

Holmes County-Washington County Joint Infrastructure Committee Meeting
Log Cabin - Bonifay
April 19, 2016; 11:00 a.m.

Participants:

<i>Ashley Pettis</i>	Holmes Co Development Commission	Hcdc1978@gmail.com
<i>Julia Bullington</i>	Holmes Co Chamber/TDC	chamber@wfeca.net
<i>Charles Kent</i>	Washington County BOCC	
<i>Raymon Thomas</i>	Holmes Co Development Commission	hcdc.thomas@gmail.com
<i>Ted Everett</i>	Washington County Chamber/EDC	ted@washcomall.com
<i>Wendel Whitehurst</i>	Holmes County	hcc@holmescountyfl.org
<i>Bill Parish</i>	Holmes County	wtparish@gmail.com
<i>Jim Town</i>	Washington County	Jim_bea@bellsouth.net
<i>Susan Estes</i>	Opportunity Florida	susane@opportunityflorida.com
<i>Cliff Knauer</i>	PRI / Dewberry	knauerc@preble-rish.com
<i>Roger Brooks</i>	City of Bonifay	rogerbrooks@centurylink.net
<i>Jeff Goodman</i>	Jeff Goodman, P.A.	jgoodman@jeffgoodmanlaw.com

Ted Everett began by welcoming everyone to the meeting. He told them Caitlin Cerame would call in with a brief update on the possible DEO grant. She is still trying to find out if the grant would be able to cover legal fees.

Cerame told the group the Scope of Work (SOW), request for funding and deliverables were currently being reviewed by the Regional Planning Council (RPC). There are five deliverables, including a legal opinion and engineering. She has also added public outreach to the deliverables. Other potential funding sources are also being considered. All the findings will be included in a final report that will explain the project. The RPC has staff members that are highly skilled at marketing and presentation. She asked the group to let her know of any changes or additions they would like to see. The RPC will be meeting to decide about what the costs for the grant will be; DEO has told them that administrative fees should be included in the grant deliverables.

Ted Everett asked whether it would be possible for the finished document to be sent out within two weeks. It will need to be taken before the county commissions and city council. He would like to bring it before the commissions during workshops. He suggested starting the meetings the second week in May. Caitlin Cerame said the due date on the application was May 2. Everett will check in and see what the entities needed prior to applying for the grant. Ted Everett intends doing several one on one meetings with the commissioners to tell them about the grant. He asked for a synopsis to distribute to the entities.

There were two upcoming workshops scheduled later in the week in Holmes and Washington Counties. Everett will be at the Washington County workshop but still wanted to speak one on one with the commissioners. Jim Town noted that since the entities had already approved the Interlocal Agreement

that it may be possible for them to give the Chair the authority to sign the grant. Both of the BOCCs will meet on April 26. There is no match required on the grant so thoughts were that the commissioners would be agreeable. Julia Bullington suggested the cover letter written by the RPC would suffice as a synopsis but Everett wanted to make sure everything was covered before presenting it to the commissioners.

Jim Town passed out two templates on the Corridor and Revenue. He specified the handouts were for discussion only to show possible revenue. He told the group the Corridor Authority template was put together to show certain assumptions. Many of the numbers are only theoretical because certain decisions, such as how to deal with impact fees, had not yet been made. He made the assumptions just to show how everything fits together. Although the business owner will decide where they will locate, the spreadsheet was based on a random drawing of where certain types of businesses will go—for purposes of showing how revenue might be set up.

Town told the group the basic assumption on revenue was that the Authority would need seed money to get started as well as money in addition to the county loans through grants and loans to cover construction costs. It will need a source of revenue to sustain itself once it is in operation. This was to be covered by 10% of whatever the local governments realized coming out of the Corridor area other than building and development fees which are untouchable. Ad valorem and revenue sharing are part of those fees. Once the decision is made activating the authority, it will draw down \$70,000—1/10 of 1 mil. Based on the ad valorem tax rolls, that is worth around \$140,000 per year, \$80,000 from Washington and \$60,000 from Holmes. Ultimately, the Authority will draw down \$360,000, at a 20 year amortization, hopefully below prime, from the counties and that will go on as a five year payoff. The construction costs are expected to be at least \$2 million. The authority hopes to get at least 50% of that in grants. The funding that is not realized from the counties and grants will need to be borrowed. These loans would be paid off in approximately 10 years. The Authority will need to borrow at least \$750,000 that will need to be repaid.

