

BOARD OF COUNTY COMMISSIONERS

DATE: October 21, 2014
AGENDA ITEM NO. 25

Consent Agenda

Regular Agenda

Public Hearing

 **County Administrator's Signature:**

Subject:

Declare Certain Economic Development Parcels As Surplus And Grant the Pinellas County Economic Development Authority To Sell And Use Sale Proceeds To Promote Economic Development Within Pinellas County.

Department:

Real Estate Management

Staff Member Responsible:

Paul Sacco, Director

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD), SITTING AS THE ECONOMIC DEVELOPMENT AUTHORITY (EDA), DECLARE CERTAIN PARCEL NUMBERS AS DESCRIBED IN EXHIBIT "A" ATTACHED SURPLUS AND GRANT THE EDA PERMISSION TO UTILIZE A REQUEST FOR NEGOTIATION (RFN) PROCESS TO ADVERTISE AND NEGOTIATE THE SALE OF THE PROPERTY, AUTHORIZATION TO SELL SUBJECT TO BOARD APPROVAL AND TO DIRECT THE PROCEEDS OF THE SALE TO THE EDA.

Summary Explanation/Background:

This property located at 7887 Bryan Dairy Rd, Largo, on the northwest corner of Bryan Dairy and Belcher Roads, is currently known as the Young-Rainey STAR Center. The property is comprised of approximately 96 acres in unincorporated Pinellas County and is zoned as M-1 (Light Manufacturing). This property was acquired through transfer from the legislative dissolution of the Pinellas County Industry Council (PCIC) to the EDA on July 1, 1999 and currently operates as a manufacturing campus that is managed and operated by the Real Estate Management (REM) Department on behalf of the EDA.

In March 1995, the U.S. Department of Energy (DOE) sold the property to the PCIC for the sole purpose of economic development, to retain jobs and preserve technology and the facility. For several years following the sale, DOE granted millions of dollars to the PCIC to bring the facility up to current building codes and replace aging infrastructure. The STAR Center has been operating as an economic development program ever since. Currently, there are over 30 entities operating at the STAR Center and the occupancy rate is approximately 92 percent. In addition, there are 1,500 employees working at the site today, which exceeds the 1,200 working at the site when the 1992 DOE decision was announced to shutdown the facility. Today, the economic impact from salaries alone exceeds \$125M.

REM provides property management (operations, maintenance and leasing) services for 588,947 rentable square feet (s.f.) on the property. There are five long-term land leases (27.73 acres) with Harrod Properties supporting seven buildings totaling over 400,000 s.f. Approximately 6.2-acres of land are available for future development, which are immediately adjacent to Belcher Road.

The STAR Center is designated as and operates as an enterprise fund. All revenues generated onsite are used to administer and manage the operations, maintenance and capital improvement activities. No general funds have ever been allocated towards the STAR Center. The current FY14 annual expenditure budget is approximately \$7.4M and there is approximately \$1M in reserves. The projected CIP investment through FY20 is \$8.3M, which is necessary for major maintenance and replacement (MMR) of building infrastructure such as; roofs, HVAC, and electrical switchgear.

Staff's recommendation to the Board is fourfold. First, with the exception of approximately six acres of Brownfield developable land, the EDA has maximized on-site economic development opportunities. Second, the magnitude of the \$8.3M CIP investment over the next six fiscal years will stress the STAR Center budget and may likely cause it to operate in the 'red' as it continues to operate as an economic development program. Third, the commercial real estate market has begun to rebound; however, the holding costs and future CIP investments will far outweigh any near term market increase. Fourth, as the County paid nothing for the facility, all proceeds can be utilized for further economic development activity.

A property valuation appraisal was performed in October 2012. At that time, the value of the property was approximately \$19.8M. Staff will secure an update to the 2012 appraisal to establish the current value of the property and a RFN procurement process will be employed to negotiate the sale of the property. In addition to property value, economic development evaluation criteria will be included in the RFN to insure the best selection to support future economic development and preservation of the STAR Center's success.

Staff will seek Board approval of the sale resulting from the RFN process.

Fiscal Impact/Cost/Revenue Summary:

The estimated cost to update the property valuation appraisal is \$15,000.00. The sale proceeds will be returned to the EDA to fund sustainable economic development initiatives.

