

and every housing recovery option. We need amendments to county ordinance and permitting to allow travel trailers, mobile homes, and other housing solutions such as tiny homes, and allow homeowners to rent their bedrooms. We need funding to purchase alternate housing units and building materials to pay construction workforce teams. We need lighter zoning allowances that allow travel and mobile homes to remain in nontraditional locations for extended periods.

In summary, a successful recovery must include individual assistance funds, a qualified recovery team, and local, state, and national buy-in particularly regarding expanding housing recovery options. We all know that a complete recovery is a dream goal. It will certainly take the combined efforts and collaboration of government, private, non-profit partners to accomplish an amount of recovery success.

Thank you for your time.

MR. MILLER: Mr. Chair, that was our final registered speaker under Item 7.

CHAIRMAN LoCASTRO: Okay. Thank you.

Item #10A

THE CHAIRMAN TO EXECUTE A MEMORANDUM OF AGREEMENT AND ESCROW AGREEMENT FROM THE FLORIDA DEPARTMENT OF VETERANS' AFFAIRS (FDVA) FOR THE COUNTY TO APPROPRIATE \$30 MILLION FOR THE "STATE VETERANS' NURSING HOME" PROJECT USING INFRASTRUCTURE SALES SURTAX FUNDING. (ALL DISTRICTS) - MOTION TO APPROVE BY COMMISSIONER SAUNDERS; SECONDED BY COMMISSIONER MCDANIEL – APPROVED - 5/0

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MS. PATTERSON: Commissioners, that brings us to Item 10. Item 10A is a recommendation to approve and authorize the Chairman to execute a Memorandum of Agreement and Escrow Agreement from the Florida Department of Veterans Affairs for the county to appropriate \$30 million for the State Veterans Nursing Home project using infrastructure sales surtax funding.

This item is brought to the agenda by Commissioner Saunders.

MR. MILLER: He is with us online.

COMMISSIONER SAUNDERS: Mr. Chairman?

CHAIRMAN LoCASTRO: Yes, sir. The floor is yours.

COMMISSIONER SAUNDERS: Yes, let me jump in for just a minute here. I have spoken with the Clerk, Crystal Kinzel, on several occasions concerning these agreements. She has raised some concerns. I've assured her that we will get whatever cover she needs from the County Attorney concerning the legality of forwarding the \$30 million to the state for this project.

I believe -- and I can't speak for her necessarily -- but I believe she is satisfied with that, with that understanding, that any questions she has will be addressed by the County Attorney at a future date.

So I would ask the Commission to approve both of these agreements this morning that keeps us on track for this project.

Thank you, Mr. Chairman.

CHAIRMAN LoCASTRO: Thank you, Commissioner Saunders.

I don't know, Ms. Kinzel, if you had anything that you wanted to add before we -- the floor is yours.

MS. KINZEL: Actually, Commissioners, thank you. Clerk Kinzel, for the record.

I was hoping to hear discussion and direction in total. I've expressed -- I've spoken with each of you individually as well as Commissioner Saunders, as he's indicated. And I first want to put on

the record I absolutely support the veterans project and facility for Collier County. It's needed. The citizens want it. We think we have the need.

But I do have some concerns about this particular document that's in front of you. I've gone over several of those, but let me just articulate them for the record. The donation of the property isn't really even finalized as to location or suitability for the project, but it's included in here. There's also no determinable value that's been placed on that property because we're still waiting on the drawings and a lot of things that are going to be coming forward over probably the next year.

The deposit of funds is for an indefinite period because we are a moving target between the next three or four years. They want the \$30 million deposit on May 1, but the project seems to have been delayed.

The 30 million's requested to an escrow account to the state, but the terms of the last draft that appeared on your agenda really doesn't seem to be an actual escrow, because the full authority to withdraw funds is only by the state Veterans Department. Usually in an escrow, you put it with the county having some authority and the state having some authority, and that manages the funds and you have it in an independent escrow.

This is giving the full authority for withdrawal from those funds purely to the Veterans Department. So I somewhat have concerns about transferring 30 million without those controls or some management aspect from county government and management.

They're charging a fee. They do not guarantee interest. Interest on 30 million until it's drawn down, and the balance can be significant over the year or years that this might be on deposit, and the fee could be significant. It is defined by statute as a running balance amount.

So those are all elements that -- I understand the state and feds, they want a commitment from us. But I was wondering if something like a letter or resolution of our determination. You have committed the funds. The taxpayers have authorized 30 million. You're committing the land which we own. We haven't really put a value to that yet, but that will be simple once the parameters are defined, most probably.

So I would just like to recommend that you think through those elements and consider that in discussions on this today. You've already segregated the 30 million. It is sitting in its own account under the sales tax. It cannot be spent for other things without some much larger actions. And I do see those commitments.

