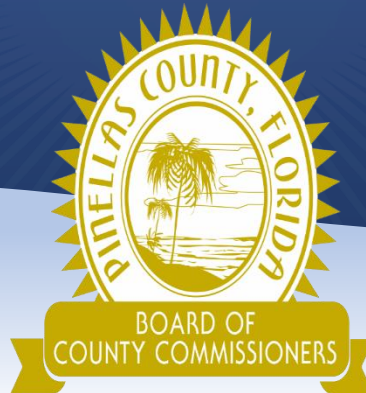


STAR CENTER UPDATE

Presented by Paul Sacco
February 5, 2019



Our Vision:
To Be the Standard for
Public Service in America.

Requesting Board Direction



- **Continue to manage and redevelop OR attempt to sell**
 - **The Economic Development Authority (EDA) owns the facility.**
 - **Real Estate Management (REM) provide property management services**





Board Presentation

- **Why the Board's decision to sell (FY15)?**
 - **Economic Development (ED) Project Success**
 - **Large capital required for future CIP projects**
 - **Use of sale proceeds for other ED projects**



For Sale

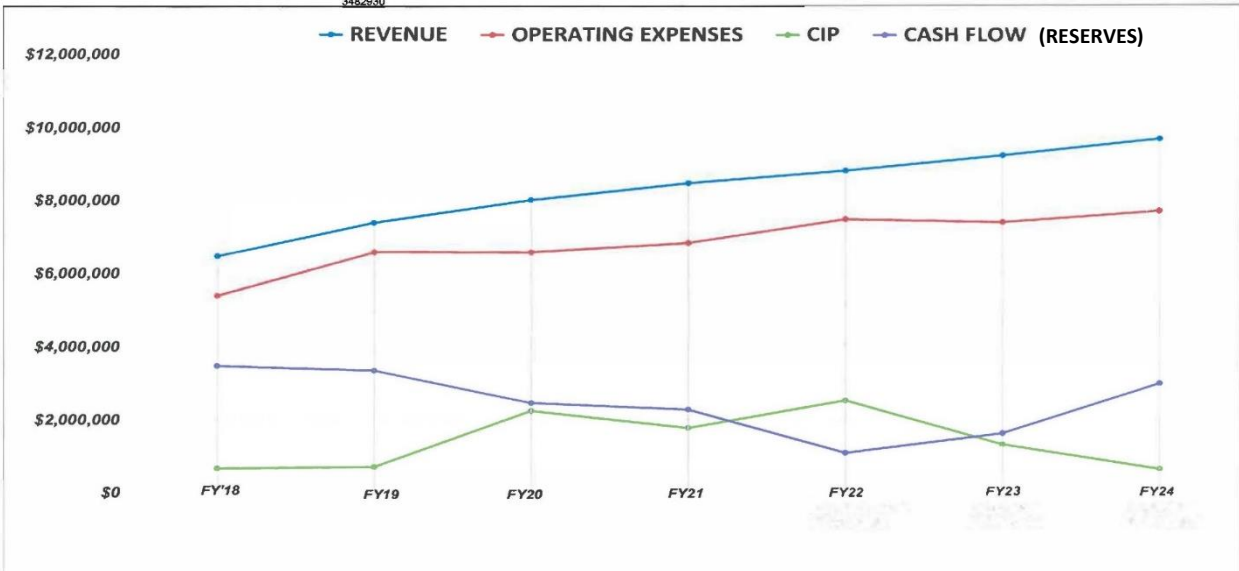
- **Two Request for Negotiation (RFN) Processes**
 - **FY16 – Two submittals received**
 - Industrial Realty Group (IRG) – awarded, protracted due diligence and negotiations resulted in no sale
 - Harrod Properties, Inc.
 - **FY18 – Three submittals received – none have staff support**
 - Harrod Properties, Inc.
 - Clearview Tower Company, LLC
 - Belleair Development, LLC



Financial Forecast

	FY'18 Totals	FY19 Total	FY20 Total	FY21 Total	FY22 Total	FY23 Total	FY24 Total
REVENUE	\$6,475,497	\$7,391,843	\$8,011,334	\$8,458,237	\$8,799,921	\$9,213,852	\$9,660,397
OPERATING EXPENSES	\$5,396,356	\$6,588,600	\$6,583,660	\$6,832,442	\$7,481,198	\$7,388,160	\$7,686,582
CIP	\$668,461	\$713,932	\$2,250,895	\$1,776,515	\$2,528,285	\$1,308,465	\$625,000
CASH FLOW	\$3,482,930	\$3,355,178	\$2,467,372	\$2,280,259	\$1,084,397	\$1,615,420	\$2,978,123

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Current State

- **81% Occupancy Rate**
- **Approximately 1,500 employees working on-site**
- **\$578K ad valorem taxes generated by all site entities**
- **\$100+M estimated economic impact**
- **The facility continues to operate in the black**
- **Bank reserves at \$3.4M**
- **Staffing at 6.0 FTEs (was 12.0 FTE in FY16)**
- **Tenant level of service is fair to satisfactory**



Options to Consider

- **Place back on the market**
 - **Income vs. market value appraisal approach**
 - **Recommend hiring a commercial broker**
 - **Extend the advertisement period**
- **Continue to manage and redevelop**
 - **Financials are sustainable**
 - **Develop vacant land and evaluate redevelopment to increase development density.**
 - **Possible use of Penny IV economic development funds for CIP projects, intrafund loan, and/or development of land.**

