



Employment Sites Program Third Round Applications

August 2022

ESP Funds Committed



<u>First Round</u> 3 approved Agreements	\$2,815,155
<u>Second Round</u> 3 conditionally approved projects pending Agreements	\$3,740,440
Total Funds Committed	\$6,555,595

ESP – Third Round Timeline



Third Round for Applications Opened	February 1, 2022
Third Round Closed	April 4, 2022
Multi-Review Team	June 22, 2022
Present Third Round Applications	September 22, 2022

Third Round Applications



Employment Sites Program Supported by the Property Tax Exemption

Development: Harrod - Starkey Lakes
Organization: Starkey Lakes North, LLC
Address: Tall Pines Drive, Largo
Type: Industrial Manufacturing
Total Square Footage: 160,000
Total Development Costs: \$22,400,000
Cost per SF: \$140.00
ESP Request: \$2,800,000
Per SF subsidy: \$17.50
ESP Criteria Score: 138



Summary: ESP application 45346, Harrod - Starkey Lakes, has the developer demolishing a building, updating another building and constructing a new industrial building in the Starkey Lakes Complex. Harrod Properties will be demolishing an outdated office building in order to upgrade the other office building to the south and provide natural light and other amenities to better attract tenants. A new 160,000 square foot industrial building will be built to the west of the office building. The developer anticipates 300 new jobs can be accommodated in the new industrial building.

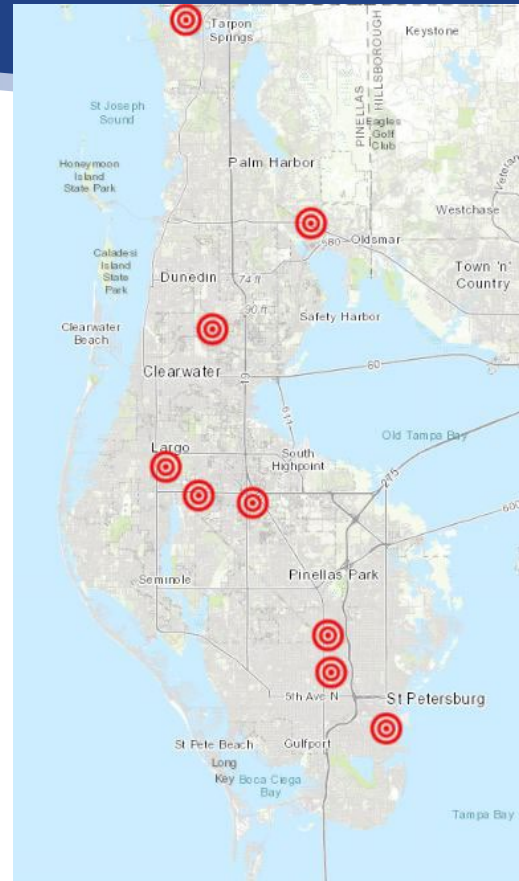
The subject property is part of the 71 acre Starkey Lakes Corporate Center, located in Largo. The new industrial building will be a single story tilt wall structure, 36 foot clear ceilings, with dock high and rear loading truck access. Harrod Properties indicates that the 160,000 square foot structure can accommodate up to five businesses.

Harrod - Starkey Lakes is requesting \$2,800,000 from ESP to cover the costs associated with upgrades to the stormwater that will include a vault system, and fill dirt because the site needs to be brought up to a usable grade and provide for dock high truck access. The site is relatively low and needs approximately 65,000 square yards of fill dirt to bring the site up to a usable grade. The stormwater vault system will maximize development options and meet Pinellas County's stormwater regulations, while creating a more sustainable infrastructure.

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 accommodate in excess of 300 direct jobs and 500 ancillary spinoff jobs. They estimate that the 300 direct jobs stemming from the project will have an average salary of \$60,000 and the ancillary jobs will have an average salary of approximately \$35,000.

Development Team: Harrod Properties has a significant presence in Pinellas County with over 4.8 million square feet of industrial and office buildings completed.

Staff Recommendation: Funding approval. This project aligns with the overarching goals of the program to assist the private sector in developing new space for target industries. The project is located in an industrial area and within a Target Employment Center overlay. It provides the County with a new industrial facility that is expected to be quickly absorbed due to the low vacancy rates for industrial buildings at this time throughout Pinellas.



Starkey Lakes North, LLC

Details On the Project:

Project Cost - \$22,400,000 (\$140.00 per SF)

Funding Request - \$2,800,000 (13% of total cost)

Building SF – 160,000 Industrial Manufacturing
Largo market

Background:

- Request is for upgrades to provide a stormwater vault system and 65,000 square yards of fill dirt to bring the site up to a usable grade. The stormwater vault system will maximize development options and meet County's stormwater regulations,
- Located within a Target Employment Center,
- Entitlements in place providing an imminent timeline to complete,
- Anticipates more than 300 direct jobs for the industrial facility, and
- Has a strong industrial development team.



