



Employment Sites Program First Round Applications

July 13, 2021

ESP – First Round Timeline



Review of Program with Commissioners	January 7, 2021
Calls with developers & businesses interested in the program	January – February 2021
First Round for Applications Opened	January 11, 2021
First Round Closed	March 11, 2021
Multi-Review Team	April 7-23, 2021
Present First Round Applications	July 13, 2021

The most significant issue currently facing our business environment is the unavoidable product of limited geography: a rapidly diminishing amount of developable vacant land and rising real estate costs.

Research indicated that there are strong local markets for industrial and office within Pinellas County, however, it is limited by:

- Presence of obsolete buildings
- Unavailability of sites
- Financial feasibility of new development

Economic development is ultimately a real estate transaction. Economic development activities result in increased tax revenues through the investments made in new or renovated and expanded office and industrial space, and in new computers, office furniture and production and materials handling equipment.

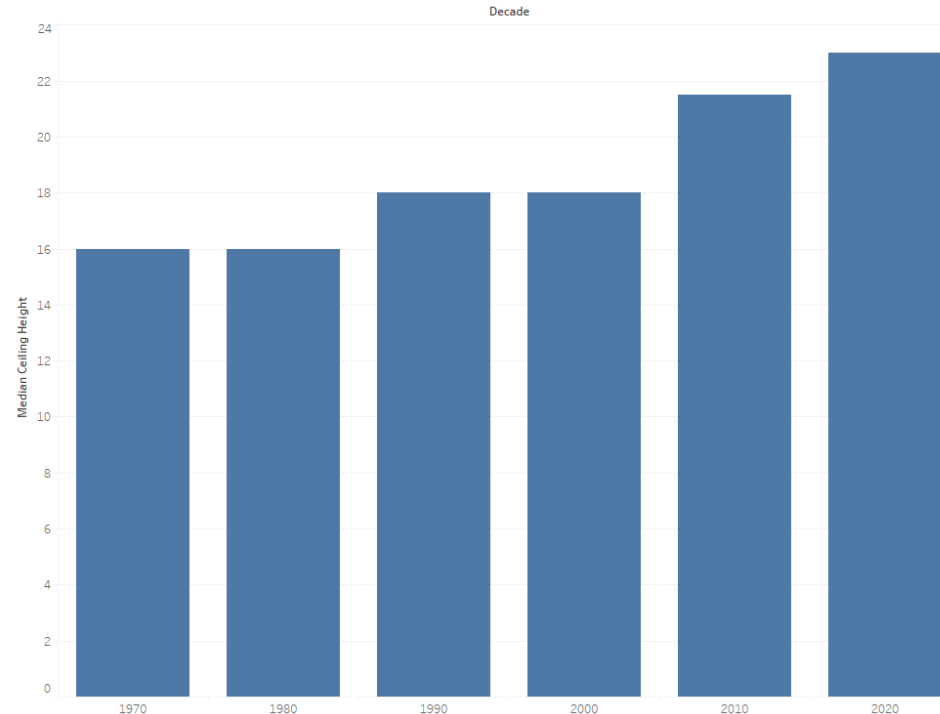
The cost of redevelopment is 2-3x greater than greenfield development and it can rarely be justified in land values without public intervention. There are no developable greenfield areas in Pinellas County.

Pinellas Market Statistics - Industrial



- 33,347 industrial buildings that contain 61,792,646 square feet of space
- 10% of the industrial inventory is Class A space with 60% considered Class C
- Only 628 structures were built in the last 40 years
- 80% of our industrial inventory is over 40 years old

