

Collier County Commissioner's Business Deals Spark Questions of Conflict

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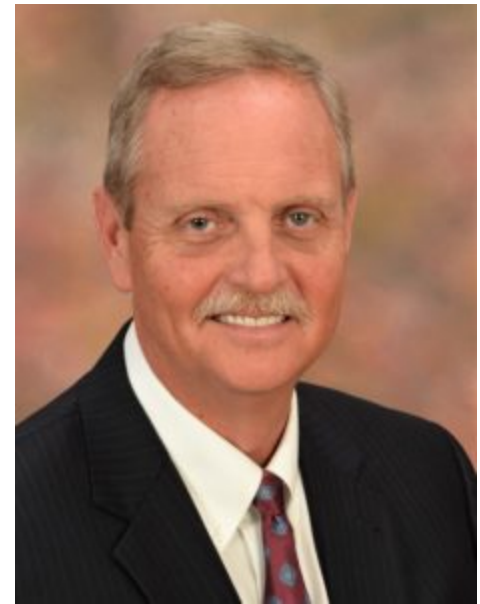
Lead Photo: William McDaniel's business owned the land in the northeast part of the proposed Immokalee Road Rural Village development where the Big Island Excavating business he ran with a partner once operated. That land is where the developer proposes building a new public road that would provide access to Immokalee Road along the northeastern boundary. Courtesy WINK News

Editor's Note: This article was produced in partnership with [The Florida Center for Government Accountability](#), a nonprofit legal and journalism program advocating public access to local government.

When William McDaniel ran for Collier County Commission in 2016, he campaigned on his business experience in real estate and as founder of an excavation company. He won the election, despite a history of business problems, including unpaid tax liens, property foreclosures and personal liability for multimillion-dollar business loans.

After taking office, McDaniel's fortunes changed. He helped set up the sale of his business property to a developer planning a rural village in north-central Collier. The deal erased his obligation to pay \$42.7 million owed on two defaulted loans and gave the development crucial access to Immokalee Road.

Some Collier County residents have questioned McDaniel's interests in the transaction. The deal allowed Palm Beach County developer Jeff Greene to buy McDaniel's former excavating company's land for the Immokalee Road Rural Village plan. New details about the deal and how McDaniel benefitted have renewed those concerns.



William McDaniel

McDaniel had a business relationship with Greene before the sale, recommended him as a buyer for his land during the foreclosure negotiations and insisted that his personal responsibility for the defaulted business loans be erased as part of the deal to quickly sell the Collier land, according to court records and interviews.

In March, McDaniel voted with his fellow commissioners to start the approval process for the Immokalee Road Rural Village project. Commissioners in the coming months will consider changing the county's growth plan and rezoning the property in the environmentally sensitive rural area for the new homes and businesses promised by Greene.

Critics of the plan argue McDaniel's connection to the land deal serves at the very least as an example of how some commissioners are too cozy with developers. At worst, McDaniel's case serves as an example of a commissioner personally benefiting from a development project, some residents argue.

"There's a huge issue here of quid pro quo," said Michael Ramsey, president of the Golden Gate Estates Area Civic Association, which represents the community just south of the planned development.

"They both have interests," Ramsey said of the developer and McDaniel. "He does have a conflict of interest."

McDaniel acknowledged he had a business relationship with Greene, recommended him as a buyer for his land as part of the Immokalee Road development and negotiated erasing his obligation to pay any of the millions owed in principal, interest and other charges on the two loans he personally guaranteed, including on the commercial debt tied to the Collier property. But he said those facts don't present a conflict that would keep him from voting on the project.

“If there were a conflict, I would have recused myself,” McDaniel said in an interview, pointing out that Collier County Attorney Jeffrey A. Klatzkow advised him that he saw no conflict that would require him to abstain from commission business related to the development. Klatzkow said in an interview he doesn’t believe McDaniel has a conflict because he no longer owned the land when he voted in March to support the approval process for Greene’s development.

“There are rules and there are laws. I haven’t broken any rules or any laws,” McDaniel said. The state ethics form instructing county commissioners about potential conflicts of interest notes: “A person holding elective or appointive county, municipal, or other local public office must abstain from voting on a measure which would inure to his or her special private gain or loss.”

