

SUMMARY OF FLEX RATE PROVISIONS AND THEIR APPLICATION TO BEAR ARCHERY

FLEX RATE TERMS AND CONDITIONS

1. Must be bona-fide need for business attraction, expansion or retention.
2. Must meet both quantified economic and subjective criteria to be eligible.
3. Must commit to GRU as sole electrical provider for 10 years.
4. Must agree to annex when property becomes contiguous with City if not already in the City.
5. No more than 13% reduction in non-fuel portion of electrical charges for no more than 4 years.

FLEX RATE ELIGIBILITY CRITERIA

1. Net utility revenues and taxes must more than offset cost for City to provide public services to employees and their families.
 - a. Net utilities and taxes estimated from projected loads, salaries and property values.
 - b. Cost for public services based on per capita averages from City, County, and School Board budgets.
 - c. Model allows review of impacts on each jurisdiction separately. Must be consistent with goals, objectives, policies and standards of City Comprehensive Plan related to land use and environmental protection.

BEAR ARCHERY BUYOUT BY NATIONAL ARCHERY CORP.

1. Demonstrated the business case, intent and capability to relocate manufacturing processes.
2. Met the economic criteria, largely because of:
 - a. Higher than average wage rates; and
 - b. Taxable value of facilities to be relocated.
3. Negotiated 10% non-fuel rate reduction for 4 years (roughly 3/4 of maximum).
4. Agreed to annex into City when possible, gave Mayor legal ability to do so unilaterally.

In 2000, the Gainesville Council for Economic Outreach continued its mission to promote Gainesville and Alachua County as an exceptional place for companies considering a new location. However, CEO focused much of its work on providing expansion and retention assistance to several local companies:

With CEO's assistance, Tower Hill Insurance received a \$240,000 Qualified Target Industry Tax Refund and an \$85,785 Quick Response Training Grant from the state; Exactech, Inc. was awarded an \$88,000 Incumbent Worker Training grant to update the skills of its existing employees; and, Regeneration Technologies was awarded a \$300,000 Qualified Target Industry Tax Refund and an \$81,165 Quick Response Training grant.

CEO worked closely with staff of Gainesville Regional Utility and the Gainesville City Commission to craft a discounted utility rate for North American Archery Group, formerly Bear Archery. As a result, the company not only decided to stay in the area and retain its 150 existing jobs, but also consolidated another of its manufacturing facilities into the Gainesville plant, creating an additional 50 jobs. In return, North American Archery Group signed a 10-year contract for services with GRU and formally agreed to be annexed into the City of Gainesville as soon as possible.

In 2000, existing companies CEO assisted such as Exactech, North American Archery Group, Nordstrom, Atkins Temptec and MDTech created or retained more than 735 jobs.

During 2000, more than \$794,950 in state incentive funds and training dollars was captured for companies in Gainesville and Alachua County.

- In 2000, existing companies that CEO assisted with expansions generated approximately \$24 million in new capital investment.
- CEO in conjunction with the Alliance for Economic Development and the Gainesville Area Chamber of Commerce continued to work with the City of Gainesville to attract better air service to the Gainesville Regional Airport.
- CEO hired Lockwood Greene Consulting to conduct a competitive assessment, target industry and underemployment analysis for Gainesville and Alachua County. When completed, the study will address the area's competitiveness in the site selection market, identify industries appropriate for attraction to Gainesville and provide information on the true nature of the region's workforce.
- CEO continued to work with staff of the City of Gainesville on a number of important issues including completion of the Gainesville Technology Enterprise Center, development and implementation of the Design Center and promotion of the City's Enterprise Zone.

