



JEDC General Meeting
City Hall, 4th Floor (Suite 400)
Mayor's Large Conference Room
Thursday, June 10, 2010 – 9:00 a.m.

MEETING MINUTES

Commissioners Present: Chair Z. Boulos, C. Gibbs, R. Helms, and B. Moore

JEDC Staff Presenting: Ron Barton, Jorina Jolly, Joe Whitaker and Eric Lindstrom

Representing Office of General Counsel: Juliana Rowland

I. CALL TO ORDER

Chair Boulos called the meeting to order at 9:03 a.m.

II. ACTION ITEMS

APPROVAL OF THE MAY 13, 2010 JEDC MEETING MINUTES

THE MAY 13, 2010 JEDC MEETING MINUTES WERE APPROVED UNANIMOUSLY 4-0.

IRB REVIEW COMMITTEE MEMBERSHIP – Jorina Jolly

Ms. Jorina Jolly asked the Commission to consider approving a resolution that would modify the membership of the JEDC Industrial Development Revenue Bond Committee. Since the last modification of the committee membership in 2006 there has been some reorganization of JEDC staffing, which JEDC staff believes should be reflected in the committee membership. The new organization of the committee will include three members: one JEDC Commissioner, the JEDC Executive Director or his designee, and the City's Treasurer or his designee. This makeup is more representative of the subject matter experts as it relates to IRBs and will provide for better efficiency of the committee.

A MOTION WAS MADE BY COMMISSIONER HELMS AND SECONDED BY COMMISSIONER GIBBS AUTHORIZING A RESOLUTION OF THE JACKSONVILLE ECONOMIC DEVELOPMENT ("JEDC") REVISING AND UPDATING THE MEMBERSHIP OF THE INDUSTRIAL DEVELOPMENT REVENUE BOND REVIEW COMMITTEE ("COMMITTEE") ESTABLISHED BY RESOLUTION OF THE JEDC ON MAY 4, 2000 (WHICH COMMITTEE IS AUTHORIZED TO ACT ON BEHALF OF THE JEDC FOR CERTAIN RESOLUTIONS INITIATING THE ISSUANCE OF INDUSTRIAL REVENUE BONDS); AND PROVIDING AN EFFECTIVE DATE. THE MOTION PASSED UNANIMOUSLY 4-0.

HOLLAND SHELTAIR BOND AMENDMENT - Jorina Jolly

Ms. Jorina Jolly provided an overview of Holland Sheltair's request for amendments to their original Indentures and original loan agreements. (Refer to memo dated June 10, 2010 provided as an attachment to the June 10, 2010 Agenda.) Draft documents of the Amended Indentures and Amended Agreements were also attached for the Commission's review. Ms. Jolly noted that the COJ and the JEDC have no liability regarding these bonds. The JEDC is only the conduit issuer and the obligation of repayment of the bonds lies with Holland Sheltair. Ms. Jolly requested and recommended the Commission's approval of the resolution provided for their review and approval.

Ms. Jolly advised that representatives from Sheltair were present, along with their Bond Counsel Chancey Lever, and Juliana Rowland from the Office of General Council.

The following were relative comments from the Board:

- Asked if they were switching to a libor model away from a prime rate.

Holland Sheltair replied that they are switching from the daily rate set by the market to a libor based index mode.

Commissioner Helms added that the big issue is that they are moving to a private placement adding that the debt rating is no longer essential.

Mr. Barton added that it will not be marketed publicly as a private placement with investors, so it has a different set of rules that are required.

A MOTION WAS MADE BY COMMISSIONER MOORE AND SECONDED BY COMMISSIONER GIBBS AUTHORIZING A RESOLUTION OF THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION APPROVING AND AUTHORIZING CERTAIN AMENDMENTS TO THE BOND INDENTURES AND LOAN AGREEMENTS RELATED TO THE COMMISSION'S OUTSTANDING SPECIAL FACILITY AIRPORT REVENUE BONDS (HOLLAND SHELTAIR AVIATION GROUP – JACKSONVILLE PROJECT), ADJUSTABLE RATE SERIES 2004A-1, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$11,020,000, THE COMMISSION'S OUTSTANDING SPECIAL FACILITY AIRPORT REVENUE BONDS (HOLLAND SHELTAIR AVIATION GROUP – DAYTONA BEACH PROJECT), ADJUSTABLE RATE SERIES 2004A-2, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$3,705,000, THE COMMISSION'S OUTSTANDING SPECIAL FACILITY AIRPORT REVENUE BONDS (HOLLAND SHELTAIR AVIATION GROUP – FORT LAUDERDALE PROJECT), ADJUSTABLE RATE SERIES 2005A-1, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$22,055,000, AND THE COMMISSION'S OUTSTANDING TAXABLE SPECIAL FACILITY AIRPORT REVENUE BONDS (HOLLAND SHELTAIR AVIATION GROUP – FORT LAUDERDALE PROJECT),