Now, Commissioner Saunders, I did say -- I was hoping the discussion would go before my points and that maybe some of the things had been worked out. I've spoken to the County Attorney on several occasions, and this really is somewhat of an agreement because we trust the state.

I'm always a "trust but verify" when it comes to money, so I just wanted to put those items on the record for your consideration, and I'll wait to hear your discussion and decision. Okay, thanks.

CHAIRMAN LoCASTRO: Does Commissioner Saunders want to make a comment on any of those points?

COMMISSIONER SAUNDERS: Yes, sir, Mr. Chairman, and I appreciate that.

I certainly understand the Clerk's concerns about this agreement. This is not your typical commercial escrow agreement where you have a developer who's building something, and there's some commitments, and there's a fund put in place that's held by an independent party.

This is -- I do trust the state, and there are provisions in the agreement that give me complete comfort. One is that the funds can

only be spent for a veterans nursing home in Collier County and, number two, if the project, for any reason, doesn't go forward, the state will refund without delay, and that language is in the agreement -- without delay will return the funds plus interest. So there's really no issue about the project going forward. If it doesn't go forward, we get our money back plus the interest.

The fee that is being charged is a statutory fee. It's a very small fee. We can't do anything to change that.

So this is really one of those situations where I don't think we have to verify the fact that the state will return those funds. They have a contract that says that they will. I have no doubt that they will. We've all met with the Department of Veterans Affairs, and I think that to move this project forward, we need to move this on today.

Thank you, Mr. Chairman.

CHAIRMAN LoCASTRO: County Attorney, do you have any comment?

MR. KLATZKOW: I've spoken with the Clerk, and as I told the Clerk, if this was anybody but the state, I would fully appreciate her concerns. But this is the state. And I will remind everybody we are a political subdivision of the state. I have no worries whatsoever that should the veterans home not come to Collier County, that we will get our money back with interest less any statutory fees.

Again, if this was anybody but the state, I would completely share the Clerk's concerns, but this is the State of Florida.

CHAIRMAN LoCASTRO: Commissioner McDaniel.

COMMISSIONER McDANIEL: Yes. I'm assuming Commissioner Saunders, you're -- your comments were a motion for approval?

COMMISSIONER SAUNDERS: Yes, sir, for both of the agreements.

COMMISSIONER McDANIEL: And I'm going to second that.

But for comment's sake, I share the concerns that the Clerk has with regard to this. It is, in fact, unusual. We had very successful meetings last week with the Department of Veterans Affairs. And I, candidly, would prefer we keep the money until the project's actually blessed and approved and, relatively speaking, it's blessed and approved. But I'm going to vote -- I'm going to second your motion but put on the record that I have similar concerns to the Clerk.

I am also aware that this isn't a typical developer agreement with an independent contractor or anything along those lines; that there is federal departments involved with regard to this construction, and this transfer of funds actually allows for the Department of Veterans Administration to apply for new construction costs that are associated with today's costs and not that -- when, Commissioner Saunders, you and I started working on this project clear back in '16/'17, those were the numbers that were used with the Federal Department of Veterans Affairs, and there is a shortfall from those estimated costs to say what, in fact, is needed today.

So I share the Clerk's concerns with regard to the county being a -- not your normal -- not your normal developer agreement, if you will. But on the same token, I full well understand the necessity to show the good faith and let the Federal Department of Veterans Affairs that we're on board with this. So my second is there and my comments.

CHAIRMAN LoCASTRO: Commissioner Hall.

COMMISSIONER HALL: I'm definitely going to support it to move forward but I share the Clerk's concerns greatly, just from being a regular businessman. You know, some of the things that she has pointed out is in the negotiations that the county gets involved in, we do tend to sometimes get the cart before the horse, and we do things that put us in a particular situation; not speaking about this

deal particularly. Things like we don't have an exact survey; we don't have the exact metes and bounds of the property that we're giving the veterans home. We don't have the exact value of that. That's value to the deal that the county is putting in.

So those things I do -- I do share with her. At the same time, we were all there. We know the resolve of the DVA to move forward with this deal to give Collier County a gold standard -- you know, a nursing home -- a veterans nursing home that will be the envy of the nation. And so to move forward with that, I think it's a good thing.

CHAIRMAN LoCASTRO: I guess my question is, you know, I share all those concerns, but we have the ability to put whatever additional wording we think would make this a document that more represents what we're concerned about.

So I guess what I would offer maybe to the County Attorney, Commissioner Saunders, Ms. Kinzel, is is there any suggestion of specific wording to edit this MOA that would, you know, address our concerns without, you know, affecting the agreement?

