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**INDIAN RIVER COUNTY BOARD OF COUNTY**  
**COMMISSIONERS AND THE CITY OF VERO BEACH**  
**COUNCIL MEMBERS, REGARDING A FINANCIAL OFFER TO**  
**PIPER AIRCRAFT**

**HELD JUNE 21, 2007 AT 9:30 A.M.**

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June 21, 2007

**JOINT MEETING OF THE INDIAN RIVER COUNTY AND THE  
CITY OF VERO BEACH CITY COUNCIL REGARDING A  
FINANCIAL OFFER TO 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 Thursday, June 21, 2007 to discuss matters pertaining to a financial offer to 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 Athena Adams.

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 TOM WHITE**

Mayor White called the Meeting to order at 9:30 a.m.

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

Mayor White introduced City Council Members and staff. Also present were Airport Director Eric Manger, Finance Director Steve Malay, and Assistant City Attorney Wayne Collins.

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

Chairman Wheeler introduced County Commissioners and staff. Other County staff present were Assistant County Administrator Mike Zito and Budget Director Jason Brown.

**4. ITEMS FOR DISCUSSION:**

***A. FINANCIAL OFFER TO PIPER***

County Budget Director Jason Brown, through a PowerPoint presentation, gave a brief history of Piper Aircraft, noting that they are the largest private sector employer in Indian River County, and according to the economic study done by the Washington Economic Group, Piper's total economic impact is about \$518 million per year. The Report also showed that based on the economic activity attributed to Piper, they pay about \$4 million in local taxes.

Director Brown reminded the Panel of its prior decision when they voted 10-0 on May 9, 2007, to move forward with developing an incentive package offer to Piper. However, the tax reform proposed by Tallahassee has impacted City and County revenue sources. He then presented the Tax Reform Summary in which the Legislature currently requires Counties to make a 5% cut and Cities a 7% cut from current year revenues to meet roll back requirements. He explained that such cuts would limit the revenues available for Piper's incentives package, because what we pay would impact both General Funds.

Director Brown summarized the incentive package to be offered to Piper as follows:

- City and County would jointly purchase the existing facilities at fair market value up to \$23 million
- City and County would jointly pay for construction of additional manufacturing facility at \$17 million to enable Piper to expand their operations
- City and County would lease back the facility rent-free to Piper for the first 8 years. Year 9 - lease payment would be a subsidized payment of \$2.5 million; Year 10 - up to \$3.4 million for the lease payment, and Years 11-30 - the lease payments would be adjusted by CPI.
- There would be a \$600,000.00 local jobs Grant program available
- To appoint the City Manager/County Administrator or a dedicated project manager to personally oversee all site plan and permitting activity to expedite completion.

Director Brown informed the Panel that the total City and County incentives would be about \$40.6 million. In addition to that are other incentives and benefits from the State of Florida Closing Fund, which offered \$20 million; Indian River Community College made an offer of \$875,000.00 to provide training facilities to Piper employees inclusive of a multi-purpose lab and manufacturing lab; and an additional \$15 million capitalized interest/subsidized rent to make a total value Incentive Package of \$76.5 million.

Director Brown presented the proposed financing options: (1) to have Revenue Bonds where the City and County would split the dollar amount and apply that to the General Funds. He stated that with the tax reform, this type of project would put the City and County in the same situation where they would have to place the tax rate on the ballot and go through a voter referendum to levy the taxes that would be necessary to fund this incentive package. (2) Another alternative for funding is the General Obligation Bonds issue for \$40 million. Staff proposed the General Obligation (G.O) Bonds, where the County would place on the ballot one referendum for

the General Obligation bond; let the voters decide, and if that passes, then we would issue the Bonds, which carry lower interest costs due to higher security ratings. The City Attorney also recommended G.O. debt for legal purposes.

Director Brown then presented staff's recommendation, "to authorize a countywide referendum to be placed on the ballot for General Obligation Bonds in the amount of \$40 million to finance the Piper incentive package."

Commissioner Davis thought they were putting a lot of effort on something Piper does not want. He wanted to see a plan where they could approve this with a 4-1 super majority vote without going to a referendum

The Panel discussed going to a referendum, and the need to approach the State for help with funding to entice Piper to stay here. They also discussed the proposed offer and any other alternatives/options they could pursue.

Commissioner Bowden thanked everyone on the negotiating team, believing they went above and beyond the call of duty. She thought time was of the essence and the package on the table, to go to referendum with the Obligation Bonds, was the best option they had.

Commissioner Davis wondered if it would be better to approach Piper with what they currently have instead of going to voter referendum.

**City Manager Jim Gabbard** assured members of the Panel that the State was aware of the County's offer and its financial situation because of talks he had with State representatives. He advised that Piper said they want an additional \$10 million and an additional \$850,000 in concessions for utilities and to help offset insurance costs, and stated that those two items would have to come out of General Funds which City and County could not do based on their financial

situation. He believed they needed to make Piper aware of our tax dilemma, and if Piper wants to be here Piper would have to be flexible and give us time to get everything on board.