ADJUSTABLE RATE SERIES 2005A-2, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$5,000,000, FOR THE PURPOSE OF ADDING A LIBOR INTEREST RATE MODE FOR SUCH BONDS; WAIVING THE REQUIREMENT OF SECTION 5(A) OF THE BOND RESOLUTION ADOPTED BY THE COMMISSION ON MARCH 8, 2007, RELATING TO DELIVERY OF A CREDIT FACILITY, IN THE EVENT BONDS ISSUED PURSUANT TO THE BOND RESOLUTION ARE PRIVATELY PLACED IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 104.306(b)(3)(ii), ORDINANCE CODE OF THE CITY OF JACKSONVILLE; PROVIDING THAT BONDS ISSUED PURSUANT TO THE BOND RESOLUTION MAY BEAR INTEREST IN A LIBOR INTEREST RATE MODE; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE FOREGOING; AND PROVIDING CERTAIN OTHER DETAILS IN CONNECTION THEREWITH. THE MOTION PASSED UNANIMOUSLY 4-0.

EUROFINS SCIENTIFIC, INC. – Joe Whitaker

Mr. Joe Whitaker provided an overview of the Eurofins Scientific, Inc. project. (Refer to the Project Summary provided dated June 10, 2010.)

Mr. Whitaker requested and recommended that the Commission authorize staff to introduce legislation to the Jacksonville City Council which:

- Recommends that Eurofins Scientific, Inc. be approved as an Enterprise Zone and Brownfield area based Qualified Target Industry business;
- States that the commitment of local financial support for the Qualified Target Industry Tax Credit Program exists and will be appropriated in the not to exceed amount of \$20,400; and
- Authorizes JEDC to utilize the authority provided by City Council Ordinance 2005-1460-E requiring only two readings before City Council and authorizes JEDC to submit a proposed Ordinance and all pertinent background information to be provided to the City Council Auditor simultaneous to filing with the Legislative Services Division.

Mr. Whitaker introduced Ms. Jeanne Miller to answer any questions from the Commission. Ms. Miller advised that she was standing in for Eurofins adding that Eurofins apologized for not being able to be present today because they are meeting with their European team on further European expansion.

The following were relative comments from the Board:

- Asked how many of the new jobs are anticipated to be filled locally versus people moving to Jacksonville from Maryland.

Ms. Miller replied that their main laboratory that currently services Jacksonville and primarily Beaver Street Foods and other food distribution companies while not limited to seafood, but Beaver Street has a primary interest, in Metairie, Louisiana. Ms. Miller added that due to the very high skill level needed and the quality and qualifications of the scientists, there will be some transition of individuals; however, the manager selected will live in Jacksonville. They anticipate the staff will be hired either locally or recruited to the region. If Jacksonville does not have the workforce Eurofins will develop it here, which takes time.

- Asked what the college's commitment was to the project at this point.

Ms. Miller provided an overview of the college's mission in addition to elaborating on the college's commitment to the project.

Mr. Whitaker added that Eurofins investment is separate from the college's investment in machinery equipment. Eurofins will be investing approximately \$350,000 initially with that investment increasing to \$550,000 as they grow.

- Ask how large of a geographical area Eurofins would be able to serve from Jacksonville, adding that obviously we are going to Louisiana for services from here asked will they also serve the rest of Florida.

Ms. Miller responded that their hope was to serve the rest of Florida adding that the port is a very big attraction to that.

- Referencing that Eurofins has twenty-five other operations asked what they typically consist of after they have been in existence for a while. Are they larger operations and do they anticipate that Jacksonville will be similar.

