

OCEAN HIGHWAY & PORT AUTHORITY

NASSAU COUNTY

County Commission Chambers

James S. Page Government Complex

96136 Nassau Place, Yulee FL 32097



AGENDA

Wednesday, October 13, 2021

6:00 PM

6:00 PM – Meeting Call to Order – Chairman

Invocation

Pledge of Allegiance

Roll Call: Miriam Hill, District 1; Danny Fullwood, District 2, Scott Hanna, District 3; Carrol Franklin, District 4; Mike Cole, District 5

1. Comments - Audience (Comments submitted prior to the meeting)

2. Approval of Minutes

- i. September 8, 2021 Monthly Meeting
- ii. September 22, 2021 Special Meeting

3. Port Accountant Report

- i. Financial Report – September 2021
- ii. 2021-2022 Budget

4. Port Attorney Report

5. Port of Fernandina Report (Operator)

- i. Tonnage Report – September 2021

6. Unfinished Business

- i. Covid Relief Funds
- ii. Port Director Recruitment
- iii. Port Tariff
- iv. Port/OHPA Operating Agreement

- v. Bond Conduit (RBC Capital Markets)
- vi. Master Plan (Scope of Work Approval)
- vii. Additional meeting dates

7. New Business

- i. Employee recruitment and status report (Port Operator)
- ii. Navigational Channel (Fullwood)
- iii. Port Security (Allied Universal, Fullwood)
- iv. Fort Clinch Title /Registration Request, Captain Employment Information, Maintenance Report (to be provided by Operator)
- v. Report on Status of Corporate Espionage Allegations Against Port Customer (to be provided by Operator)
- vi. Project Red Dawn (Hill)
- vii. Port Truck Traffic (Hill)
- viii. Public Records Requests/Letters (Fullwood)
- ix. Value Adjustment Hearing (Fullwood)
- x. City Resolution (change OHPA Charter, Fullwood))
- xi. Capital improvement Plan (Fullwood)
- xii. FPC Workshop (Fullwood)

8. Committee Reports

- Port Security – Chairman Fullwood
- Customs House – Commissioner Franklin
- Army Corp of Engineers – Chairman Fullwood
- Economic Development – Commissioner Cole
- Emergency Management – Commissioner Franklin
- Technical Coordinating Committee – Commissioner Hanna
- TPO – Commissioner Cole
- Nassau Chamber East Side – Commissioner Hill
- Nassau Chamber West Side – Commissioner Cole
- City of Fernandina Beach – Commissioner Hill

9. Administrative Office Manager Report

10. Other items to be brought by Commissioners

Adjourn

If a person decides to appeal any decision made by the board, agency, or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Fla. Stat. § 286.0105.

Pursuant to Executive Order No. 20-69, issued by the Office of Governor Ron DeSantis on March 20, 2020, municipalities may conduct meetings of their governing boards without having a quorum of its members present physically or at any specific location, and utilizing communications media technology such as telephonic or video conferencing, as provided by Section 120.54(5)(b)2, Florida Statutes.



Minutes



OCEAN HIGHWAY & PORT AUTHORITY

Miriam R. Hill – Secretary/Treasurer - Commissioner, District 1
Danny Fullwood – Chairman, District 2
Scott Hanna – District 3
Carrol Franklin – Commissioner, District 4
Mike Cole – Vice Chairman, District 5

Monthly Meeting Minutes

September 8, 2021

The Ocean Highway and Port Authority of Nassau County held its Monthly Meeting on Wednesday, September 8, 2021 at the County Commissioners Chambers, James S. Page Government Complex, 96153 Nassau Place, Yulee, Florida 32097.

The meeting was called to order at 6:00 PM by Chairman Fullwood.

The invocation was given by Vice Chairma Cole. The Pledge of Allegiance was led by Chairman Fullwood. Roll call was conducted by Rossana Hebron. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney, Pierre LaPorte, Port Accountant, and Chris Ragucci, Port Operator.

1. **Comments** - Audience (Comments submitted prior to the meeting)

Chris Ragucci – 501 N 3rd Street, Fernandina Beach, FL
Phillip Wosmaroski – 8587 Glenbury Ct. N, Jacksonville, FL
Kevin Brown – 86111 Fieldstone Drive, Yulee, FL
Christa Lidovsky – 13000 Broxton Bay, Apt. 316, Jacksonville, FL
Charles Henry Clinch – 310 S 13th Street, Fernandina Beach, FL

Mr. Ragucci introduced the men and woman who work at the Port of Fernandina. They were declared “essential workers” at the onset of the pandemic, Covid 19. Their hard work contributes to the salaries of the OHPA Board and its staff, as well as the Port operations. Nassau Terminals never laid off or reduce the hours of its Port employees. Each speaker addressed the Board and the audience campaigning for the Port and their livelihood. The consensus of the group was the Port provides employment that enables each worker a means to provide for their respective families. Most of the speakers are native to Fernandina Beach. Their years of service at the Port range from new to 30+ years. The speakers implored the Board to consider all the Port provides for the community and employees.

Each of the Board members thanked all the Port employees and offered their support for all their efforts and services. Chairman Fullwood assured them the Board supports the Port and its employees. It is the Board's priority to support growth of the Port.

Bryn Byron – 1438 S Fletcher Ave., Fernandina Beach, FL

Ms. Byron requested the Board ask the Army Corp of Engineers to decommission the channel south of buoy #3. She reasoned that it prevents the City from extending its marina northward. The channel has no current or any foreseeable future needs. She adds it would cost in excess of \$50 million to dredge to the required 28 feet. It was last dredged in 1960 and last used for OHPA-going vessels in 1985. She hopes this will promote a more favorable relationship between the City and OHPA.

