



MANATEE COUNTY GOVERNMENT

AGENDA MEMORANDUM

SUBJECT	CFI Manufacturing Group, Inc. IDB Application	TYPE AGENDA ITEM	Consent
DATE REQUESTED	July 28, 1998	DATE SUBMITTED/REVISED	July 22, 1998
BRIEFINGS?/WHO?	N/A	CONSEQUENCES IF DEFERRED	Need to readvertise public hearing
DEPARTMENT/DIVISION	County Attorney's Office	AUTHORIZED BY TITLE	Teddy N. Williams, Jr. County Attorney 
CONTACT PERSON TELEPHONE/EXTENSION	Patricia McVoy Senior Assistant County Attorney Ext. 3750 <i>PM 7/27/98</i>	PRESENTER/TITLE TELEPHONE/EXTENSION	Teddy N. Williams, Jr., County Attorney Patricia McVoy, Senior Assistant County Attorney/Ext. 3750
ADMINISTRATIVE APPROVAL			

ACTION DESIRED

INDICATE WHETHER "REPORT or "DISCUSSION, "FORM OF MOTION, or "OTHER ACTION REQUIRED:

1. Conduct public hearing to obtain views of persons regarding proposed plan of financing for CFI Manufacturing, Inc.
2. Adopt Resolution R-98-207 confirming the TEFRA Hearing and authorizing the Chairman to execute application to the State.

ENABLING/REGULATING AUTHORITY

Federal/State law(s), administrative ruling(s), Manatee County Comp Plan/Land Development Code, ordinances, resolutions, policy.)

BACKGROUND/DISCUSSION

- A public hearing must be held as required by the Tax Equity and Fiscal Responsibility Act (TEFRA) with regard to the proposed bond issue for the CFI Manufacturing Group, Inc. Project in an amount not exceeding \$6,000,000.00 tax exempt bonds. Completion of the TEFRA Hearing will allow the Company to apply to the State for an allocation for the issuance of the bonds. CFI has asked that this hearing be expedited due to the limited amount available from the State.
- You have previously received a copy of CFI's application. Attached is a supplement to the application providing a brief description of the project and describing use of the Manatee County vendors.
- The Inducement/Reimbursement Resolution will be brought back at a later date and will constitute the good faith obligation of the Board to proceed in accordance with the terms of that resolution. Additional concerns can be addressed at that time, and this requested action will not limit the Board's discretion when considering whether to proceed.

HAS COUNTY ATTORNEY REVIEW BEEN REQUESTED? Indicate "NO" or "YES" @right. (If "NO," proceed to 1) below; and if "YES," proceed to 2) below)

N/A

1) IF "NO" TO ABOVE,

A) PLEASE EXPLAIN BELOW: (see also following section 1B) re: contract, agreement, lease, etc.:

County Attorney item

B) IF A CONTRACT, AGREEMENT, LEASE OR OTHER DOCUMENT WAS PREVIOUSLY APPROVED, STATE YEAR OF LAST USE @ RIGHT:

N/A

2) IF "YES" TO FIRST QUESTION IN THIS SECTION,

3

A) HAS ENTIRE MATTER, OR ONLY A PORTION, BEEN REVIEWED? IF ONLY A PORTION, WHICH PORTION?

N/A

B) HAVE ALL COMMENTS/SUGGESTIONS RAISED BY COUNTY ATTORNEY BEEN ADDRESSED/INCORPORATED; IF NOT, PLEASE EXPLAIN. A COPY OF FINAL COUNTY ATTORNEY MEMO RE THIS MATTER **MUST BE ATTACHED** (If comments were verbal, so indicate.)

N/A

<p>ATTACHMENTS: (List in order as attached)</p> <p>✓ Proof of Publication from The Bradenton Herald</p> <p>Application Supplement</p> <p>Resolution R-98-207</p> <p>Application</p> <p>Letter from Economic Development Council dated July 23, 1998</p>	<p>INSTRUCTIONS TO BOARD RECORDS:</p> <p>The County Attorney will obtain two signed applications and submit a copy to Board Records</p>
<p>COST</p>	<p>SOURCE (ACCT# & NAME)</p>
<p>COMMENTS</p>	<p>AMT./FREQ. OF RECURRING COSTS (ATTACH FISCAL IMPACT STATEMENT)</p>