MR. KLATZKOW: Commissioner, I will tell you --

COMMISSIONER SAUNDERS: Mr. Chairman --

CHAIRMAN LoCASTRO: Yes, sir.

COMMISSIONER SAUNDERS: -- if I might jump in just for a second.

I apologize, Mr. Klatzkow, for jumping ahead of you here.

The county staff and the County Attorney did a yeoman's job of working with the state trying to get language in that the Clerk really wanted to have in there. So, for example, the County Attorney put into the draft of the agreement that the Clerk would have a signatory obligation or responsibility before any funds could be released from the escrow.

The state and the Department of Veterans Affairs said that's a

nonstarter. We have to use the form that is approved by the state. We really -- the county really did an effort to modify this agreement.

This is kind of what we have. And, again, it's an agreement that really does protect the county. So I would suggest that there really is not an opportunity to amend this. This is really -- I hate to say it's take it or leave it, but I think that's where we are.

But, again, the language in the agreement is very clear that those funds would be returned to the county with interest and without delay if this project doesn't go forward for any reason. The county can send that money up tomorrow and two days later say, if we want it back, and they'd have to give it back to us. So I would say there really is not an opportunity to amend this agreement.

CHAIRMAN LoCASTRO: Commissioner Kowal.

COMMISSIONER KOWAL: Thank you, Chairman.

I echo my fellow commissioners up here, the concerns the Clerk has brought forth and talked to me about also. But I think the bigger picture here is that, you know, we're dealing with not only the state DVA and then, of course, the federal government with the Veterans Affairs at a federal level, too.

And I think we all felt the same way. And we talked to the DVA in Tallahassee at the beginning of last week and how they felt that, by us taking these steps, it's showing that we're really -- we're the next one in line to get this project, and I think that's the most important thing here.

And I think secondly is that, you know, we still have to get them to earmark the 500,000 for design and development. And, you know, we don't have that yet, and we'd like that in the language of this upcoming legislation to get this ball moving. And I think our commitment to what we're bringing to the table, I think, is going to motivate them to follow up and see us getting that design money earmarked for us and nobody else.



So, you know, I feel the concerns but, at the same time, I feel like we're playing, you know, with three big boys, and we've got to do what we've got to do to bring this to the table to get it finalized and get it moving forward, so I'd have to agree on moving forward on this today.

CHAIRMAN LoCASTRO: Mr. Klatzkow, do you have any further comment?

MR. KLATZKOW: No. Commissioner Saunders said it far more eloquently than I could.

CHAIRMAN LoCASTRO: I find that hard to believe. No, I'm just kidding.

The paragraph that jumps out at me is exactly what Commissioner Saunders is saying. It's the top of Page 2 where there's a whole paragraph. And I won't read any of it. But it's the "out" clause with -- to give us the money back in interest. And, you know, we "happy to glad" this thing to death. I always sort of, you know, say at times, you know, we can sit here and change the word "small dog" and put in "puppy" and change "happy" and put in "glad."

And I just want to know from the County Attorney, and you've already confirmed it, that, you know, we could wordsmith this thing all day, but is this a document that we have any legal concerns over?

Because we were all in Tallahassee and, like you said, we won't belabor that or summarize that. But, you know, we sat down at the table with all parties concerned and, you know, things are moving forward in a very positive way. On the flip side, though, these documents that outline the legal agreement and the financial one need to be tight. So that's why I don't want to sit here and wordsmith the thing to death, but I just want to make sure we're on solid ground and there's no -- there's no paragraphs that are missing here. And it sounds like we've already wordsmithed it a bit; would you agree?

MR. KLATZKOW: I have no legal -- I have no legal worries about this. Again, this is the State of Florida.

CHAIRMAN LoCASTRO: Okay.

MR. KLATZKOW: They're not going to take our money.

CHAIRMAN LoCASTRO: Mr. Mullins, did you have anything you wanted to add before we -- I think we've heard from everybody.

MR. MULLINS: Yeah. Commissioners, John Mullins, for the record, your director of Communications, Government, and Public Affairs.

To speak to the actual transfer of the money by May 1st as opposed to holding it for another year, there is a practical impact of that that I can demonstrate for you real quick.

CHAIRMAN LoCASTRO: Okay.

MR. MULLINS: I know that's kind of hard to read; I apologize. If you look at it, though, right now there's been a standing application before the VA construction grant program from the State of Florida for a facility, generally, in what they call West Florida.

As of right now, they are ranked No. 36, which puts them in what is known as Priority Group 4. That is a group where you have not demonstrated that you have in-hand funding.

As you can see if you slide this down, by having the funds in hand and unencumbered, which is DVA's objection to having any other signatory on the escrow other than themselves and the escrow agent, you would be right -- you'd be between No. 2 and No. 3, which means, cumulatively -- easy for me to say -- \$5 million into what is usually a \$90 million appropriations cycle for the construction grant program, you would be next in line for funding.

So it's a much better position to be right there at No. 3 to receive the construction grant funds than it would be to not show that you

have the funds in hand with the State of Florida and be at No. 36. Funding will not reach you down there. So just to give you kind of a practical picture as to what the transfer of money may mean in ranking.

CHAIRMAN LoCASTRO: Thank you.

I mean, I'll just maybe close this out by saying, I don't think anybody's confused as to what the transfer of money will do. It will help further -- like you said, move us up the list and solidify our agreement with the state. We all get that. On the flip side, our Clerk of Courts, her comments have merit, significant merit as we all agree.

I also will support this document based on what I've heard here and also our meetings in Tallahassee. I think it just goes without saying, all throughout this process, Ms. Kinzel has a very, very important job in this as we continue to go further.

So, you know, like I said, it goes without saying, let's make sure she's in the kitchen cabinet, so to speak, of the nucleus of our team, and if at any time you think that we're in some sort of jeopardy or there's some confusion or something is circling around that's not good for Collier County, don't be shy to tell us that.

MS. KINZEL: No, I'm usually not shy, unfortunately. But I do -- I really appreciate you-all walking through this and working through this with me. Obviously, I would not intend to jeopardize the total funding. I am looking at the agreement and the strength of the agreement. And while it says they will return the funds, that would be a balance after whatever they have spent or if it is determined future down the line. There's no real defined amount. They're not going to return 30 million. It doesn't say they'd return the whole 30 million, because they'll be drawing down on those funds as applicable, even if it doesn't come to be developed.

So those are some of the fiscal strengths. And I recognize that

it may not be a typical escrow, but an escrow usually does have counterpart balance. The first agreement didn't require the Clerk's signature. It had requested, and they had included, the Chairman of the Board's signature. So those were some of the nuances that have come through the different drafts.

But I have worked with county staff, and I fully appreciate this is it, this is the state, and I will definitely stay on it, because 30 million is a lot of money for Collier County. And I think it is a good, you know, measurement. We'll get the reports from them that they've offered, I believe, quarterly. I'd really like to see those monthly. Maybe that's one concession, we could get it a little sooner rather than later on the reporting elements if they produce those, and I'll keep an eye on that.

CHAIRMAN LoCASTRO: So I'll put you on the spot here. Your autograph is required on the final page of this MOA. Do you have reservations signing it?

MS. KINZEL: No, that signature on the agreement is only to attest that you are who you are, but my signature does have to go on the check, which is where I always have the grandest of concerns. But I understand the position of the county, and we'll -- you know, we'll work through that, okay?

CHAIRMAN LoCASTRO: Thank you, ma'am.

MS. KINZEL: Thank you.

CHAIRMAN LoCASTRO: Okay. I have a motion and a second. All in favor?

COMMISSIONER HALL: Aye.

COMMISSIONER McDANIEL: Aye.

CHAIRMAN LoCASTRO: Aye.

COMMISSIONER KOWAL: Aye.

COMMISSIONER SAUNDERS: Aye.

CHAIRMAN LoCASTRO: Opposed?

(No response.)

CHAIRMAN LoCASTRO: It passes unanimously.

COMMISSIONER SAUNDERS: Thank you.

Item #11A

AN UPDATE ON THE CONCRETE CRUSHING ACTIVITIES ON THE PROPERTY LOCATED AT THE SOUTHEAST CORNER OF SANTA BARBARA BLVD AND DAVIS BLVD (TAORMINA RESERVE MPUD). (JAIME COOK, DIRECTOR, DEVELOPMENT REVIEW DIVISION) (ALL DISTRICTS) - DISCUSSED – UPDATE ACCEPTED

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MS. PATTERSON: That brings us to our 10:00 time-certain. This is Item 11A. This is a recommendation to accept an update on the concrete crushing activities on the property located at the southeast corner of Santa Barbara Boulevard and Davis Boulevard. Ms. Jaime Cook, your director of Development Review, will present.

MS. COOK: Good morning, Commissioners. Jaime Cook, director of Development Review at Growth Management/Community Development.

At the last Board meeting, you had requested that we have an on-site meeting at the Taormina property with the property owner and the contractor.

Commissioner McDaniel did come out and meet on site with us, as well as the property owners and the contractor. It was kind of determined at that meeting that the bigger issue is not the actual crushing operation. It's the separating of the material, because there is so much material that still needs to be separated.

As requested, I do have Mr. Harry Hubschman, Mr. Adam Hubschman, and Chris Gehring here to answer any questions that you