To this, Commissioner Hill explained a bill was submitted and passed. However, there is an executing portion of the bill that has to be enacted into an executed law.

Gary Klopp – 310 Escambia Street, Fernandina Beach, FL
Mr. Klopp deferred his turn to speak.

2. Approval of Minutes

- A. August 11, 2021 Monthly Meeting Minutes
- B. August 28, 2021 Special Meeting Minutes

There were no discussions. Vice Chairman Cole motioned to approve both minutes.

The Board unanimously approved both meeting minutes, August 11 and 28, 2021.

3. Port Accountant Report

A. Financial Report – August 2021

Mr. Laporte reported on the August 2021 financial status. There is one more month, September, remaining in this fiscal year. Spending is as expected and finances are on track. Nothing out of the ordinary with the Customs House expenses (utilities, janitorial services, pest control).

There was a transfer of funds, \$30,000, from the Money Market account to the Operating account for payment of anticipated attorney fees plus other monthly expenses (OHPA Operations).

There were no further discussions or questions regarding the monthly report.

B. 2021-2022 Budget

A resolution (2021-006) was presented to the Board to adopt the next fiscal year, 2021-2022, budget. The budget was amended at the last Workshop meeting and attached is the Resolution 2021-006 and the 2021-2022 Operating budget (Port Operations, Customs House, Port Security, and Construction maintenance accounts).

Commissioner Hill questioned if the ARPA funding is included in the budget specifically the match to pay RS&H for the Master Plan. Mr. LaPorte explained there are no funds to pay the match currently. ARPA funds can compensate for that deficit. However, ARPA is still under discussion. Once spending plans are adopted, the budget will be amended to that effect. He added the ARPA funds are not reflected in the current budget.

Additionally, Chairman Fullwood announced plans to change vendors for the janitorial services at the Customs House. There were issues with the current vendor, neglected three weeks of services. That vendor agreement requires 60-day notice prior to termination of the contract. However, Chairman Fullwood believes the vendor failed to fulfill their end of the agreement by neglecting three weeks of services that OHPA can immediately terminate the contract. Commissioner Franklin defended the current vendor explaining OHPA was given a credit for the missed weeks and a promise was made that it will not occur again. He requested the Board be fair and should present a 60-day notice of termination. Chairman Fullwood added there will be approximately \$1,200 savings per year with a new vendor. Vice Chairman Cole suggested if the current vendor agrees to a no 60-day notice, the current contract should be terminated immediately. Mr. Krechowski will confirm the terms of the agreement.

Commissioner Hill presented additional items to the budget. She revisited the salaries item, advocating for a \$500 reduction per Commissioner salary. Vice Chairman Cole opposed her suggestion, citing the fact that the matter was closed after the Board voted against said reduction at the last meeting. Chairman Fullwood agreed and declared the salary item on the budget is set, no reduction. Commissioner Hill continued by questioning the PILOT payment that was excluded from the budget. Chairman Fullwood explained, in sum, after OHPA pays the City, the Port Operator reimburses OHPA for that amount under the Operating agreement. OHPA offered a settlement that the City declined. It is excluded from the budget because it is currently under litigation and cannot be discussed any further.

The motion to adopt the budget passed by a vote of 4 to 1 with Commissioner Hill voting against it.

Vice Chairman Cole clarified that Commissioner Hill made the motion to adopt the budget but voted against it. She answered that it was an open discussion and not a violation of Robert's Rule.

4. Port Attorney Report

Chairman Fullwood acknowledged Mr. Krechowski to provide his Attorney's report. Commissioner Franklin reminded Mr. Krechowski the Board has not received a written report from him in a while. Mr. Krechowski explained most of what was not written involved the pending litigation. He promised to resume the practice of submitting a report.

In regards to the Sewer line, the City expects to clean and inspect the line next month. The repair work is scheduled in November. The City (Andre) needs to coordinate access to the Port at some point next week. Chairman Fullwood confirmed that with Mr. Ragucci. A fully executed Memorandum of Understanding (MOU) with the City is on file.

OHPA has received many public records requests this month. The persistent and repeated requests exposed some efficiencies and inefficiencies in the process. Mr. Krechowski is working to improve that process in order to respond in a timely manner. The litigation with Mr. Ross is still pending and reassigned to Judge Daniel. There were correspondences between Mr. Ross and the Port Operator's legal team but nothing that involves OHPA thus far.

The PILOT litigation is rescheduled until early next year. This decision was mutually reached with the City.

5. Port of Fernandina Report (Operator)

A. Tonnage Report – August 2021

Chairman Fullwood acknowledged Mr. Ragucci to provide the Tonnage report. Total tonnage, 20,843, is down from last month. The KLB exporter had difficulty securing ships because there is high demand. There is an aggregate ship from Iceland carrying 2,000 tons of tiny black pebbles mined from the beaches Iceland that is used to line swimming pools. The company intends to schedule another ship before the end of the year and one every quarter thereafter. The wood pulp comes in from Sweden and Brazil. It is distributed to more than 20 locations (e.g., Ohio, Kentucky, Missouri, and Michigan) all by railway.

The total tonnage year to date is just shy of 250,000 tons with ~72,000 tons variance. The Port expects over 300,000 tons minimum by the end of the year which is a highwater mark.