Mr. Whitaker replied that his understanding from Mr. Scantlin was that when they originally came to the United States they started in Memphis and they chose to relocate to Des Moines, Iowa because of financial incentives. They have grown their headquarters staff to 130 persons and they are not saying that they are going to be able to do that necessarily in Jacksonville, but that is what they see on the horizon. He added that they are involved in many different areas of testing. The laboratory that is going to be developed initially in Jacksonville is a micro-biology lab, but they also have laboratories that conduct a wide variety of test on things such as food, feed, pharmacy, pet food, and vitamins. They have over 10,000 protocols that they use. He commented that the interesting thing is that you can locate just about anywhere and once you get the sample you can test it and send the results electronically. There is not any magic to the location except from a marketing and development standpoint. Mr. Whitaker commented that they anticipate that most of the

revenue that they are going to generate some will be in Florida, but more than 50% of it will come from outside of Florida because they have the whole east coast. If you look up the east coast, their next multi-biology lab is in Baltimore.

- Asked if Eurofins was going to be involved in any community service projects they will participate in conjunction with their Jacksonville product.

Mr. Whitaker replied that they have not identified any locally at this point, but once they get here they are going to work with the college to identify some options.

Mr. Whitaker corrected himself regarding the incentive, as discussed at the beginning of his presentation advising that it is actually \$8,500 per job (versus \$3,000) and it's initially a \$3,000 QTI, plus Brownfield and Enterprise Zone. They are in a census tract block group that matches the criteria of the Public Investment Policy.

A MOTION WAS MADE BY COMMISSIONER GIBBS AND SECONDED BY COMMISSIONER MOORE APPROVING A RESOLUTION OF THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION ("JEDC") SUPPORTING AN ECONOMIC DEVELOPMENT AGREEMENT ("AGREEMENT") AMONG EUROFINS SCIENTIFIC, INC. ("COMPANY"), THE CITY OF JACKSONVILLE AND THE JEDC, REQUESTING THE CITY COUNCIL TO ENACT LEGISLATION: (1) RECOMMENDING THAT THE COMPANY BE APPROVED BY THE STATE OF FLORIDA'S OFFICE OF TOURISM, TRADE AND ECONOMIC DEVELOPMENT AS A QUALIFIED TARGET INDUSTRY ("QTI") BUSINESS PURSUANT TO SECTION 288.106, FLORIDA STATUTES, (2) EVIDENCING A COMMITMENT OF CITY SUPPORT IN AN AMOUNT NOT TO EXCEED \$7,200 AS THE LOCAL FINANCIAL SUPPORT UNDER THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM PAYABLE OVER MULTIPLE YEARS PER GUIDELINES SET BY THE STATE OFFICE OF TOURISM, TRADE AND ECONOMIC DEVELOPMENT, AND (3) AUTHORIZING A LOCAL MATCH OF UP TO \$13,200 IN CONNECTION WITH STATE OF FLORIDA ENTERPRISE ZONE AND BROWNFIELD REDEVELOPMENT BONUS REFUNDS TO THE COMPANY; AUTHORIZING THE EXECUTIVE DIRECTOR OF THE JEDC, OR HIS DESIGNEE, TO EXECUTE AND DELIVER DOCUMENTS AND TAKE FURTHER ACTION TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE. THE MOTION PASSED UNANIMOUSLY 4-0.

SOUTHERN BAPTIST HOSPITAL OF FLORIDA, INC. – TCEA – Eric Lindstrom

Mr. Lindstrom provided an overview of the Wolfson Children's Hospital/Adult Tower project. (Refer to the Project Summary provided dated June 10, 2010.) Following his presentation, Mr. Lindstrom requested that the Commission (i) approve the JEDC resolution of support, which approves the project Development Agreement and associated DRI Allocation of Development Rights Agreement (ii) request City Council to enact legislation approving the Agreement; and (iii) authorize the Executive Director of JEDC, or his designee, to execute and deliver documents

and take further action to effectuate the purpose of this resolution, which shall include any changes deemed necessary by JEDC staff or City Council that do not increase the JEDC or City costs.

The following were relative comments from the Board:

- Asked if there was any thought given to the Skyway Express employees.

Mr. Lindstrom replied that they talked about that, but the railroad track creates a problem for pedestrian access, so they felt a better approach would be a shuttle over to the King Street garage, which is connected to the end of the ASE, but it makes more sense for them to shuttle them in now through the use of the shuttle and get them there right at 7 a.m.

