



**LEE COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
September 22, 2017**

Members Present: David Barton, Ed Bolter, Douglas Gyure, Tom Hoolihan, Wayne Kirkwood, Gail Markham and Robbie Roepstorff

Member(s) Absent: None

Staff and Guests Present: Warren Baucom, John Boland, Rachel Busch, Rebecca Czyz, Roger Desjarlais, Antranette Forbes, Tiffany Grint, Amy McQuagge, Glen Salyer, Jim Humphrey (IDA counsel), Kevin Ahmadi (Gulf Coast Village), Mark Landreville (HJ Sims & Co.), and Greg May (CRES of SWFL)

I. CALL TO ORDER

Chair Doug Gyure called the meeting to order at 10:05 a.m.

II. APPROVAL OF MINUTES

A motion to approve the July 28th IDA meeting minutes was made by Ed Bolter, seconded by Wayne Kirkwood, and unanimously approved.

III. FINANCIAL REPORT AND APPROVAL

The July and August 2017 financial reports were discussed.

Robbie Roepstorff purchased a \$245,000.00 certificate of deposit at PNC Bank at a rate of .55% for six months, with a maturity date of March 21, 2018. The \$245,000.00 Everbank CD will reach maturation September 26, 2017 and the Florida Community Bank \$245,000.00 CD will mature on November 4, 2017.

A motion was made to accept the July and August 2017 financials by Gail Markham, seconded by Bolter, and unanimously approved.

A motion was made to allow Robbie Roepstorff to continue searching for new CD rates and/or renewals, with Board ratification, was made by Markham, seconded by Hoolihan, and unanimously approved.

IV. NEW BUSINESS

a. FY2017-2018 Officers Rotation

Mr. Humphrey (as Temporary Chair) announced the annual Election of Officers was to be held. The FY2018 rotation includes the following changes: Robbie Roepstorff will now be Chair, Wayne Kirkwood the Vice Chair, David Barton the Secretary, Ed Bolter the Treasurer, Tom Hoolihan the Assistant Secretary, Gail Markham the Assistant Secretary, and Doug Gyure an IDA Member.

A motion was made to carry forward with the FY2018 election and approve the new slate of officers by Kirkwood, seconded by Markham, and unanimously approved.

b. Written Report by Ashley Brown & Company of FY 2016 Audit

John Boland read a letter detailed below from Jeff Brown of Ashley, Brown & Company regarding the FY2016 audit:

To the Board of Directors

From: Jeff Brown Ashley, Brown & Company, CPA's

I apologize for not being able to attend today's meeting, however, the hurricane caused me to have to move so many things around on my calendar there were not enough days.

Below are a few of the highlights within the audited financial statements.

Page 1 – 2: Is our independent auditor's report which consistent with prior years is a "clean" or unmodified opinion.

Pages 3 – 6: Is the Management's Discussion & Analysis which provides a narrative overview of the financials and includes prior year data for comparative purposes.

Page 7: Balance Sheet – Cash and CD's totaling \$1,665,259 all of which is unrestricted.

Page 8: Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities

Total General Fund revenues of \$411,579 exceeded total expenditures of \$191,327 by \$220,252.

This schedule also reports the final accounting of the Incentive Fund with the remittance of the remaining \$22,897 back to the BOCC.

Page 11: There is a footnote outlining the interlocal agreement to relinquish fiscal oversight and management responsibilities of the incentive fund/program to the BOCC. The \$142,506 of remaining cash is different than the \$22,897 referenced above due to the differences between previously awarded incentives payable and cash in the account.

Page 14: General Fund – Budget vs. Actual Schedule. Fifth line from the bottom

reflects total budgeted expenditures were \$1,145,025, actual expenditures were \$953,698 less than budgeted expenditures of \$191,327. The IDA did not overspend their budget.

Pages 15 – 16: Auditor’s Report on Internal Control and Compliance – States our audit did not identify any deficiencies in internal control that we consider to be material weaknesses. Additionally, regarding compliance, the results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Remaining 2 reports, Management Letter and Examination Report. Both make numerous references to Florida Statutes, Rules of the Florida Auditor General all of which state IDA was in compliance.

Please feel free to contact me if you have any questions.

A motion was made to accept the Ashley Brown & Company FY2016 audit by Markham, seconded by Hoolihan, and unanimously approved.

c. Hold Public Hearing relating to Volunteers of America Lee County Health Care Facility, Inc. Project and consider adoption of Inducement Resolution

Public hearing was held. Jim Humphrey (IDA counsel) reviewed the affidavit of publication, and approved legal sufficiency as it is in accordance within the statutory requirements and was more than 14 days noticed.

Chris Traber (IDA bond counsel) discussed the amended application, holding the TEFRA hearing, consideration of adoption of the Inducement Resolution, and presenting the project to the Board of County Commissioners for approval. Traber hopes to be back in October with a full set of documents, disclosure forms, feasibility study, investor letter, pricing and hopefully closing in early November.

The project description includes building a 115-unit skilled and memory care facility, owned by DOA Lee County Health Care Facility Inc. Kevin Ahmadi, Senior Executive Director of Operations with Gulf Care Inc. (Gulf Coast Village) discussed their 36 acre continuing care retirement community located in Cape Coral, staffed with over 400 employees. In addition they serve over 550 people with assisted living and skilled nursing, and also own and operate a home healthcare company and an out-patient rehab service. Gulf Care was awarded with a Certificate of Need for a 75-bed nursing center to continue to serve southwest Florida through a strategic plan that will allow a continued collaboration with Lee Health to help serve people discharged from the hospital. Company is purchasing property from Hope Hospice.

