly-P

Donald Samuels-P  
John O'Neal-A  
Lory Durrance-P

Diana Youmans-P  
Monica Reas-P

The meeting was called to order by Chair Hernandez.

**Visiting:** Blake Lange, Denise Grimsley, Eric Stevens, Terry Atchley, Brent Thompson, Mike Carter, Trisha Floyd, Marie Lambert, David Royal, Abel Hernandez, Aaron Nadaskay, Kristin Giuliani, Vanessa Thomas, Charlie Cox, Trey Flemer, Emily Flemer, Jared Flemer, Ron Decook, Sharon Moye, Rhonda Cole, Keith Rupp and Bruce Stayer.

**County Attorney:** Ken Evers

**County Commissioners:** Mike Thompson, Sue Birge, Rick Knight and Russ Melendy

**Press:** Michael Kelly

**Staff:** Bill Lambert, Sarah Pelham and Kristi Schierling

**Agenda:** Gene Davis made a motion and was seconded by Diana Youmans to approve the agenda. Motion passed unanimously.

**Minutes:** Dottie Conerly made a motion and was seconded by Monica Reas to approve the minutes as presented. Motion passed unanimously.

***Florida Hospital***

The Board of County Commissioners recently adopted a resolution expressing support for Florida Hospital Wauchula and its relocation and construction project. The board wants to acknowledge and endorse the resolution. Chair Hernandez read the resolution. Florida Hospital will provide a letter of intent to the IDA that describes the method in which the relocation will take place which we will craft into a contract and bring it back for the board for approval. Of the \$2million, \$700,000 will go to the City of Wauchula and \$1.3million will go to Florida Hospital. We will inherit the old building for \$1.

Gene Davis made a motion and was seconded by Dottie Conerly to endorse the resolution by the Board of County Commissioners. Motion passed unanimously.

***Project Julius Caesar presentation***

Commissioner Mike Thompson made the board aware before any discussion was held that his brother and father are involved in this project. He is not involved in any way in this project. He has no financials interest or stock in the company. He decided to leave the room so everyone felt that they could have open discussion.

Project Julius Caesar will now be known as Florida Grows. Brent Thompson, Blake Lange and Ron DeCook were here for the presentation. Florida Grows has a development agreement with Philips Horticulture Solutions to build an indoor vertical farm. Philips is already operating in Japan and the

Netherlands and have 30 years experience. California is currently in a drought and they produce over 70% of the vegetable for the United States and over 80% of lettuce is consumed in the US. Florida Grows see this as an opportunity in the industry. The lettuce that would be grown here would be able to be sold in the local grocery stores, sent to the school districts and restaurants. With Florida having such a large tourism industry, they could supply the hotel and theme parks as well as the cruise ship industry. A cruise ship out to sea for a week needs 20,000lbs of lettuce.

Florida Grows plans to reuse 95% or more of their water. Since the lettuce will be locally grown it will be quick to market. It will be pesticide free and table ready from the moment they harvest it and have a longer shelf life.

Director Lambert has asked the board to approve budgeting \$1MM to purchase the MoBo/Southeast Steel building. There will be minor renovation costs. The purchase price is \$750,000. A performance based mortgage would be drafted as well. Florida Grows would have about \$6MM capital investment in the building.

Dottie Conerly made a motion and was seconded by Lory Durrance to allow Director Lambert to negotiate the terms of the contract. Motion passed unanimously.

#### ***Approval of contract for purchase of SMM Wauchula, LLC***

The appraisal came back at \$893,000 for the metal building and land, \$24,000 for the tent canopy and \$28,700 for the portable office unit. Director Lambert felt that the comps were not appropriate. He went to the owner of the building and asked if they would accept \$750,000 for the metal building and land and the tent canopy, which was lower than the appraised value. The owner agreed. We will also get a survey done and the phase 1 should be completed by this Friday. The mobile office buildings will be removed from the property.

Florikan is out of space and approached Director Lambert about setting up an outside structure. Director Lambert thought that the tent canopy from this property would work for Florikan. Florikan would cover the relocation costs as well as any permitting that may need to be done. We would increase the total value of the investment into the building by the appraised value of the tent canopy.

The MoBo/Southeast Steel building is currently occupied. They have been shown the space in the back of the Incubator and feel like it will suit their needs.

Director Lambert recommends to approve the purchase contract, negotiate with Florikan on relocating the canopy and SMM Wauchula going to the Incubator.

Monica Reas made a motion and was seconded by Lory Durrance to approve the purchase contract with the appraisal. Motion passed unanimously.