McDaniel’s future support of the project is important when the amendment to the county’s growth plan returns to the commission this spring or summer. A supermajority of four of the five commissioners must approve the change sought by the developer and changes in zoning needed for the project.

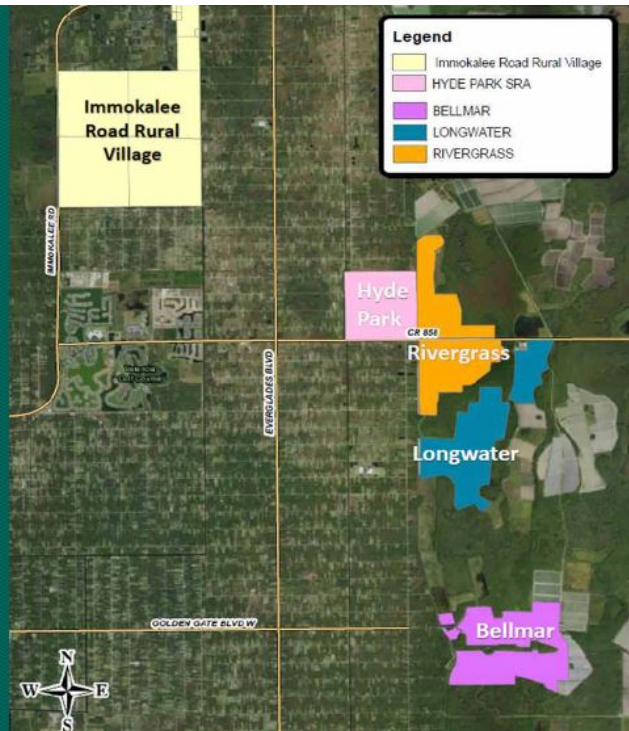
Todd Allen, a Naples lawyer who specializes in personal and business foreclosure defense, said it’s unusual for a business owner who guaranteed a large loan to have all personal responsibility waived for the debt.

“I’ve never seen it on a commercial client,” Allen said, noting that it’s more commonly seen in foreclosure actions on personal residences.

That’s what happened in the 2014 foreclosure on a Naples residence McDaniel owned off Logan Boulevard. The final foreclosure agreement waived his personal obligation on the more than \$1 million owed in principal, interest and other charges from the 2006 loan to buy the Tamarind Ridge Drive house on more than two acres.

Rural Lands Stewardship Area Villages

- Rivergrass: 997.53 acres/2,500 units (2.5/acre)
- Hyde Park: 655 acres/1,800 units (2.75/acre)
- Longwater: 999 acres/2,650 units (2.65/acre)
- Bellmar: 999 acres /2,750 units (2.7/acre)
- Immokalee Road Rural Village: 2,787.27 acres /4,042 total units (2.0/acre)
(1.45/acre of 2,787.27 acres)



Immokalee Road Rural Village map

Greene's Immokalee Road Rural Village project proposes transforming about 2,787 acres in north-central Collier County into a community of 4,042 homes with lakes and parks, including 400 affordable housing units. The community also would include up to 375,000 square feet of space for commercial use, government and civic services, and a research and business park, along with acreage set aside as buffers to protect environmentally sensitive areas.