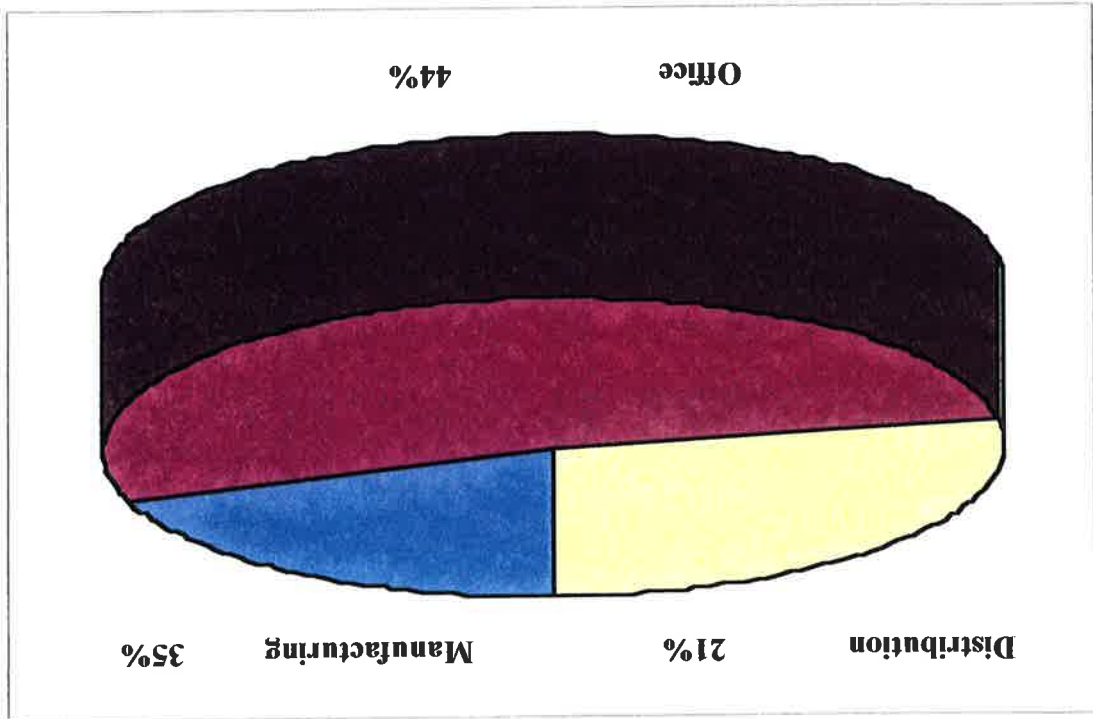
CEO-ASSISTED COMPANIES 1994 - 2000

YEAR PROJECT ANNOUNCED	CATEGORY	NEW/ RETENTION/ EXPANSION	COMPANY	PRIMARY JOBS CREATED/ RETAINED
1994	Manufacturing	E	Sabine	70
1994	Office	N	Naylor Communications	86
1995	Manufacturing	N	Florida Rock Industries	80
1995	Office	R/E	Nationwide Insurance Company	1,028
1996	Manufacturing	E	Energizer Power Systems	N/a
1996	Office	N	NCCER	25
1997	Manufacturing	N	US Biomaterials	22
1997	Manufacturing	N	American Polysteel Forms	18
1997	Manufacturing	R/E	MD Tech	93 (50 new, 43 retained)
1997	Distribution	N	Nordstrom	75*
1998	Distribution	E	J.A. Webster	45
1998	Manufacturing	E	Exactech	114* (73 now with an additional 41 jobs by end of 2000)
1999	Distribution	N	Dollar General	485*
2000	Manufacturing	R/E	Bear Archery	200 (50 new, 150 retained)
2000	Manufacturing	E	RTI	316
2000	Office	E	Tower Hill Insurance Group	132
2000	Manufacturing	R	Exactech	88
TOTAL				2,877

*Estimated when facility has been in operation for one year

**TOTAL JOBS CREATED/RETAINED
IN ALACHUA COUNTY BY
CEO-ASSISTED COMPANIES
1994 - 2000**

MANUFACTURING	1,001
OFFICE	1,271
DISTRIBUTION	605
TOTAL	2,877



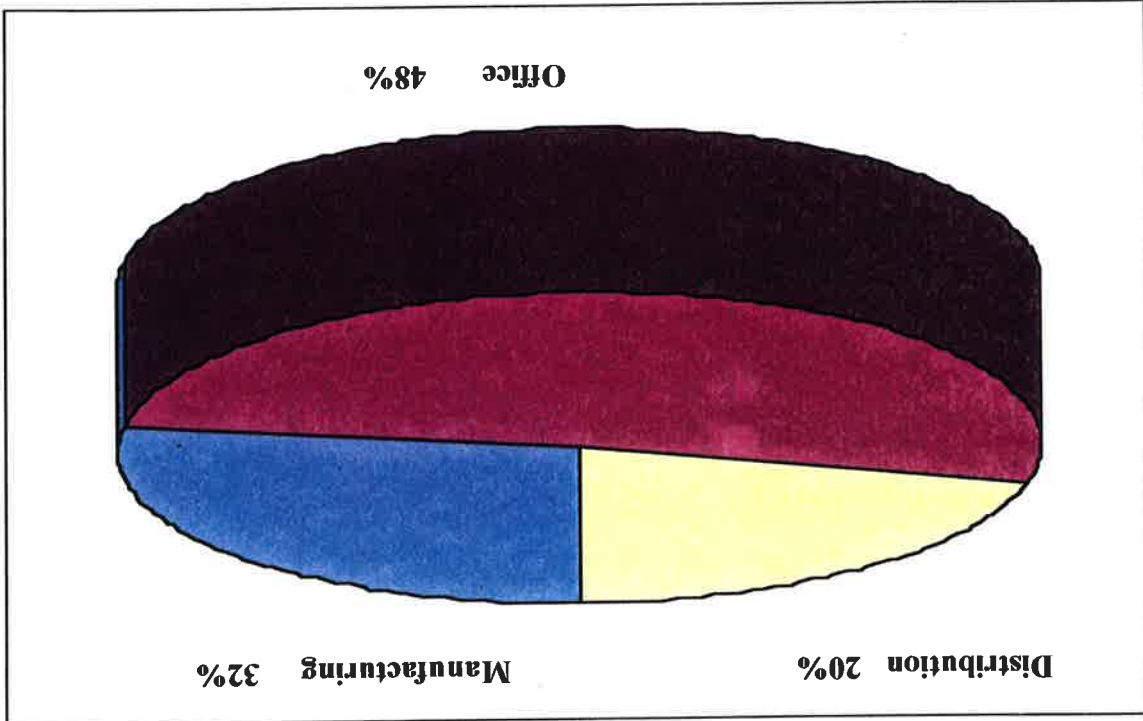
**TOTAL ANNUAL PAYROLL FOR
 JOBS CREATED/RETAINED IN
 ATACHUA COUNTY BY
 CEO-ASSISTED COMPANIES
 1994 - 2000**

