





**OPPORTUNITIES:** Ray Gilley, CEO of the Metro Orlando EDC, says his role is to bring good opportunities to local government. Local government's role, he says, is to understand and weigh a company's benefits vs. demands on the community.



Growth & Redevelopment office and the county had some serious flaws in it," he says.

Hunkered down amid the blame storm, Metro Orlando EDC officials aren't talking much. Spokeswoman Jennifer Wakefield says EDC officials would not discuss questions related to the case — saying only

that the incentives package offered to Hess did not amount to a guarantee. "We don't make promises," Wakefield says.

At the November meeting at which commissioners voted down the incentives, Ray Gilley, president and CEO of the Metro Orlando EDC, said he saw his role as bringing good opportunities to local government. Local government's role, he said, is to understand and weigh a company's benefits vs. demands on the community.

Lake County Economic Growth & Redevelopment Director Dottie Keedy says she had to keep many elected officials in the dark about Niagara. Economic developers sign strict confidentiality agreements with companies such as Niagara, and every county official she introduces to a potential company has to sign an agreement, too. "I usually don't talk to the commission until things are pretty far along," Keedy says. "My concern is always, the more people who know, the more difficult it is to keep quiet."

Commissioner Renick, known for her work on water issues going back to her years on the Clermont City Council, was distraught to learn about Niagara's plans from an *Orlando Sentinel* reporter rather than the county manager, who knew well her interest in water. "But when I read the confidentiality agreement, I understood," Renick says. "You'd be scared to death to talk if you'd signed it."



**SUPPLY LINE:** California-based Niagara Bottling — a \$300-million, family-owned company — produces private-label bottled water for Costco, Albertsons and many Vegas casinos.

most important resource created what longtimers say was the loudest — and broadest — public outcry in memory.

The elected officials, including a county commissioner who had met with Hess and supported Niagara's plans, got the water religion. Two months after Hess closed on the property, Lake County commissioners unanimously voted down Niagara's incentive package. Groveland city commissioners, meanwhile, unanimously denied the company's request for the sanitary sewer connection that's crucial to Niagara's operations.

## On the q. t.

Niagara Bottling Co. went "from hero to zero — overnight," Hess says. "It is the absolute most unfair thing I've ever seen."

The issue, elected officials say, is not economic development or growth vs. no growth. It's water. Lake County is front and center in Florida's water crisis: Water managers have told local officials they must find and fund alternative sources by 2013 when population growth will outstrip sustainable groundwater supply. The county has been warring with neighboring developments, including The Villages, over permits to pump groundwater and over possible diversions of surface water. "The idea of having a company mine our water resources and ship them out of the county when we are asking people to conserve and pay for alternative sources is just ridiculous," says Lake County Commissioner Elaine Renick.

A majority of local elected officials share Renick's viewpoint. Commission Chairman Welton Cadwell, a 16-year commission veteran who was kept in the dark about the plant, says he and colleagues are stumped by how oblivious the economic developers were to the water crisis. He's also puzzled how they could ignore the prevailing political winds — in the fall of 2006 voters had elected a more environmentally conscious board. "The communication link between the (Metro Orlando) EDC, the Lake County Economic

## Bitter aftertaste

Timing may have hurt Niagara as much as anything. The commission voted on the company's incentives just as Florida newspapers were reporting on how Atlanta was months from running out of water as Lake Lanier was drying up. Meanwhile, bottled water, still one of the fastest-growing segments of the U.S. beverage industry with average sales increases of 10% a year for the past decade, has begun to lose some appeal. Americans worry increasingly about bottlers siphoning off water resources and about the energy and pollution involved in making the plastic bottles. (This month, Niagara, which makes its own bottles, launches a new bottle 20% lighter than any other on the market.)

Hess also must share some of the blame. Relying on what he viewed as guarantees from managers within local government, he closed on Niagara's property before anything was put to vote. "He knows how government works, and I think he should take some responsibility for buying the building before he knew he had the support," says Renick.

Hess says some commissioners apologized before the incentives vote, telling him, "Yes, you're about to get the shaft, but we're not willing to take one for the team." The county commissioners, he says, "appear to be good people, and it would be one thing if they were playing games with their own money. But they're playing games with my money, and that's very frustrating."

Hess feels even more bitter about the city of Groveland, which he says also welcomed him in the beginning. While the industrial park is outside city limits, Niagara originally hoped to buy up to 500,000 gallons of water a day from Groveland, a prospect that Hess claims thrilled local officials. But the town changed its tune after the St. Johns River Water Management District laid down the law — Groveland's own permit is for less than 300,000 gallons of groundwater a day, and the water district is making the town and other local governments cooperate in planning for alternative sources.

Despite the withdrawal of county incentives and Groveland's rejection of Niagara's request for a sewer connection, the company is still trying to build its plant. It's steaming ahead with its request to the water management district for the 500,000-gallon permit. Both the county and the city have vowed to fight