Industrial Median Ceiling Height



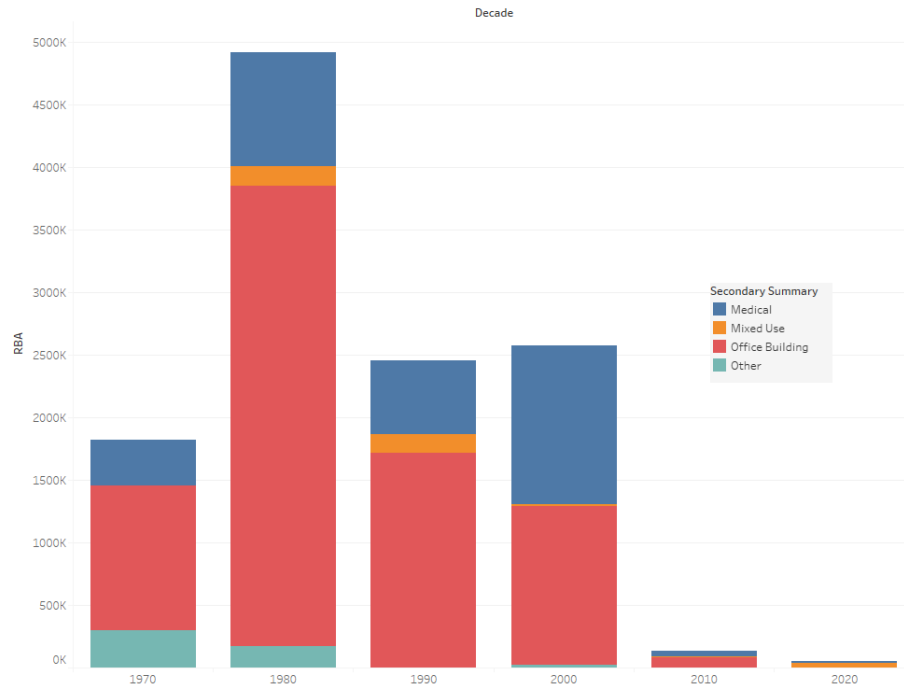
Source: CoStar April 2021

Pinellas Market Statistics - Office



- 351 office buildings that contain 13,021,055 square feet of space
- 10% of the office inventory is Class A space with 60% considered Class B
- The “golden age” of Pinellas office development was in the 80’s, 147 buildings were constructed
- A sizable amount of our office space is used by the medical sector
- 80% of our office building inventory is over 40 years old

Office RBA by Type and Age



Source: CoStar April 2021

Office Example

Property Taxes	\$2,304,036
Tangible Taxes	\$1,125,214
Total annual taxes	\$3,429,250
# Employees	4,000
Average Wage	\$99,446

Industrial Example

Property Taxes	\$429,321
Tangible Taxes	\$592,027
Total annual taxes	\$1,021,348
# Employees	1,700
Average Wage	\$88,871

First Round Applications



Employment Sites Program Sponsored by the Pinellas Foundation

Development: Brooker Creek V, LLC
 Developer: Harrod Properties
 Address: 500 Brooker Creek Blvd., Oldsmar
 Type: Industrial Manufacturing
 Total Square Footage: 130,000
 Total Development Costs: \$15,000,000
 Cost per SF: \$115.00
 ESP Request: \$908,500
 Per SF subsidy: \$7.00
 ESP Criteria Score: 120.5



Summary: ESP application 45245, Brooker Creek V, LLC, is an industrial new construction project that proposes a 130,000 square foot single story, 30' clear height ceiling that will be tilt-wall constructed located in the City of Oldsmar. If provided the grant funds, they anticipate it will take them 264 days to build the project.

