

**VOLUSIA COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY**

October 3, 2018
Dennis McGee Room, Daytona Beach International Airport
Daytona Beach, Florida

A duly advertised public hearing of the Volusia County Industrial Development Authority was called to order at 2:17 p.m. by Chairman Dennis Stark.

Other members present:

Don Kane Jim Smith
Kent Sharples

Rick Dawson was excused.

Others in attendance:

Mark Hall, Mark R. Hall, P.A., IDA Bond Counsel
Elizabeth Murphy, Assistant County Attorney
Chauncey Lever, Foley & Lardner, Bond Counsel
Rob Ehrhardt, Director, Volusia County Economic Development
Sally Sprague, Recording Secretary, Volusia County Economic Development

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At this time a moment of silence was observed.

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Technical difficulties delayed the official start of meeting.

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III. Approval of Minutes of February 26, 2018. There being no discussion, Mr. Smith moved for approval. Motion seconded by Mr. Sharples and passed by unanimous voice vote.

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IV. Financials – Zayne Gibson was unable to attend.

Sally Sprague pointed out the statement is only thru August 31 as the September statements had not been available as of this date. Also, it was noted that in the future “Income” will reflect “Application and Processing Fees”. Also noted was the \$100,000 deposited into a CD at SunTrust for a period of one year. These funds were from a previous PNC bank CD that had come due. This is considered “restricted funds” as discussed in 2017. All IDA funds are now with SunTrust.

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

Assets

Suntrust Checking		\$ 5,214.01
Suntrust Money Market		263,427.93
Suntrust Certificate of Deposit		100,000.00
PNC Certificate of Deposit (account closed 8/9/17)		-
Total		<u>368,641.94</u>

Liabilities and Fund Balance

Fund Balance -- October 1, 2017	296,877.89	--100,000.00		
	196,877.89			
Restricted Fund Balance -- June 6, 2018		100,000.00	_____	
				\$ 296,877.89
		100,000.00	Total Fund	

Balance

Excess of receipts over expenditures		<u>71,764.05</u>
Total		<u>\$ 368,641.94</u>

Volusia County Industrial Development Authority Statement
of Receipts and Disbursements October 1, 2017 through
August 31, 2018

Income

Application Fees		\$ 72,587.50
Reimbursement of Advertising		1,514.66
Interest		<u>211.67</u>
Total		74,313.83

Expenditures

Advertising Expense		774.78
Licenses & Fees		<u>1,775.00</u>
Total		<u>2,549.78</u>

Excess of receipts over expenditures		<u>\$ 71,764.05</u>
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Whereupon, Mr. Kane 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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Item VII was taken out of order and heard at this time.

VII. Public Hearing RE: Grand Villa Portfolio Project

A. The purpose of the hearing is to consider authorization of a plan of finance that includes the issuance of the Bonds by the Capital Trust Agency (CTA) to provide funds to be loaned by the CTA to the Borrower for the purpose of financing or refinancing, including through reimbursement, (i) the acquisition, construction, renovation, installation and equipping of the Senior Living Facilities (as defined below) 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, (iii) funding one or more debt service reserve funds for the Bonds, and (iv) paying certain costs of issuing the Bonds (collectively, the “Project”).

It was noted by the Chairman that no one from the public was present to speak for or against the application.

Chauncey Lever briefed the Authority on the TEFRA application of CTA, and if approved by the Authority the Volusia County Council will have to vote to issue the approval.

Appearing was Mr. Stan Brading of Quality Senior Housing Foundation who said he is the owner and operator of assisted living facilities and low income housing to serve the elderly. The Tefra request is for a facility in Ormond Beach, two other Grand Villa facilities are in Altamonte Springs and Largo. They intend to maintain the current management at these facilities. All three facilities are 90 percent occupied and will maintain the current level of service. Mr. Brading also stated there were no immediate plans to expand any of the facilities.

Mr. Ogieva Guobadia of Piper Jaffray said the bonds will be rated A, BBB and non-rated, and there is a stabilized cash flow. The company has scheduled a site visit tomorrow, starting at the Ormond Beach facility. They intend to close within 30 days.

After some discussion, Mr. Sharples moved to approve the request and forward the issue to the County Council. Said motion was seconded by Mr. Kane and passed by unanimous voice vote.

Public Hearing was closed.

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V. Old Business

A. Discussion of Expiration for Applications for Bond Authorization – Mr. Stark noted that a survey of eight entities was done by Ms. Sprague and results are in the notebook. Seven of

eight do not have any policy. This comes up with one bond issue originated approximately 18 months ago by Thompson Pump as the applicant. The company's expansion project is moving forward but on a slower pace. Mr. Stark said there currently is not an IDA policy in place to terminate any bond issue.

Mr. Lever said that if they want to pursue the bond issue, they need to return to the Authority as nothing was approved or signed. Once an Agreement is signed between the Authority and the company, there are expiration dates, usually one year.

