

funding capitalized interest on the Bonds, if deemed necessary or desirable; (iii) funding one or more reserve funds for the Bonds, if deemed necessary or desirable; and (iv) paying certain costs of issuing the Bonds (collectively, the "Project").

Appearing before the Authority was Michael Woods, attorney representing Antares of Ormond Beach LLC. He is requesting the Authority grant a continuance of this request to a date certain, possibly February 7 or 8 wherein any and all outstanding issues would be resolved prior to the date.

Mr. Sharples made a motion to continue the request until February 7. Said motion was seconded by Mr. Smith and passed unanimously.

At this time, the Chair opened the floor to public comment.

Appearing was Mr. Randy Hayes, City Attorney for the City of Ormond Beach. He said the city is supportive of the project however, initially, the Antares Entities sought approval from the City of Ormond Beach. The Antares Entities are, for now, a private for-profit business enterprise. During discussions with city staff, representatives for the Antares Entities indicated that they might consider selling the facility or converting the for-profit status to a non-profit status that would allow them to seek an exemption from the payment of ad valorem taxes. Due to that concern which could result in the potential loss of ad valorem revenue, city staff requested that the Antares Entities enter into a PILOT Agreement (payment-in-lieu of taxes). The Antares Entities refused to do so and instead are now seeking Host Jurisdiction Approval from the County of Volusia. (copies of correspondence sent to the County Council chair was provided to the members)

Rob Ehrhardt shared a summary of responses from a survey sent to other IDAs in the state regarding the use of PILOT agreements in bond financing. Responses pointed to none encountered that type of request as a condition on any IDA action. Also distributed was a summary from the Property Appraisers office regarding the number of homes for the aged in Volusia County based on the 2018 record, and more specific the numbers in each municipality. It also shows the number of tax exemption parcels and no property tax exemption parcels. Also Mr. Ehrhardt had provided to the members copies of other PILOT agreements in the county, one in New Smyrna Beach, one in DeLand and two in Daytona Beach.

Mr. Hall briefly explained the purpose of a PILOT agreement. A loss of that revenue would result in taxpayers and taxing authorities bearing the financial burden of providing various public services to the projects including emergency medical services, fire services, and police services, at no cost. A PILOT agreement would protect the welfare and best interests of the taxpayers and taxing authorities in the event the applicant should decide to sell or covert status from a private for-profit entity to a private non-profit entity.

Mr. Woods did not disagree with the concept of PILOT but his clients intend to see the project through and have site plan approval and a development order which has been issued by the City.

Capital Trust Agency (CTA) will serve as the issuer of bonds to finance the construction, installation and equipping, together with the acquisition and installation of related facilities,

fixtures, furnishings and equipment of a senior living facility. The proposed financing will include the issuance by the CTA of tax exempt and taxable bonds in an aggregate amount not to exceed \$35,000,000. The Authority and the County will have no legal or fiduciary obligation to pay the bonds nor will they be reflected on the Authority's or the County's financial statements.

Ms. Joyce Shanahan, City Manager of Ormond Beach, was also present.

The TEFRA request will require a second publication, cost to be borne by the applicant. There being no further discussion the previous motion to continue passed by unanimous voice vote (did not include Mr. Dawson)

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IV. Approval of Minutes of October 3, 2018. There being no discussion, Mr. Smith moved for approval. Motion seconded by Mr. Dawson and passed by unanimous voice vote.

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V. Financials – Zayne Gibson was unable to attend.

Volusia County Industrial Development Authority Statement of Assets, Liabilities and Fund Balance
December 31, 2018

Assets			
Suntrust Checking			\$ 8,039.01
Suntrust Money Market			263,461.13
Suntrust Certificate of Deposit			100,000.00
PNC Certificate of Deposit (account closed 8/9/17)			-
	Total		<u>\$ 371,502.16</u>
Liabilities and Fund Balance			
Fund Balance – October 1, 2017	370,150.62	-100,000.00	270,150.62
Restricted Fund Balance – June 6, 2018		100,000.00	<u>100,000.00</u>
Total Fund Balance			\$370,150.62
Excess of receipts over expenditures			<u>1,351.56</u>
			\$371,502.18

Volusia County Industrial Development Authority Statement of Receipts and Disbursements
October 1, 2018 through December 31, 2018

Income			
Application and Processing Fees	\$1,500.00		
Reimbursement of Advertising	-		
Interest	26.56		
Total			1,526.56
Expenditures			
Advertising Expense	-		
Licenses & Fees	175.00		
Total			175.00
Excess of receipts over expenditures			<u>\$1,351.56</u>

Whereupon, Mr. Dawson moved to accept the financial report as submitted. Said motion was seconded by Mr. Smith and passed by unanimous voice vote.

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VI. Old Business

A. Approval of revised Guidelines and Application document

Ms. Sprague referred the members to their notebooks with the final version of the revised Guidelines as discussed and approved in October. The version now includes TEFRA only guidelines and costs associated, highlighted in yellow.

Whereupon, Mr. Dawson moved to accept the revised Guidelines and Application document as presented. Said motion was seconded by Mr. Sharples and passed unanimously.

Channing Coolidge informed the Authority that effective April 1, a noticed TEFRA hearing will be a 7 day public notice in lieu of the current 14.

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B. Authorization to hire James Moore & Co. for required financial audit.

Appearing before the Authority was Zach Chalifour, CPA, James Moore & Company, verbally reviewed for the members the underlying state statute for revenues or expenditures in excess of \$100,000, and the process of conducting the audit. The engagement letter is basic audit-related standard engagement language, and the County Attorney's office has reviewed the document. The audit will be for fiscal year 2017-2018. Mr. Chalifour did the audit of the

Authority in 2008. The cost will be \$6,000. James Moore & Company is an authorized vendor for county government.

There being no further discussion, Mr. Smith moved to authorize the engagement of James Moore & Company for the mandated audit. Said motion was seconded by Mr. Sharples and passed unanimously.

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VII. New Business

A. Annual Report Review – Sally Sprague referred the members to the Annual Report which is distributed to the County Manager’s office for distribution. It is a general recap of actions by the Authority during a calendar year. No action was taken. (document attached for future reference)

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B. Secretary vacancy due to Don Kane’s resignation – Chairman Stark advised that with Mr. Kane’s resignation, the Authority needs a Secretary. Whereupon, Mr. Dawson moved to nominate Kent Sharples as the Authority’s Secretary. There being no further nominations, motion was seconded by Mr. Smith and passed by unanimous voice vote.

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C. Recruitment of new IDA member – Mr. Ehrhardt noted that with Mr. Kane’s resignation, the Authority is short one member. He asked that if they knew anyone to refer them to him to complete the application. He said the County Council is the appointing authority.

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D. Review – DEO Technical Assistance Grant award – Mr. Brad Harris, Business Manager with the Volusia County Economic Development Division gave an overview of the approved grant. Volusia is positioned as the northern gateway to the Cape Canaveral Spaceport (CCS). By virtue of its close proximity and logistics advantages, the county has the potential to become a preferred site for suppliers and service organizations that will support the rapidly developing commercial space industry. Volusia seeks to identify economic opportunities associated with the supply chain for the commercial space industry that could develop as commercial space enterprise continues to expand within the CCS. To that end, the county will conduct a solicitation to identify a qualified consultant to perform research and provide a written narrative that 1) evaluates the commercial space industry's growth potential within Volusia County 2) defines the major product and service needs of the industry and 3) provides business profiles for representative companies either active within or likely entering the industry's supply chain. The consultant's findings will be presented in a public workshop. IDA funds may be requested to offset some costs.

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E. Part-time staff support – Mr. Ehrhardt advised the Authority that Ms. Sprague will be resigning her county position in the near future but has offered to work as a ‘contractor’ to the Authority after her departure. This topic will be discussed at a later date.

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VIII. As Entertained by Chairman

Mr. Sharples questioned staff about the status of the Thompson Pump bond issue. Mr. Ehrhardt responded that Chris Thompson was unavailable for this meeting but will request he attend the next one. They have had a banner year and not moving as quickly on the proposed project as they had hoped for. The amendment to the Guidelines referring to 24 months finalizing bonds does not pertain to this request.

* * * * *

Mr. Smith questioned whether the IDA has dealt with a PILOT program in the past, the response was no. Mr. Coolidge commented that the IDA is hosting the hearing and advising the County Council on matters. Mr. Woods joined the extensive conversation of the purpose of a PILOT, did request a hearing with Ormond Beach, etc.

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There being no further business to come before the Authority, meeting adjourned at 3:30 p.m.

DRAFT

This is a general overview of the meeting. The meeting was recorded.

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME N. Rick Dawson	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE Industrial Development Authority
MAILING ADDRESS 1 Pine Valley Circle	THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF:
CITY COUNTY Ormond Beach Volusia	<input type="checkbox"/> CITY <input checked="" type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY
DATE ON WHICH VOTE OCCURRED January 23, 2019	NAME OF POLITICAL SUBDIVISION:
MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE	

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, N. Rick Dawson, hereby disclose that on January 23, 20 19:

(a) A measure came or will come before my agency which (check one)

- Inured to my special private gain or loss;
- Inured to the special gain or loss of my business associate, _____;
- Inured to the special gain or loss of my relative, Brian Dawson, son, and Melinda Dawson, daughter;
- Inured to the special gain or loss of _____, by whom I am retained; or
- Inured to the special gain or loss of _____, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

TEFRA hearing for Antares Assisted Living

My son and daughter work for Silversphere. Antares is a customer of Silversphere. If the proposed project is completed, I expect that it will general revenue for Silversphere which will be relatively insignificant to the overall company -- probably less than 1% of annual revenue. I, my son, and my daughter, combined have a small but insignificant financial ownership in Silversphere, but the son and daughter could benefit indirectly from continued success of the company.

January 23, 2019

Date Filed

/s/ N. Rick Dawson

Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.

VOLUSIA COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
2018 ANNUAL REPORT

Board:

Dennis Stark,
Chairman James
Smith, Vice Chair
Don Kane, Secretary
N. Rick Dawson
D. Kent Sharples

Designated:

Attorneys: Channing Coolidge
Mark Hall
Chauncey Lever, Bond Counsel
Elizabeth Murphy, Assistant
County Attorney
Executive Director: Rob Ehrhardt
Staff Liaison: Sally Sprague

MISSION STATEMENT

The Industrial Revenue Development Bond (IRDB) program administered by Volusia County Industrial Development Authority (IDA), provides an alternative tax-exempt financing vehicle for manufacturers and qualifying 501c3 non-profits that are planning capital investment projects in Volusia County. IRDBs are securities issued by the IDA, and approved by County Council.

The Authority consisting of five members that are appointed by the Volusia County Council, meets annually to elect officers and conduct general business. Thereafter, they meet on an as-needed basis.

2018 ACHIEVEMENTS

The Authority reviewed and recommended one application for Tax Equity and Financing Responsibility Act (TEFRA) hearing for the Grand Villa Portfolio project in Ormond Beach.

The County Council authorized a plan of finance for the Grand Villa Portfolio Project. The purpose of the financing is for the purpose of financing or refinancing, including through reimbursement, (i) the acquisition, construction, renovation, installation and equipping of the Senior Living Facilities to provide assisted living and memory care facilities for the elderly, (ii) funding an operating and maintenance fund to finance certain capital expenditures and start-up costs related to the Senior Living Facilities.

The Authority reviewed and approved revised bond application and instructions/guidelines. The document now addresses expiration dates for applications for bond authorization, and processing fees for TEFRA-only applications.