Mr. Singletary responded that they encourage employees to use the Skyway Express, but as Mr. Lindstrom mentioned they have to be to work on time so their concern is always a timing issue. We will create a shuttle that will go directly from the front of Kings Avenue to the front of the hospital until we can provide timely transportation for them.

- Commented that the additional shuttles are a concern adding that he has an office located on that side of town and constantly sees shuttles from Prudential. Suggested that getting those shuttles off the roadway and getting them to use the mass transportation system is important.

Mr. Singletary responded that they would love to be able to do that. It is that constant balance between employee satisfaction and trying to keep traffic off the road. He added that this will be a single shuttle that just goes directly from Kings Avenue to the hospital.

Mr. Barton asked Mr. Singletary to walk through the anticipated construction schedule.

Mr. Singletary responded that the project is scheduled to complete December 2012. They are currently beginning demolition on the east wing. The building was demolished before the project was put on hold due to the economic downturn. He added that they are approximately three months into demolition of the east wing. He noted that it is a very difficult demolition because the utility tongue that goes from the central plant into the hospital is under that wing so it is going to be a slow and tedious project to take that building down. He noted that they will begin actual deep foundations in September and the building will go up from there. It's essentially a two-year project.

A MOTION WAS MADE BY COMMISSIONER HELMS AND SECONDED BY COMMISSIONER GIBBS APPROVING A RESOLUTION OF THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION (“JEDC”) SUPPORTING A REDEVELOPMENT AGREEMENT AND AN ASSOCIATED ALLOCATION OF DEVELOPMENT RIGHTS AGREEMENT (COLLECTIVELY “AGREEMENT”) BY AND AMONG THE JEDC, THE CITY OF JACKSONVILLE (“CITY”) AND SOUTHERN BAPTIST HOSPITAL OF FLORIDA, INC. (“DEVELOPER”); REQUESTING THE CITY COUNCIL TO ENACT LEGISLATION APPROVING THE

AGREEMENT; AUTHORIZING THE EXECUTIVE DIRECTOR OF THE JEDC, OR HIS DESIGNEE, TO EXECUTE AND DELIVER DOCUMENTS AND TAKE FURTHER ACTION TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE. THE MOTION PASSED UNANIMOUSLY 4-0.

III. INFORMATION/DISCUSSION ITEMS

Ms. Janice Williams Donaldson with the Florida Small Business Development Center of the University of Florida provided a very informative overview and package of information relating to small business.

Mr. Barton advised that the Cecil Commerce Center Master Developer Agreement between the City and Hillwood passed City Council on June 8. He commented that in his over 30-year career, both in the public and private sector, he has worked on harder deals, but this one was publically vetted as aggressively as any he has worked on both in the private and public sector. He commented that the fact that the deal passed City Council unanimously reflects upon the quality of work by JEDC staff in negotiations, and the quality of the company the City is contracting with.

Mr. Barton commented that a lot of the angst is generated by an extraordinary stressful economy. At the heart of the public discussions, when the conversations moved away from specifics, part of the issue was competition. Mr. Barton commented that he believes there was no unfair advantage for Hillwood in the end. In fact, many of the opponents acquired their properties in the 1970's, so their land basis and their cost recovery are in multiples at this point in time. The stress of the economy generated some of the angst. Not sure when the economic angst will pass, but it will pass and we will be a better community for it with Hillwood being involved and the government being removed from the core development business and allowing Hillwood who knows how to do it and is going to deploy their capital when the City would not. It is about the long haul. Mr. Barton commented that he was pleased that the Council saw the merits of the deal.

IV. OLD BUSINESS

No old business was discussed.

V. NEW BUSINESS

No new business was discussed.

VI. PUBLIC COMMENTS

There were no comments from the public.

VII. ADJOURNMENT

There being no further business, Chair Boulos adjourned the meeting at 10:01 a.m.

The next JEDC General Meeting is scheduled for Thursday, July 8, 2010 at 9:00 a.m.

Witness

Jacksonville Economic Development Commission

Print Name: _____

Zimmerman Boulos, Chairman

Print Name: _____

Vote: **In Favor:** __ **Opposed:** __ **Abstained:** _