Details On the Project:

Project Cost - \$11,408,461 (\$165.33 per SF)

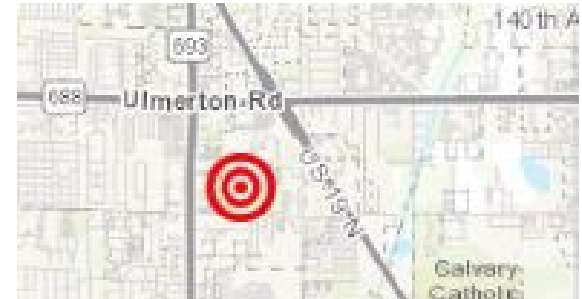
Funding Request - \$1,952,000 (17% of total cost)

Building SF – 69,006 Industrial manufacturing

Unincorporated Largo market

Background:

- The company purchased an adjacent parcel in order to meet parking and stormwater regulations without limiting the new expansion footprint,
- Request is to fund the vault system that will enable maximized development options and meet County's stormwater regulations and off-setting the price increases on steel and roofing materials.
- Located within a Target Employment Center,
- Entitlements in place providing an imminent timeline to complete,
- Anticipates an additional 150 jobs for the facility, and
- Is an international recognized designer and manufacturer of artwork.



Details On the Project:

Project Cost - \$11,567,955 (\$241.50 per SF)

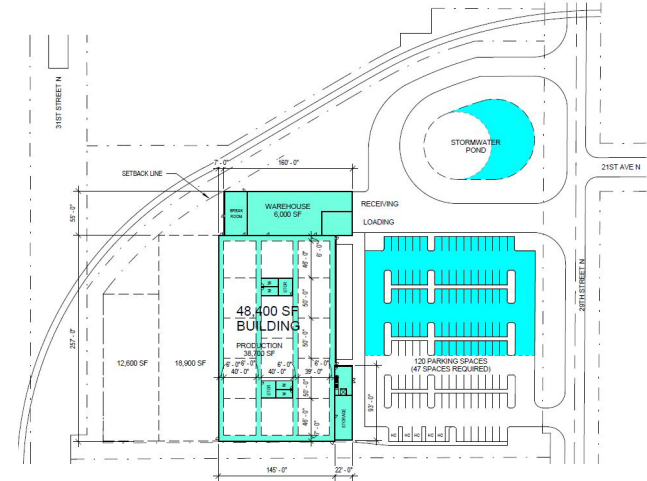
Funding Request - \$1,717,412 (15% of total cost)

Building SF – 47,900 Industrial manufacturing

St. Petersburg market

Background:

- The new building will provide a much-needed expansion to the company's facilities and will add 50 new jobs for Phase I,
- The request is to fund the additional infrastructure cost for future production expansion and to assist in the relocation of City of St. Petersburg utilities that are located within the new building footprint,
- Located within a Target Employment Center,
- Entitlements in place providing an imminent timeline to complete,
- They are a custom soft good manufacturing company that has been based in Pinellas County for more than 30 years and services clients worldwide, and
- They have strong development team to build the project.



B&R Enterprises – Fiberglass Coatings

Details On the Project:

Project Cost - \$3,266,150 (\$144.83 per SF)

Funding Request - \$385,969 (12% of total cost)

Building SF – 22,551 Industrial manufacturing

Unincorporated St. Petersburg market

Background:

- This is the complete redevelopment of an existing industrial building to expand operations,
- Funding is for the installation of the fire sprinkler system that had numerous costs including new steel reinforcement for the ceiling to support the system and the relocation of the main waterline from the St. Petersburg's line that is located on the west side of 34th Street,
- Located within a Target Employment Center,
- Located within the Lealman CRA and Joe's Creek Industrial Park,
- Lealman CRA approved a \$40,000 grant, and
- They are the largest independently owned composites distributor in Florida with 40% of their sales outside the state.



Sunshine Properties – Dosatron & Diluted Solutions

Details On the Project:

Project Cost - \$2,261,600 (\$192.39 per SF)

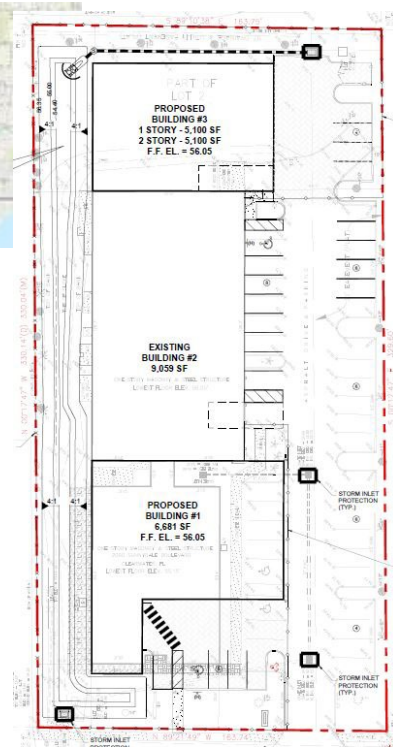
Funding Request - \$405,275 (18% of total cost)

Building SF – 11,755 Industrial manufacturing

Clearwater market

Based on evaluation criteria:

- This project will add two new structures to the applicant site that includes a two-story that will house the R&D operations and the one-story will be for packaging and assembly,
- Funding is being requested to assist in updating the entire site to current building and fire codes. This includes a retention pond, storm water pipes and inlets, tree removal, and a new anchor wall. The existing parking lot needs to be removed and a permeable surface created, add crosswalks, signs and D curb. Due to the fire truck turnaround space a fire sprinkler for the entire building with new fire alarm must be installed.
- Located within a Target Employment Center,
- They intend to add between 5 to 10 new jobs,
- The applicant is the inventor of the water-powered dosing pump, and they are a world leader in water-powered dosing technology. Their products are in over 100 countries, and
- There is an experienced development team that is developing the project.



