

MINUTES

Hardee County Economic Development Council Hardee County Industrial Development Authority

Commission Chambers 412 W. Orange, Room 102, Wauchula, FL 33873 Regular Meeting

1/10/2017 8:30 AM

BOARD MEMBERS

Vanessa Hernandez, Chairwoman | Gene Davis, Vice-Chairman | Monica Reas | Diana Youmans | John O'Neal | Dorothy Conerly | Lory Durrance | Bill Lambert | Sarah Pelham

1. Call to Order

Attendee Name	Title	Status	Arrived
Vanessa Hernandez	Chairwoman	Present	
Gene Davis	Vice-Chairman	Present	
Monica Reas	Board Member	Present	
Diana Youmans	Board Member	Absent	
John O'Neal	Board Member	Present	
Dorothy Conerly	Board Member	Present	
Lory Durrance	Board Member	Present	
Bill Lambert	Economic Development Director	Present	
Sarah W Pelham	Economic Development Corrdinator	Present	
Kristi Schierling	Economic Development Office Manager	Present	

2. Approval of Agenda

Item 2.1. approve agenda with items 4.2 and 4.5 being switched

Director Lambert asked that items 4.2 and 4.5 be switched. The presenter for 4.2 was running late.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Gene Davis, Vice-Chairman
SECONDER:	John O'Neal, Board Member
AYES:	Hernandez, Davis, O'Neal, Conerly, Durrance
ABSENT:	Reas, Youmans

3. Approval of Minutes

Item 3.1. December 13, 2016 Minutes

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Lory Durrance, Board Member
SECONDER:	Dorothy Conerly, Board Member
AYES:	Hernandez, Davis, O'Neal, Conerly, Durrance
ABSENT:	Reas, Youmans

4. Agenda Items

Item 4.1. Caresync Presentation- Expansion Plans

Russ Dumus, VP of Clinical Services at Caresync, was here to give an update to the Board and had a short presentation. Caresync focuses on chronic care management. They have had great growth in 2016 and anticipate more growth in 2017. They will eventually need more space. There are currently 3 shifts in the Tech River building and it is a 24/7 operation. There are roughly 100 on the day shift and 60 on the evening shift and about 15 on the night shift. The building capacity will be exceeded in 6 months.

Director Lambert noted that there are not a lot of buildings in the area that would accommodate their growth; possibly the old hospital or the old Winn Dixie location. He will continue to keep a look out for any buildings that may work. We don't have many large buildings that would accommodate their growth. The two neighboring property owners have been willing to work with Caresync, should they need additional parking space.

Item 4.2. Project Relocation

Brian Stufflebean, Durango Systems PTR Properties, came before the board to talk about relocating their corporate headquarters to Florida. They are currently located in Durango, Colorado. This is a block producing company. This would add 57 jobs to the community and the average wages will be a bit higher. Brian Stufflebean is looking for a 50,000-75,000 square foot building and would need to be close to rail. Industrial hemp will be processed. They been looking for a new home to contine to build, expand and grow and feel Central Florida is a good fit. There will be different phases to the project. The first is a blocking plant which produces cementious block. The 2nd phase is using hemp in industrial products. Hemp can not currently be grown in Florida but can be brought in.

Item 4.3. Lease discussion for canopy at MOBO building- Motion to allow Director Lambert to enter into an interim agreement, in the form of a letter, for the canopy

NRCM, Natural Resources Captial Management, has talked to Director Lambert about leasing the canopy area behind the MOBO building to begin their growing facility. This would be leased at a different rate than the building. The canopy is approximately 12,000 square feet. The lease for the building is expected to be ready by next month's meeting.

Director Lambert said the roof should be done by the middle of next week and then the walls. We will ask NRCM to provide a deposit like we had with Florikan. It would be between \$10,000 and \$20,000. PFM's old switch will be evaluated to see if it will work at the MOBO building. NRCM's intention is to use both the canopy and the main building.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Lory Durrance, Board Member
SECONDER:	Dorothy Conerly, Board Member
AYES:	Hernandez, Davis, Reas, O'Neal, Conerly, Durrance
ABSENT:	Youmans

Item 4.4. Discussion of agreement terms with the EDA and Steel Equine

This is just an informational item. We have had many meetings with Steele Equine and her team on the final structure of the agreement. The EDA asked that all of Steele Equine's money go in first before any of the EDA money goes in. We are working on the nuances of this with the bank. The EDA meets on the 31st and we hope to have something at our next meeting.

Item 4.5. PFM Lease Modification- Motion to approve the second amendment to the lease

Director Lambert told the board that PFM had obtained contracts to put them into production this year. The rent had been held off because of the switch being replaced. This was replaced in Mid October and Bill told them that rent is to start being paid. It had not been. In mid- December, Director Lambert spoke to PFM and let them know that rent had to start being paid and negotiated an interim amount of \$5,000 per month plus sales tax which is \$5,350. Job creation credits is in their current lease agreement. During this year of the lower rent amount, no credit will be given for any jobs created and the rental amounts paid in 2017 would not be used towards the purchase price of the building. Their new rate is \$3 square foot. PFM will come next month to give an update. In October, they will come back before the board and give another presentation and the board will decide if the rent should be changed in any way. The original lease rate will go back into effect in January 2018. None of the payments made this year will go towards the purchase price of the building. It appears that their payroll is about \$1.6M-\$2M. The taxes and insurance run about \$30,000 and the rent will bring in about \$60,000 so we will not be in a negative cash flow with this building.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	John O'Neal, Board Member
SECONDER:	Gene Davis, Vice-Chairman
AYES:	Hernandez, Davis, Reas, O'Neal, Conerly, Durrance
ABSENT:	Youmans

Item 4.6. Spec building discussion

Director Lambert said that there is no better tool for recruitment than real estate. He would like to have discussions with the board to develop a spec building on one of the last lots in the Commerce Park and it should be 20,000-30,000 sq/ft with no floor yet. We would have a shell completed up to the point that the floor needs to be poured. We will be out of buildings shortly and we need to stay competitive. Director Lambert would like to go ahead and have plans ready.

5. Project Updates/Chair Updates

Chair Hernandez brought up that it is time to do the Director's evaluation again as well as the 2016 presentation. Director Lambert will review the staff. This will presumably be at the next meeting as long as everything goes well. There have been no substantive changes to the last written report. Director Lambert will provide another written report. He stated that a lot of positive things going on.

6. Financial Report

Item 6.1. Budget Amendments

Item 6.1.2. Motion to approve amendment as presented

Charlie Cox had one budget amendment for the General Fund. On the original budget there was \$25,000 budgeted for the sheriff command center addition as a transfer out but it should have been listed as a grant expense.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Gene Davis, Vice-Chairman
SECONDER:	Dorothy Conerly, Board Member
AYES:	Hernandez, Davis, Reas, O'Neal, Conerly, Durrance
ABSENT:	Youmans

Item 6.1.4. Motion to approve amendment as presented

Charlie Cox had one budget amendment for the special revenue fund. This is for the water/sewer extension for Will Duke Rd. This was originally approved back in July and did not get carried over to this fiscal year's budget. We will have about \$200,000 more in expenses than the EDA grant award will cover. Monica Reas abstained due to her business being located on Will Duke Rd.

RESULT:	ADOPTED [5 TO 0]
MOVER:	Lory Durrance, Board Member
SECONDER:	John O'Neal, Board Member
AYES:	Hernandez, Davis, O'Neal, Conerly, Durrance
ABSTAIN:	Reas
ABSENT:	Youmans

Item 6.2. December 2016 EDC/IDA Financials

Before the monthly financials were discussed, Chair Hernandez asked Charlie Cox for an update on our upcoming audit. Charlie said that he has provided them with all of the information that they have requested and will be providing them additional information in the coming weeks.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Gene Davis, Vice-Chairman
SECONDER:	Lory Durrance, Board Member
AYES:	Hernandez, Davis, Reas, O'Neal, Conerly, Durrance
ABSENT:	Youmans

- 7. Announcements/Other Business/Public Comments
- 8. Adjournment