

**JOINT MEETING OF THE
ECONOMIC DEVELOPMENT COUNCIL
AND THE
ECONOMIC DEVELOPMENT DIVISION**

There was a joint meeting of the Indian River County (IRC) Economic Development Council (EDC) and the Economic Development Division (EDD) on Tuesday, January 16, 2007, at 3:00 p.m. in First Floor Conference Room "A" of the County Administration Building, 1840 25th Street, Vero Beach, Florida.

Present were EDC members: Chairman William Penney, Banking Appointee; Vice Chairman Peter Robinson, Developer Appointee (also EDD Member) (arrived at 3:05 p.m.); Councilmember Debra Fromang, City of Vero Beach Appointee; Deborah Mayfield, Board of County Commissioners (BCC) Appointee; Council Member Andrea Coy, City of Sebastian Appointee; Doug Bournique, Local Industry Appointee; Gary Sullivan, Civic Organization Appointee; Ray Coniglio, Sebastian River Area Chamber of Commerce Appointee (also EDD Member), Penny Chandler, Indian River Chamber of Commerce (IRCOC) Appointee (arrived at 3:10 p.m.); Scott Carson, Real Estate Appointee (also EDD Member); Robert Tenbus, Tourist Industry Appointee; Ann Reuter, School Board Appointee; Deborah Segal, James Kretsch, (also EDD Member) and Linda Schlitt-Gonzalez, (also EDD Member), Member-at-Large Appointees.

Absent were EDC members: Victor Hart, Sr., Gifford Community Appointee; Talmage Rogers, Jr., Citrus Industry Appointee; (all excused) and Councilman Francisco Magana, City of Fellsmere Appointee (unexcused)

Also present were EDD members: Gwenda Thompson, Workforce Development; Karen Diegl, Council on Aging; Cathy McKenzie, Bellsouth; David Hooper, Indian River National Bank; Rick Nisbeth, Citrus Bank; Matt King; Northern Trust; Karl Zimmerman, Michael Thorpe Real Estate; Eric Menger; Vero Beach Municipal Airport Director; IRC Staff: Peter O'Bryan, Non-voting Commissioner Liaison, Gary C. Wheeler, District 3 and Joseph Flescher, District 2, BCC; Joseph Baird, County Administrator; William DeBaal, Assistant County Attorney; Bob Keating, Community Development Director (also EDD member); Jason Brown; Office of Management and Budget Director; Bill Schutt, Senior Economic Development Planner (also EDD member); Sasan Rohani, Chief, Long Range Planning and Terri Collins-Lister, Staff Assistant IV. Others Present: Helene Caseltine, Alternate, IRCOC Appointee; Joseph Paladin,

Chairman, Growth Awareness Committee; Don Wright, Indian River Community College and Mike Sarro, Atlantic Coast Commercial.

Call to Order

EDC Chairman Penney called the meeting to order at 3:00 p.m.

Approval of Minutes of the November 21, 2006 EDC Meeting

Mr. Carson noted on pages 6 and 7, the first line in the revised proposed discussion, the utility deposit requirement should be \$10,000 instead of \$5,000. The revised incentive should read:

- *An applicant with a utility deposit requirement of less than \$10,000. For an applicant having a utility deposit requirement in excess of \$10,000, the county will guarantee up to \$10,000.*

ON MOTION BY Mr. Carson, SECONDED Ms. Fromang, the members voted unanimously (13-0) to approve the November 21, 2006 minutes as amended.

Approval of Minutes of the December 6, 2006 EDD Minutes

Ms. Caseltine stated the December 6, 2006 EDD minutes would be approved at the next EDD meeting because there was a lack of a quorum and the chairman was not present.

Mr. Robinson arrived at 3:05 p.m.

Election of Chairman and Vice-Chairman of the EDC for 2007

ON MOTION BY Mr. Tenbus, SECONDED BY Mr. Bournique, the members voted unanimously (14-0) to re-elect Mr. Penney as Chairman of the Economic Development Council for 2007.

ON MOTION BY Mr. Tenbus, SECONDED BY Mr. Bournique, the members voted unanimously (14-0) to re-elect Mr. Robinson as Vice-Chairman of the Economic Development Council for 2007.

Discussion on Piper Aircraft

Chairman Penney had asked if Commissioner Gary Wheeler would attend the EDC/EDD Joint Meeting because there had been some discussion on the Piper Aircraft issue. He opened the floor for discussion on the Piper Aircraft issue.

Mr. Tenbus told Mr. Wheeler there was a lot of things we could control in order to give incentives for Piper Aircraft to remain in Vero Beach, however we had no control of the insurance problem.

Ms. Chandler arrived at 3:10 p.m.

Mr. Carson felt the EDC mission had been redefined to support job growth and retention. He asked Mr. Wheeler what his opinion was on the idea of job growth in IRC. Commissioner Wheeler opined there should be more of a focus on keeping the businesses already located in IRC, then to bring in a new business. It was asked how Commissioner Wheeler would encourage a business to stay in IRC. Commissioner Wheeler indicated he did know the answer other than negotiating with the business that was thinking about leaving, find out what they wanted, what they were looking for, what had they been offered and what we had the ability to do.

Mr. Robinson gave the example of the Dodgers moving their spring training and that Glendale, Arizona had promised them everything they could want. He continued if someone does the same thing for Piper Aircraft, then what do we do.

Ms. Fromang asked Commissioner Wheeler what exactly Piper Aircraft had said in regards to leaving Vero Beach. Commissioner Wheeler said he had not talked with Piper and the only thing he knew what was stated at a Commission Meeting.

Mr. Zimmerman mentioned in a recent interview the President of Piper Aircraft had discussed future plans for the business and he specifically talked about the potential building of jet aircraft. He continued they would be recruiting technical people, both design and production engineering staff, and were concerned about the ability of those people to find affordable housing in IRC. He mentioned the President of Piper Aircraft's comment during the interview in which he stated that his first responsibility was to his employees and the second was to the owners. Mr. Zimmerman asked Commissioner Wheeler how you could address the relationship of being able to retain a company based on its

future expansion plans and the ability to provide affordable housing in IRC. He felt there was not anything formulating that was positive nor had the County took any direct action.

Ms. Reuter departed at 3:20 p.m.

Commissioner Wheeler did not necessarily agree that there was not affordable housing in the community and he felt it was becoming more affordable. He felt affordable was usually relative as to an individual's salary and a business would need to pay the salaries that were necessary to live on.

A discussion ensued on insurance and property taxes.

Mr. Bournique indicated at the EDC meeting in November 2006, the idea was discussed regarding a committee consisting of a County Commissioner, Chairman of the EDC and Ms. Chandler to go to a business looking at locating to IRC and customize a package. He noted it had been done in St. Lucie and Palm Beach County and felt a group of leaders from the County with some authority to go out and bring in good businesses rather than lose them to surrounding counties. It was noted this committee not only should focus on attracting businesses to IRC, but retain the businesses already here.

A discussion ensued.

Discussion of a Written Expedited Permitting Process and a Designated County Ombudsman – Mr. Scott Stradley – Enterprise Zone Development Agency

Mr. Scott Stradley, Enterprise Zone Development Agency (EZDA) member, told the committee, the EZDA was going before the BCC to suggest the Expedited Permitting and Business Development Process be put in writing as outlined in the Comprehensive Plan, for the targeted industries locating to the Enterprise Zone. He opined a written Expedited Permitting Process would assist the EZDA to attract businesses to the Enterprise Zone by showing them how our County would expedite their permitting process as well as targeted industries in the entire County. He indicated the EZDA would ask for the written Expedited Permitting and could only ask to target businesses locating within the Enterprise Zone and encourage the EDC to do the same for the whole County.

Mr. Stradley continued one of the goals of the EZDA was to eliminate problems for business development in the Enterprise Zone, whether it was real

or perceived, and felt the communication between the County staff and targeted industries should be addressed with a designated County Ombudsman.

Mr. Sasan Rohani, IRC Chief, Long Range Planning, gave a brief overview and explained that any site plan for any commercial or industrial use up to 150,000 square feet of impervious surface could be approved at the staff level and he noted it would save a lot of time.

Mr. Rohani continued that it had been discussed who would be the contact person and stated Mr. Stan Boling, IRC Planning Director was designated as the County's Ombudsman.

Mr. Stradley asked if the expedited process was in writing to take to businesses. Mr. Rohani stated it was in the Comprehensive Plan. Ms. Chandler suggested the expedited process be written in such a fashion that it could be part of materials that a group would deliver to a business.

A discussion ensued regarding Piper Aircraft and a situation where their permits were not expedited. Mr. Robert Keating, IRC Community Development Director, noted one of the problems was knowing whether something needed to be expedited. He explained there were a number of different processes and it was very easy for something to get bogged down to non-process things. He mentioned traffic was the big factor these days and regardless of the extent to which IRC staff expedited the processing, projects were being delayed until all the necessary information was obtained.

Ms. Chandler asked about the Piper Aircraft situation and Mr. Keating explained a clerk would look at the process first. Ms. Chandler inquired whether there was any way for the County to check a box to identify whether it was to be expedited. Mr. Joseph Baird, IRC County Administrator, stated every business feels their permit should be expedited and you had to be very careful. Mr. Keating gave the example of Ocean Concrete.

A discussion ensued. Ms. Mayfield wanted to know if the reason for this discussion was that a business had tried to go through the expedited process and experienced difficulty with the process or did not know what to do. Mr. Stradley replied he has had feedback from clients, not particularly located in the Enterprise Zone, that they felt there was a barrier between them and planning.

Mr. Kretsch wondered if staff could put together a synopsis of the expedited process for the committees to review. Chairman Penney recapped there was an explanation of the expedited permitting process as outlined in the Comprehensive Plan and asked Mr. Rohani to bring an informational sheet of the

process to the EDC at their February 20, 2007 meeting as well as the EDD and EZDA committee meetings.

Discussion of the Board of County Commissioners Action on the Proposed Revisions to the County's Local Economic Incentives

Chairman Penney explained there were several incentives proposed to the BCC at their December 19, 2006 meeting. The BCC approved all the incentives with the exception of the issue of financing impact fees and allowing them to be on a second mortgage basis. He related staff had explained to him prior to the BCC Meeting, they would not support the recommendation, so he recommended pulling that item from the agenda to allow a discussion to be held at this joint EDC/EDD meeting.

Mr. Jason Brown, IRC Office of Management and Budget Director, related staff had concerns with the recommendation to subordinate the impact fee loans with other bank loans. He continued that option had not been available in the past, and they were concerned about the County's credit standing in the sense the money would be taxpayer's dollars and staff would not want to be in the situation where they may not be able to recover those funds.

Mr. Brown explained IRC was very concerned about the way taxpayer's dollars were used, and if he recalled correctly, the EDC had some concerns because banks would not subordinate with the funds either. He continued banks would be better equipped than the County to make that arrangement.

Mr. Carson asked if it were really an issue the credit standing of the County could be affected. Mr. Brown clarified the County's credit standing would not be directly affected, but it would affect the County's ability to get the money back. Mr. Carson rebutted the County would be taking a different position than a bank who was making an economic decision for their shareholders, but as a County we would be supporting growth and development of new jobs.

Mr. Brown acknowledged the County was trying to strike a balance between being accommodating and ensuring our security was intact. He continued when the County had cash on hand they do not go out and buy contracts on pork bellies, our main security was safety and liquidity of the dollars, not investments in speculative types of investments.

Mr. Carson opined the County was not willing to take risks in economic development. Ms. Schlitt-Gonzalez felt this was a decision for the BCC, although she understood staff's position because they were charged with the security of

the assets of the County. She continued the EDC was saying this would be an incentive, but it would be a risk/reward decision.

Discussion was held regarding the amount of money that could be involved and Mr. Baird stated it would have to be determined on a case-by-case basis. Since the public's money was being used, there would have to be a few criteria in place instead of blanket availability for the funds.

Ms. Caseltine inquired if there could be a stipulation put on the incentive stating the availability of funds would be at the discretion of the BCC on a case-by-case basis.

Commissioner Peter O'Bryan related this matter went back to what was discussed at the November 21, 2006 EDC meeting, adding this was a tool to be used as part of a package put together to entice a business to locate in IRC, and the creditworthiness of the applicant would be reviewed to allow for some flexibility in negotiations. He felt if too many limitations were placed on an application, and more hoops were presented to jump through, it would prevent people from coming to IRC. He would like to see vague wording to allow for some room in negotiations.

ON MOTION BY Mr. Robinson, SECONDED BY Mrs. Mayfield, the members voted unanimously (14-0) to change the wording from "the impact fee financing lien must be a first lien" to "participants will be required to record a lien against the benefiting real property in the form approved by the Board of County Commissioners".

Discussion was held regarding the wording of the incentive.

UNDER DISCUSSION, Commissioner O'Bryan opined the phrase, "Participants will be required to record a lien against the benefiting real property in the terms approved by the Board of County Commissioners" was efficient and the recommended deleting the following bullet points:

~~*The Impact Fee financing lien and will*~~

- ~~• *Allow subordination of the Impact Fee lien, in cases where the first lien plus the County's second lien for the financial impact fees does not exceed 80% of the property value, and*~~

- ~~• Prohibit the assignment of the Impact Fee lien without written approval for the Board of County Commissioners.~~

Mr. Robinson AMENDED HIS MOTION, Ms. Coy SECONDED THE MOTION, to change the wording and make the deletions of the Impact Fee Financing Program incentive as follows:

“This program allows financing of Impact Fees only for establishments included on the County’s target industries list. Participants are required to record a lien against the benefiting real property in terms approved by the Board of County Commissioners”.

THE MOTION WAS CALLED, and the members voted unanimously (14-0) to approve the motion with the noted changes.

The Sustainable Treasure Coast Report – Mr. Doug Bournique, Local Industry Appointee

Mr. Bournique wanted to re-offer a motion that was made at the November 21, 2006 EDC Meeting to pass on to the BCC to embrace and utilize The Sustainable Treasure Coast Report. He emphasized the document lays out tremendous region advantages for the whole Treasure Coast.

ON MOTION BY Mr. Bournique, SECONDED BY Mr. Coniglio, the members voted unanimously (14-0) for the Board of County Commissioners to adopt, embrace and utilize The Sustainable Treasure Coast Report for the benefit of Indian River County.

UNDER DISCUSSION, Mr. Bournique asked if it was to premature at this point to make a motion that the EDC request the BCC to consider putting together the stealth committee comprised of the three to four selected individuals. Commissioner O’Bryan stated the EDC should decide who should represent the new committee.

Mr. Carson brought up the issue of the Sunshine Law and he was concerned about the County appointing individuals. Mr. Baird felt the legal

department should be involved before going any further to make sure there was no violation of the Sunshine Law. He suggested the EDC take a look at what other counties who happen to be successful in bringing in targeted businesses were doing. Commissioner O'Bryan explained to IRC Assistant Attorney William DeBaal, the Sunshine Law issue in regards to the Stealth Committee and the concern whether two members of the EDC could be part of that negotiating team without violating the Sunshine Law.

A lengthy discussion ensued on how other counties formed these committees without violating the Sunshine Law. It was noted the committee should be formed through the Chamber of Commerce.

Chairman Penney pointed out the issue of a committee designed to go out and bring in potential businesses was very important. He felt the proposal was still a little unclear. He asked if Ms. Chandler and Ms. Caseltine could draft a proposal to be discussed at the next February 20, 2007 EDC Meeting.

ON MOTION BY Mrs. Mayfield, SECONDED BY Mr. Coniglio, the members voted unanimously (14-0) to endorse the concept and encourage the Chamber of Commerce to assume responsibility of a committee designed to bring in businesses to Indian River County.

Indian River County Economic Development Element Evaluation and Appraisal Report: Analysis of Data and Identification of Trends

Mr. Schutt gave an overview of the draft County Evaluation and Appraisal Report Economic Development Element Data and Analysis, a copy of which is on file in the Commission Office.

Mr. Schutt requested the committee to review the report and offer any insights or additional comments. He continued the next step was to start working on the Objectives for the Economic Development Element on March 20, 2007, then on May 15, 2007 and July 17, 2007 they would look at the Specific Policies and Actions to fulfill the Objectives.

Mr. Carson asked if there was an opportunity to comment on the whole document and what was the timeframe. Mr. Schutt said any comments could be made today or by the next EDC meeting, that way staff could start making the changes to the report.

Chairman Penney referred to Appendix A of the packet and asked the committee to look at the comparison of figures in regards to unemployment on pages 5 and 8. He reviewed the industry type of jobs and the wages the jobs paid and stated the reason for the emphasis was on attracting high quality jobs in IRC.

Ms. Coy left at 4:45 p.m.

Commissioner O'Bryan spoke up and described on page 8 under existing conditions, median was the worst number you could use for reports because it takes in an entire population with high dividend and interest income and does not report accurately.

Ms. Chandler left at 5:00 p.m.

Chairman Penney stated he had talked with Mr. Schutt and would like to see a report card of the EDC's success of creating jobs in the targeted industries. He also was interested in a breakdown of the employment within those targeted industries as well as track quarterly to see the change in the growth and wages paid.

Ms. Fromang and Mr. Bournique left at 5:01 p.m.

A discussion ensued on Ecotourism.

Other Matters

Ms. Caseltine commented as for information, a group from the EDD would start taking a look at the policies and objectives, then bring those back to the EDC to expedite the process just a bit.

Adjournment

There being no further business, the meeting was adjourned at 5:09 p.m.