

Development: Bardmoor Palms Redevelopment

Organization: BP Land Holdings West

Address: 8333 Bryan Dairy Road, Largo

Type: Industrial

Total Square Footage: 140,400

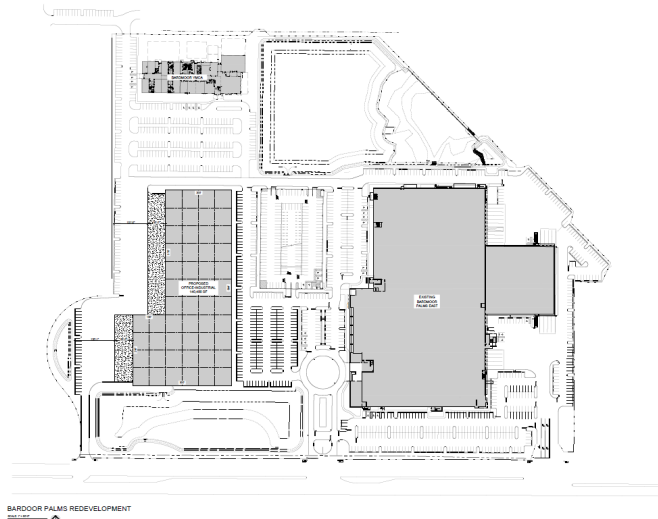
Total Development Costs: \$25,986,171

Cost per SF: \$185.09

ESP Request: \$3,750,000 (\$26.71 pSF)

Staff Recommendation: \$3,250,000 (\$23.15 pSF)

ESP Criteria Score: 123



Summary: ESP application 45437, BP Land Holdings West, plans to demolish two existing buildings in order to construct a new state of the art 140,400 square foot speculative industrial/manufacturing facility. BP Land Holdings West—Harrod Properties, intends to demolish an existing 150,000 square foot Class B office building that is not occupied and has not been occupied for the past two years along with an adjoining 500 car parking garage in order to construct the new industrial facility.

BP Land Holdings West is requesting \$3,750,000 in assistance through the ESP program to fund the necessary fill dirt required to raise the site for industrial use, to meet new stormwater requirements, the cost of demolition and the extraordinary development capital costs for the new facility. The applicant states that they will require 65,000+/- square yards of fill dirt (\$1,657,500) to bring the site up to a usable grade and provide dock high trucking access. Demolition costs are estimated at \$1.2 million, and stormwater improvements in the amount of about \$310,000. These costs make speculative development financially unfeasible given the current market rental rates.

Target Industry Linkage: The applicant states that they anticipate the project to attract a number of high-tech manufacturing and medical manufacturing companies due to the footprint of the space and the central location in mid-Pinellas County. BP Land Holdings West used "Impact DataSource", an economic development software, and based on a SIC code study of projected tenants, it projected that this project will create in excess of 323 direct jobs and 517 spinoff jobs. The 323 direct jobs stemming from this project will have an average salary of \$63,000 and the spin-off jobs will have an average salary of approximately \$39,000 according to the study.

Due Diligence Report: The report noted that the subject lease rates utilized by BP West in the application are slightly below market rates for new, high quality industrial product. Comparable market rent for the newest industrial development in the subject's market area is asking in the range of \$13.50 per square foot, whereas BP West's current \$12.50 per square foot lease rate assumption is moderately below market. A modified proforma increasing the base rent to market levels determined that the investment return parameters are above or at the very high-end of industry standards. Based on this analysis, the report recommends that the ESP grant funding for BP West should be \$3,250,000.

Staff Recommendation: Staff supports the funding approval for the amount identified in the due diligence report. This project aligns with the overarching goals of the program to assist in developing new space for target industries. The project is in a Target Employment Center and along a major corridor. The redevelopment of the site will provide the County additional new industrial space.