Exhibits/Attachments Attached:

1. Contract Review
2. Resolution
3. Fact Sheet
4. Site Map

Exhibit "A"

Parcel Numbers

13/30/15/00000/120/0100

13/30/15/00000/120/0200

13/30/15/00000/140/0100

13/30/15/00000/140/0110

13/30/15/00000/140/0130

13/30/15/00000/140/0140,

13/30/15/70560/100/0302

13/30/15/70560/100/0303


13/30/15/70560/100/0304

NON-PURCHASING CONTRACT REVIEW TRANSMITTAL SLIP

PROJECT: YOUNG-RAINEY STAR CENTER SURPLUS AND SELL BY BID	
CONTRACT NO.: N/A	ESTIMATED EXPENDITURE / <u>REVENUE</u>: Appraised Value ~\$19.8M (Circle or underline appropriate choice above.) (October 2012)

In accordance with Contract Administration and its Review Process, the attached documents are submitted for your review and comment. Please complete this Non-Purchasing Contract Review Transmittal Slip below with your assessment, and **forward to the next Review Authority on the list, skipping any authority marked "N/A."** Indicate suggested changes by noting those in "Comments" column, or by revising, in RED, the appropriate section(s) of the document(s) to reflect the exact wording of the desired change(s).

OTHER SPECIFICS RELATING TO THE CONTRACT: The estimated cost to update the property valuation appraisal is \$15,000.00. The sale proceeds will be returned to the Pinellas County Economic Development Authority.

REVIEW SEQUENCE	DATE	INITIAL/ SIGNATURE	COMMENTS (IF ANY)	COMMENTS REVIEWED & ADDRESSED OR INCORPORATED
Originator: Real Property Division Sean Griffin	9/4/14			
Real Estate Management: Paul Sacco	9/8/14	PSS		
Pinellas County Economic Dev. Authority: Mike Meidel	9-12-14	PM See CATS		
Risk Mgmt: Virginia Holscher	9/11/2014	PM See CATS		
Legal: Michael Zas	9/12/2014			
Interim Assistant County Administrator Or Executive Director: Joe Lauro	9/12/14	JL	Can be out of if necessary	

Please return to Robin Giove as soon as possible. All inquiries should be made to Robin Giove ext. 43947.

** See Contract Review Process

Revised 2.27.14

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS COUNTY ACTING AS THE ECONOMIC DEVELOPMENT AUTHORITY TO DECLARE CERTAIN PARCELS SET FORTH IN EXHIBIT "A" ATTACHED HERETO COLLECTIVELY KNOWN AS THE YOUNG-RAINEY STAR CENTER AS SURPLUS, ADOPT THE ATTACHED RESOLUTION FURTHER AUTHORIZING THE PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, D/B/A, THE ECONOMIC DEVELOPMENT AUTHORITY, TO SEEK BUSINESS OPPORTUNITIES FOR THE SALE AND DEVELOPMENT OF THE PROPERTY THROUGH A REQUEST FOR NEGOTIATIONS PROCESS.

WHEREAS, as provided in Section 125.045, Florida Statutes, the Legislature of the State of Florida has declared that it is necessary and in the public interest to facilitate the growth and creation of business enterprises in order to provide a stronger, more balanced and stable economy, enhance and preserve purchasing power and employment opportunities for residents, and improve the welfare and competitive position of the state; and

WHEREAS, converting current tax-exempt land into productive taxable land, preserving and creating jobs, creating capital investment, and reducing County expenditures for maintenance of County-owned property are appropriate economic development goals; and

WHEREAS, after due consideration, the County has determined that these parcels are not needed for economic development purposes; and

WHEREAS, the Pinellas County Industrial Development Authority, doing business as the Pinellas County Economic Development Authority ("PCEDA"), an entity per Part III, Chapter 159, Florida Statutes, is authorized to convey and sell the parcels described herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS COUNTY that:

1. The PCEDA declares parcel numbers attached hereto as Exhibit "A", as surplus property no longer needed for economic development purposes.

2. The Board of County Commissioners as the PCEDA hereby determines that it is in the best interest of the economic development to authorize the PCEDA, through a Request For Negotiations process, to seek the sale and development of the property in order to accomplish the economic development goals and in accordance with the terms and conditions set out herein.

3. This Resolution shall take effect upon its adoption

Commissioner _____ offered the foregoing Resolution and moved its adoption, which was seconded by Commissioner _____, and upon roll call the vote was:

Ayes: _____

Nays: _____

Absent and not voting: _____

APPROVED AS TO FORM	
OFFICE OF THE COUNTY ATTORNEY	
By:	<u> M Zas </u> Michael A. Zas
Title:	Sr. Asst. County Attorney

EXHIBIT "A"

13/30/15/00000/120/0100, 13/30/15/00000/140/0100, 13/30/15/00000/140/0110,
13/30/15/00000/140/0130, 13/30/15/00000/140/0140, 13/30/15/00000/120/0200,
13/30/15/70560/100/0302, 13/30/15/70560/100/0303, 13/30/15/70560/100/0304