Mark Landreville of HJ Sims & Co. is the underwriter for tax-exempt bonds and financing for the senior living industry. Landreville has worked with Volunteers of America (VOA) for over 25 years. The State of Florida held a competitive process for the Certificate of Need for the 75-bed nursing center, and VOA was selected through that process by proving to the state that they were capable of delivering.

HJ Sims submitted an amended application on August 14, 2017 to waiver the \$100,000.00 denomination policy. This would enable a wider variety of investors to

be involved in the projects and creates more liquidity to sell them in \$25,000.00 and higher increments.

Subject to the final feasibility study, VOA is putting in a million dollars, and then another two million for liquidity support. All investors would have to sign an investor letter stating they were an accredited investor with a minimum of a million dollar net worth, outside of their home.

The processes are underway, and the site pad is being prepared. The State of Florida requires that the nursing home starts construction in a certain period of time once awarded the Certificate of Need is granted. One extension was granted, and they will ask for another 90 day extension in October, but they feel the project will be able to come in on time.

As there were no questions or public input, the Public Hearing was closed.

The Board raised concern about presenting the project to the Board of County Commissioners without more financial details about the project.

Landreville stated that HJ Sims was following typical guidelines, and felt the feasibility study would meet or exceed guidelines in terms of what was commercially reasonable and acceptable. The owners of the bonds would be large institutional investors, and they are aware of the risks. Landreville asked the Board to agree to proceed today, and that financials and feasibility study results would be provided at the October board meeting.

Humphrey prepared an agreement accepting a \$15,000.00 deposit paid, which will apply towards VOA's fees. If the project is not fulfilled, the deposit will be forfeited due to time and effort between Board and bond counsel.

A motion was made for the IDA to consider a requested waiver of the policy that bonds can only be sold in \$100,000.00 increments, and would allow bonds to be sold in \$25,000.00 increments, based upon the financials and a copy of the letter proving the legal sufficiency of sophisticated investors, being provided at the October Board meeting by Kirkwood, seconded by Markham, and unanimously approved.

A second motion was made to consider adopting the inducement resolution, striking Section 6, by Kirkwood, seconded by Markham, and unanimously approved.

d. Approval of expenditures exceeding \$5,000.00

Humphrey explained that as the attorney for the special district, his legal services statements are to be presented to the Board Treasurer, then submitted to the Board, and are not part of the approval path procedure by EDO Staff.

There was a discussion on the guidelines of expenditures exceeding \$5,000.00. Roepstorff delegated the review and possible modification of the procurement guidelines to Vice Chair Kirkwood. Kirkwood asked if Glen Salyer would assist with recommendations involving Lee County; Salyer agreed. Final draft will be submitted to IDA for Board approval.

In the interim, Humphrey asked that the Knott Ebelini Hart invoice be approved.

A motion to approve payment of the Knott Ebelini Hart invoice for \$10,516.70 was made Kirkwood, seconded by Gyure, and unanimously approved.

e. FY2017-2018 budget adoption

The FY2017-2018 budget was discussed. Roepstorff commented that she would like the line item for legal adjusted from \$10,000.00 to \$20,000.00 so they would not go over budget; Boland agreed to make the change.

Boland reported that under the non-operating expenditures, there is second line entry titled the Lee Economic Development marketing support. While EDO was not asking for a commitment today on behalf of Lee County, staff will make a presentation to the IDA evidencing what the EDO has been working towards. In regards to the \$150,000.00 line item donation, in November, the EDO would like to get together with the IDA, and the Horizon Foundation to make a more formal proposal to both as to how the marketing funds would be used.

Roepstorff asked that the line item be changed to only reflect marketing support and not Horizon Foundation support; Boland agreed. Roepstorff also asked that the Economic Development program's line be changed to read Designated for Economic Development program; Boland agreed.

Boland informed the Board that the new employee recently hired, Stanley Jacobs, would not be coming aboard at this time for personal reasons.

A motion to adopt the FY2017-2018 budget with an increase to the legal line item from \$10,000.00 to \$20,000.00, the line item changed to just reflect "Marketing Support", and the Economic Development program's line to say "Designated for Economic Development program" was made by Kirkwood, seconded by Bolter and unanimously approved.

f. FY2017-2018 meeting calendar adoption

FY2017-2018 meeting calendar was discussed.

A motion to approve the FY2017-2018 meeting calendar was made by Markham, seconded by Kirkwood, and unanimously approved.

V. DIRECTOR COMMENTS

a. Board member orientation presentation

Boland pointed out the binders that had been provided for the Board members. The binders contain a collection of past materials, historical references, and other information to help members stay in compliance. Salyer did ask that they leave the binders behind so more information could be added and that they would be returned to the group in October.

Amy McQuagge, Rachel Busch, and Warren Baucom took turns giving a brief overview on the new website, in and out of market campaign, social media increases, the Dine Local Program, the LEARN initiative, several EDO business workshops and events, business and retention visits, Lee County Lime-Light Programs, and the

Commercial Corridor initiatives that encompass North Fort Myers, Lehigh Acres and the MLK Corridor.

The EDO's disaster response to Hurricane Irma was also discussed, with a special thanks to Ed Bolter of Lamar Advertising for putting the business relief information out on 13 different billboards throughout Lee County, almost immediately after the storm, in English and in Spanish. Bolter mentioned to the group that if a community emergency message needed to go out, he had the ability to spread the message almost immediately.

Salyer proposed a joint meeting between Horizon Foundation, Horizon Council's Executive Committee and IDA on November 17, 2017 to listen to and discuss EDO's formal marketing proposal jointly.

VI. ADJOURN

With no further business, a motion to adjourn was made by Bolter, seconded by Kirkwood and unanimously approved. The meeting was adjourned at 12:26 a.m.