Chairman Fullwood asked about the LNG (liquid natural gas) shipment through the Port. Mr. Ragucci explained the LNG shipment are few and far between. There may be two to three 20-foot ISO (International

Shipping Organization) approved containers. These are not combustible or explosive that are shipped to Bermuda.

Commissioner Hill thanked Mr. Ragucci for encouraging the Port workers to attend the meeting so that they can be heard.

6. Unfinished Business

A. City of Fernandina Beach Comprehensive Plan Update

Commissioner Hill presented copies of the draft, courtesy of Commissioner Chip Ross, that was adopted at the City Commission meeting last night. It reflects the changes on the Comprehensive Plan. She directed attention to Policy 5P.01.02 that referenced the Future Land Use Map was in effect on January 01, 2021, and that would be a static map as opposed to the one as amended. The compliance language was made stronger referenced in Policy 5P.01.03. Finally, the building code would change as amended by the City (Policy 5P.06.03). She reminded the Board that the Comprehensive Plan is the City's document and not one that the Board has to adopt.

Commissioner Hill inquired about the timeline for transmission of the Comprehensive Plan. She believes there are two public readings before the transmission of changes to the State. She has not received confirmation on this process.

B. Port Director

There were two drafts of Port Director job descriptions circulated to the Board, both submitted late just prior to the meeting. Commissioner Hill suggested the Board review both drafts and offer suggestions. Then perhaps place a notice for the open position.

Commissioner Hanna inquired how the Board would fund the Port Director's salary. Chairman Fullwood explained that is still to be determined by the Board. It may be funded with the Relief fund. Mr. Krechowski specified that the Relief fund is not a grant, it is reimbursement. OHPA needs to request a reimbursement for its expenditures with parameters. He adds the Department of Transportation (DOT) is still uncertain on the procedures and process even after much discussion with them. What is accurate is the federal government will audit the funding requests before disbursement of funds.

Chairman Fullwood postponed any decisions on the matter. He spoke with a consultant, David McDonald of Alliance Resource Consulting. Mr. McDonald was a former Port Director from Port Manatee. Chairman Fullwood requested Mr. McDonald to attend OHPA's next meeting to present ideas to the Board regarding the search and hiring of a Port

Director. He asked the Board to review the two job descriptions before the next meeting and apply suggestions and revisions.

C. Port Tariff

Commissioner Hill recalled a copy of the tugboat rates circulated at the last meeting. She asked the Board when will the tariff be updated, if it will be included in the Strategic Plan. Chairman Fullwood indicated the tugboat rates were not provided by the Port Operator rather from another source. Mr. Krechowski will confirm if there are any constraints on posting the tariff rates publicly.

D. Relief Fund Information - (Commissioners to propose expenditures)

Commissioner Hill reminded the Board from the last Budget meeting, the members committed to compiling a list of specific expenditures for the ARPA funds. Chairman Fullwood suggested to hold until the Board learns of the conditions on spending the funds. The directives for the ARPA funds are still uncertain and yet to be confirmed by the DOT. Mr. Krechowski explained the one element that is certain is that the DOT will allow reimbursement for past expenditures beginning March 3rd, providing those meet the criteria. Then the Board has the opportunity to comprehend DOT's guidelines of what expenditures are allowed and what is required. Mr. LaPorte prepared a list of past expenditures from March 3rd to submit for reimbursement. He reiterated as he understood the directives, the first submission should include expenditures from March 3rd to current plus 60 days of working capital. If the application meets the criteria, then the Board can submit another 60 days of expenditures thereafter. He recommends the Board spend the available funds sooner rather than later. He asked for a delegate to compose the narrative for the Relief fund application. Commissioner Hill suggested hiring a grant administrator.

Mr. Ragucci provided some points regarding the Relief fund. He stated under the Operating agreement, OHPA is obligated to collaborate with Nassau Terminals (NT) with the aforementioned process. He requested to be included in the discussions. Mr. Ragucci explained the first purpose of the Relief fund is to mitigate and respond to the negative impacts of Covid on OHPA as an organization. OHPA experienced no negative impact, has maintained stability, has no real operating employees with the exception of the Administrative Office Manager (Rossana), and all payments were made by the Operator to OHPA. In fact, Covid had a direct impact on the Port employees. Furthermore, the second purpose is to provide working capital to lay the foundation for a strong and equitable recovery. Job training, cash transfers to employees, performance bonus for working during the pandemic, retention bonuses are some of the elements that satisfy the Relief fund parameters. NT plans to submit these as part of the spending plan for the Relief fund. He implored the Board to give due considerations to his said list.

Chairman Fullwood assured Mr. Ragucci it was always the intention of the Board to share the funds with the Port. He planned to provide at least \$1,000 bonus to the Port employees. However, OHPA was advised it cannot give the monies directly to the employees. OHPA would have to award the funds to the Operator. Chairman Fullwood wanted a guarantee that the funds will be earmarked for the employees. Mr. Ragucci appreciated the consideration.

Consequently, Chairman Fullwood reminded Mr. Ragucci that OHPA requested many times for NT to assist with additional monies to no avail. He suggested OHPA's primary concern is financing its operations. Then it will distribute the balance of the Relief funds other matters specifically the Port employees. Commissioner Hanna added most of the Operator's litigation matters involved OHPA that caused additional unexpected expenses. In sum, Chairman Fullwood assured the Board will take the matters into consideration.

E. Maintenance Report due from Operator under Section 2.3 of Operating Agreement

Commissioner Hill reminded that there was a request made to the Operator to provide a maintenance report. Although the Operator submitted files of maintenance logs and records, a maintenance report is still missing. Mr. Ragucci reported Stan, maintenance manager, is still working on a report. He will provide one as soon as he is able. Commissioner Hill confirmed the report should include a usable document to provide maintenance updates on Port equipment.