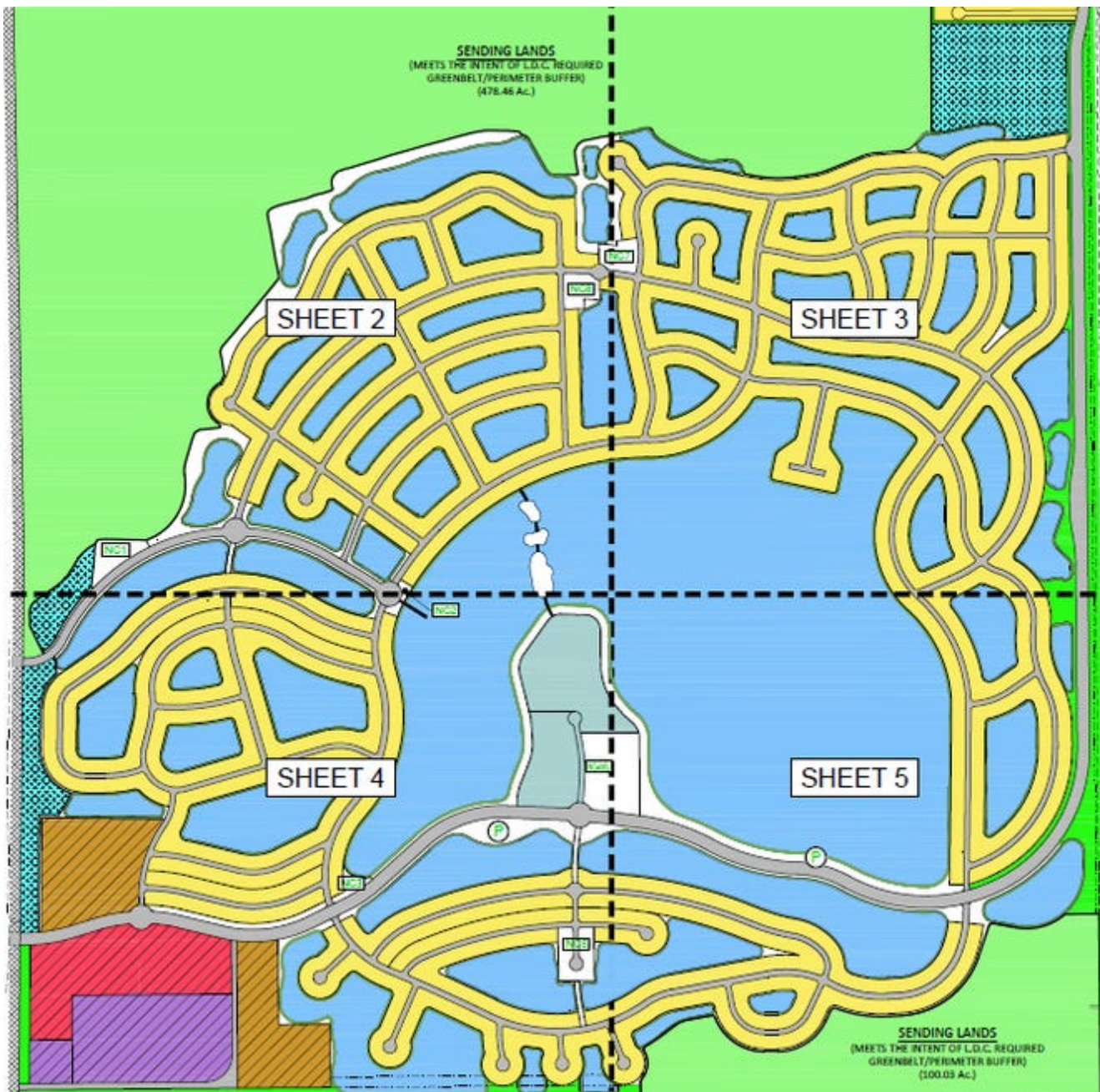
The planned development is just northwest of three additional villages proposed for Collier County, located on the fringe of the county's Rural Land Stewardship Area in Golden Gate Estates. The proposed village using land once owned by McDaniel would start off Immokalee Road about two miles north of Oil Well Road as it runs north and south, with a second entrance on the northeast side where Immokalee Road turns east again. McDaniel's business owned the land in that northeast part of the development where the Big Island Excavating business he ran with a partner once operated.

That land is where the developer proposes building a new public road that would provide access to Immokalee Road along the northeastern boundary. The new road would connect to the development's planned main entrance farther south at a second point along Immokalee.

A large lake left after years of excavating sand and rock covers much of the land McDaniel's excavation business once owned. The development proposal includes the possibility of making the lake available for public use and also designates a big part of the more than 200 acres as neutral lands under the county's growth management plan. That land also would accommodate some of the more affordably priced houses proposed for the community.

McDaniel used that property as collateral in 2007 when he and his business partner borrowed \$10 million from Florida Community Bank. The three-year loan required monthly payments and regular principal payments from his mining businesses, court records show. In addition to the land offered as collateral, McDaniel and his partner both personally guaranteed the loan, agreeing to make payments if the business defaulted.

