

MINUTES

Hardee County Economic Development Council Hardee County Industrial Development Authority

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

3/21/2018 8:30 AM

BOARD MEMBERS

Gene Davis, Chairman | Tommy Watkins, Vice-Chairman | Courtney Green | Lory Durrance | Calli Ward | Vanessa Hernandez | |

1. Call to Order

Attendee Name	Title	Status	Arrived
Gene Davis	Chairman	Present	
Tommy Watkins	Vice-Chairman	Present	
Courtney Green	Board Member	Present	
Lory Durrance	Board Member	Present	
Calli Ward	Board Member	Present	
Vanessa Hernandez	Board Member	Present	

Visiting: Halton Peters, Skip Durbin, Trey Scott, Charlie Cox and Lex Albirton

County Commissioners: Mike Thompson

Press: Michael Kelly

Staff: Bill Lambert, Sarah Pelham and Kristi Schierling

2. Approval of Agenda

Item 2.1. Motion to approve agenda as presented

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Calli Ward, Board Member
SECONDER:	Vanessa Hernandez, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

3. Approval of Minutes

Item 3.1. February 2018 EDC/IDA Minutes

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Tommy Watkins, Vice-Chairman
SECONDER:	Courtney Green, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

4. Agenda Items

Item 4.1. Mauldin & Jenkins- FYE 2017 Financial Statements

Trey Scott, with Mauldin and Jenkins, came to present the Annual Financial Report for Fiscal Year ending 9/30/2017. He was pleased to announce that they have issued an unmodified opinion. There were no findings and no audit adjustments to be made or past adjustments. Nothing needed to be corrected. There were no disagreements with management. None of the new GASB standards should affect us.

Vanessa Hernandez made a motion and was seconded by Calli Ward to approve the Annual Financial report for fiscal year ending 9/30/2017.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Vanessa Hernandez, Board Member
SECONDER:	Calli Ward, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

Item 4.2. Director Evaluation 2017

Kristi Schierling reviewed Bill's evaluation results with the Board. His overall score was a 4.06 out of 5. The scoring was from a 0-5 with 5 being the highest. Kristi also read through each of the comments sections. After the performance review, Bill gave his comments to the Board. He stated that there are no rules for the job we do here and does not understand why the members serve on this board because of the amount of abuse that is given. We are in a unique, tough situation trying to create economic development in the County. He stated that we have a great relationship with the Board of County Commissioners and Mike Thompson specifically. Bill also thanked the board members for their time and effort spent on this board and mentioned that we need one more. Bill also thanked Sarah, Kristi, Charlie and Ken.

Gene Davis thanked Bill and staff for the work they do.

Item 4.3. Debut Development Lease

Debut Development has finished their EDA grant. The lease that we will have with them is almost complete. It is not ready for approval yet. We currently have a contract with them for fill line management. If we cancel their management contract and move them to a lease agreement, we would like them to go ahead and purchase the fill line equipment at some rate with job creation credit going towards the purchase price. The IDA owns the building and all equipment inside. We need to discuss terminating the management contract with them and go to a lease contract.

Before any further discussion was had, Lory Durrance abstained from the discussion and any voting that may take place due to the conflict that his employer may have with Debut Development or its principals.

The equipment is valued at approximately around \$250,000. They currently have around 20 employees and they are all from Hardee County. Debut Development is currently using about 12,000 square feet with the majority being warehouse space. We will have a provision in the lease about the equipment not leaving Hardee County and having a lien on the equipment.

It was the consensus of the board to move forward with the lease and draw up a document for equipment purchase with job performance criteria. It will be a term lease and the lease payments will be synched up with

the payment schedule on the equipment. It was also a consensus that we go ahead with the canceling of the management contract.

Item 4.4. Hardee Fresh Discussion

Halton Peters was here this month to discuss his building. His financing entity would like to have a first mortgage on the building. In order to do that, we would like to sell the building to Hardee Fresh for \$1,250,000. We have approximately \$1,700,000 in the building now and would like to take a 2nd mortgage out on the difference which would be around \$500,000 and would be retired with his job creation over a reasonable period. For each job over 12, a 4.2% increase per job will be given. That means with 13 jobs he would get 54.2% towards his \$500,000 being retired. It would be a ten year term. If the board agrees, this would be the terms of the agreement. We do not necessarily need a contract if we are ready to close. We will have a contract for the \$500,000. The IDA will maintain the insurance through the date of closing.

Lory Durrance made a motion and was seconded by Tommy Watkins to authorize the sale of the building to Hardee Fresh for \$1.25MM and hold a 2nd mortgage in the amount of \$500,000 with the thresholds described today and to allow the Chair to sign all documents.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Lory Durrance, Board Member
SECONDER:	Tommy Watkins, Vice-Chairman
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

Item 4.5. PFM Update

We have spent an interesting last 30 days on intellectual property. The equipment collateral is closer to \$1.2 million instead of the previous amount we had been told. The IP has been much more difficult to get our arms wrapped around. We have hired an IP attorney from GreyRobinson in Orlando. He has done a really good job on helping us through this. We are comfortable that they will be able to move forward with reasonable proof that their IP is their IP. Kevin Minds has been officially been appointed to act in the place of Shawn's wife. We are hoping to move forward by next week. If everything goes well, we should be able to let them start drawing the line of credit by next week. No action was needed today.

5. Project Updates/Chair Updates

Florida Hospital has requested their last draw in the amount of \$300,000. EDC staff has met with the company that owns FINR and they seem to be interested in the old hospital. Denise Grimsley has a large amount of contacts that we could use if needed for the old hospital. We have Caresync's floor plan for the old Winn Dixie building. They will be using about 21,000 square feet. Dave Brown, with EZ Products, would like the middle portion of the building with the loading dock and would like to have 14-15,000 square feet. BioSurf Pro will use the rest of the building. SFSC is ready to begin training for Caresync. The EDA change passed both the House and Senate. The CF money is divided into 75% being allocated for education and 25% is for recreation. We or Caresync could apply for this money for the training of their employees. Director Lambert brought up placing a 90 day hold on the services of Tucker Hall. We are not certain we have defined what we need them to do. Tommy Watkins made a motion and was seconded by Vanessa Hernandez to place a hold on Tucker Hall's contract for services. Motion passed.

Director Lambert brought up that Jim See has overspent on his project. Lory Durrance abstained from the discussion and any voting that may take place due to the conflict that his employer may have with West Park Place or its principals. Chastain Skillman has provided alternate bids regarding the roundabout for the Carlton Street extension. The property owners should pay for this. We will go to the EDA for this at a later date. MLK extension is moving forward great. A local entity is interested in the Techriver building. Director Lambert hopes that Peace River Center would be able to use it. We have planted the olive trees in the SFSC test plot. Our hops are doing nicely. The pongamia had some cold damage. We spoke with Durango Systems and their financing entity. We have asked them for a letter of assurance for the financing capital and have asked them for a \$500,000 escrow.

Item 5.1.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Tommy Watkins, Vice-Chairman
SECONDER:	Vanessa Hernandez, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

6. Financial Reports

Item 6.1. February 2018 EDC/IDA Financials

Kristi Schierling notified the board of some of the larger transactions that took place for the month. They were for the MLK water extension and will be turned in to the Clerk for reimbursement.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Vanessa Hernandez, Board Member
SECONDER:	Calli Ward, Board Member
AYES:	Davis, Watkins, Green, Durrance, Ward, Hernandez

7. Announcements/Other Business/Public Comments

8. Adjournment