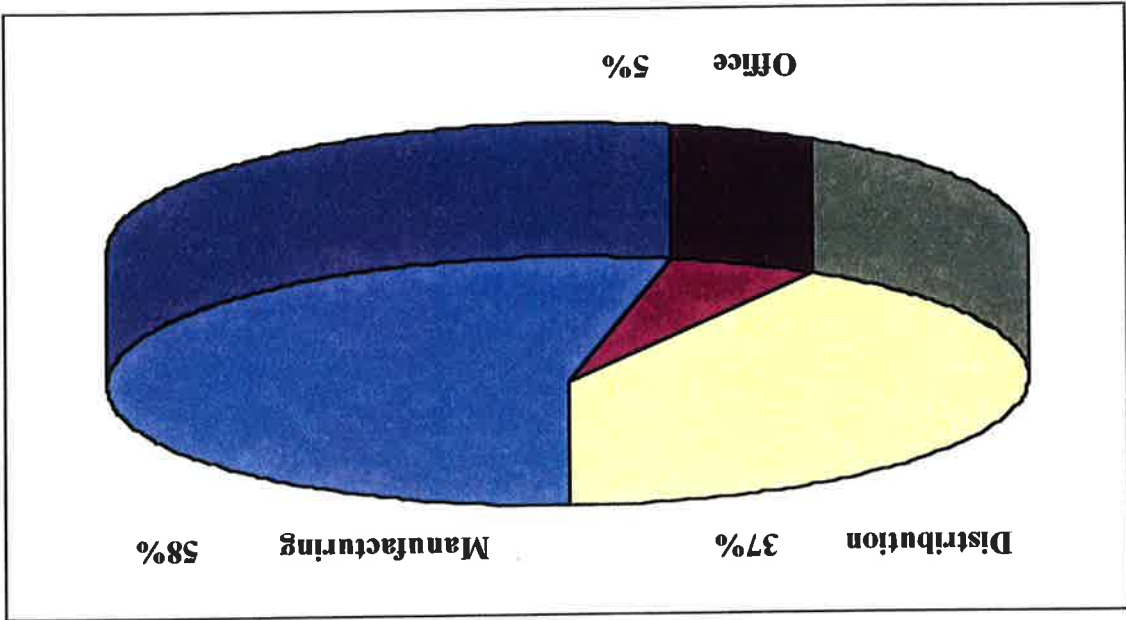
**MANUFACTURING
 OFFICE
 DISTRIBUTION**

**\$25,140,348
 \$37,246,988
 \$15,100,480**

\$77,487,816

TOTAL

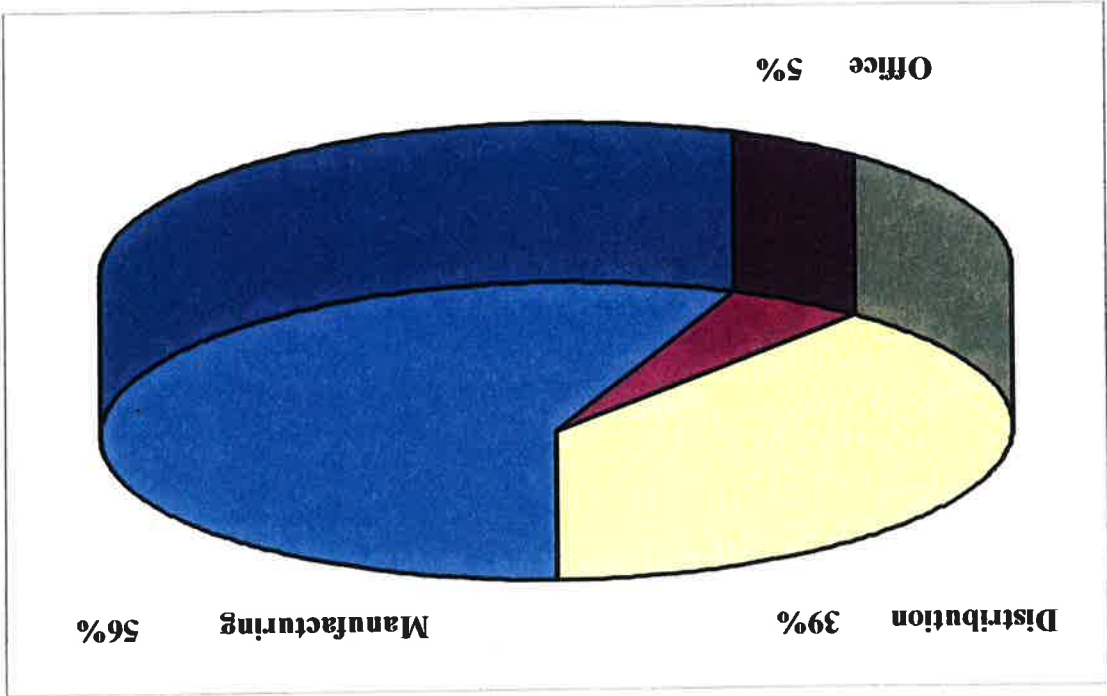




TOTAL CAPITAL INVESTMENT IN ATACHUA COUNTY BY CEO-ASSISTED COMPANIES 1994 - 2000	
MANUFACTURING	\$133,347,536
OFFICE	\$11,250,000
