

BOARD OF COUNTY COMMISSIONERS

DATE: June 24, 2014

AGENDA ITEM NO. 27a.

Consent Agenda ☐

Regular Agenda ☐

Public Hearing ☒

County Administrator's Signature:

Subject:

Approval of a Tax Equity Fiscal Responsibility Act (TEFRA) Resolution for issuance by the Pinellas County Industrial Development Authority (d/b/a the Pinellas County Economic Development Authority) of its Industrial Development Revenue Bonds in an aggregate principal amount of not-to-exceed \$6,000,000 for Hydro-Dyne Engineering, Inc., a Florida corporation ("Hydro-Dyne"), and Squared Martello LLC, a Florida limited liability company ("Squared Martello" and collectively with Hydro-Dyne, the "Borrower").

Department:

Planning and Development Services

Staff Member Responsible:

Mike Meidel, Director
Economic Development

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) CONDUCT A PUBLIC HEARING AND APPROVE THE TEFRA RESOLUTION AUTHORIZING THE TEFRA APPROVAL OF THE PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS (HYDRO-DYNE ENGINEERING PROJECT), SERIES 2014, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000 ON BEHALF OF THE BORROWER.

Summary Explanation/Background:

Hydro-Dyne is an existing manufacturing company which manufactures screens and screenings handling equipment for industrial and municipal water and wastewater treatment. Squared Martello is a limited liability company recently created by Jay R. Conroy, the President of Hydro-Dyne to own the Project. The proceeds of the Bonds will be used by the Borrower (i) to finance the acquisition of approximately 9 acres of land and the acquisition, renovation and equipping of an approximate 107,500 square foot building thereon, located at the following address: 4750 118th Avenue North, Clearwater, Florida, within the city limits of the city of Pinellas Park, Pinellas County, Florida (the "Project"), and (ii) pay the costs of issuance of the Bonds. Squared Martello will own the Project and lease it to Hydro-Dyne or an affiliated or related entity. The approval documents will also be included at the June 24th BCC meeting.

Fiscal Impact/Cost/Revenue Summary:

There is no fiscal impact to the County. The Borrower is responsible for payment of all fees and expenses. The County has received the bond application fee of \$2,000 from Hydro-Dyne. The County will also receive a financing fee of 1/2 of 1% of the bond amount, up to \$20,000 maximum, at closing to cover administrative costs for this project.

Exhibits/Attachments Attached:

TEFRA Resolution
Affidavit of Publication

RESOLUTION NO. 14-____

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS COUNTY, FLORIDA APPROVING THE ISSUANCE OF NOT TO EXCEED \$6,000,000 PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS (HYDRO-DYNE ENGINEERING PROJECT), SERIES 2014, PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986; PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners of Pinellas County, Florida (the "Board"), adopted on May 18, 1999, Resolution No. 99-82, as amended and supplemented by Resolution No. 00-90 (collectively, the "Resolution"), creating the Pinellas County Industrial Development Authority (d/b/a the Pinellas County Economic Development Authority) (the "Authority"); and

WHEREAS, the Authority is by the Resolution empowered to issue its industrial development revenue bonds, the interest on which is excluded from gross income for federal income tax purposes for the purpose of constructing and installing any "project" pursuant to Chapter 159, Parts II and III, Florida Statutes, in furtherance of the public purpose for which it was created; and

WHEREAS, Squared Martello LLC, a Florida limited liability company ("Squared Martello") and Hydro-Dyne Engineering, Inc., a Florida corporation ("Hydro-Dyne," and together with Squared Martello, the "Company"), have requested the Authority issue its Industrial Development Revenue Bonds (Hydro-Dyne Engineering Project), Series 2014 (the "Bonds") in a principal amount not to exceed \$6,000,000, the proceeds of which will be used, together with other funds of the Company, to finance (i) the acquisition of approximately 9 acres of land and the acquisition,

renovation and equipping of an approximate 107,500 square foot building thereon, located at the following address: 4750 118th Avenue North, Clearwater, Florida, within the city limits of the city of Pinellas Park, Pinellas County, Florida (the "Project"), and (ii) the costs of issuance of the Bonds; and