FACT SHEET

County Property Surplus and Sell by Bid

GENERAL INFORMATION

Site Name: Young-Rainey STAR Center (STAR Center)
Owner: Pinellas County Economic Development Authority (PCEDA)
Managing Dept: Pinellas County Real Estate Management (REM)
Address: 7887 Bryan Dairy Road, Largo, Florida 33777
Parcels: 13/30/15/00000/120/0100 – Monin Land Lease
13/30/15/00000/120/0200 – HIT Land Lease
13/30/15/00000/140/0100 – Main STAR Center Parcel includes SCIP,
SCCCP and SCLVP (two out-parcels)
13/30/15/00000/140/0110 – STAR I-A Land Lease
13/30/15/00000/140/0130 – STAR III Land Lease
13/30/15/00000/140/0140 – STAR IV Land Lease
13/30/15/70560/100/0302 – STAR I-B Land Lease
13/30/15/70560/100/0303 – Verizon & MetroPCS Cell Tower Lease
13/30/15/70560/100/0304 – STAR II Land Lease
Zoning/Use: M-1 Light Manufacturing/Manufacturing Campus
Acreage: Land Leases 27.7 acres
Main STAR Center Parcel
SCCCP 4.23 acres
SCLPV 6.20 acres (net of pond)
Net STAR Center 58.61 acres (includes cell tower & SCIP area)
Square Feet: STAR Center 649,799 square feet
Land Leases 400,000+ square feet (managed by Harrod Properties)

APPRAISAL DATA

- Prepared For: PCEDA
- Prepared By: McKeon & Menard
- Date of Valuation: October 1, 2012

- Appraised Value:

Main STAR Center Parcel including SCIP Land	\$14,000,000.00
Vacant Out-Parcels (SCLVP & SCCCPC)	\$2,825,000.00
Land Leases – Lease Fee Interest	<u>\$2,992,900.00</u>
Total Value (rounded)	\$19,817,900.00

- Additional restrictions by the Department of Energy may diminish value.
- Appraisal assumes Raytheon will utilize all of its existing lease renewals through 2033.
- SCCCPC & SCLVP appraised as vacant and unencumbered.
- The estimated cost to update the property valuation appraisal is \$15,000.00.

PROPOSED EVALUATION CRITERIA

- See Page 3 and 4

YOUNG-RAINEY STAR CENTER (RFN)

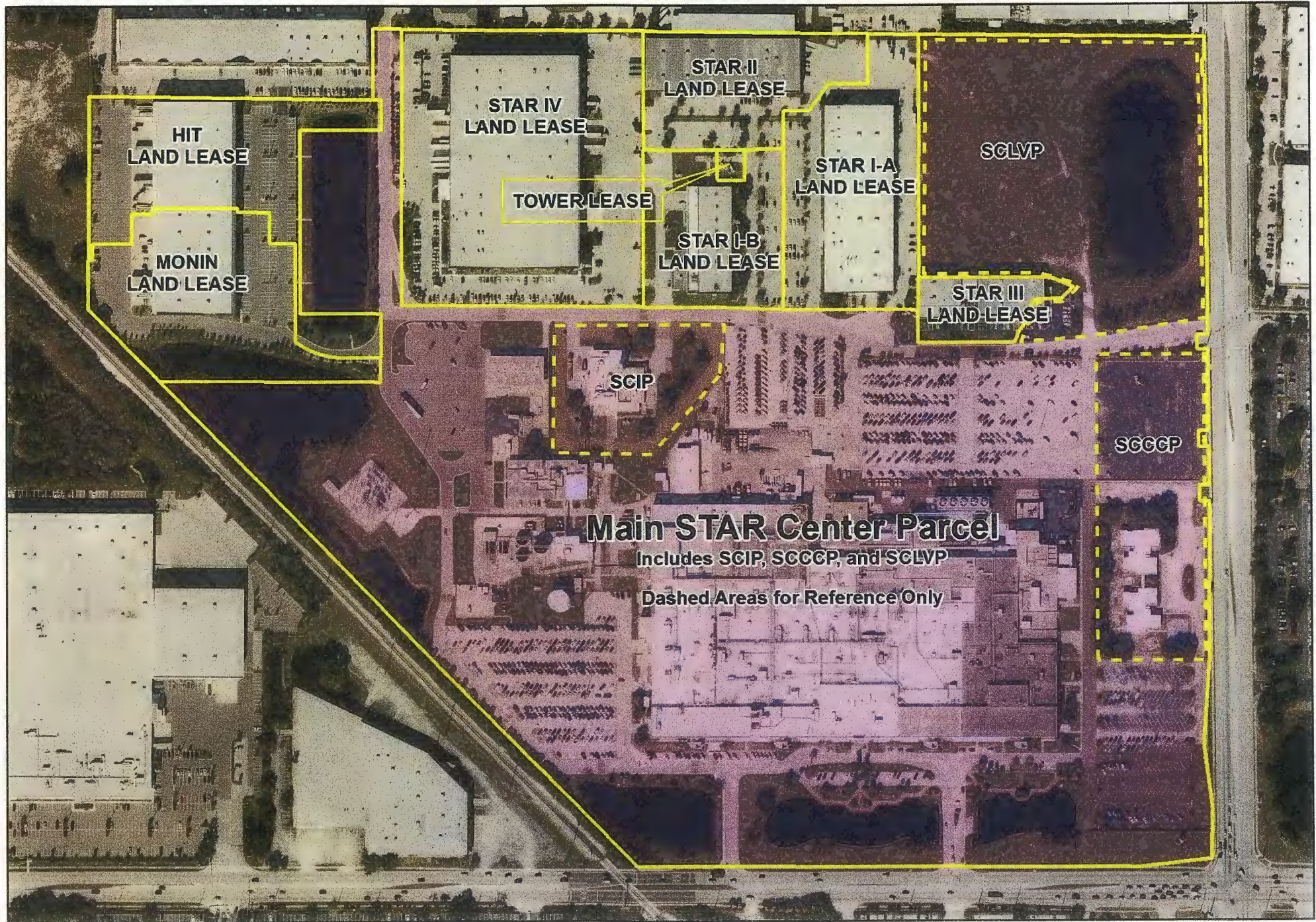
PROPOSED EVALUATION CRITERIA:

The following criteria will be used to evaluate responses to this RFN. Responders shall include sufficient information to allow the PCEDA to thoroughly evaluate the response, and each response submitted shall be evaluated by the PCEDA based on the following criteria:

1. Net Sale Proceeds and/or Income Generated by the Transaction.
2. Intended Use(s) of the Property
 - a. Preference will be given to uses that appear on the targeted industry list as determined by Enterprise Florida.
 - b. Preference will be given to proposals that include the retention of existing employment levels and quality, and the creation of additional employment opportunities through redevelopment, expansion and construction of new facilities on the property.
3. Value of Future Tax Payments
 - a. The anticipated amount and type (class A office space, production space, R&D, warehouse space, machinery and equipment, etc.) of major new capital investment to be made within 5 years in connection with the project, and the year that each investment will be completed. This will not include any taxable value already associated with the property as it exists today.
 - b. Any anticipated capital investment in real and personal property beyond the next 5 years.
 - c. Any anticipated tax revenues generated by new business operations on the property.
4. Number of Jobs Created
 - a. The total number and type (production, office, distribution, retail, etc.) of permanent net new Pinellas County jobs created as a result of the project.
 - b. The number of temporary construction-related jobs that would be created in Pinellas County during the build-out of the site for each year of development.
 - c. The number of current STAR Center jobs that will be retained following the sale or lease.
5. Wages & Benefits
 - a. The anticipated average wage of new jobs created as a result of the project (total wages of new workers, not including benefits, divided by the total number of new jobs) by type of job.
 - b. The average wage of temporary construction-related jobs that would be created in Pinellas County as a result of the project (wages of workers, not including benefits, divided by the total number of jobs).
 - c. The benefits package that will likely be offered to employees (insurance, pensions, etc.) by type of job.
6. Expense Reduction
 - a. The County expenses that will be reduced or eliminated as a result of the project.
7. Other Benefits to the County or Its Citizens
 - a. The number and type of jobs that might be provided to workers in socio-economically distressed areas such as Enterprise Zones, HUB zones and the like.
 - b. Consideration will be given to non-profit or public sector projects that would enhance the County's ability to create/retain jobs or would otherwise contribute to an improved local economy (e.g., R&D facilities, business incubators, Small Business Development Centers).
 - c. The amount and type of revenues the project would generate for other Pinellas County businesses both during construction and ongoing operations.
 - d. Preference will be given to projects of unusual quality or stature that would serve as a catalyst to further job creation.

- e. Preference will be given to projects that advance the redevelopment goals of Pinellas County, especially those identified in *Pinellas by Design, an Economic Development and Redevelopment Plan for the Pinellas Community*.
 - f. Any other unique social or civic benefits that would result from the project.
8. Ability of Applicant to Complete Proposed Project
- a. Information to support the company's ability and financial capacity to attain the job creation and capital investment goals described in the proposal.
 - b. Information to support the company's ability to develop environmentally challenged sites

STAR CENTER SITE MAP



HIT
LAND LEASE

MONIN
LAND LEASE

STAR IV
LAND LEASE

TOWER LEASE

STAR II
LAND LEASE

STAR I-B
LAND LEASE

STAR I-A
LAND LEASE

SCLVP

STAR III
LAND LEASE

SCIP

SGGCP

Main STAR Center Parcel

Includes SCIP, SGGCP, and SCLVP

Dashed Areas for Reference Only