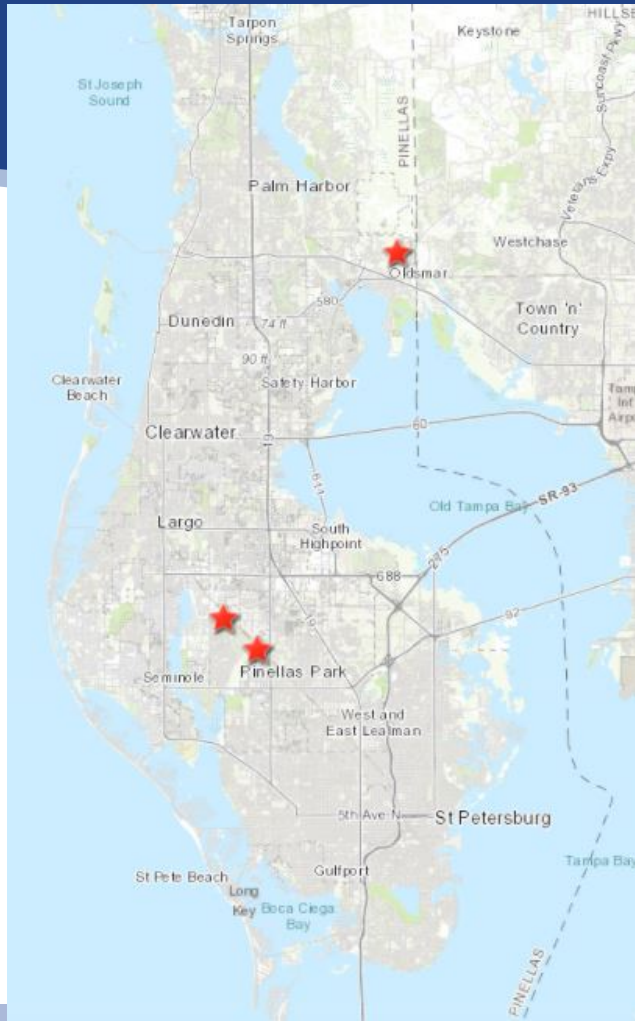
The subject property is an 11.27 acre industrial site and is one of the last undeveloped parcels that will accommodate a building greater than 100,000 SF in Pinellas County. Given this and the current demand for industrial land, the purchase price was at the top end of the market. In addition, the site has an existing 3.28 +/- acre pond that is sufficient to provide the necessary retention for the proposed 130,000 SF facility. The site is relatively low and needs 55,000 +/- square yards of fill dirt to bring the site up to a usable grade and provide for dock high trucking access. This fill would normally be provided by the creation of the necessary retention ponds for the project. With the high cost of the land acquisition and given the fact that the site already has necessary retention, this fill will need to be imported at a cost of \$908,500. This added cost will make speculative development financially unfeasible given the current market rental rates and we will be forced to either hold the site for a build-to-suit tenant (full building user) or wait until market factors allow for speculative development. If we are successful in receiving approval for a grant through the Employment Sites Program, we will commence construction of this project on a speculative basis upon receipt of our building permit.

Target Industry Linkage: The developer notes that they expect this project to attract a number of high tech manufacturing and medical manufacturing companies to the area. They project that this project will create in excess of 300 direct jobs and 500 spinoff jobs. They note that the 300 direct jobs stemming from the project will have an average salary of \$60,000 and the spin-off jobs will have an average salary of approximately \$35,000.

Development Team: Harrod Properties has a significant presence in Pinellas County with over 4,800,000 square footage of industrial and office buildings developed.

Staff Analysis: This project is what the Employment Sites Program—Vertical Construction/Rehabilitation was established to underwrite. The project is located within an industrial area and the site is also located within a Target Employment Center overlay. It provides the county with a new industrial facility that will be quickly absorbed due to the low vacancy rates for industrial buildings at this time throughout Pinellas.

Pinellas County Economic Development PCED.org/ESP 727-464-7332



Brooker Creek V, LLC

Details On the Project:

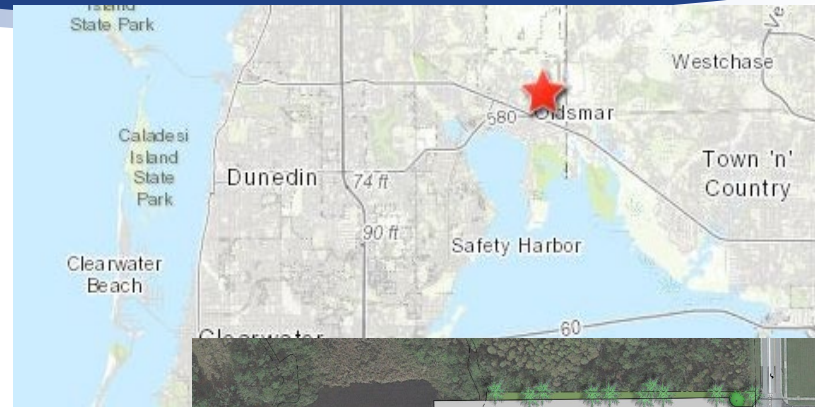
Project Cost - \$15 million (\$115.38 per SF)

Funding Request - \$908,500

Building SF – 130,000 one story structure

Based on evaluation criteria:

- Overall size of the building along with its ceiling heights and floor plates support the typical requirements for modern industrial users providing a strong link to target industry job creation,
- Located within a Target Employment Center,
- Entitlements in place providing an imminent timeline to complete,
- Anticipates more than 300 direct jobs for the facility,
- Has a low public subsidy, and
- Has a strong industrial development team.