F. Port/OHPA Operating Agreement

Commissioner Hill reminded there are recurring items regarding the terms of the Operating agreement. She requested to keep this item on the agenda should the Board decide to take action to further authorize the enforcement of the Operating agreement. Mr. Krechowski reviewed the Operating agreement. He provided an active list of the terms internally to the Board and asked to discuss as needed. He adds that he is mindful of OHPA's resources, priorities, and what it can afford. He speaks to the Board regularly regarding the matter.

G. FSTED/FPC Reports

Vice Chairman Cole provided reports from the Florida Ports Council meeting in Panama City. He admitted that it was a rewarding and invaluable trip. He submitted the FSTED grant reallocation request that was approved without any issues. OHPA is current with FSTED appropriations. OHPA was given approval to reduce its FPC dues or set payment plans if necessary. Vice Chairman Cole does not see the need for a reduction or a payment plan. OHPA is in good standing with the FPC. He also learned by speaking with other port leaders that all experienced and still experiencing the effects of the pandemic.

Vice Chairman Cole met Daniel Fitzpatrick, FDOT, and look forward to more meetings with Jay Trumbull, House of Representative District 6 and Chairman of Appropriations committee. Commissioner Hill thanked Vice Chairman Cole for attending the Panama City meeting and spending time away from his family.

Mr. Ragucci added that the Port was granted another \$215,000 toward the warehouse expansion project. The Port stands to procure more grants next year.

Finally, Chairman Fullwood reported that he and Vice Chairman Cole plan to attend a meeting with the Governor's staff in a few weeks.

H. RAISE and PIDP Applications

Mr. Krechowski reported OHPA is in receipt of a copy of the PIDP application and responded accordingly to Mr. Ross' public records request (PRR) as is the case with the RAISE grant PRR. A copy of the MARAD 95 grant is forthcoming next week. Commissioner Hill admitted she had to submit a Freedom of Information Act (FOIA) requests to acquire copies of the PIDP application and the MARAD grant.

Chairman Fullwood claimed there had been several requests forwarded to the Port Operator to no avail. OHPA was forced to extend those requests to the federal government because the Port Operator was non-compliant to OHPA's requests. In fact, he just received a copy of the PIDP application just a few hours prior to the meeting from the FOIA Service Center. He read the document as best he can for tonight's discussions, 92 pages total. The Port Operator failed to present copies of said application to the Board before it was submitted. Commissioner Hill stated the approval of the initial application was contingent to the Board receiving a copy prior to submission. After reading the document, Chairman Fullwood realized the Board was misinformed about the nature of the grant application. He believed it was an application to apply for specific grants as he explained to the public at another meeting. To the contrary, the application is specific to the projects mentioned in the document. Furthermore, Chairman Fullwood admitted some of the projects included in the application will benefit the Port and some he does not agree. For example; closure of streets near the Port, taking property away from OHPA, encroachment of a new truck gate to the Customs House and the lot across the street were included in the application. He continued by citing some excerpts from the PIDP document:

Public Port Authority Support: This project was presented at the Port Authority's June 2021 commission meeting and unanimously approved with no dissent from the general public.

Right-of-Way Acquisition: The Port has a strong relationship with the City and a commonality of interest related to public safety and a secure US border on the streets in question.

Front Street Warehouse Rehabilitation Project Team

Pierre LaPorte, CPA (OHPA) - Capital Planning, Real Estate Management

Miriam R. Hill - Underserved Community Liaison, Sustainability Management

The above mentioned were disputed as erroneous by the Board.

Not being consulted in what was in the grant application placed OHPA in an unfavorable light. Chairman Fullwood requested guidance from the other Commissioners on whether to support the PIDP application or not. Commissioner Hill motioned for a vote of no confidence on the Port Operator. Commissioner Franklin second the motion.

Discussions

Vice Chairman Cole stated he understood the Port Operator was trying to meet the deadline to submit the application and with that came plenty of issues. He continued by confirming the Board would have considered and voted on the components of the application had the Board seen the document beforehand. Commissioner Franklin recalled mentioning in the past the Board should have legal documentations of all the instances the Port Operator was non-compliant. Commissioner Hill assured that her statement regarding “vote of no confidence on the Port Operator” should not reflect the Port employees and its customers. She confirmed that the employees’ jobs and the quality of the Port services are not at risk in any way.

Mr. Ragucci confirmed he hired RS&H and a professional grant writer at a cost of \$150,000 to Worldwide Terminals for both the RAISE and PIDP grant applications. He argued the document is a request for a proposed scope. The grant is awarded conditionally, and OHPA will have the opportunities to secure local approvals (City) and actually finalize the scope. It is a year worth of negotiations. If no support from OHPA or the City, then the application is void. Also, unless the grant is signed off by USDOT, there will be no funding.

The Board unanimously voted for the motion of no confidence on the Port Operator.

7. New Business

A. RBC Capital Markets Bonding Agent Presentation (Julie Santamaria)

Chairman Fullwood acknowledged Julie Santamaria, Director/RBC Capital Markets, and Joe Stanton, Nelson Mullins, to present the bonding conduit capabilities of OHPA. He thanked them for attending the meeting and driving from St. Petersburg.

OHPA has many statutory abilities to assist with economic developments in Nassau County. Ms. Santamaria and Mr. Stanton provided an overview of the properties of a bond conduit with a PowerPoint presentation.