WHEREAS, Squared Martello will own the Project and lease it to Hydro-Dyne or an affiliated or related entity for the purpose of operating a facility to manufacture screens and screenings handling equipment for industrial and municipal water and wastewater treatment; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires as a condition of exclusion from gross income for federal income tax purposes of the interest on private activity bonds, that the issuance of private activity bonds, as defined in Section 141(a) of the Code, such as the Bonds, be approved, after a public hearing following reasonable public notice, by the governmental unit on behalf of which such obligation is to be issued and the governmental unit having jurisdiction over the area in which the private activity bond-financed facility is to be located; and

WHEREAS, the Authority issues its revenue bonds on behalf of Pinellas County, Florida, the primary project to be financed with the proceeds of the Bonds is located in Pinellas County, Florida and the Board of County Commissioners of Pinellas County (the "Governing Body") constitutes the elected legislative body of Pinellas County, Florida; and

WHEREAS, the Pinellas County Industrial Development Authority has requested the Board of County Commissioners, pursuant to Section 147(f) of the Code, approve the issuance by the Authority of its Bonds; and

WHEREAS, the Board of County Commissioners of Pinellas County, Florida on June 9, 2014, published a notice of a public hearing in *The Tampa Bay Times*, a newspaper of general circulation in Pinellas County, Florida, to be held at 6:00 p.m. on June 24, 2014, in the County Commissioners' Assembly Room, Fifth Floor, Pinellas County Courthouse, 315 Court Street, Clearwater, Florida, to consider the Bonds and the location and nature of the project to be financed with the proceeds of the Bonds; and

WHEREAS, the public hearing so noticed, as indicated by the affidavit of the publisher of *The Tampa Bay Times*, attached hereto as Exhibit A, was duly held on June 24, 2014; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS COUNTY, FLORIDA:

Section 1. The above recitals are true and correct.

Section 2. The issuance by the Authority of the Bonds in an aggregate principal amount not-to-exceed \$6,000,000 in one or more tax-exempt and/or taxable series (i) to finance the costs of the Project, and (ii) to pay certain costs of issuance of the Bonds, is hereby approved pursuant to and in accordance with Section 147(f) of the Code.

Section 3. Such approval by the Board shall not be construed as (i) an endorsement of the creditworthiness of the Company or the financial viability of the Project, (ii) a recommendation to any prospective purchaser to purchase the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) approval of any necessary rezoning applications or approval or acquiescence to the alteration of existing zoning or land use nor approval for any other regulatory permits relating to the Project, and the Board shall not be construed by reason of its adoption of this resolution to make any such endorsement, finding or recommendation, to have

waived any right of the County, or estopping the County from asserting any rights or responsibilities it may have in such regard. Further, the Bonds shall not constitute an indebtedness of the State of Florida, the County or any political subdivision thereof, but shall be payable solely from revenues of the Company pledged to the payment of the Bonds. The approval by the Board of the issuance of the Bonds by the Authority shall not be construed to obligate the County to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Bonds or the acquisition and renovation of the Project.

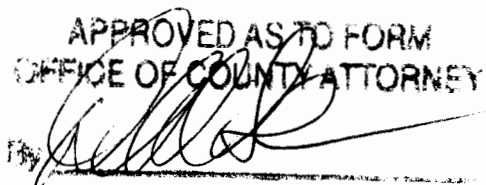
Section 4. This resolution shall take effect immediately upon its adoption.

In a regular meeting duly assembled on the 24th day of June, 2014, Commissioner _____ offered the foregoing resolution and moved its adoption, which was seconded by Commissioner _____, and upon roll call the vote was:

AYES:

NAYS:

ABSENT AND NOT VOTING:

APPROVED AS TO FORM
OFFICE OF COUNTY ATTORNEY

Attorney

Tampa Bay Times

Published Daily

St. Petersburg, Pinellas County, Florida

STATE OF FLORIDA
COUNTY OF Pinellas

} S.S.