In about 2010, McDaniel's business stopped making payments on the loan and another \$10 million loan he secured in 2005 from Florida Community Bank, using separate Hendry County property as collateral owned by another one of his businesses. He and his business partner also had personally guaranteed the 2005 commercial loan.



Federal regulators took over Florida Community Bank in 2010 and sold its assets to a holding company that kept the historic Southwest Florida bank's name. The Federal Deposit Insurance Corp. became responsible for the many millions in loans gone bad, like those to McDaniel and his businesses, and was forced in 2010 to cover more than \$350 million of the bank's losses.

The two loans given to McDaniel and his businesses sat mostly unpaid for years, except for some interest payments McDaniel said he made after selling equipment. Because he and his partner personally guaranteed the loans, they remained liable for the debt along with their businesses.

In May 2016, one of Greene's limited liability companies purchased 2,553 acres off Immokalee Road for nearly \$38.5 million. The property was just south of McDaniel's more than 200 acres. McDaniel, who has spent years in the real estate and development business, said in an interview that he knew of Greene's interest in developing the land "the day he bought it."

"He had full intentions of developing that property," McDaniel said.

At the time, McDaniel was campaigning for his first term as Collier County commissioner to represent the area. His businesses had been struggling under tax liens, foreclosures and the unpaid debt, and he had lost his Golden Gate Estates home two years earlier to foreclosure. McDaniel said he continued operating his mining and excavating business just north of Greene's property, including working for Greene's business on part of the newly purchased land.

In July 2016, Greene contributed the \$1,000 maximum allowed to McDaniel's campaign, according to contribution records.



Courtesy *WINK News*

McDaniel said he knew the value of his land to any development to the south shortly after he bought the last 100 acres in 2001 for \$2.5 million. A year or two later, Don Barber, a Collier County builder and part owner of the land, showed McDaniel a development plan that included a new public road running through the Big Island Excavating property onto Immokalee Road.

“It was always a logical exit to the north and to the east onto that road,” McDaniel said, adding he discussed that with Greene. “I talked to him about the road and the project.”

McDaniel said he discussed partnering to buy the debt with William Higgs, a friend who is head of the Power Corporation development company in Naples. McDaniel said they discussed buying the loans and obtaining control of the property tied to it.

About a year after McDaniel won his election as Collier County commissioner, businessman Gregory Jarrett used money borrowed from Higgs’ company to buy McDaniel’s two defaulted loans, court records show. Jarrett, who said he specializes in buying distressed debt,

purchased the loans in December 2017 for \$900,000, giving him the opportunity to collect whatever he could on the debts from McDaniel, his businesses and his partner, court records show.

Jarrett, who lives part-time in Naples, said he wanted to foreclose quickly on the Collier County property once owned by McDaniel's excavating business so he could sell it and make a profit through a quick turnaround deal. McDaniel said he discussed Greene's interest in the property with Jarrett to help his planned village development.

"I told Greg Jarrett that Jeff Greene could be one of his possible buyers for that property," McDaniel said.

In an interview, Jarrett said he already knew about Greene's interest in the property.

McDaniel also said he insisted on a significant condition if Jarrett and his business partner at the time wanted to move quickly on selling the Collier County property. McDaniel said his years serving on local bank boards and in real estate taught him that a debtor like him could protect his interests, even seek bankruptcy, all steps that could delay a foreclosure for years.

Because Jarrett wanted a quick foreclosure and sale, McDaniel said he insisted that Jarrett and his partner waive any further responsibility to pay the remaining debt after the foreclosure that McDaniel, his partner or businesses would have. He said Jarrett and his business partner, William "Larry" Smith, agreed to the deal.

"Greg and Larry are very sophisticated investors. They had only begun the infancy stages of the foreclosure process," McDaniel said, adding later that all the parties benefited from the deal that wiped away his responsibility for the debt, gave Jarrett a consensual foreclosure that could move quickly and allowed Greene to buy the land.

"We all knew the rules. They knew the rules just as well as I knew the rules," McDaniel said.



Courtesy *WINK News*

Before the deal, Jarrett and his partner started the foreclosure process by filing suit in February 2018, naming McDaniel in a complaint that noted he was personally responsible for the debt of \$23.3 million tied to the Collier property, along with his partner, James Ivey, and their Big Sky Excavating business.