Mr. Ehrhardt felt there should be a statement in our documents. He had also forwarded Mr. Thompson's email to each of the members regarding a time limit.

There was discussion about each project with its own set of circumstances but a 24 month deadline seems reasonable but this would only be applicable to new projects going forward.

After some discussion, the Authority's policy will be going forward after the inducement resolution is approved, the applicant must finalize the bonds within 24 months. Motion was made by Mr. Smith, seconded by Mr. Kane and passed unanimously. Thompson Pump is to be informed there is no expiration for their application but that they need to bring some type of refreshed financials to the Authority within 24 months from the original application date of April 4.

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B. Results of Solicitation for CPA or Account Services – Chairman Stark said a solicitation was done in the spring but again, no response. No action was taken on this matter.

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VI. New Business

A. Determination of Processing Fee for TEFRA-only Applications – Mr. Stark said there is not a policy that addresses the fees for TEFRA hearings, the applicant pays the Authority's application fee and advertising costs, but for future applications there should be a flat fee to cover the man hours involved not only at the Authority level but to the County Council for final action. If one is to be done it will be included in the Application package to make it very clear. Mr. Ehrhardt expressed the opinion that a minimum processing fee of \$5,000 to \$10,000 would be appropriate. Grand Villa clearly would be exempt as they applied prior to this discussion/decision.

A survey was done to determine what other authorities' charge, if any. The results are as follows:

1. Collier County
2. Lee County
3. Ocala/Marion (partnership Ocalacep.com)
4. Orange & Seminole Counties (partnership, Orlando.org)
5. Palm Beach County
6. Pinellas County
7. Polk County

8. St. Johns County
9. Volusia County

Question. When an applicant wants only a TEFRA hearing, what is the application fee? Any closing fees?

1. Collier County – One application form and \$5,000 application fee.
2. Lee County – Application fee based on bond application amount. No separate TEFRA application.
3. Ocala/Marion County – \$1500 application fee plus closing fees. (attached)
4. Orange County/Seminole County – Standard application fee, \$1500. Closing fee and flat additional \$3,000 fee plus billed fees of their law firm. Goes through the IDA then the County Commission.
5. Palm Beach County – TEFRA application \$1500 plus closing fees and county attorney’s fees (attached)
6. Pinellas County – No charge for TEFRA application. Applicant pays for the legal ad and bond counsel. Goes to County Commission.
7. Polk County – \$3,000 and it’s credited against a service charge. If the authority is requested to enter into an interlocal agreement to allow another governmental entity to issue bonds to finance or refinance, the service charge equal to any issuance fee that would be imposed by the issuer on its issuance of that portion of the bond financing or refinancing the facilities located in Polk. 1/10 of 1% of the first \$5 million in principal amount and 1/20 of 1% for all amounts in excess of \$5 million.
8. St. Johns County - \$1,000 application fee for the IDA and issuance fees of ten basis points of the entire issuance size
9. Volusia County - \$1500 application fee for the IDA. 2017 TEFRA only hearings for Retirement Housing Foundation (RHF) and Good Samaritan Society, application fee and advertising fee only.

Mr. Lever commented on several of the entities and their charges as he does work with them. Some counties do not have an IDA, some have no fee and the TEFRA request goes directly to their elected body, in addition to other costs.

Mr. Hall commented that a flat processing fee was a good idea but that it’s a policy decision of the Authority.

Mr. Sharples questioned how the \$5,000 rate was determined, whether actual work time or, and how long the application fee was \$1500. Mr. Stark pointed to the survey of the other entities. As far as how many TEFRA hearings the Authority has held, Mr. Ehrhardt noted that there two of the four qualified last year and appeared it may be a trend going forward. This is not related to the “issuance” fees. Individual fees for bond counsels are paid separately by the applicant.

After some discussion, Mr. Sharples made a motion not to charge a processing fee (not retroactive) to the applicant, Grand Villa. Said motion seconded by Mr. Kane and passed unanimously.

Mr. Guobadia of Piper Jaffray thanked the Authority and said the cost was good but has seen the numbers all over the place. He questioned what the fee was actually for.

As far as future TEFRA hearings, Mr. Sharples made a motion to set a flat \$5,000 processing fee in addition to the application fee going forward. Said motion was seconded by Mr. Kane and passed unanimously.

At this time, Mr. Ehrhardt pointed out what the Guidelines would look like with the modifications made today, new processing fees and calendar for a TEFRA only hearing.

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B. Election of Officers effective January 2, 2019

Mr. Sharples made a motion to retain the current slate of officers for 2019. Said motion was seconded by Mr. Kane and passed by unanimous voice vote.

Dennis Stark, Chairman
Jim Smith, Vice-Chairman
Don Kane, Secretary

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There being no further business to come before the Authority, meeting adjourned at 3:10 p.m.

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