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**THE CITY OF VERO BEACH COUNCIL MEMBERS**  
**REGARDING ECONOMIC DEVELOPMENT**  
**AND PIPER AIRCRAFT**  
**HELD MAY 9, 2007 AT 9:00 A.M.**

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May 9, 2007

**JOINT MEETING OF THE INDIAN RIVER COUNTY AND**  
**THE CITY OF VERO BEACH CITY COUNCIL**  
**CONCERNING ECONOMIC DEVELOPMENT AND PIPER**  
**AIRCRAFT**

The Board of County Commissioners of Indian River County, Florida, met in a Joint Meeting at the Vero Beach City Hall, Council Chambers, 1053 20<sup>th</sup> Place, Vero Beach, Florida, on Wednesday, May 9, 2007 to discuss matters pertaining to Economic Development and Piper Aircraft. Present for Indian River County were Chairman Gary C. Wheeler, Vice Chair Sandra L. Bowden, Commissioners Wesley S. Davis, Joseph E. Flescher and Peter D. O'Bryan. Also present were County Administrator Joseph A. Baird, County Attorney William G. Collins II, and Deputy Clerk Maureen Gelfo.

Present for the City of Vero Beach were Mayor Thomas White, Vice Mayor Sabin Abell, Council Members Ken Daige, Debra Fromang and Bill Fish. Also present were City Attorney Charles Vitunac, City Manager Jim Gabbard and City Clerk Tammy K. Vock.

**1. CALL TO ORDER – MAYOR THOMAS P. WHITE**

Mayor Thomas White, City of Vero Beach, called the meeting to order at 9:00 a.m.

**2. INVOCATION – WESLEY S. DAVIS**

Commissioner Wesley S. Davis delivered the invocation.

**3. PLEDGE OF ALLEGIANCE – CHAIRMAN GARY C. WHEELER**

County Board Chairman Gary Wheeler led the Pledge of Allegiance to the Flag.

**4. INTRODUCTION OF CITY OF VERO BEACH CITY COUNCIL AND STAFF BY MAYOR THOMAS P. WHITE**

Mayor White introduced City Council Members, City Staff, and Vero Beach Airport Director Eric Mengle.

**5. INTRODUCTION OF INDIAN RIVER COUNTY BOARD OF COUNTY COMMISSIONERS AND STAFF BY CHAIRMAN GARY C. WHEELER**

Chairman Wheeler introduced County Administrator Joe Baird and County Attorney Will Collins and asked the County Commissioners to introduce themselves.

**6. ECONOMIC DEVELOPMENT PRESENTATION REGARDING PIPER AIRCRAFT – INDIAN RIVER COUNTY CHAMBER OF COMMERCE**

**A. BACKGROUND AND TIMELINE**

**Penny Chandler**, President of the Indian River Chamber of Commerce, provided an overview of the Chamber's efforts to develop an incentive package for Piper Aircraft

(Piper). She expounded on the Request for Proposal (RFP), mentioning the necessity of maintaining strict confidentiality. Mrs. Chandler related that the minimum requirements for Piper's new site included (1) an on-site airport facility, (2) a location within 20 miles of an interstate highway, (3) the ability to meet weather conditions, (4) a superior labor management climate, (5) a work force with required skills, and (6) the availability of business incentives. She remarked that Piper hopes to select a location site by the end of the third quarter of 2007. Mrs. Chandler confirmed that Piper's goals are to select a location for their corporate headquarters and the current manufacturing facility, and to manufacture the new Piper Jet. She disclosed that in March the Chamber had secured the services of the Washington Economics Group, which provided a report showing that Piper Aircraft has a \$518 million impact on Indian River County. Mrs. Chandler concluded by stating that due to the Sunshine Law, public discussion could now ensue.

### **B. KEY PROJECT POINTS**

**Helene Caseltine**, Economic Development Director, recognized team members' participation in the project. She announced that Piper currently employs about 1100 residents and the new Plant would create 500 additional jobs. She reported that the estimated investment in the Plant is approximately \$40 million in equipment and machinery, and an additional \$60 million for a new facility. Director Caseltine revealed that Indian River County is one of five sites still under consideration; the others being New Mexico, Oklahoma, South Carolina, and Tallahassee. She conveyed that Piper wants to: (1) have a 700,000 square foot building, (2) offset their insurance costs, (3) minimize their utility costs, and (4) have access to skilled labor. Ms. Caseltine invited to speak Chuck Yaros, a Consultant for the Washington Economics Group, who provided an analysis on the economic impact of Piper on the County.

**C. ECONOMIC IMPACT ON INDIAN RIVER COUNTY COMMUNITY**

**Chuck Yaros**, Washington Economics Group, discussed the results of the Firm's study that had focused on the economic impact of Piper's current operations in Indian River County. He disclosed that Piper has just fewer than 1,000 employees, which makes it the County's largest private sector employer. Piper produces a high technology product, which is exported from Indian River County to the rest of the nation and the world. Piper pays an average wage of just under \$40,000 annually, which is considerably above both County and State averages. Piper and other economic entities in the County that are dependent on Piper generate about \$91 million annually in labor income and the total economic impact is just over a half billion dollars a year. Mr. Yaros remarked that Washington Economic Group's best estimate is that all of those entities pay approximately \$27 million a year in Federal, State, and local taxes.