That year as Jarrett was proceeding with the foreclosure of McDaniel's land and the sale to Greene, McDaniel reported his net worth at nearly \$2 million in his financial disclosure form that he is required to file as a commissioner. He reported assets that included \$60,000 in a checking account, a \$1.5 million home in Naples that he lists as his homestead on Logan Boulevard, a \$250,000 Naples rental home on Doral Circle, a \$10,000 undeveloped lot in Golden Gate Estates, and more than \$400,000 in business assets, according to his 2018 disclosure form.

McDaniel said in an interview that his actual net worth likely was half that when considering his estranged wife can claim half. He said the two have been separated for many years, but have never filed for divorce.

Jarrett said in an interview that he was more interested in the Collier land tied to McDaniel's business than he was in pursuing the commissioner's assets to collect on as much as possible of the \$23.3 million in debt, despite the fact that McDaniel's reported assets totaled more than the Collier land's worth.

"It's going to cost me \$150,000 to hire an attorney to go get it," Jarrett said. He and his partner waived further responsibility for the debt for McDaniel, his partner and his business in the foreclosure, court records show.

"It was a good deal for Bill. It was a good deal for us," Jarrett said. McDaniel agreed. "It was a fortuitous thing for us to work together."



Courtesy *WINK News*

Although he was named personally in the lawsuit filed earlier to begin collections on the debt, McDaniel did not report the debt on his financial disclosure forms or the benefit he received when it was waived in the foreclosure. The Internal Revenue Service requires such waivers of debt, known as waivers of deficiency in a foreclosure, to be reported in annual income tax filings.

McDaniel said he reported the waiver to the IRS, but didn't report the debt or the waiver on his financial disclosure form in 2018 because he said he was advised it was a "contingent liability" that he held as a personal guarantor of the debt that did not have to be publicly disclosed.

While Jarrett and McDaniel said there were multiple parties interested in buying the Collier land, Greene bought it through a limited liability company for \$1.5 million on Oct. 29, 2018, days after the foreclosure sale process was completed on Oct. 18, 2018.

When Greene's representatives hosted a community meeting a year later to discuss his proposed village development in north-central Collier County, the issue of McDaniel's "vested interest" in the project surfaced during a question-and-answer session, according to an audio recording of the meeting. Stanley Fogg, a Naples nursery owner who lives near the proposed development, asked about McDaniel.

While McDaniel did not attend the meeting, Bob Mulhere of Hole Montes, a Naples civil engineering firm, interjected after Fogg cited McDaniel's interest, saying the commissioner no longer was tied to the property. "Not anymore, I don't think," Mulhere said.

Mulhere also pointed out that there was a middleman in the sale of McDaniel's land to Greene. "I don't know about Bill McDaniel. I know that my client didn't buy it from Bill," Mulhere said.

Ramsey, head of the Estates civic association, said the deal that led to the sale of McDaniel's land, how he benefitted from it and questions about his role present a conflict of interest for the commissioner.

"He's helping all these people who helped him with his debt," said Ramsey, whose association often criticizes McDaniel's close ties to developers.

In an interview, McDaniel said he merely recommended Greene as a possible buyer for his land. "I wasn't involved in the transaction," he said. That was left to Jarrett and his partner.

McDaniel still co-owns Lazy Springs recreational park in Hendry County, leasing space on the land his business once owned from a limited liability company owned by Jarrett's former partner, Larry Smith.

Jarrett and Smith recently settled a series of lawsuits stemming from their dispute over business deals, including the purchase of the debt owed by McDaniel, his partner and his businesses and the land tied to the loans. The Hendry County property also was foreclosed on and McDaniel's responsibility for the \$19.4 million owed in principal, interest and other charges also was waived by Jarrett and Smith in that foreclosure, court records show. When asked if he would go into business with Smith, who helped erase his debt, McDaniel said: "Time will tell."

McDaniel said he believes he acted as any good businessman would have to protect his personal and corporate interests, and he did so without creating a conflict for his role as a county commissioner to vote on Greene's development.

"I have done nothing wrong," McDaniel said. "I won't, on the premise of someone's perception, recuse myself as a commissioner."

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