Before the undersigned authority personally appeared **A. Robison** who on oath says that he/she is **Legal Clerk** of the **Tampa Bay Times** a daily newspaper published at St. Petersburg, in Pinellas County, Florida; that the attached copy of advertisement, being a **Legal Notice** in the matter **RE: PUBLIC HEARING JUNE 24, 2014 PROPOSED BOND FINANCING** was published in said newspaper in the issues of **Classified Fullrun**, 6/9/2014.

Affiant further says the said **Tampa Bay Times** is a newspaper published at St. Petersburg, in said Pinellas County, Florida and that the said newspaper has heretofore been continuously published in said Pinellas County, Florida, each day and has been entered as second class mail matter at the post office in St. Petersburg, in said Pinellas County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement, and affiant further says that he /she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.



Signature of Affiant

Sworn to and subscribed before me
this 9th day of June A.D.2014



Signature of Notary Public

Personally known X or produced identification

Type of identification produced _____



JOSEPH F. FISH
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF116052
Expires 6/23/2018

NOTICE OF PUBLIC HEARING AND MEETING ON A PROPOSED BOND FINANCING

YOU ARE HEREBY NOTIFIED that on the 24th day of June, 2014, at 6:00 p.m. in the Pinellas County Courthouse, 315 Court Street, Fifth Floor, Clearwater, Florida, the Pinellas County Board of County Commissioners (the "Board") will hold a public hearing on the proposed issuance by the Pinellas County Industrial Development Authority (d/b/a the Pinellas County Economic Development Authority) (the "Authority") of its industrial development revenue bonds in an aggregate principal amount not to exceed \$6,000,000 (the "Bonds") for the purposes described below.

The proceeds from the sale of the Bonds, when, and if issued, will be loaned by the Authority to Squared Martello LLC, a Florida limited liability company ("Squared Martello") and Hydro-Dyne Engineering, Inc., a Florida corporation ("Hydro-Dyne," collectively with "Squared Martello," the "Company"). The proceeds of the Bonds, together with other funds of the Company, will be used by the Company to finance: (i) the acquisition of approximately 9 acres of land and the acquisition, renovation and equipping of an approximate 107,500 square foot building thereon, located at the following address: 4750 118th Avenue North, Clearwater, Florida, within the city limits of the city of Pinellas Park, Pinellas County, Florida (the "Project"); and (ii) the costs of issuance of the Bonds. Squared Martello will own the Project and lease it to Hydro-Dyne or an affiliated or related entity for the purpose of operating a facility to manufacture screens and screenings handling equipment for industrial and municipal water and wastewater treatment.

The hearing is being held for the purpose of affording residents of Pinellas County, Florida, and other interested persons an opportunity to express their views, both orally and in writing, on the proposed issuance of the Bonds and the nature and location of the Project to be financed with the proceeds thereof.

THE BONDS WILL NOT CONSTITUTE AN INDEBTEDNESS OF THE STATE OF FLORIDA, PINELLAS COUNTY OR ANY POLITICAL SUBDIVISION THEREOF, but will be payable solely from the revenues derived from the operation of the Project and other revenues of the Company pledged to the payment of the Bonds.

The public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). Subsequent to the public hearing, the Board will conduct a meeting to consider whether to approve the issuance of the Bonds, as required by Section 147(f) of the Code. Any person interested in the proposed issuance of the Bonds or the location or nature of the Project may appear and be heard.

Persons are advised that if any person decides to appeal any decision made by the Board with respect to any matter considered at such hearing, such person will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and the evidence upon which the appeal is to be based.

Any person with a disability requiring reasonable accommodation in order to participate in this meeting should call 727/464-4062 (Voice/TDD) or fax a written request to 727/464-4157.

Ken Burke, CPA
Clerk of the Circuit Court and Ex-Officio Clerk
of the Board of County Commissioners
of Pinellas County, Florida

Dated: June 9, 2014

(1004171778) 6/09/2014