DISTRIBUTION	\$86,853,510
TOTAL	\$231,451,046

**ESTIMATED YEARLY
PROPERTY TAXES PAID BY
CEO-ASSISTED COMPANIES
(at current millage rates when facilities are
constructed and fully on the tax rolls)**

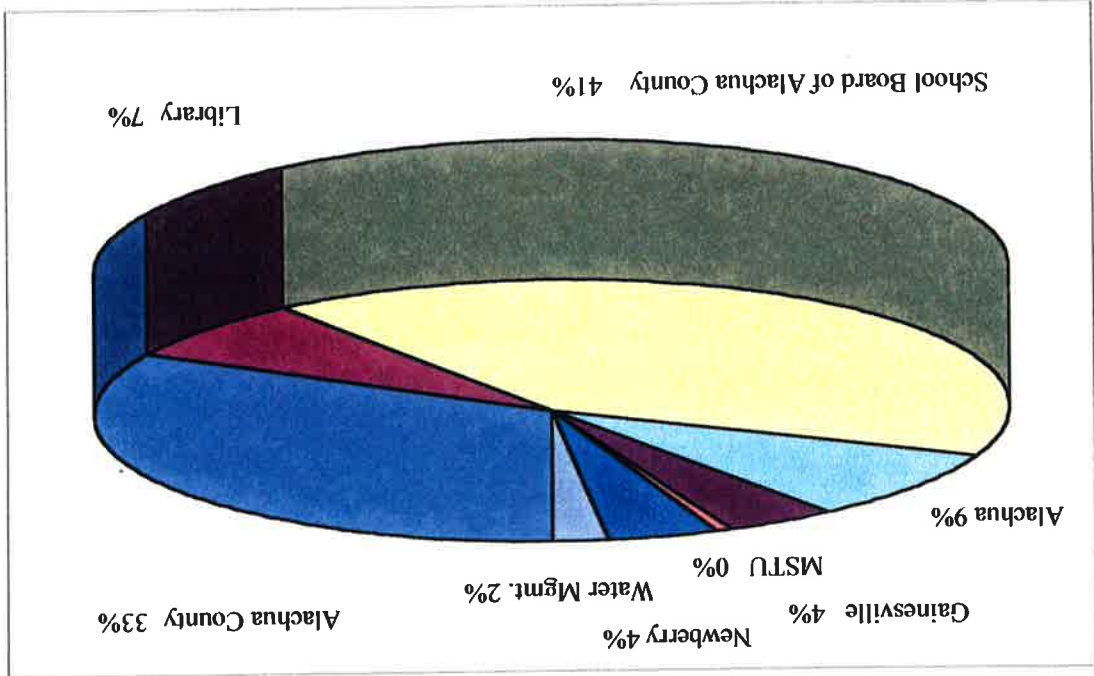
MANUFACTURING	OFFICE	DISTRIBUTION	TOTAL
\$3,480,001	\$301,078	\$2,385,265	\$6,166,344