RESOLUTION NO. R-98-207

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, FLORIDA, APPROVING THE ISSUANCE OF THE COUNTY'S NOT TO EXCEED \$6,000,000 INDUSTRIAL DEVELOPMENT REVENUE REFUNDING AND IMPROVEMENT BONDS (CFI MANUFACTURING, INC. PROJECT) WITHIN THE MEANING OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, CFI Manufacturing, Inc., a Florida corporation (herein, the "Borrower") is engaged in the business of manufacturing patio furniture as well as cushions and umbrellas for patio furniture; and

WHEREAS, the Borrower previously acquired, from a portion of the proceeds of the Original Bonds (as defined below) an approximately 13 acre site at 2150 Whitfield Avenue, Sarasota, Florida, in Manatee County, Florida, which contained three existing buildings containing approximately 70,000 square feet; and

WHEREAS, the Borrower, pursuant to an industrial development bond issue (the "Original Bonds") of Manatee County, financed the renovation and equipping of such existing buildings and the construction and equipping of a new 70,000 square foot building to be used in its aforementioned operations (herein such acquisition, renovation, construction and equipping are collectively referred to as, the "Original Project"); and

WHEREAS, on April 1, 1997, the County issued its Industrial Development Revenue Refunding Bonds to refinance the Original Bonds (herein, the "1997 Bonds"); and

WHEREAS, pursuant to the provisions of the Florida Constitution, Part II of Chapter 159, Florida Statutes, as amended and supplemented, and other applicable provisions of law (the "Act") and the policies of the County, the Borrower has submitted an application (the "Application") to the County requesting that the County issue, pursuant to the provisions of the Act, industrial development revenue refunding and improvement bonds to finance all or a portion of the costs of acquiring and constructing additional manufacturing space equal to approximately 100,000 square feet, consisting of a second floor structure to be attached to one of the buildings of the Original Project and to currently refund the 1997 Bonds (collectively, the "1998 Project"); and

WHEREAS, there was published, at least fourteen (14) days prior to the Public Hearing (as herein defined), a notice of such hearing, the form of such notice being attached hereto as Exhibit A; and

WHEREAS, on this date the Board held a public hearing (the "Public Hearing") regarding the proposed financing of the 1998 Project through the issuance by the County of its not exceeding \$6,000,000 in aggregate principal amount of Industrial Development Revenue Refunding and Improvement Bonds (CFI Manufacturing, Inc. Project)(herein, the "Bonds"), as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, it is intended that this Resolution shall constitute the approval of the issuance of the Bonds required by Section 147(f) of the Code; and

WHEREAS, the Board adopts this Resolution with the understanding that the action taken by this Resolution does not constitute approval of the 1998 Project and is not an absolute commitment by the County to issue the Bonds and that approval of the 1998 Project and application will be effected in accordance with applicable law and regulations and that financial terms, security for the repayment of the Bonds, restrictions on transferability and other matters will be determined and/or approved by subsequent proceedings of the Board and by other appropriate regulatory bodies as may be required by applicable law and regulations; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY, FLORIDA, AS FOLLOWS:

SECTION 1. The recitals set forth above are adopted by the Board as the findings of the County and are incorporated herein.

SECTION 2. That the issuance of the Bonds is hereby approved within the meaning of Section 147(f) of the Code.

SECTION 3. That the Chairman or, in her absence, the Vice-Chairman or, in the absence of the Vice-Chairman, any other member of the Board, is hereby authorized to execute the appropriate form or forms necessary to seek a private activity bond allocation from the State of Florida Division of Bond Finance on behalf of the Borrower in connection with the issuance of the Bonds.

SECTION 4. The terms of this Resolution shall not constitute approval of the Project or authorization for the County to issue the Bonds; such approval and authorization shall be considered by the Board by subsequent proceedings and by other appropriate regulatory bodies as required by applicable law and regulations. The adoption of this Resolution does not in any way entitle or create any rights in or for Borrower. Consideration with respect to all subsequent approvals of the 1998 Project and Application will be taken without regard to the adoption of this Resolution and will be governed solely by applicable law and regulations.

SECTION 5. This Resolution shall be effective immediately upon its adoption.

PASSED AND ADOPTED in regular session on this 28th day of July 1998.