There are two types of bonds. First, a Governmental Purpose bond that a city or county may issue the bonds for city hall complex, sidewalks, roads, waste water facilities, and the like. Second, a Private Activity bond (PAB) that is tax-exempt under the Internal Revenue code for the purpose of providing special financing for qualified projects. The emphasis of the presentation was on the latter in the context of economic development at the Port. There may be certain activities that qualify for tax-exempt financing that benefit underlying borrowers that require economic development assistance. OHPA's role is to serve simply as an issuer without the responsibilities of the obligations. Part of the basis of tax-exemption is that there must be a governmental issuer of the debt.

Accordingly, Industrial Development Bonds (IDB) is an alternative method of financing economic development projects. There a couple of different methods the bonds are sold. Depending on the size of the project, an underwriting firm may assist in an offering to the public. Another method is for small transactions with a bank private placement where the bonds are sold directly to the bank.

The following are highlights from the PowerPoint presentation with the permission of Ms. Santamaria.

Industrial Development Bonds (IDB)

- Alternative method of financing economic development projects
- Bonds may be securities sold to investors or direct placement with bank
- Proceeds used to finance project
- Borrower makes debt payments
- Tax-exempt IDBs allow certain types of businesses the opportunity to finance facility construction and related costs at an interest rate typically 1 – 2% below conventional financing rates

Conduit Bond Financings

- OHPA can issue bonds as conduit issuer to finance economic or public development projects for private and not-for-profit entities

- As conduit issuer, OHPA issues bonds on borrower's behalf and loans proceeds to borrower
- Borrower is responsible for all payments on bonds or loan
- OHPA does not have any payment obligations on borrowing
- Issuing through OHPA as conduit issuer does not provide any credit enhancement to borrower
- Project/borrower must be creditworthy on own
- OHPA served as conduit issuer on Port Facilities Revenue Bonds (Worldwide Terminals Fernandina, LLC Project), Series 2019

What Projects Can Be Financed With an IDB?

- Projects can include cost of building or refurbishing manufacturing or processing plant, or setting up utility facility
- Project must either create new jobs or retain jobs that would have been lost if project was not done
- Specifically, an IDB can be used to pay for:
 - Land acquisition
 - New construction
 - Purchase or renovation of existing facilities
 - Purchase of new machinery and equipment

Limitations on IDB Financings

- Maximum amount is \$10 million (manufacturing)
- Higher issuance costs when compared to traditional taxable bank financing. At least 95% of amount financed must be spent on qualifying project
- No more than 2% of amount financed may be spent on bond issuance costs
- No more than 3% of amount financed may be used for related non-capital expenses
- Expenses must not be incurred before 60 days prior to Authority's Inducement Resolution that starts bond issuance process

IDB \$10 Million Size Limitation

- \$10 million limit includes prior small issues and capital expenditures during six-year period (three years before bond issuance and three years after) for facilities in same incorporated municipality or county used by principal user of financed facility or related person
- Capital expenditures include any expenditures chargeable to capital account of any person
- Capital expenditures include moved equipment acquired within six-year measurement period
- Leased equipment can be excluded if leased from manufacturer or leasing company
- \$40 million nationwide cap

IDB Process

- Application process with Port
- Credit approval process with underwriter/investor/lender
- Qualification process with the State
- Construction review process

- Bond/loan process and closing
- IDB process can be accomplished in 2-3 months depending on stage of planning, zoning and construction contract
- Key is to make request for private activity allocation at beginning of calendar year
- IDB financings have relatively higher issuance costs, but tax-exempt interest rates can provide economic savings

Discussions/Questions

Vice Chairman Cole asked if the \$10 million cap includes distribution or transportation. Mr. Stanton explained the IDB is specific to manufacturing projects only. He cautioned the Board when considering a project for tax-exempt financing, it is necessary to consider each project on a case-by-case basis for tax limitation considerations.

Chairman Fullwood asked if there is a minimum amount for bonds. There is not; however, the process is document-intensive, it is expensive and difficult to do tax-exempt financing for smaller projects. It may be advantageous for those projects with multiple million-dollar tag price.

Commissioner Hill asked if the \$40 million cap nation-wide is applied to the issuer or the borrower. It is a borrower-based limitation per Mr. Stanton. Additionally, the cost of issuance and professional fees are built in to the financing itself, and the proceeds of the bonds paid those fees without expense to OHPA. Ultimately, the borrower has the responsibility of the cost of the bond issuance.

The Port Authority has one of the broadest project descriptions for financing. Nevertheless, from a state law perspective, a project has to fall within the purview of the Port for OHPA to consider bond issue. OHPA's issuance fee is paid up front at closing along with the other fees. If the cost of the financing exceeds the 2% limit, the borrower has to cover the balance at closing. Both Ms. Santamaria and Mr. Stanton offered their services and assistance in considering any project requesting for financing.

B. New Meeting Schedule (Chairman Fullwood)

Chairman Fullwood suggested to schedule additional meetings to accommodate the planning for the Master Plan and other necessary discussions and public engagements. He proposed meeting every two weeks per month, beginning the month of September.

Additional dates are as follow:

September 22, 2021, 6 PM

October 27, 2021, 6 PM

November 24, 2021, 6 PM

December 22, 2021, 6 PM

Commissioner Franklin stated he cannot attend the meeting on September 22nd for previous engagement. Mrs. Hebron will confirm the dates with the BOCC and distribute a calendar reminder.