ESTIMATED YEARLY PROPERTY TAXES PAID BY CEO-ASSISTED COMPANIES GENERATED BY EACH TAXING AUTHORITY

(at current millage rates when facilities are constructed and fully on the tax rolls)

Taxing Authority	Estimated Yearly Property Taxes Paid by CEO-Assisted Companies
ALACHUA COUNTY	\$2,029,704
LIBRARY	\$439,757
SCHOOL BOARD OF A.C.	\$2,532,106
CITY OF ALACHUA	\$524,944
CITY OF GAINESVILLE	\$242,069
UNINCORPORATED MSTU	\$30,128
CITY OF NEWBERRY	\$254,400
WATER MGMT.	\$113,236
TOTAL	\$6,166,344

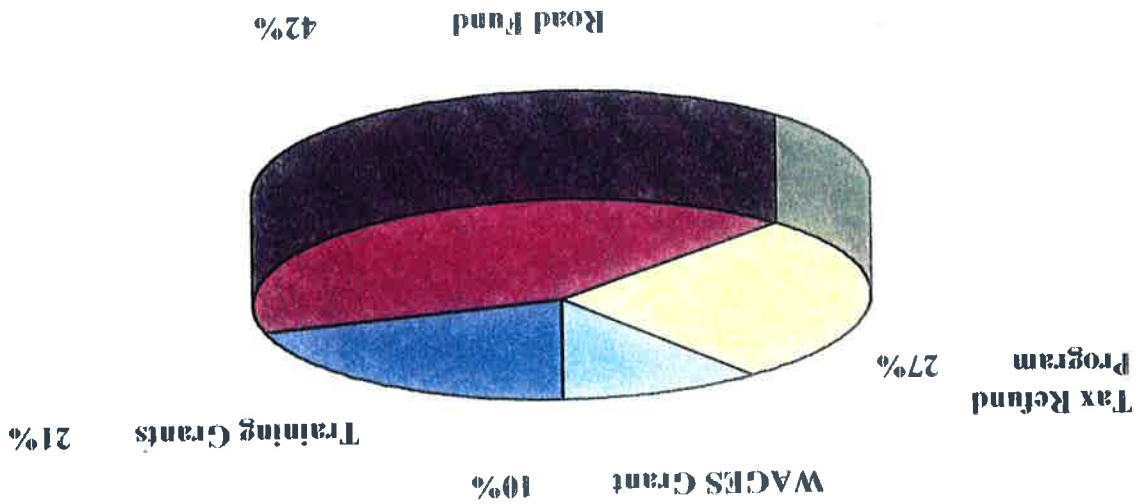


**STATE FUNDING FLOWING TO
 ATACHUA COUNTY
 FOR ECONOMIC DEVELOPMENT PROJECTS
 1994 - 2000**

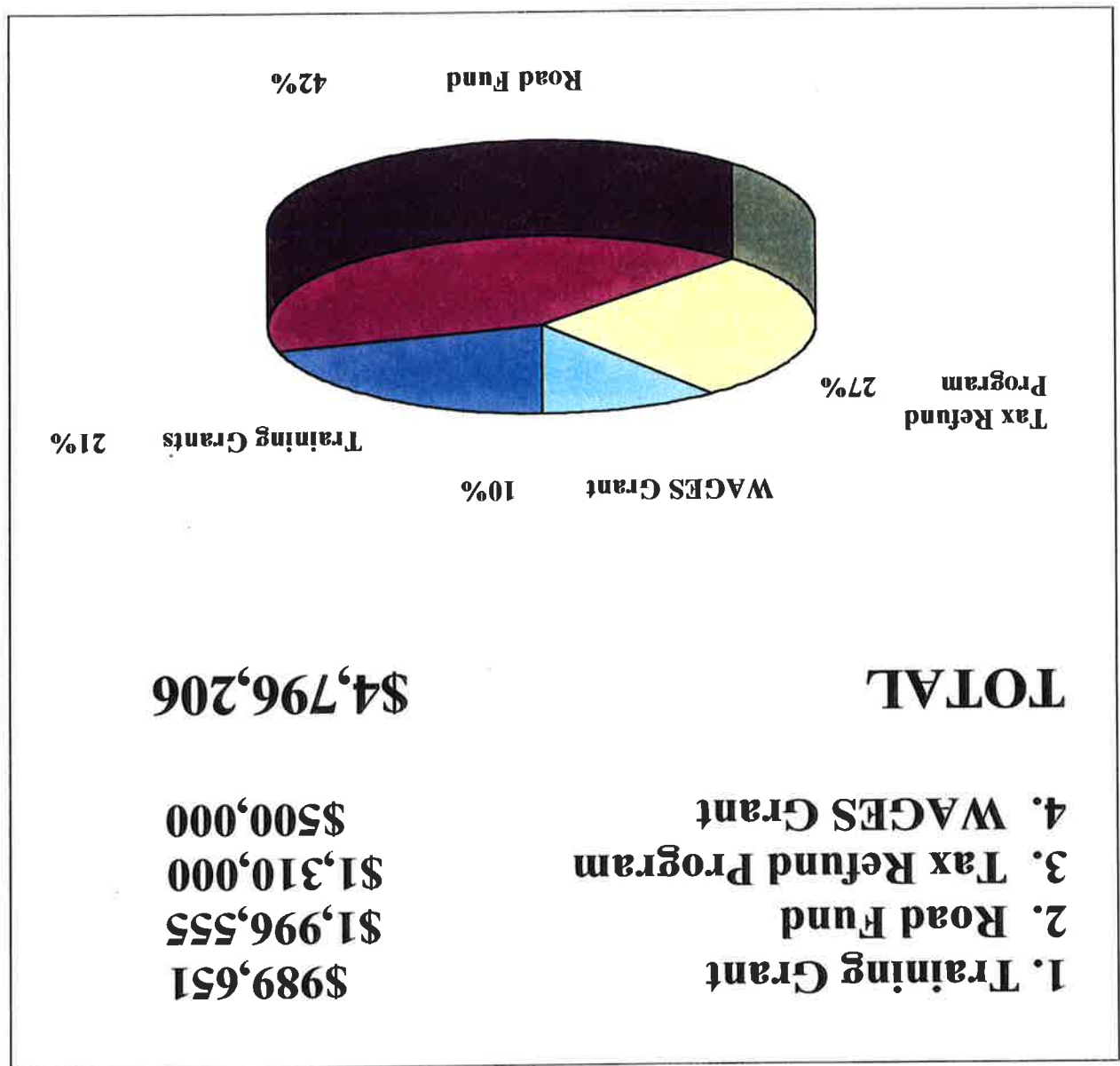
1994	Kenneth O. Lester	Road Fund	\$783,000
1995	Sabine	Road Fund	\$36,000
1996	Nationwide Insurance Company Naylor Communications	Training Grant Training Grant	\$156,624 \$35,353
1997	American Polysteel Forms Medical Device Technologies Nordstrom	Road Fund Road Fund Road Fund	\$128,149 \$74,500 \$974,906
1998	Exactech	Training Grant	\$65,962
1999	Dollar General Corp. Nordstrom	Tax Refund Program WAGES Grant (est.) Training Grant	\$770,000 \$387,683 \$500,000 \$85,479
2000	Regeneration Technologies Inc. Tower Hill Insurance Group Exactech Inc.	Tax Refund Program Training Grant Tax Refund Program Training Grant Training Grant	\$300,000 \$81,165 \$240,000 \$85,785 \$88,000
	TOTAL		\$4,792,606

**STATE FUNDING FLOWING
TO ATACHUA COUNTY
FOR
ECONOMIC DEVELOPMENT
PROJECTS
1994 - 2000**

	TOTAL
1. Training Grant	\$989,651
2. Road Fund	\$1,996,555
3. Tax Refund Program	\$1,310,000
4. WAGES Grant	\$500,000
	\$4,796,206



**STATE FUNDING FLOWING
TO ATACHUA COUNTY
FOR