BOARD OF COUNTY COMMISSIONERS
OF MANATEE COUNTY, FLORIDA

Attest:

By: _____

Title: _____

Clerk of the Board of
County Commissioners of
Manatee County, Florida

July 7, 1998

Nancy A. Engel
Executive Director
Economic Development Council
Manatee Chamber of Commerce
P.O. Box 321
Bradenton, FL 34206-0321

Dear Nancy:

As you know, we are applying for Industrial Bond financing for our expansion project through Manatee County. We have provided below, information on average wages of both the 202 existing employees that will be retained with the IDB financed expansion, as well as the 50 additional jobs that will be created during the first three years after the expansion.

We wish to point out that approximately 95% of the end products produced at CFI continue to be shipped out of the Manatee County area. The expansion, therefore, will not involve increasing our local market share at the expense of other local businesses. In addition, our average wages will be approximately 20% higher than the county average. We will not merely be substituting one job category for another within the county. All of our additional jobs created with the IDB funds will be true new creations at average wages above the prevailing wage of the area.

The job categories and average wages are as follows:

	<u>Current Employees</u>		<u>Additional Employees</u>	
	<u>Number</u>	<u>Ave. Wage</u>	<u>Number</u>	<u>Ave. Wage</u>
Managerial / Sales	12	17.75	3	19.70
Manufacturing				
Semiskilled	62	8.75	10	9.71
Skilled (cutters, sewers)	55	9.50	10	10.55
Skilled (machine operators)	53	11.09	25	12.31
Clerical	20	9.00	2	9.99
TOTALS:	202	10.13Ave 10.92W/ OT	50	11.79Ave 12.67W/OT

Note: Current - No raises included in the next two years
Additional - Anticipated pay scale in three years



July 22, 1998

Board of County Commissioners
Manatee County, Florida
c/o Patricia McVoy
Assistant County Attorney
Manatee County Administration Complex
1112 Manatee Avenue West, Suite 969
Bradenton, FL 34205

To the Board of County Commissioners:

CFI Manufacturing, Inc. is a manufacturer of outdoor patio furniture and accessories located at 2150 Whitfield Avenue in Manatee County. CFI has been in Manatee County for over ten years. We currently employ 202 persons at our facility. Our wages are above average for the area and job category. In 1996 The Manatee County Board of County Commissioners approved the issuance of an Industrial Development Revenue Bond in the amount of \$3,500,000 to finance the acquisition, construction and equipping of a new manufacturing facility at this site for our expanding business.

Demand for our products has again outgrown our production capability at our current plant. We have determined that we need an additional 100,000 square feet of manufacturing space. This addition can be added on to our current facility.

CFI has applied to the Board of County Commissioners for a second Industrial Development Revenue Bond Financing in the amount of \$7,500,000. This amount includes \$2,200,000 in new financing for the expansion, \$3,300,000 to refund the first IDB, and \$2,000,000 in taxable bonds to refinance existing debt which does not qualify for tax-exempt IDB financing. The refinancing of the first IDB is necessary since a different bank will be issuing a letter of credit guarantee to support the bond issue.

As part of its approval process, the Board has requested that CFI provide certain information relevant to the project. Below we have addressed each of the items requested:

1. Environmental Impacts

The company will be ordering an environmental audit as part of the letter of credit bank requirements. An environmental audit was performed for the first IDB, and the site was clean. No problems are anticipated.



2. Jobs Created

The company currently employs 202 people. CFI has hired over seventy people, mostly manufacturing positions, as a result of the first IDB approved by Manatee County. Through this additional expansion, we anticipate hiring approximately fifty additional persons over the next three years. Over forty of these will be either managerial, manufacturing/technical or skilled workers, at average wages of approximately \$30,000 including benefits. The entire expansion will add approximately \$1,500,000 to the company's payroll.

3. Relationship to Economic Development Programs

Jobs are listed with Job Service of Florida from time to time, and the company participates in the WAGES programs. In addition, the company would welcome information on additional training partnerships available.

4. Additional Economic Impacts

As a result of this expansion, the company anticipates adding approximately \$2,200,000 to the County's property tax base.

5. Commitment to Provide Benefits to Manatee County

The company will submit bid letters to as many Manatee-based firms as possible (see attached list). All of the service providers are in the local area. Even those service providers based in Sarasota conduct a substantial amount of business in Manatee County and hire many employees who live in Manatee.

6. Impact on Public Services and Facilities

The company's use of utilities will increase as a result of this expansion. However, no new infrastructure is needed, and the company will use existing sewer, water, and power sources already in place.