**Vice Mayor Sabin Abell** discussed the possible sales of Piper's present operations and its possible move, noting that it would cost Piper between \$20-30 million in removal expenses and that would take time. He felt that for the Legislature to put us in a bind by this hurried property tax issue, that an exception could be made during this Special Session recognizing this potential loss of sales tax, so we might be able to consider a dual option. It seemed to the Vice Mayor that if Piper were interested in staying here it would be worth the effort to give us the opportunity to go through the regiment enforced by the Legislature unless we can get some special exemption. The referendum was the last thing he wanted to do.

**Councilmember Fish** believed Piper was transportable and did not see Piper being tied to the community. He cautioned that if City and County buy the facility and give them rent-free, and Piper vacates the facility, they would be stuck with these large buildings trying to decide what to do with them.

**Councilmember Ken Daige** thanked City and County staff for all the work they did on this venture. He thought the incentive package on the table was the best we could do, and wanted to see the package go forward.

Commissioner O'Bryan thought voter referendum would not be pleasing to the voters given the current climate. He suggested they cut their budgets as much they could and come up with a 5-0 vote of how much to spend and see if the State would come up with the rest. He thought maybe they could make the referendum the second option and believed their best chance for a win was to come up with the most they can spend.

Commissioner Bowden believed that the people of this community would be willing to help, if the issues were brought to them.

**City Attorney Charles Vitunac** stated that the City's Legal staff believed that the only way to guarantee repayment was to have the General Obligation (G.O.) Bond by a vote of the people.

**City Manager Gabbard** had talked with State Representative Ralph Poppell who agreed that a G.O. was the only way we could do this. Mr. Gabbard discussed budget cuts and did not know how things would work out if they exercised Commissioner O'Bryan's option.

Commissioner O'Bryan clarified his comments regarding a 5-0 vote versus voter referendum. Administrator Baird also discussed the dilemma the County is in because of the tax reform.

Chairman Wheeler opined that if we are not able to put something on the table that is competitive with other cities then we are going to lose Piper. He said we either have to be in the game or not waste our time.

Commissioner Flescher thanked the negotiating team and urged that they move forward, because any delay in the process would cause this negotiation to be in vain.

Administrator Baird wanted to set the records straight because of prior comments regarding the Dodgers. He explained that "the Dodgers" was a retention project and the County had not lost anything. He thought Piper should give us a chance to bring this to the voters in 90 days.

**Mayor White** thanked Penny Chandler and Helene Caseltine from the Chamber of Commerce for the work they had done on this incentive package.



**Penny Chandler** thanked all the participants on the team and hoped that as they move forward, each Commissioner, City Council members, and staff, would champion this cause.

**Council Member Ken Daige** believed the citizens of the County should have a voice in this process. He supported the incentive package moving forward.

**Mayor White** thanked the Press/Reporters for respecting their privacy during the past months of discussions when City and County were sworn to secrecy.

## **5. QUESTIONS AND COMMENTS FROM CITY COUNCIL AND BOARD OF COUNTY COMMISSIONERS**

See discussions and comments under Item 4 above.

## **6. BOARD OF COUNTY COMMISSIONERS ACTION AND CITY COUNCIL ACTION**

### **County Action**

On Motion by Vice Chair Bowden, SECONDED by Commissioner Davis, the Board of County Commissioners voted unanimously (5-0) to authorize a countywide referendum to be placed on the ballot for General Obligation Bonds in the amount of \$40 million to finance the Piper incentive package, as recommended by staff.

### **City of Vero Beach Action**

On Motion by Councilmember Fromang, SECONDED by Vice Mayor Abell, the Vero Beach City Council voted unanimously (5-0) to authorize a countywide referendum to be placed on the ballot for General Obligation Bonds in the amount of \$40 million to finance the Piper incentive package, as recommended by staff.

**Mayor White** invited public comments.

### **Public Comments**

**Frank Zorc**, 1695 20<sup>th</sup> Avenue, agreed that Piper has an economic impact on the County, and thought there would be problems if Piper stays, sells or moves. He asked who would be responsible for clean-up cost (estimated to be up to \$2 million) of the chemical contamination of our water if Piper leaves.

**Mr. Hart** thanked the Panel for the actions taken today and wished they could have done it differently, but agreed that this was the best that could be done. He asked the Panel to be champions of this cause and informed them that there were others who have already started to take action to help keep Piper here. He believed it was not just about keeping Piper but also about losing Piper.

**Pete Robinson**, 315 Greytwig Road, also talked about the cost of losing Piper and its affect on employment.

**Council Member Debra Fromang** was in favor of the referendum.

**Mayor White** recognized Fellsmere City Manager Jason Nunemaker, Sebastian City Manager Al Minner, and Robert Bradshaw from Indian River Shores, who were also in attendance. He welcomed all visiting City Managers and looked forward to their support.

**Councilmember Fish** reiterated his reservations about buying the buildings, but wanted to see this initiative go forward.

## **7. ADJOURNMENT**

There being no further business, Mayor White adjourned the Meeting at 10:52 a.m.

ATTEST:

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Jeffrey K. Barton, Clerk

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Gary C. Wheeler, Chairman

Minutes Approved: \_\_\_\_\_

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