Auburn Supply Group



Details On the Project:

Project Cost - \$2,000,000 (\$166.67 per SF)

Funding Request - \$327,000 (16% of total cost)

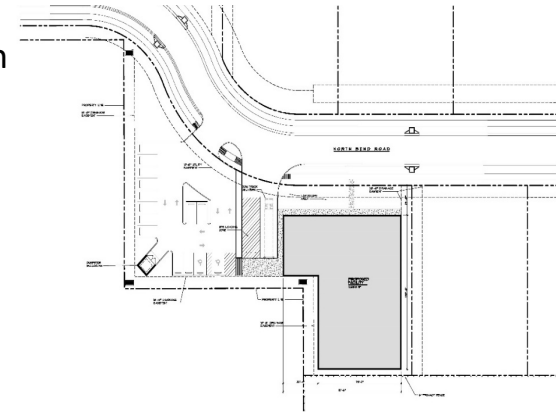
Building SF – 12,000 Industrial flex

Tarpon Springs market



Based on evaluation criteria:

- The applicant intends to relocate their headquarter operations to this new facility,
- Seeking assistance with decreasing the overall cost of construction and site acquisition, and the rising costs related to construction including a 25% increase in steel, and a 60% increase in metal buildings,
- Located within a Target Employment Center,
- Entitlements in place providing an imminent timeline to complete,
- The space will double their R&D footprint and will allow them to create an additional seven new jobs,
- The applicant offers innovative non-toxic product alternatives to solve transitions from plastics to eco-friendly food and beverage supplies, and
- There is an experienced development team that is building out the business park.



Tampa Bay Innovation Center

Details On the Project:

Project Cost - \$16,286,073(\$361.91 per SF)

Funding Request - \$4,000,000 (25% of total cost)

Building SF – 45,000 Incubator

St. Petersburg market

Based on evaluation criteria:

- This request is to cover the County's portion of the EDA grant underwriting the new building,
- Entitlements in place providing an imminent timeline to complete,
- St. Petersburg donated the site, \$2,000,000 was pledged for naming rights of the incubator, and the EDA increased their contribution,
- The building will be two-stories and the shell will be designed to meet LEED certification, and
- There is an experienced development team.



Details On the Project:

Project Cost - \$6,018,880 (\$133.75 per SF)

Funding Request - \$906,000 (15% of total cost)

Building SF – 45,000 Industrial manufacturing

Unincorporated Oldsmar market

Based on evaluation criteria:

- An expansion to their existing facility to support manufacturing operations at the Oldsmar facility,
- Requesting assistance to fund some of the stormwater improvements designed for the new construction and future development opportunities and underwriting approximately 7,200 cubic yards of fill dirt to address flood plain requirements.
- They are the largest employer in north county with 630 employees working on two shifts and this expansion will add an additional 90 positions, and
- The Oldsmar location is an Electronic Product Center and the product lines they manufacture have significant product life cycles and will be in production for many years.



8th Ave SE Industrial

Details On the Project:

Project Cost - \$35,437,205 (\$179.88 per SF)

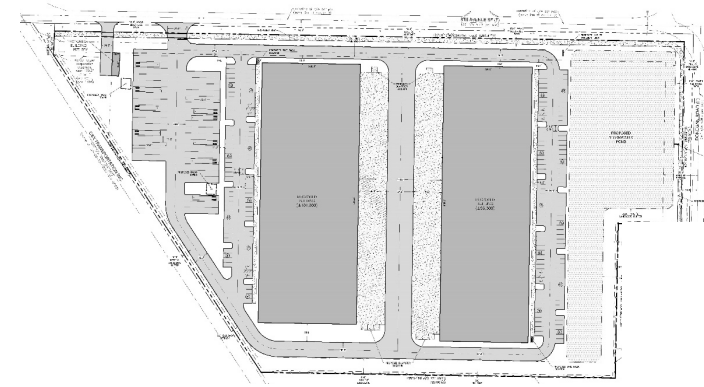
Funding Request - \$950,000 (3% of total cost)

Building SF – 197,000 Industrial manufacturing

Largo market

Based on evaluation criteria:

- Funding is requested for the extra remediation expense and fill required for the site in order to be constructed. These added cost make speculative development financially unfeasible given the market's current rental rates,
- Entitlements in place providing an imminent timeline to complete,
- Anticipates more than 250 direct jobs for the industrial facility, and
- Has a strong development team with local and south Florida companies.



Recommended Action

Recommendation to fund nine of the ten 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