8. Committee Reports

- A. **Port Security** – Commissioner Fullwood
No indications of any problems.
- B. **Customs House** – Commissioner Franklin
The new janitorial service company under consideration is Amelia Building Maintenance Inc. The company understands background checks are necessary. Chairman Fullwood will obtain a cost estimate on landscaping improvements and provide that information to Mr. Ragucci. The new windows have been ordered with a 12-week delay.
- C. **Army Corp of Engineers** – Commissioner Fullwood
No report.
- D. **Economic Development (EDB)**– Commissioner Cole
Chairman Fullwood acknowledged Sherri Mitchell, Interim Executive and Director/Workforce Development, to provide updates on the EDB. They are finalizing their Strategic plan. She emphasized three locations in Nassau County for interested prospects; Wildlight Commerce Park, Crawford Diamond, and 301 Bryceville. All are manufacturing companies. Unfortunately, the consensus is lack of infrastructure in the areas. Some of the companies interested in moving into the area are also looking for bond financing. Florida Power and Light (FPL) installed >300,000 solar panels at Crawford Diamond. However, some of the smaller prospects are rejected by FPL because they are not high-power users. FPL owns the property, and they can deny some companies that do not fit their criteria. Chairman Fullwood suggested Nassau County needs more companies to offer jobs and mitigate the traffic on the highways. Additionally, the Business Retention and Expansion program (BRE) is one of the initiatives included in the Strategic Plan. It focuses on maintaining the businesses currently in operation in the County. Ms. Mitchell offered her assistance.
- E. **Emergency Management** – Commissioner Franklin
Greg Foster will leave his post as Director. Covid is down in Nassau County by 8%.
- F. **Technical Coordinating Committee (TCC)** – Commissioner Hanna
There were discussions regarding a bike path along Atlantic. Incidents continue to occur. Commissioner Hanna will provide a link to post on OHPA's website for more information. There are funds for the short-term projects that were planned and approved years ago. The long-term funding is indeterminate. Commissioner Hanna will try to obtain a list of future plans.
- G. **Transportation Planning Organization (TPO)** – Commissioner Cole
The meeting tomorrow is canceled for lack of quorum. The counties with the most growth are St. Johns and Duval. For more information, visit the TPO website.
- H. **Nassau Chamber East Side** – Commissioner Hill
Leadership Nassau meeting was canceled due to Covid. The group is considering remote and in-person meetings.

- I. **Nassau Chamber West Side** – Commissioner Cole
No meetings due to Covid.
 - J. **City of Fernandina Beach** – Commissioner Hill
FEMA finally awarded reimbursement for the Marina. Commissioner Hill offered to liaise for OHPA and the City regarding the channel.
9. **Administrative Office Manager Report** (included in the meeting packet)
Mrs. Hebron reported OHPA received 6 public records request last month. It is difficult to respond accordingly and forward any documents that OHPA does not have.

10. Other items to be brought by Commissioners

In response to the inquiry regarding financial audits, Wade Stansbury, OHPA's Auditor, recommended OHPA request from Worldwide Terminals an explanation of the discrepancies between its financial reporting against that of OHPA's, specifically the PILOT payments. Another route is to seek assistance from a third-party auditor. Mr. LaPorte explained the two audits are separate and different. Commissioner Hill asked Mr. LaPorte to send the request of explanation to Worldwide Terminals.

Chairman Fullwood reminded Mr. Ragucci the property Appraiser and team will be at the Port on September 14th. Mr. Ragucci explained there are safety concerns with a number of people roaming the Port property per their insurance carrier. He requested rescheduling on a Saturday, a non-working day. Chairman Fullwood rejected that request, and the scheduled date stands. He added Vice Chairman Cole and himself will be present that day to which Mr. Krechowski suggested only one attend due to on-going issue with the City. Vice Chairman Cole will attend.

Adjourn

With no other questions brought before the Board, the meeting was adjourned at 9:26 PM.

Danny Fullwood, Chairman

Date



OCEAN HIGHWAY & PORT AUTHORITY

Miriam R. Hill – Secretary/Treasurer - Commissioner, District 1
Danny Fullwood – Chairman, District 2
Scott Hanna – District 3
Carrol Franklin – Commissioner, District 4
Mike Cole – Vice Chairman, District 5

Special Meeting Minutes

September 22, 2021

The Ocean Highway and Port Authority of Nassau County held its Special Meeting on Wednesday, September 22, 2021 at the County Commissioners Chambers at the James S. Page Government Complex, 96153 Nassau Place, Yulee, Florida 32097.

The meeting was called to order at 6:00 PM by Chairman Fullwood.

The invocation was given and the Pledge of Allegiance was led by Chairman Fullwood. Roll call was conducted by Rossana Hebron. All Commissioners were present. Also in attendance were Patrick Krechowski, Port Attorney, Pierre LaPorte, Port Accountant, and Chris Ragucci, Port Operator.

1. **Comments** - Audience (Comments submitted prior to the meeting)

A. Gary Klopp – 310 Escambia Street, Fernandina Beach

Mr. Klopp reported an incident near the Port with a Port employee. A police report was filed. He emphasized he supports the Port and its employees. Mr. Klopp's main concern is the planned expansion of the Port beyond its current footprint when the Port is not even at 50% capacity.

Chairman Fullwood invited Mr. Klopp to share his ideas pertaining to Dade Street at another time.

B. Dr. Michael Harrison – 800 Someruelos Street, Fernandina Beach

Dr. Harrison referred to the report submitted by the Charter Review Committee in 2016. He recommended non-partisan elections to reflect in OHPA's charter.