7. Consistency with County's Land Development Code

The company is complying with all land use, development, and building codes and requirements. Final site plan approval is anticipated by August 15. Building permits are anticipated by September. The company is working through the County's rapid response team.

8. Other Matters Impacting County or State

Most of the company's products are exported outside of the County, bringing a net flow of dollars into Manatee County.

Thank you for your consideration of this matter. Please advise us of any additional information you may require.

Sincerely,



Webb Carter
President / CEO CFI

Division Serial No. _____
Prior Division Serial No. _____

**STATE OF FLORIDA DIVISION OF BOND FINANCE
NOTICE OF INTENT TO ISSUE BONDS AND REQUEST FOR WRITTEN CONFIRMATION**

PART I. (to be completed by applicant)

Date: _____

Name, address and phone number of person who prepared this Notice (confirmation or rejection will be sent to this person unless otherwise directed):

Name: Stephen D. Sanford Phone: (561) 650-7945

Address: Greenberg Traurig Hoffman Lipoff Rosen & Quantel, P.A.
777 S. Flagler Drive, Suite 310 East, West Palm Beach, FL 33401

Issuing Agency: Manatee County, Florida

Company (if applicable): CFI Manufacturing, Inc.

Requested Amount: \$

Is this a Supplementary Notice? Yes _____ No X

Check one of the following:

Manufacturing Facility (as defined in Section 159.803(10), F.S.) X

Multifamily _____ Single Family _____ Other _____

(If Other, specify) _____

Is this a Priority Project under State law? Yes _____ No X

Purpose: To finance the acquisition and construction of approximately 100,000 square feet of manufacturing space to be constructed as a second floor structure to an existing building owned by the Company which manufacturing space will be for the purpose of manufacturing patio furniture and outside cushions and umbrellas for patio furniture.

s. 147(f) or similar IRC Approval Date: July 28, 1998

Contemplated Date(s) of Issue: October 6, 1998

Approving Authority (Unit of Government): Manatee County, Florida

Agency Official and Title: Patricia M. Glass, Chairman of the Board of County Commissioners of Manatee County, Florida

I hereby certify that the elected official or voter approval required pursuant to 147(f) of the Internal Revenue Code has been obtained on the date indicated above, and that the amount reasonably expected to be required for the financing equals at least 90% of the amount requested above.

Signature of Agency Official: _____

PART II. (to be completed by the Division of Bond Finance)

Date and Time Received: _____ Received by: _____

Adjusted Date Received (pursuant to Section 159.8081, F.S.): _____

Status: (confirmed or rejected) _____

Comments: _____

Amount Confirmed: _____ Confirmation Valid Through: _____

Category of Confirmation: _____

Title: Director, Division of Bond Finance

ISSUER IS HEREBY ADVISED THAT THIS CONFIRMATION IS CONDITIONAL AND SHALL NOT BE CONSIDERED FINAL UNTIL AND UNLESS (1) THE DIVISION RECEIVES TIMELY NOTIFICATION OF ISSUANCE OF THE BONDS PURSUANT TO SECTION 159.805(5)(a), FLORIDA STATUTES, AND (2) THE DIVISION HAS ISSUED ITS FINAL CONFIRMATION OF ALLOCATION (FORM BF 2007-3) WITH RESPECT TO THE BONDS.

(Form BF 2008-2/1-1-84)

1998 TRUSTEE MEMBERS

- America Holdings Corporation
- American Bank
- Barnett Bank of Manatee County, N.A.
- Bill Graham Ford Company
- Blalock, Landers, Walters & Vogler
Bradenton Herald
- Mike Carter Construction, Inc.
- Centex Real Estate Corp.
- Century Bank
- Christopher, Smith, Gentile Leonard & Bristow, P.A.
- CPA Associates
- Faton Corporation
- First Federal Florida
- First National Bank of Manatee
- First Union National Bank of Florida
- GTE Telephone Operations South Area
- Gaber Asphalt Company
- s. G. & L. Grimes, Hawkins & Glatfelter, P.A.
- Hartlee, Forges, Hamlin, Knowles, Bald & Prouty, P.A.
- Hi-Stat Manufacturing, Inc.
- High Associates, Inc.
- Holiday Inn Riverfront
- Manatee Memorial Hospital
- Miller Enterprises of Manatee, Inc.
- NationsBank of Manatee
- Northern Trust Bank
- NovaCare Employee Services
- Peoples Gas System, Inc.
- Fort Manatee
- Republic Bank
- Schroeder-Manatee Branch, Inc.
- Staff Leasing
- Sun Coast Closures, Inc.
- SunTrust Bank
- SCO Food Service-West Coast Florida, Inc.
- Time Warner Communications
- Tropicana North America
- Hector Dickinson VISITEC
- W. G. Mills, Inc.
- Wilson, Miller, Barton & Peck, Inc.
- Zoller, Najjar & Shroyer, Inc.