Details On the Project:

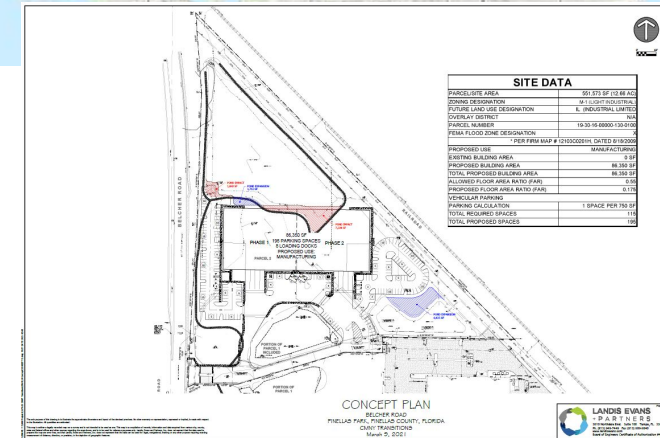
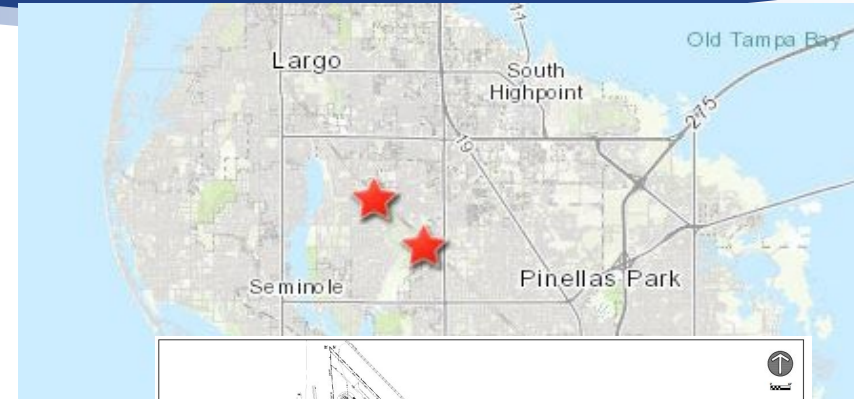
Project Cost - \$7.78 million (\$90.10 per SF)

Funding Request - \$1,723,000

Building SF – 86,350 one story structure

Based on evaluation criteria:

- Overall size of the building along with its ceiling heights and floor plates support the typical requirements for modern industrial users providing a strong link to target industry job creation,
- Located just outside of a Target Employment Center,
- Entitlements in place providing an imminent timeline to complete,
- Anticipates at least 190 jobs for the facility,
- Has a moderate public subsidy, and
- Has a known industrial development team.



Multi-Use SCIF

Details On the Project:

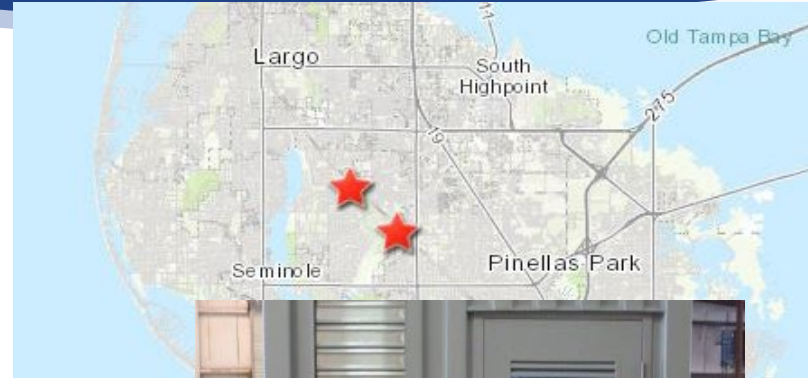
Project Cost - \$183,655

Funding Request - \$183,655

Building SF – 500 self-contained compartment

Based on evaluation criteria:

- This is a special industrial project that has the ability to provide a strong link to Department of Defense industry job creation and retention,
- Located within a Target Employment Center,
- Entitlements in place providing an imminent timeline to complete,
- The public subsidy covers the cost of the unit, investment for the operations and maintenance will be from the university, and
- There is an experienced manufacturing team.