\*\* A break was taken from 9:30-9:45am. \*\*

#### ***CliftonLarsonAllen***

Mike Carter and Trisha Floyd are here today to discuss the engagement letter for the upcoming annual financial audit. The fee will be \$35,000. The fee has increased this year. The previous year fees were: \$33,800 (2012), \$20,600 (2013) and \$21,250 (2014). The reasons for the fee increase were they had not been profitable doing our audit and well as the risk they believe we are. The IDA has not RFP'd for auditing services. We are using CliftonLarsonAllen because they are the County's auditor. We do have an option of not accepting this engagement letter and going out for bid on a new auditor. The County can not complete their audit until ours is complete since we are a component unit of the County. Director

Lambert feels that we should continue with CliftonLarsonAllen due to time constraints and construct an RFP for auditing services in the meantime.

Some board members thought we should continue to use CliftonLarsonAllen since they have the knowledge of our organization and the different funding streams that we have.

Monica Reas made a motion and was seconded by Gene Davis to move forward with their engagement and for CliftonLarsonAllen to only bill up to the amount in the engagement letter. Motion passed unanimously.

Mike Carter and Trisha Floyd were also here to discuss the management letters for the examination of Continuum Labs, Inc. Mike Carter said if Travis Bond does not sign the management letter, he would have to include a disclaimer in the examination report. There is a management letter for each party, Continuum Labs and the IDA. There was an earlier letter that was requiring both parties to sign. Attorney Evers did not want the IDA to sign this one because there were statements in there that the IDA did not do but Continuum Labs did so we asked CliftonLarsonAllen to split the letter into two separate ones to be signed, one for each party. Since we are now in litigation with Continuum and CliftonLarsonAllen, the letters have not been signed and therefore a final copy of the examination report cannot be issued. There are some changes that Attorney Evers would like to make to the management letter and once those are done he will send them to Bert Harris for his review because he is the counsel of record for our litigation.

#### ***Peace River Paddlesports and Kuleana Adventures***

Trey Flemer came today to give an update to the board. A short YouTube video was shown. He has built 4 stand up paddleboards. He was having issues with the gel coat cracking. They are being modified right now. He expects to have positive cash flow at the end of the first quarter in 2016. Once they are in full production, Trey expects to produce 1 paddleboard every 2-3 days.

Trey has also begun to focus on the ecotourism area and will become a vendor for Paynes Creek State Park. The contract for that is still being worked on. They also are working with another vendor that will have them doing canoeing/kayaking excursions near Streamsong Resort and he would like to do something out at Hardee Lakes Park.

Director Lambert advised the board that Debut Development and Stream2Sea will do their reports at next month's meeting. They were unable to attend today due to scheduling conflicts.

#### ***Tucker/Hall agreement***

The agreement for strategic communication services for Tucker/Hall was brought back to the board for approval. We will be invoiced every month with a detailed invoice and timesheet. The only change to the agreement is the signer for Tucker/Hall. It will be signed by their COO instead the President.

Monica Reas made a motion and was seconded by Diana Youmans to authorize the Chair to sign the agreement with the name change. Motion passed unanimously.

#### ***Draft EDC & IDA Budget FY 2015-2016***

The draft IDA budget was discussed first. A few changes were made to the special revenue fund. The administrative fee supplement was increased to \$200,000, IDA marketing was increased to \$150,000 and Project Housing for \$400,000 was included. There were also a few items that were moved to different expenses categories but the amounts remained the same.

Project Housing is not for anything specific. Director Lambert thought that the IDA could do a budget appropriation to use for housing development. Project Julius Caesar will now be Philips/Florida Grows. The IDA budget has to be adopted by a resolution.

Lory Durrance made a motion and was seconded by Monica Reas to approve the draft IDA 2015-2016 budget by resolution. Motion passed unanimously.

No significant changes were made to the draft EDC budget.

Monica Reas made a motion and was seconded by Dottie Conerly to approve the draft EDC 2015-2016 budget. Motion passed unanimously.

### ***Financial Report***

Sarah Pelham reviewed the EDC and IDA financials from the previous month.

A motion was made by Gene Davis and seconded by Monica Reas to approve the EDC and the IDA financials. Motion passed unanimously.

### ***Announcements***

Florikan will hold a groundbreaking on October 21<sup>st</sup>. Caresync is currently at 49 employees and has an additional 19 offer letters out. They have moved into the upstairs at Tech River.

\*\*The meeting was adjourned at 12:10pm by Chair Hernandez.