ECONOMIC DEVELOPMENT
PROJECTS
1994 - 2000**



AGREEMENT

THIS AGREEMENT, made and entered into this 11 day of May, A.D.,

2000 by and between the City of Gainesville, Florida, a Florida municipal corporation, doing business as Gainesville Regional Utilities, hereinafter referred to as "GRU", and the Council for Economic Outreach, a Florida non-profit corporation, hereinafter referred to as the "CEO";

W I T N E S S E T H :

GRU and the CEO, for and in consideration of the mutual covenants herein made and the benefits flowing from each party to the other, do hereby agree as follows:

I. CEO obligations:

A. Services to be provided:

The CEO shall, within the boundaries of Alachua County, Florida, which boundaries include the service area of GRU, provide the following enumerated services:

1. Develop, implement and maintain an economic development action plan in accordance with the original goals of the CEO attached hereto as Exhibit "A" and incorporated herein by reference.

2. Make every reasonable effort to pursue economic development strategies, which will provide tangible long-term business benefits to GRU and its utility customers.

3. Develop, publish and distribute appropriate and up-to-date marketing materials which effectively promote available community assets in a manner which is attractive to targeted industries and businesses.

4. Develop and maintain appropriate demographic, market trend, commercial and industrial site and facility information and databases designed to provide timely, current and accurate information about available community assets in a manner tailored to the needs of targeted industries and businesses.