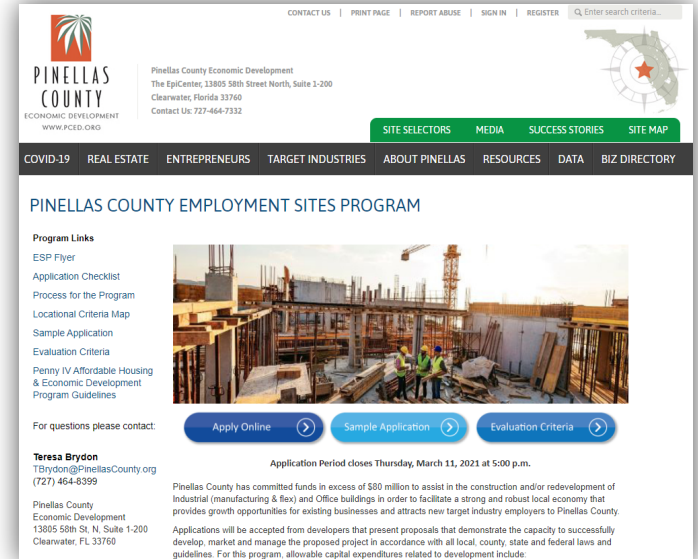
Recommended Action

Recommendation to fund three Employment Sites Program (ESP) applications. The recommended Board action is for conditional approval, and funding of the projects following successful completion of due diligence to comply with program guidelines as determined by the County Administrator.

It is further recommended that the Board delegate authority to the County Administrator to negotiate and execute all agreements and documentation associated with the ESP project funding in the amounts authorized by the Board of County Commissioners or less.

Next Steps

- More in-depth due diligence to be conducted on applications
- Negotiate agreements – terms, benchmarks for payouts and claw-back mechanisms
- Review with County Administrator the final agreements for his signature.
- Project monitoring and funding

A screenshot of the Pinellas County Economic Development website. The page title is "PINELLAS COUNTY EMPLOYMENT SITES PROGRAM". The header includes the Pinellas County logo, contact information for the Economic Development department, and a navigation menu with links for "SITE SELECTORS", "MEDIA", "SUCCESS STORIES", and "SITE MAP". Below the header, there is a list of "Program Links" including "ESP Flyer", "Application Checklist", "Process for the Program", "Locational Criteria Map", "Sample Application", "Evaluation Criteria", and "Penny IV Affordable Housing & Economic Development Program Guidelines". There are three buttons: "Apply Online", "Sample Application", and "Evaluation Criteria". The contact information for Teresa Brydon is provided, along with the application period closing on Thursday, March 11, 2021, at 5:00 p.m. A paragraph of text describes the program's goal to assist in the construction and/or redevelopment of industrial and office buildings to stimulate the local economy.

PINELLAS COUNTY ECONOMIC DEVELOPMENT
The Epicenter, 13805 58th Street North, Suite 1-200
Clearwater, Florida 33760
Contact Us: 727-464-7332

CONTACT US | PRINT PAGE | REPORT ABUSE | SIGN IN | REGISTER | Enter search criteria

SITE SELECTORS | MEDIA | SUCCESS STORIES | SITE MAP

COVID-19 | REAL ESTATE | ENTREPRENEURS | TARGET INDUSTRIES | ABOUT PINELLAS | RESOURCES | DATA | BIZ DIRECTORY

PINELLAS COUNTY EMPLOYMENT SITES PROGRAM

Program Links

- ESP Flyer
- Application Checklist
- Process for the Program
- Locational Criteria Map
- Sample Application
- Evaluation Criteria
- Penny IV Affordable Housing & Economic Development Program Guidelines

For questions please contact:

Teresa Brydon
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(727) 464-8399

Pinellas County
Economic Development
13805 58th St. N, Suite 1-200
Clearwater, FL 33760

Application Period closes Thursday, March 11, 2021 at 5:00 p.m.

Pinellas County has committed funds in excess of \$80 million to assist in the construction and/or redevelopment of Industrial (manufacturing & flex) and Office buildings in order to facilitate a strong and robust local economy that provides growth opportunities for existing businesses and attracts new target industry employers to Pinellas County. Applications will be accepted from developers that present proposals that demonstrate the capacity to successfully develop, market and manage the proposed project in accordance with all local, county, state and federal laws and guidelines. For this program, allowable capital expenditures related to development include: