

**CHARTER REVIEW COMMISSION
OTHER BOARDS AND AGENCIES SUB-COMMITTEE
Minutes of Meeting
March 30, 2010**

A meeting of the Other Boards and Agencies sub-Committee of the Charter Review Commission was held at the Administration Complex, Room 106B, Port Charlotte, Florida.

Roll Call

The following members were present:

Bill Folchi (Chairman), Ken Doherty, John Hitzel (arriving 1:45 p.m.)

Absent Members:

Connie Kantor (alternate)

Call to Order

The meeting was called to order at 1:01 p.m. EST by *Chairman Folchi*

Agenda Items

(1) **Approval of Minutes** of meetings March 2, 2010 and March 18, 2010 respectively. *Chairman Folchi* confirmed with those present that copies of the Minutes had been previously distributed, and there being no additions nor deletions the Minutes of March 2, 2010 and March 18, 2010 were approved.

(2) Interview with Mr. Don Root, Executive Director of the Charlotte County Economic Development Office and Kevin Russell, President of Enterprise Charlotte Economic Council

Chairman Folchi welcomed Mr. Root and Mr. Russell, and briefly explained to Mr. Root the structure of the Charter Review Commission and this sub-Committee. *Chairman Folchi* said that they were conducting interviews and obtaining information which may result in recommendations to the Board of County Commissioners to assist in enhancing the business climate. *Ken Doherty* indicated that it would be helpful to have a perspective of economic development in the County. Mr. Russell said that in 2007 he had been appointed by the Chamber of Commerce to sit on the Charlotte Foundation, a 501C(3) organization. Mr. Root indicated that he had taken his current position with the County in October 2007. Mr. Russell said that at Mr. Root's urging the Charlotte Foundation needed to be more like an advocate and they amended the By-Laws and got a

] 501C(6) designation for Enterprise Charlotte Economic Council from the Internal Revenue Service. Mr. Russell explained that this would allow the signing of confidentiality agreements and took the Board out of the Sunshine. Mr. Root added that there were no ex-officio members. Mr. Russell continued, saying that they have private funding with membership levels from \$1,000 to \$10,000. He said that the organization is staffed by the Economic Development Office. Mr. Root said that the 501C(3) organization was left in place to do studies and pursue grant funding. Mr. Russell indicated Enterprise Charlotte has a current membership of about sixty people who meet monthly. They meet with the Commissioners on a monthly basis and will also begin interviewing potential candidates for endorsements. In response to a question from *Chairman Folchi* it was confirmed that Mr. Russell's position with Enterprise Charlotte is a volunteer position, and as Director of the EDO Mr. Root is an employee of Charlotte County. Mr. Russell said that Enterprise Charlotte has money to host and entertain, and if necessary augment Mr. Root for those activities if there is no County funding.

Mr. Root addressed the roll of the Industrial Development Authority, indicating that it has a \$500,000 incentive budget. He further explained that the IDA is formed under F.S. 163 and is a public body established by the County, consisting of seven members all approved by the Board of County Commissioners. One function of the IDA is to develop properties and make them available for industrial prospects. Mr. Root said that most IDA's do this by developing industrial parks, but there is no money to do that at present. Mr. Root added that the IDA is also a conduit to the tax exempt bond market for projects that serve a public purpose. He said that the IDA is responsible for the incentive programs that are offered to manufacturers and others from the targeted industry list, funded by the \$500,000 incentive budget mentioned above. *Ken Doherty* asked for an example of possible incentives, and Mr. Root mentioned twenty percent matching funds for the State program for bringing in jobs as well as money for the investment in tax base. He indicated they are looking for other approved incentives which will make them more competitive, adding that the \$500,000 does not go far particularly when compared to larger budgets in neighboring counties. *Mr. Doherty* asked if the IDA was inclusive of Airport properties and Mr. Root responded that the IDA has one hundred and twenty acres at the Airport, which is in the ECAP but is not airport property. *Kevin Russell* and Mr. Root said that the property is on the east side of the airport with no roads or utilities except those that come up to its boundaries. Mr. Russell added that the Industrial Development Authority is a public agency subject to the Sunshine Law. He said that the ECEC (Enterprise Charlotte Economic Council) is completely privately funded and currently has approximately \$70,000. Mr. Russell said in their most recent meeting with the County Commissioners they offered some ideas for Murdock Village. He said they have also met with west County for input and ideas for job stimulus. *Ken Doherty* said that he had wondered about Murdock Village being developed and used for a health research campus, adding that the community would provide a good base for research. Mr. Root said that the EDO is not a service group and their job is to generate revenue, adding that to do this they must be competitive. *Chairman Folchi* asked for an explanation of how Charlotte County compares to other areas. Mr. Root said that