5. Develop and implement an aggressive marketing and recruitment program to attract new domestic and foreign direct capital investment into the community.

6. Maintain an effective membership development program designed to expand and diversify CEO membership and increase public and private financial support for economic development activities within the community.

B. Audit and records.

To support the grant of funds by GRU the CEO shall:

1. Maintain financial records and reports relating to the utilization of all funds provided to the CEO by GRU and to provide GRU, through the General Manager, with two (2) copies of its annual independent audit. Such audits shall be performed in accordance with generally accepted auditing standards and shall be performed by a Certified Public Accountant licensed by the State of Florida.

the number of companies responding, the follow-up activities carried out and final results; the following: (1) A summary and description of targeted industry mail-outs carried out; Program. In addition, the quarterly and year-end reports shall include but not be limited to which detail the completion of, or progress on, tasks set-forth in the annual Work copies of such work programs, quarterly progress reports and annual progress reports annual Work Program for the succeeding calendar year. The CEO will furnish GRU with By January 1 of each year the CEO will develop and implement an

C. Work Program and Progress Reports.

materials during such period. Any person so requesting shall have full access to and the right to examine any of such agreement for no less than three (3) years following final payment under this agreement. 5. Retain all books, records, and other documents relative to this

personnel duly authorized by GRU's General Manager. provided by GRU shall be available at all times to inspection, review, or audit by 4. Insure that all records identified herein which relate to funding

any nature.

accounting procedures and practices, which sufficiently and properly reflect all costs of 3. Maintain books, records, documents, and other evidence and

substantially the form as the financial report attached hereto as Exhibit "B". Annual Financial Report at the end of the contract year ending December 31, 2000 in Financial Reports to GRU, or more frequently as may be requested by GRU, and an 2. Maintain financial records and reports and submit Quarterly

The CEO shall act as an independent contractor in providing the services identified herein and not as an employee or agent of GRU for all aspects associated with or covered by this agreement. The CEO shall be liable and agrees to be liable for and shall indemnify, defend, and hold harmless GRU, its employees, agents, or officers from all claims, suits, judgments, or damages arising from the performance of the services required by this agreement. GRU and each officer, agency, and employee

D. Independent Contractor and Indemnification.

of the contract term ending December 31, 2000.

progress report shall be furnished to GRU no later than thirty (30) days following the end of the contract term ending December 31, 2000. The CEO shall also furnish GRU with such other reports and information as the City of Gainesville/GRU may request. An annual dollar values of recommended incentives. The CEO shall also furnish GRU with such hourly wages to be paid, relevant state and local taxes generated, and descriptions and site location, number of new employees to be hired, new payroll generated and average investment outlay to be made by the company, industrial/commercial space requirements, information required for such evaluations will include, but will not be limited to, capital to assist with the evaluation of the costs and benefits of relocations or expansion. information from companies considering relocating to or expansion within Alachua County expand elsewhere. The CEO will also work with the City of Gainesville/GRU to collect company and other key factors that influenced the company's decision to locate or information can be reasonably obtained, a description of the incentives provided to each together with a description of the incentive package offered by CEO and, to degree such and 2) A summary of all prospects assisted by CEO that chose a competing community

To grant to the CEO the sum of up to One Hundred Thousand Dollars (\$100,000.00) for the contract term, subject to the availability and appropriation of funds by the City Commission of the City of Gainesville, the performance of the services, and to the completion of any condition precedent to any payment provided for herein. Funding shall be paid in four (4) equal quarterly installments at the end of each quarter, commencing the first quarter of calendar year 2000, upon receipt of the annual Work Program and the quarterly progress reports required in Section I.C. and the quarterly financial reports required in Section I.B.2. The second quarterly installment shall also require prior receipt of the annual audit for the preceding contract year required in Section I.C.1. The fourth and final quarterly installment shall also require prior receipt of the annual progress report, the succeeding year Work Program required in Section I.C. and the Annual Financial Report required in Section I.B.2.

II. GRU agrees as follows:

The CEO may not assign, convey, pledge, or otherwise dispose of any interest in this agreement or funds provided by GRU, and shall not transfer any interest in the same.

E. Assignment.

The CEO may not assign, convey, pledge, or otherwise dispose of any interest in this agreement or funds provided by GRU, and shall not transfer any interest in the same. The CEO shall be held harmless against any and all claims for personal injury, bodily injury, wrongful death, or property damage caused directly or indirectly by the CEO in the performance of this agreement.