This was recommended by six out of the eight Committee members. He stated the benefits would allow to elevate the position that OHPA has in the community and strengthen the Port to better deal with its Port Operator. Additionally, a larger proportion of the electorate in Nassau County would be inclined to vote for OHPA Commission members and allow a broader pool of candidates rather than representatives from the majority party rendering a diverse Board.

Chairman Fullwood explained the Port Authority is set up like the County Commission districts that is partisan. He professed the Port Authority will remain as such but will take Dr. Harrison's request under consideration. Commissioner Franklin added he also believes the elections should be non-partisan.

C. Tammi Kosack – 322 N 3rd Street, Fernandina Beach

Ms. Kosack reinforced the sentiment of the community in that they support job security for the Port employees and workplace safety. She asked for an efficient and profitable port with good relations within the community. She conveyed her appreciation to the Board. She supports community engagements with the creation of the Master Plan. She looks forward to a collaborative process for mutually beneficial and acceptable outcomes.

Chairman Fullwood acknowledged Ms. Kosack's presentation of the Port at the City Commission meeting that took place the night before.

2. Covid Relief

Mr. LaPorte submitted a preliminary draft of expenditures to DOT for guidance. Mr. Krechowski received some comments via email today and will continue to review. Thereafter, revisions to the list of expenditures will be applied accordingly for official submission of OHPA's past expenditures. Vice Chairman Cole suggested to hold any decisions until OHPA receives confirmation of defined parameters from DOT. Chairman Fullwood and Commissioner Hanna concurred.

Mr. LaPorte will meet with Commissioner Hill to discuss forecast expenditures and justifications and will present to the Board at the next meeting. Chairman Fullwood requested a chance to review the list before the next meeting if possible.

Additionally, Chairman Fullwood reiterated the conversation regarding Mr. Ragucci's agreement to fund the local share of the Master Plan fee. Mr. Ragucci disputed that agreement recently. Chairman Fullwood countered by reading excerpts from Resolution 2020-R03 signed by Mr. Ragucci. It reads in part:

WHEREAS, the Agreement provides for the State of Florida, through the Agency, to provide up to \$118,000 of funding, while OHPA must provide matching funding equal to the Agency's expenditures;

Now THEREFORE BE IT RESOLVED BY THE COMMISSIONERS OF THE OCEAN HIGHWAY AND PORT AUTHORITY, NASSAU COUNTY, FLORIDA THAT:

Section 1. The Chair of the board of commissioners of OHPA is hereby authorized to execute, on behalf of OHPA, the Public Transportation Grant Agreement, Financial Project 438826-1-94-04, and is further authorized to execute any and all documents necessary to effectuate the same, including future amendments thereto, provided however, that the Chair's authority bestowed hereunder is expressly conditioned upon Nassau Terminals,

LLC providing OHPA with the local funding obligations required by the Agreement.

Section 2. This Resolution shall be effective upon its adoption.

RESOLVED FURTHER THAT the Ocean Highway and Port Authority, Nassau County, Florida hereby adopts the foregoing Resolution, dated this 4th day of April 2020.

The Resolution was signed by Chairman Fullwood, Commissioner Hanna as then Secretary, and Mr. Ragucci. OHPA will hold Mr. Ragucci to that agreement. OHPA will pay the difference. Chairman Fullwood confirmed the grant is still effective for another year.

Chairman Fullwood confirmed that all communications with FDOT is available to the public.

3. Port Director

Chairman Fullwood explained OHPA needs the guidance from a consulting firm in its search for a Port Director. He sought the assistance of David McDonald, Regional Director of Alliance Resource Consulting LLC, to explain the firm's background and executive search to assist in Port Director recruitment.

The following are excerpts from Mr. McDonald's handout with his permission:

Background

We are based out of La Palma, California. We also have consultants based in Palo Alto, California; Tallahassee, Florida and Seattle, Washington.

We are committed to providing our clients with the highest caliber of service in the industry. Our team of dedicated professionals utilizes custom-built state-of-the-art technology in conducting a search.

We have extensive nationwide experience recruiting executives for government agencies and special districts and have helped to place excellent people with diverse backgrounds and experiences in organizations large and small.

Currently, we are recruiting for the Port Controller for the Port of Oakland, CA and recently completed the recruitment of Executive Port Director and Deputy Port Director for Port Panama City, FL.

David McDonald and Sherrill Uyeda will work on this recruitment.

Recruitment Methodology and Approach

We will preserve the confidential nature of any information received from you or developed during our work on this recruitment in accordance with our established professional standards.

We assure you that we will devote our best efforts to carrying out the work required. The results obtained, our recommendations and any written material we provide will be our best judgment based on the information available to us.

- Develop the appropriate specifications for a position.
- Encourage the interest of top-level people who would be reluctant to respond to advertisements.
- Preserve the confidentiality of inquiries, consistent with State public disclosure and open meeting laws.
- Save a considerable amount of time for client staff in developing and responding to candidates.
- Protect the confidentiality of the information discussed with or received from the client.
- Build consensus among those involved in the hiring process.
- Independently and objectively assess the qualifications and suitability of candidates for the particular position for which we are recruiting.
- Adhere to client's budget and schedule expectations.

Recruitment

- Strategy Development
- Active Recruitment
- Candidate Evaluation
- Progress Report Meeting
- Preliminary Interviews
- Client Interviews & Interview Books
- Special Assistance

Commissioner Hill stated her concern regarding the processes of screening and selecting candidates in a public manner taking into account the Sunshine Law. She requested Mr. Krechowski confirm said processes. Mr. McDonald affirmed that his firm is aware of the Sunshine Law, the need for transparency, and also confidentiality with the candidates' information. Chairman Fullwood thanked Mr. McDonald for attending and stated the Board will take Mr. McDonald's proposal into consideration and make decisions at the next monthly meeting in October.

