

**INDUSTRIAL DEVELOPMENT AUTHORITY  
MEETING MINUTES**

**July 11, 2018**

The Highlands County Industrial Development Authority meeting was held in Conference Room 2 at the Bert J. Harris, Jr. Agricultural Center, 4509 George Blvd., Sebring, FL 33870 on Wednesday, July 11, 2018. Chair Janet Barber presided over the meeting; a quorum was present.

**1. CALL TO ORDER – Highlands County Industrial Development Authority (IDA)**

The July 11, 2018 Industrial Development Authority Board of Directors meeting was called to order at 7:35 a.m

**2. CONFIRMATION OF QUORUM**

- a. Members Present: Janet Barber, Donna Doubleday, Carol Howard, Craig Johnson, Paul Koukos, Dr. Thomas Leitzel, Ray Royce, Mayor John Shoop, Wade Taveniere, and Tim Texley.
- b. Members Not Present: Tom Koppein, Jim Renfro and John Varady
- c. County Representatives Present: County Commissioner Jim Brooks, Taylor Benson, Meghan DiGiacomo, Benjamin Dunn, and Rachel Barry.
- d. Others in Attendance: Grace Dunlap, Bryant Miller Olive, P.A.; Matthew Musgrave, TCKS; David Roos; Bill Reisner, Oppenheimer & Co.; Chauncey Lever, Foley & Lardner LLP; Michael Noel, SBDC Business Consultant; Jason Biance, J. Biance Financial; Ron Handley, Highlands County Board of County Commissioners; Joy Carmichael, Highlands County BOCC Attorney.

**3. CONSENT AGENDA – IDA**

The Consent Agenda was presented for consideration. The agenda included the minutes of the April 11, 2018 IDA Board of Directors meeting as well as the minutes of the May 16, 2018 meeting. Ray Royce moved to approve the consent agenda; seconded by John Shoop. Motion carried unanimously.

**4. OLD BUSINESS**

New Member Update: The board was provided with an update on member appointments. Gina Reynolds resigned from the board on May 9, 2018. Three individuals applied to serve on the board and the IDA voted in April to recommend Randy Surber, with Florida Hospital, and Jason Kimbrell, with Highlands Regional Medical Center, to the Board of County Commissioners for appointment to the board. The office scheduled this matter to go before the Board of County Commissioners on July 17. However, during the course of this update to the board, it was brought to the board's attention that Jason Biance submitted an application to Michelle Drake, county administrative aide, to serve on the IDA. The economic development office was unaware of the submission and noted that it would look into the situation and provide the board with an update.

**5. NEW BUSINESS**

Board Member and Executive Committee Term Expirations: Janet Barber's first term on the IDA expires in September. The terms of the executive committee also expire

in September. At the annual meeting on September 12, the board will seek nominations and elect members to serve as chair, vice chair, treasurer and secretary. Ray Royce asked if the member appointments could be considered prior to the September meeting so that all members could be considered for executive committee nominations. Taylor Benson explained that the required two-month vacancy notification was posted on June 27, so the matter could not be addressed prior to August 27. Due to the timing conflict, the board can table the executive committee nominations until December.

## 6. INDUSTRIAL REVENUE BONDS

- a. Borrower Update: David Roos and Matthew Musgrave with TKCS provided an update on the rehabilitation and renovation of historic Harder Hall and new construction for the development of a senior living facility. The plans for the facility are currently under review and they are expected to be completed by the end of the month. Once completed, the plans will be submitted to the City of Sebring for approval. The construction is expected to take 21 months. Musgrave noted that the building was in relatively good condition when they acquired and it had no asbestos. The roof was in good condition prior to Hurricane Irma but it now has a few leaks and will likely need to be replaced. Musgrave also discussed that they intend to use local vendors whenever possible.
- b. Bond Resolution: The IDA was presented with a request to adopt a Bond Resolution for issuance of not to exceed \$45 million Highlands County Industrial Development Authority Senior Housing Revenue Bonds (Harder Hall Project), Series 2018 in minimum denominations of \_\_\_\_\_.
  - Tim Texley requested more information about the denomination amounts for the bonds. Bill Reisner explained the bonds are guided toward accredited investors. The borrowers' preference is to have a minimum denomination of \$25,000. The bonds are secured by project revenues; \$100k bond is more of a "high yield project". County Attorney Joy Carmichael inquired about the issuance of the bonds and the effect of denominations at \$25,000 versus \$100,000. Grace Dunlap and Chauncey Lever mentioned that it's easier for them to sell smaller bonds versus larger bonds as it enlarges the potential pool of buyers, which ultimately creates more demand and gives them opportunities for lower interest rates. John Shoop asked about accredited investors. Reisner explained that accredited investors are required to meet specific requirements including net worth, income, submit certain documentation, etc.
  - Reisner also explained that they do not want denominations in between \$25,000 to \$100,000; they prefer \$25,000 or \$100,000. Craig Johnson asked Dunlap why she recommends \$100,000 instead of \$25,000. She said that lower bond denominations result in more buyers. If there's ever a disagreement, it's harder to work out issues when you have more shareholders. Commissioner Handley asked about who follows up on the financial background of the investors. Audience member Michael Noel, SBDC business consultant, said typically the issues come from brokers selling to unqualified buyers; the bond issuer isn't the responsible party, it's the broker. Dunlap said that only the initial buyer has to sign the letter saying they are financially capable, but if he or she re-sells, the second buyer is not required to provide the same statement. Johnson and Reisner both mentioned that if the project ultimately fell through, the IDA is not liable and the investors have to seek out the

borrower. Howard asked Dunlap about the legal sufficiency of the documents. Dunlap said everything appears to be legally sufficient. Dr. Leitzel asked if the initial bond solicitation doesn't go well, do they come back and re-adjust bond price? Reisner explained the process involves a marketing period and then a date in which they price the bonds based on their market research and interest rates.

- John Shoop moved to adopt a Bond Resolution for issuance of not to exceed \$45 million Highlands County Industrial Development Authority Senior Housing Revenue Bonds (Harder Hall Project), Series 2018 in minimum denominations of \$25,000.00. The motion was seconded by Carol Howard. The motion carried with a vote of 9 to 1. Ray Royce cast the dissenting vote.

#### 7. ADJOURNMENT – IDA

The July 11, 2018 IDA Board of Directors meeting was adjourned at 8:33 a.m.

Next meeting is 7:30 a.m., Wednesday, September 12, 2018 at The Hotel Jacaranda, 19 E. Main St., Avon Park, FL 33825.

Minutes developed by: Rachel Barry, Zoning Clerk

Approval date: Approved September 12, 2018