This agreement shall continue and remain in full force and effect as to all of its terms, conditions, and provisions until and unless any party shall give written notice to the other party of its intent to terminate this agreement, with or without cause, on a specified time and date thereafter. Such written notice to terminate this

C. Termination with or without cause.

shall not be modified except in writing signed by the parties. agreements between the parties respecting the same subject matter. This agreement respect to the subject matter of this agreement and supersedes any prior written or oral agreement contains all the terms and conditions agreed upon by the parties with B. Inclusive terms and conditions, modifications. This

including the 31st day of December, A.D. 2000.

2. This agreement shall cover a period of time up, through and

January, A.D., 2000.

1. The effective date of this agreement shall be the 1st day of

A. Effective date and term of agreement.

IV. General terms of agreement:

as required to operate and maintain the CEO office.

salaries and fringe benefits of CEO employees, office expenses, utilities, office rental & leases, office machinery & equipment, books, dues & subscriptions and outside printing Funds provided by GRU shall be used exclusively for the payment of

III. Use of funding.

agreement shall be given no less than thirty (30) days prior to the date this agreement shall be so terminated. In the event of any such termination, the CEO shall be paid by GRU for all services actually, timely, and faithfully rendered up to receipt of the notice of termination and, thereafter, for all other services authorized in writing by GRU.

D. Notices.

Except as otherwise provided herein, any notice, acceptance, request, or approval from either party to the other party shall be in writing and sent by certified mail, return receipt requested, and shall be deemed to have been received when either deposited in a United States Postal Service mailbox or personally delivered with signed proof of delivery. For purposes of notices hereunder, GRU's representative and the CEO's representative are:

GRU: Michael L. Kurtz, General Manager
Gainesville Regional Utilities
P.O. Box 147117, Station A134
Gainesville, FL 32614-7117

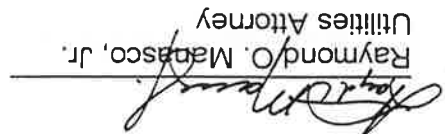
CEO: William D. Olinger, Chairperson
Koff Olinger Financial Group
2700 N.W. 43rd Street, Suite A
Gainesville, FL 32606

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed for the uses and purposes therein expressed on the day and year first above-written.

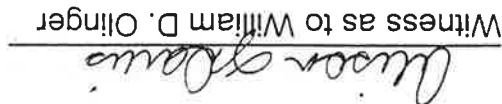
GAINESVILLE REGIONAL UTILITIES

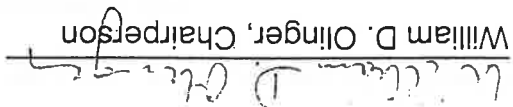

Michael L. Kurtz, General Manager

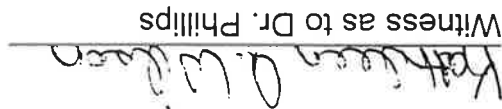
Approved as to form and
legality:


Raymond O. Manasco, Jr.
Utilities Attorney

COUNCIL FOR ECONOMIC OUTREACH


Witness as to William D. Olinger


William D. Olinger, Chairperson


Witness as to Dr. Phillips

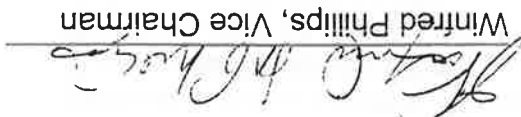

Winfred Phillips, Vice Chairman

EXHIBIT "A"

CEO GOALS

Goal 1 Create one of the region's most effective organizations for economic outreach.

Goal 2 Create an effective team approach with a high level of community support for economic diversification.

Goal 3 Create a framework whereby the community leadership can develop an action oriented agenda for Gainesville.

Goal 4 Focus Gainesville/Alachua County attention and effort on the employment problems of the disadvantaged.

Goal 5 Interpret global issues in local economic development terms.

EXHIBIT "B"

COUNCIL FOR ECONOMIC OUTREACH - FINANCIAL REPORT

FIRST QUARTER REPORT
(JANUARY 1, 1998 - MARCH 31, 1998)

Funds received from the Gainesville Regional Utilities/City of Gainesville are utilized in specific categories as per our contractual agreement.

Gainesville Regional Utilities/City of Gainesville Annual Contract Commitment: \$100,000.00

EXPENDITURES

	<u>First</u> <u>Quarter</u>	<u>Contract to</u> <u>Date</u>
Salaries	\$48,890.00	\$ 48,890.00
Rental & Leases	\$ 4,671.00	\$ 4,671.00
Equipment	\$ 318.00	\$ 318.00
Utilities	\$ 781.00	\$ 3,844.00
Office Expenses	\$ 2,541.00	\$ 2,541.00
Printing	\$ 9,403.00	\$ 9,403.00
Books, Dues & Subscriptions	\$ 863.00	\$ 863.00
TOTAL	\$68,449.00	\$ 68,449.00