industries looking for locations hire a site consultant who will search for the best offer for their client. He indicated this could include free land, advance money, tax breaks, etc. *Ken Doherty* asked Mr. Root why Charlotte County does not offer these incentives. Mr. Root replied that he had stressed to the Board the need for ready real estate at the right price with permitting in place. He used an example of Roan County, Tennessee which has a population of about 75,000. Mr. Root said that Roan County has at least 6,000 acres of prepared industrial property priced at between \$0 - \$1 per foot. Mr. Root indicated that they were trading land for tax base and jobs, a concept that he has tried to promote to the Commissioners. Mr. Root said he has been unsuccessful because of the focus on cutting costs rather than investing. He mentioned a contact he had made with a site consultant from Atlanta who needed an already built 100,000 sq. foot spec building with specified clearance and dock area. *Chairman Folchi* asked if this was an extreme example and Mr. Root said that it indicated what is being offered in other areas. He said that in St. Lucie County a developer had built several 40,000 sq. foot buildings and each was filled because he had it available when needed. Mr. Root indicated that he has considered investing the available money from the IDA to get things started. Mr. Russell said that the Commissioners are beginning to understand the situation and have come to realize that they are not going sell Murdock Village for \$100 million. Mr. Russell continued that it may be an idea to put utilities on a portion to begin the process of creating some kind of hub. Mr. Root added that they had brought two prospects, neither of which were accepted by the BCC. *Chairman Folchi* observed that an economic crisis either in business or real estate requires that costs be cut or revenues raised. He said that the County has been effective in cutting costs, but to generate revenue it is necessary to invest in growth – the opposite of cutting costs. *Chairman Folchi* asked about the possibility of starting on a smaller scale. Mr. Russell replied that what has been suggested to the Commissioners is to put in utilities to a portion of Murdock Village, using that land rather than the IDA owned land near the airport. He said this would bring customers to Charlotte County Utilities. Mr. Root added that there is a lot that can be done, but the County needs to become competitive. He said that his organization is currently competing with North Carolina for a major manufacturer and that North Carolina is offering building space at \$.23 per foot. Mr. Root said that the cheapest he can offer is \$7.50 - \$8.00 per foot and one proposal to level the playing field would be to have the County lower the rents for the first few years. He said another proposal would be to reduce the cost of the property. *Ken Doherty* said this is the same frustration that has been apparent for years and it is critical to at least begin the process of being competitive. Mr. Russell observed that the current economic situation may have opened some eyes. *Mr. Doherty* said to Mr. Root that the CRC has been looking at ways to change the governmental structure that may result in streamlining some processes which would help economic development. Mr. Root said that he handles everything that comes to the office, having absorbed as much of the process as he can without involving the BCC. He indicated that the process itself is not the issue, the problem he faces is making the deal attractive and workable. Mr. Root indicated that one of the tools he needs is to be able to offer financing, with which he has been unsuccessful. He said the reason for this is that the County is service oriented and Economic Development has to