4. Budget 2021-2022

Mr. LaPorte reiterated the budget was approved at the last meeting and no revisions were applied that reflects the Covid Relief funding. When OHPA

receives confirmed spending parameters from DOT, the budget will be amended accordingly.

5. PIDP Information

Commissioner Hill reminded the Board regarding the letters of support for the application. She requested from the City a copy of its withdrawal from supporting the PIDP grant. She also spoke with the office of Congressman Rutherford, and they also rescinded their support. The reasons stated were the grant applications included erroneous information. Once submitted, the grant application cannot be modified. The PIDP grant is offered every year, and the Board resolved to reapply next year.

6. Customs House

Chairman Fullwood reported on the repairs and work in progress at the Customs House. The handrails and windows have not been installed yet.

Mr. Krechowski conveyed that there is a contract with another vendor for janitorial services. The former vendor, Commercial Building Maintenance Inc., agreed to terminate the existing contract without a 60-day notice of termination. A new contract was signed with Amellia Building Maintenance. They require OHPA pays for the cleaning supplies. OHPA agreed to this requirement.

7. FSTED Meeting

The meeting is scheduled tomorrow. Chairman Fullwood reported he decided not to attend because it was suggested only one representative is allowed in the meeting. Furthermore, he was advised the meeting does not pertain to the Port of Fernandina. The topic is Chinese cranes, and the Port is not in the market for one.

8. Port Attorney Report

Mr. Krakowski's report is attached to the meeting packet and is accessible via the OHPA website. He highlighted the conversations regarding the Customs House (discussed above). He received an updated version of the RS&H agreement set for signatures. However, he suggested to hold signing the document until OHPA receives confirmed parameters for the Covid Relief funds. The Value Adjustment Board hearing is schedule for October 12th. He will respond to the list of requests and provide justifications for OHPA's position to the Property Appraiser's attorney. The specific question is whether the Port Operator is leasing property on the Port. As far as OHPA is concerned, the Operator is not leasing any property owned by OHPA. Commissioner Hill asked if the report included a list of the Port equipment. Both Mr. Krechowski and Chairman Fullwood confirmed only the parcels are included. The Property Appraiser did confirm with Mr. Ragucci that he checked OHPA's as well as Worldwide's equipment, the

Tangible Personal Property (TPP) within the Port property. Even though OHPA is exempt, it is required to provide a list of TPP every year to update values.

Commissioner Hill also asked how many letters did OHPA receive from Worldwide's attorney, Jimerson Birr. Mr. Krechowski confirmed that to date he received eight (8) public records requests. Chairman Fullwood affirmed that the Board will address the matter before the next meeting.

9. Port Security

Chairman Fullwood reported there was an incident at the Port recently. An individual presented a Transportation Worker Identification Credential (TWIC) at the Port gate. He stated he was a customer of a vessel at the Port. This was confirmed by one of the ship workers on said vessel. He was then allowed to enter the property. He was seen taking videos and photos of the Port and the loading activities. According to Mr. Ragucci, the individual was subsequently identified by Port staff as a worker from competing terminal in Jacksonville. The individual gained entry under fraudulent pretenses. Mr. Ragucci filled a police report with the Fernandina Police Department (FPD). He was advised by the criminal investigative bureau that the case may be viewed as a potential violation of the US Espionage Act of 1996. Entry upon a seaport facility that is federally secured under fraudulent means constitutes a violation of US code Section 2301. He plans to pursue charges against the individual pending confirmation from FPD. He also added the individual on the vessel may be a co-conspirator. Mr. Ragucci requested to officially designate a deputy/assistant because the security cannot be accomplished by just one individual. During regular terminal hours of operations, there are four active guards patrolling the property and subsequently drops to one guard after hours. There are cameras covering all aspects of the facility per Mr. Ragucci. Security expenses are paid for by Worldwide Terminals.

Chairman Fullwood asked Mr. Ragucci if there exist a security plan. Mr. Ragucci confirmed there is one in place and approved by the US Coast Guard, but Chairman Fullwood could not recollect ever reviewing one. Mr. Ragucci promised to provide a copy to the Board.

Incidentally, Mr. Ragucci stated he was unaware of the incident between Mr. Klopp and one of the Port employees. He will investigate it, but added he finds the allegation not credible.

Additional discussion

Mr. Ragucci will prepare a letter regarding maintenance dredging by Friday at the latest. Chairman Fullwood and one of the pilots will provide a letter each as well.

Chairman Fullwood asked why Mr. Ragucci is requesting a share of the Covid Relief fund to hire extra staff for the Port when he cannot find any to hire. Mr. Ragucci explained the extra funds will ensure an elevated level of compensation (wage increases, retention bonuses, hiring bonuses, and training programs) to attract and hire workers. He needs to be able to compete within the regional area by offering higher wages. He reminded the Board the essence of the Covid Relief fund is to assist in economic recovery from the pandemic, one specifically by injecting a working capital into the workforce.

With respect to the additional meeting dates, the Board will decide at each regular monthly meeting whether to hold an additional meeting if necessary. All additional dates will remain tentative until further notice.

With no other questions brought before the Board, the meeting was adjourned at 8:25 PM.

Danny Fullwood, Chairman

Date