- 1998 PARTNERS**
- Bradenton Downtown Development CRA
 - Manatee County Commission
 - City of Palmetto
 - Sam's Club Wal-Mart Stores, Inc.

July 23, 1998

Commissioner Pat Glass
 Chairman
 Board of County Commissioners
 PO Box 1000
 Bradenton, FL 34206

Received By
 Manatee County Attorney
 Office
 Date 7/23/98
 Time 8:45 am
 Rec'd By Mail
 Rec'd By Hand-Delivery
 P. M. S. C.

Dear Commissioner Glass:

On Wednesday, July 22, 1998, the Economic Development Council's Board of Governors met to review the economic impact of CFI Manufacturing, Inc.'s Industrial Development Revenue Bond application. After hearing presentations from the company's representatives and reviewing the materials, the members of the Board in attendance voted unanimously to recommend approval of CFI's Bond.

This recommendation is based on the following:

1. CFI Manufacturing, Inc. is a manufacturer of outdoor patio furniture as well as cushions, umbrellas, and other accessories for patio furniture. Approximately 95% of the end products produced by CFI are shipped out of Manatee County. This results in new dollars flowing into the community.
2. The company currently employs 202, and pays an average wage approximately 20% higher than the county average. They anticipate hiring an additional 50 employees during the first three years after the expansion, with an estimated annual payroll for these new jobs at \$1,500,000. Areas of new employment will include management, sales, skilled and semiskilled operators.
3. The company is seeking \$7,500,000 for the addition of 100,000 s.f. of manufacturing space consisting of 2 floors of 50,000 s.f. each to be added on to one of the existing buildings on the company's current site. This would bring the total square footage to 162,000 s.f. Project expenses are broken down as follows:

\$2,200,000	additional manufacturing space (tax exempt IRB portion)
\$3,300,000	refunding of previous Manatee County tax exempt IRB
\$2,000,000	taxable IRB portion to refinance existing debt

If you have any questions about our recommendation, please do not hesitate to call.

Sincerely yours,

 Nancy A. Engel
 Executive Director

Cc: Webb Carter, CFI
 Charles Sands
 Pat McVoy, County Attorney Office

July 22, 1998

**THE BOARD OF COUNTY COMMISSIONERS OF MANATEE COUNTY
P.O. BOX 1000
BRADENTON, FLORIDA 34206**

Dear Sir or Madam:

Below is a list of Manatee / Sarasota County based sub-contractors we are planning to use on the addition to our existing building at 2150 Whitfield Avenue:

1. Primary Air Conditioning, Inc.
2708 - 81st Ave. E.
Ellenton, Florida 34222 (Manatee Co)
2. McDonough Plumbing and Fire Sprinklers
6468 Parkland Dr.
Sarasota, Florida 34243 (Manatee Co)
3. Aladdin Ward Electric & Air, Inc.
7011 - 301 Blvd.
Sarasota, Florida 34243 (Manatee Co)
4. Florida Rock Industries, Inc.
1975 University Parkway
Sarasota, Florida 34243 (Manatee Co)
5. Nova Enterprises of S. W. FL, Inc.
8466 N. Lockwood Ridge Rd., Ste 221
Sarasota, Florida 34243 (Manatee Co)
6. Trident Building Systems, Inc.
7080 - 28th St. Ct. E.
Bradenton, Florida 34208 (Manatee Co)
7. Leeds Building Materials
516 - 6th Ave. E.
Bradenton, Florida 34208 (Manatee Co)
8. Norman V. Sharrit, Jr.
Architect
1936 Grove St.
Sarasota, Florida 34239
9. HG & LL, Inc.
Larry Lippert
Engineer
1645 Barber Rd., Ste. C
Sarasota, Florida 34240
10. Entreen Moore & Associates
Appraisers
P. O. Box 1339
Bradenton, Florida 34206 (Manatee Co)
11. Frank Williams
Electrical Engineer
749 Lime Ave. N.
Sarasota, Florida 34237