The committee has not yet decided on how it will deal with seeking money from the legislature however, it is hoped that the county and city buy in will ease that request. It is important local legislators are kept abreast of this project.

Tax increment financing is based on the geographic area of the Authority. That should account for about \$411,000

Impact Fees: Washington County has an impact fee ordinance (currently inactive) but Holmes County does not. Jim Town based his numbers on the Washington County impact fee. It should be determined whether the Corridor Authority wants to have an impact fee study done. It should also be made clear that the rest of the county and city, outside of the corridor, will not have the impact fees.

Revenue sharing: Approximately 10% of the sales tax collected will come back to the Authority. This will be approximately \$530,000. The land that Bonifay annexed will increase revenue.

Development Order Filing Fees: The Authority wants to control the impact fee collection and have them flow to the government entities from the Authority. The Authority will operate the development review committee. The Authority will charge a fee and possibly keep a planner, attorney and others as necessary on retainer. When the Authority certifies the project to the entity that will issue the permits

and development order, it will confirm it complies with the rest of the corridor. The corridor will have its own planning authority function separate and apart from the entities.

Expenses will include construction, engineering and legal costs. The legal costs to administer a district are not negligible and will constitute a large part of the expenses. Accounting and administrative costs will also be high especially at the beginning.

Cash Available Before Debt Service: The cash available for debt service will build up over time. By the end of year eight, it is expected the district will generate \$484,000 in recurring revenue.

Debt Service: The authority will begin paying the county and the banks back in the second fiscal year. Debt service is about \$80,000 a year. In the eighth year, the surplus revenue is \$484,000 but will need to pay \$289,000 cash for the county loan. By the tenth year, however, the Authority should have accumulated over \$1 million and will be able to pay off the bank loan and still have money in the bank.

Schedules 1-5 on the second page detail how the calculations on the summary lines were put together on the first page of the handout.

The third page shows the theoretical way the businesses may end up on the land. It shows the hypothetical revenue that the Authority might possibly bring to the local governments. It details possible revenue from revenue sharing, ad valorem and other fees. The following page shows how Town put together the information summarized on the previous page. The last page is a copy of the actual overlay adopted in Washington County.

Question: Will there be administrative labor costs? Town told the group that they did not believe full time staffing would be necessary for the corridor authority. The Board can change that if they believed a full time person was needed. There would be enough money to cover that employment.

Question: Has an alternative schedule (to page 1) been run show revenue should fewer businesses move in than shown? Is there a baseline whereby the Corridor would still be possible to repay loans? It is important that the authority will not need to request more money from the governments. Jim Town is still waiting to hear from the government entities regarding fees. Once he receives the additional information, Town expects that he will do at least three different scenarios showing various levels of business and this would show the lowest level of new business coming into the corridor. Town said that since the debt service is \$80,000 per year, the corridor would need to generate income by the fifth fiscal year to be able to meet the debt service.

Question: Regarding the map showing the possible business locations, it would seem that a truck stop would want to locate as close to I-10 as possible. Could a scaled back version of the plan that would provide water and sewer approximately 1,000 feet south of I-10? It wouldn't come all the way down to Douglas Crossroads but open up an area that would allow more immediate recompense regarding ad valorem taxes, gas taxes and other fees. Town said that according to the information he has received the water and sewer is already there for some of the parcels (50 & 51 in Holmes County).

Although water/sewer are in the area, the capacity would not be enough should a large business such as a truck stop come in. Town said information regarding plant capacities is still unknown; he is working on getting that information from the city. It is possible the corridor may need to use a spray field to

increase capacity. There has been discussion regarding the purchase of a spray field for the city of Bonifay. A spray field will most likely be less expensive than a package plant.

The Mossy Head Industrial Park that Luv's came into needed a 10 inch water line. The discharge there is about 15,000 gallons of sewage per day. The county makes at least \$90,000 in gas taxes each month from the truck stop.

Jeff Goodman told the group it is extremely important to look for alternative funding sources. The group will need to make sure all are working together to bring in those additional revenue sources. Ted Everett plans to meet with Brad Drake and will discuss the project with him as well as putting it before other legislators. The corridor would also be helpful in connecting travelers with Panama City Beach. It would be beneficial to involve Bay County contacts as well.

Goodman has asked Holmes County to set up a workshop prior to the April 26 BOCC meeting to discuss the grant and will then hopefully approve it at the BOCC meeting.

Susan Estes
Opportunity Florida