

MAY 3, 2016

PORT ST. JOE, FLORIDA

WORKSHOP

The Gulf County Board of County Commissioners and the Port St. Joe Port Authority met this date in a workshop with the following members present: Chairman Ward McDaniel, Vice Chairman Carmen L. McLemore, and Commissioners Joanna Bryan, Sandy Quinn, Jr., and Jerry W. Barnes, Port St. Joe Port Authority Chairman Eugene Raffield, Commissioner Guerry Magidson, Secretary Matt Terry, and Treasurer Jessica Rish.

Others present were: County Attorney Jeremy Novak, Clerk Director of Finance & Management Rhonda Woodward, Clerk Budget & Finance Officer Sherry Herring, Deputy Clerk Leanna Roberts, Chief Administrator Don Butler, Assistant Administrator Michael L. Hammond, Deputy Administrator Kari Summers, Gulf County E.D.C. Director Chris Holley, County Planner Brett Lowry, Gulf County RESTORE Act Coordinator Warren Yeager, Jr., and Port Authority Attorney Thomas Gibson.

County Chairman McDaniel called the meeting to order at 8:06 a.m., E.T.

PORT AUTHORITY LOAN AGREEMENT

County Chairman McDaniel informed everyone that this meeting is a workshop; stating there will not be any votes made; only discussion and working out possible solutions. Port Authority Attorney Gibson reported that the Port Authority noticed this meeting as a Special Meeting just in case the Port Authority needed to vote on an issue. Port Authority Chairman Raffield thanked the Board for holding this meeting; stating the need for better communication between the Port Authority and the County going forward and recognized it had been lacking in the past. He continued; noting the Port as the opportunity for creating jobs, economic growth, and stability for our taxpayers. Port Authority Chairman Raffield stated they are in a good position with the Arizona Chemical property site wherein it well surpasses the value of what they need. He reported that possibly within the next six (6) months people will see things happening and it should make folks more comfortable. With that being said, Port Authority Chairman Raffield reported they have no income at this time and expressed the need to get money to pay off a Deficiency Judgment with Capital City Bank; stating if it doesn't go away, it could terminate their land (Arizona Chemical property). After discussion by Port Authority Chairman Raffield regarding possible funding and benefits of leveraging through the Florida Port Council, Port Authority Attorney Gibson reported that the settlement agreement that was signed with Capital City Bank requires the Port Authority to pay \$200,000.00 by May 20th or additional monies will be assessed; requesting that the County modify their loan agreement, giving the Port Authority a \$200,000.00 advance on the note to pay Capital City Bank. He stated that the County still holds the first mortgage to the Arizona Chemical property; reporting the Port Authority currently owes the County approximately \$375,000.00. Port Authority Attorney Gibson discussed shortening the term of the loan

should the County loan them the additional \$200,000.00. He thanked the Board for their support. Upon request by Port Authority Chairman Raffield, Gulf County E.D.C. Director Holley provided an update on the activity in and around the Port; reporting there are several companies they are talking to and some are interested in leasing property at the old Arizona Chemical site. He reported on local and regional marketing efforts; noting the interest is high but stated these things do take time. Port Authority Chairman Raffield gave additional comments on the future possibilities, needs, and timelines of the Port. He expressed great regard for the County and their past assistance. After a brief discussion about the management and past activity of the Port Authority, County Chairman McDaniel called for public comment. There was no public comment. County Chairman McDaniel then discussed the history of the loan (between the Port Authority and the County), and his concerns regarding the Port Authority having no revenue stream. He inquired whether the Port Authority had any guarantees; discussing his concerns regarding the railroad tracks and noting the St. Joe Company holds the purse strings to developing the Port. County Chairman McDaniel inquired whether the Port Authority had reached out to Leon or Gadsden County for financial support. County Commissioner McLemore thanked the Port Authority Board for their time and what they have tried to do for the Port; recognizing they are volunteers. He stated he has supported the Port over the years but there comes a point when you have to cut it. County Commissioner Bryan agreed with Chairman McDaniel's timeline, adding that an email received on January 27, 2014 from the previous Port Authority Chairman spoke about the Return on Investment (ROI) and having an operational Port by the summer of 2015. She expressed appreciation to the current Port Authority for their efforts, but stated they have a huge hurdle regarding cost to get the Port operational; estimating conservatively \$20 million for the bulkhead, \$40 million for the channel, \$5 million for the rail, and \$10 million or so for other improvements. County Commissioner Bryan stated she stands by her position, noting if the St. Joe Company was ready to have a Port on their property they would come up with the \$200,000.00, having done it before. County Commissioner Barnes stated he had always supported the Port and is willing to support the Port anyway he can; recognizing it is going to take a lot to get it going. County Commissioner Quinn stated he is behind the Port Authority; asking the Board, should they shut the Port down, what the plan is to create jobs. County Chairman McDaniel responded to County Commissioner Quinn's inquiry by stating he doesn't believe the Port is going to shut down; noting, however, the key is the St. Joe Company. After discussion by County Chairman McDaniel about investments, private enterprise, and meeting (financial) obligations, Port Authority Commissioner Magidson stated, being a member for only three (3) months, he believes in the Port Authority Board. He stated he is also a taxpayer and views this as a possible way for County monies to be invested to create and grow jobs in the Community; noting without it, sees only Capital City Bank benefiting from the property be foreclosed. Port Authority Attorney Gibson addressed the environmental concerns regarding the Arizona Chemical site; noting that Arizona Chemical was required to clean the site up. He reported that the Port Authority had environmental studies done and D.E.P. gave the site a clean bill of health. Port Authority Attorney Gibson discussed that by modifying the loan agreement and reducing the term to year 2019, the County would get their money sooner. After discussion, Port Authority Chairman Raffield stated that if the Port Authority obtains a LOI (Letter of Intent) then D.O.T. will release the funds for the rail (to repair the railroad track); reporting that

the St. Joe Company and Genesee & Wyoming will put up part of the match funds for this project. Discussion went back and forth between Chairman's McDaniel and Raffield regarding the loan, timelines, and its potential use. County Commissioner Bryan discussed the loan with Capital City Bank and the private investor that wanted to invest in the Port; reporting the Port Authority refused to accept private funds. She stated that even though they might possibly use the Arizona Chemical property as leverage, the Port Authority could still function without this property. County Commissioner Bryan addressed the Letter of Intent (LOI), noting a Letter of Intent is not enforceable, nor is it a contract; only a tool of the parties intentions. She stated the County is not trying to shut the Port down, only to be good stewards of the taxpayers' money. County Chairman McDaniel called for any further comment. County Commissioner Quinn asked the Board again what other options are there to create jobs in the County if they are not going to rely on the Port. County Chairman McDaniel reported that Mr. (Brian) D'Isernia, the owner of Eastern Shipbuilding is coming to Port St. Joe and reiterated that when the St. Joe Company wants the Port, the Port will come. County Commissioner Bryan responded to how jobs could be created; stating that Government needs to get out of the way and let private businesses create jobs. County Chairman McDaniel reported that the Board has another meeting to attend.

There being no further discussion, the meeting did then adjourn at 9:02 a.m., E.T.

**WARD MCDANIEL
CHAIRMAN**

ATTEST:

**REBECCA L. NORRIS
CLERK OF COURT**