**D. PRESENTATION OF PROPOSED COMBINED CITY/COUNTY INCENTIVES**

**Ms. Casteltine** provided an overview of the proposed combined City and County incentive package as follows:

- Purchase Piper's existing property (land and buildings) at fair market value and lease the property back to the company (City and County)
- Construct additional manufacturing space as needed adjacent to the current facility (City and County)

- Investigate inclusion of Piper property under City/County insurance coverage (paying a pre-determined amount of the premium, with City/County sharing cost)
- Building impact fees paid by County
- Classroom space in the new Administration Building to be provided (County)

**Ms. Casteltine** also related that water & sewer hookup fees would be negotiated and that the Public Service Commission might request a bulk utilities rate structure. In conclusion, she asked the Council to empower the City Manager and the County Administrator to proceed in working out the details of the proposal.

## **7. QUESTIONS AND COMMENTS FROM BOARD AND COUNCIL MEMBERS**

There were no questions or comments at this point.

## **8. BOARD AND COUNCIL MEMBERS ACTION**

### **A. DISCUSSION, QUESTIONS AND COMMENTS**

Chairman Wheeler understood Piper's requirements and recommended that we see how the Council feels, then move ahead if so desired and get Piper's response.

Commissioner Davis gave his input, strongly supporting this initiative. He was willing to do “whatever it takes” to move forward, and to ensure that securities and safeguards are put in place to ensure that Piper keeps its end of the deal.

MOTION WAS MADE by Commissioner Davis, SECONDED by Vice Chair Bowden, to move forward with the negotiations with Piper Aircraft and to give the County Administrator the direction to keep Piper in this community.

Vice Chair Bowden commented that this is an ambitious project for the City and County, but it is much needed.

Commissioner O’Bryan concurred and requested inclusion of a Dedicated Project Manager with Federal Aviation Administration (FAA) experience who would be on the job site seven days a week, twenty-four hours a day, working with Piper to ensure optimal progress.

Commissioner Flescher wanted to see Piper maintained in Vero Beach, and was in favor of beginning negotiations.

The Chairman CALLED THE QUESTION and the Motion carried unanimously. The Board approved moving forward with the negotiations with Piper Aircraft and authorized the County Administrator to move forward with the initiative to keep Piper in this community.



**Mayor White** declared that Piper brings a tremendous economic vitality to our community, and stressed the importance of making this project work.

City Council Member **Debra Fromang** strongly favored retaining Piper, citing other communities who have spent millions of dollars trying to lure new industry into Florida. Piper has provided an economic benefit of over one half billion dollars, and we cannot let this proven “economic bird in hand” fly away from us.

City Council Member **Ken Daige** was in favor of moving forward and having staff work out the details, including the safeguards that need to be put in place.

City Council Member **Bill Fish** deemed that it would be unconscionable not to take appropriate action on this, although he urged the Council to keep the public educated and informed.

Vice Mayor **Sabin Abell** agreed with Commissioner Davis to do whatever it takes and to be creative, “just don’t give up the farm”.

**Mayor White** could not imagine losing something so vital. He believed that the Piper jets are going to be the “new upcoming thing” in the future. Mr. White reiterated that Piper was seeking a location for both the new facility and the Jet Center.

MOTION WAS MADE by City Council Member Fish,  
SECONDED by City Council Member Daige, to approve  
moving forward with the Piper initiative and having the  
City Council work with the County Administrator and  
bring back all the facts.

City Council Member **Daige** wanted to know what the percentage of the City/County split would be and was informed that this would be detailed in the plan. To his question regarding the time frame, Mrs. Chandler replied that the City and County have two weeks to submit their proposal for review, although it is not the final step. **Mr. Daige** also questioned whether the “first right of refusal” would be included in the details. He was told this would be discussed with Piper.

The Chairman CALLED THE QUESTION and the Motion carried unanimously approving to move forward and have the City Council work with the County Administrator and bring back all the facts.

Commissioner Wheeler recognized the Chamber of Commerce for the excellent job they are doing. He noted that retaining Piper would be beneficial to the small businesses in the community and hopefully it would also change the image of the County.

**Mayor White** agreed, providing some examples of local businesses that currently benefit from proximity to Piper. He then invited the public to speak.

**Nancy Offutt**, Vero Beach, was delighted that the City and County demonstrated a unanimous commitment to retaining Piper. Ms. Offutt read a portion from the Piper Dedication Ceremony that was held in 1961.

**Mayor White** acknowledged Dr. Ed Massey (IRCC President) and Mayor Savage from Fellsmere, who were both in attendance.

There were no other speakers.

**B. FINAL CITY PARTICIPATION FOR INCLUSION IN TOTAL INCENTIVE PACKAGE**

*(Clerk's Note: In the Motion by the City, staff was directed to come back with these details).*

**C. FINAL COUNTY PARTICIPATION FOR INCLUSION IN TOTAL INCENTIVE PACKAGE**

*(Clerk's Note: In the Motion by the Commission, County Staff was directed to come back with these details).*

**9. ADJOURN**

There being no further business, Mayor White adjourned the meeting at 9:35 a.m.

ATTEST:

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Jeffrey K. Barton, Clerk

\_\_\_\_\_  
Gary C. Wheeler, Chairman

Minutes Approved: \_\_\_\_\_  
BCC/MG/2007 Minutes