be distinguished from that. Kevin Russell and *Ken Doherty* explained that there is a structure being researched that would have an elected County Mayor/appointed Administrator, providing one central individual to deal with operations and freeing up the Board to engage in long range planning and related focus. Mr. Root indicated that he thought the EDO should be dealing directly with the elected body rather than going through the Administrator. *Chairman Folchi* asked if a Charter amendment could be proposed to circumvent the process and *Ken Doherty* agreed that could be an option that could be implemented without restructuring to the County Mayor concept. Mr. Root acknowledged the difficulty of the Administrator's position as well as that of the County Attorney. Mr. Root said that his Office does a complete cost analysis, a net benefit analysis and a return on investment for every job that comes through and he presents those figures to the Board. Mr. Root and *Ken Doherty* again discussed the possible advantages of having a elected Executive who was accountable to the people. *Chairman Folchi* pointed out that when an interested business comes to Punta Gorda, a council member is assigned to that client as a point person to work through the process. Mr. Root and *Chairman Folchi* also discussed the difficulty that Sunshine Laws present in connection with confidential business matters. Discussion returned to Murdock Village and the fact that money used by the County to pay down the loan resulted in a loss of liquidity that could possibly have been used to fund new ventures. *John Hitzel* remarked on the reserves in the Budget, saying that those funds could be re-allocated. Mr. Root mentioned Port St. Lucie, indicating that they had borrowed money to build a facility for a digital domain business and they already have several bio-tech and other industries in the area. He said that resulted from the focus of the City Manager to build the City. Mr. Root added that Port St. Lucie now has prospects and other jobs coming online now that they are needed. *Ken Doherty* agreed that there needs to be a direction set by the County on how to move ahead with economic development. Mr. Root talked about going to the 501C(6) structure, which would create a public/private partnership and the Economic Development Director would be working for the Economic Council. He said under a 501C(6) both private and public funds are received and as a result the board cannot be confidential. Mr. Root observed that the BCC would be able to function better if some matters were handled at a lower level and did not reach the Board. He acknowledged that the job of the Commissioners is very difficult with the volume they have to handle, leaving them no time to consider more crucial issues. Kevin Russell pointed out that the County's slogan of "open for business" is not enough, there needs to be an effort made to attract and accommodate new business. Mr. Root said that some progress is being made, referring to the fact that they now have a pre-permitted building of 50,000 sq. feet in Laishley Park. He added that he thought more authority can be given the IDA and more programs put in place that the IDA can implement, saying also that the IDA should be doing development in order to be competitive. Kevin Russell said that one of the ideas they have been trying to sell to the Commissioners is to dedicate one-tenth of a mill to the Industrial Development Authority. Mr. Root reiterated that he has to be able to make decisions and have facilities in place in order to be successful, he cannot go to the Board on a case by case basis. He again referred to the one hundred and twenty acre IDA parcel by the airport which the County had given them, saying that he needs the funds to develop it. Mr. Root and Mr. Russell said that a mitigation study needs to be done, and

Mr. Root added that once the actual value of the property is determined he may trade it for a developed property somewhere. Mr. Root remarked on the fact that he has to go to a mitigation bank and spend money on mitigation credits when the County spent millions buying conservation land. He observed that the County should have mitigation credits to use. *Ken Doherty* agreed that there should be some way of taking the land bank which the County has acquired and seeing what can be used as an asset. Mr. Root added that he needs more commercial intensive property on the water. There was additional brief discussion about using Murdock Village for a medical park or similar endeavor.

This concluded the conversation with Mr. Root and Mr. Doherty and *Chairman Folchi* thanked them for attending.

After they left the meeting, the sub-Committee members remained convened for discussion. *Ken Doherty* reflected that the situation as far as economic development in the County has remained unchanged over the years, mentioning that the same concerns have been raised in interviews with the Chambers of Commerce, etc. *John Hitzel* said that these discussions have highlighted the difference between government and private industry, adding that government budgets do not incorporate the principle of profit and loss. The members discussed the need to be prepared to go forward when the economy changes. *Mr. Hitzel* pointed out the importance of plans for Murdock Village, and *Chairman Folchi* agreed that Murdock Village has probably made the Commissioners reluctant to go forward with other projects and has encouraged over-managing. *Ken Doherty* said that it may not be possible to have properties “shovel –ready” right away, but steps need to be taken in that direction and money made available to invest in business. *John Hitzel* said that he would like to take more time to explore the reserves in the County budget, something that he talked about earlier in the meeting, and the members discussed this issue. *Chairman Folchi* indicated that even though the County is not in a position to build a 100,000 square foot building to offer the next client with a business plan, things could start on a smaller level. *Mr. Doherty* agreed, mentioning the possibility of designing and permitting a few fake buildings on small parcels throughout the County, which would establish a lot of the groundwork and eliminate the waiting period for permits, etc.

(3) Public Input: None

(4) Committee Comments: None

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UNTIL ADOPTED BY THE
Other Boards and Agencies Sub-Committee

BOOK _____ PAGE _____

(5) **Adjournment:** Upon motion made and seconded the meeting was adjourned at 2:50 p.m. EDT.

A handwritten signature in cursive script, appearing to read "Bill Folchi", written over a horizontal line.

Bill Folchi, Chairman