



Penny IV Economic Development Capital Projects Update

January 7, 2021

Penny IV Economic Development Recap



Milestone	Date
Penny IV Referendum (first time including Economic Development Capital Projects)	11/7/2017
Interlocal Agreements creating Joint Review Committee	8/1/2017
Joint Review Committee Meetings and Guideline Development	March 2019 – October 2019
Board of County Commissioners Adopts Guidelines	12/10/2019
Application Materials and Process Development	January 2020-April 2020
Housing and ED Penny IV Program Update to BCC	3/5/2020 Work Session
CARES Grant – Work suspended on Penny IV Economic Development Program	April 2020-August 2020
Housing Program Launches	6/29/2020
Economic Development Application Materials and Process Completed	September 2020–December 2020

Economic Development Market Study



Completed in 2019 to inform development of program guidelines:

- **Reviewed previous studies: Pinellas By Design and performance updates; Target Employment and Industrial Lands Study; and Competitiveness Studies**
- **Conducted stakeholder interviews and market analysis**
- **Developed building typologies and development proformas**

Barriers and issues identified:

- **Financial feasibility of new construction**
- **Industrial land is limited and threatened with conversion to retail and residential uses**
- **More land is needed for targeted job growth than is vacant**
- **Obsolete building stock for both office and industrial uses**

Employment Sites Program Framework



4.15% of Penny IV Proceeds (\$80 million)

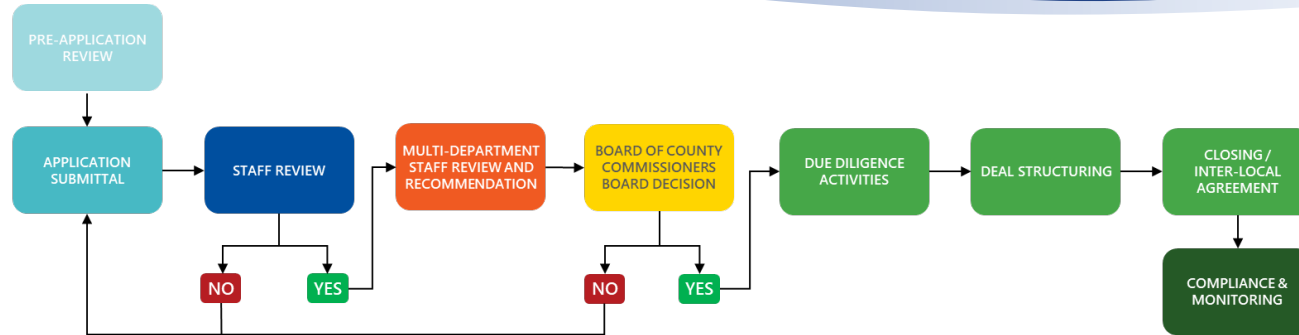
Goal	Help fund capital projects in support of real estate (re)development that promotes opportunities for target industry employers .		
Eligible Projects	New Construction, Expansion, Conversion or Rehabilitation	Site Readiness	Public Infrastructure
Eligible Uses of Funds	Capital Projects, including but not limited to: Land acquisition, site preparation, stormwater, utilities, construction of office/industrial space, parking, and other public infrastructure		
Ineligible Uses of Funds	Non-capital expenditures, including operating and maintenance expenses and cash incentives		

New Construction, Expansion, Conversion or Rehabilitation



- **Projects that create new or substantially rehabilitated office, industrial flex and industrial manufacturing spaces to facilitate job creation will be prioritized.**
- **The amount of funding awarded by the program will be based in part upon the sum determined to assemble a financially feasible project; there is no predetermined minimum or maximum award.**
- **All proposals must submit a financing plan during the due diligence period that documents any identified financial gap. The return on investment for each developer will vary by project type and will be determined based on market conditions and data. Third party firms may be used for due diligence.**
- **Projects must have other identified funding sources to complete the development. Requested funding cannot exceed the total verified eligible costs or the financial gap.**
- **Projects will be implemented with benchmarks and protections in place to provide assurance that County goals will be achieved**

ESP Process – New Construction, Rehabilitation



Due Diligence Period / Delegation of Authority to County Administrator

<p>Pre-Application meeting with applicant</p> <p>Applicant submits electronic/online form during 60-day application window</p>	<p>Staff reviews application to determine:</p> <ol style="list-style-type: none"> 1) Completeness 2) Eligible project 3) Eligible use of funds <p>Incomplete/ineligible applications will not move forward</p> <p>Staff issues deficiency letter if incomplete</p>	<p>Applications will be scored against the evaluation tool. A multi-department staff will review and recommend.</p> <p>Staff will prepare recommendation reports for each application.</p> <p>Notifications to applicants will be sent regarding the BCC date.</p>	<p>A BCC agenda item will provide a summary of the completed and eligible applications received, the score for each application, and staff recommendations for each project. Project recommendations will include a maximum funding award amount and timeframe for closing. All projects approved by the BCC will be subject to final approval by the County Administrator following completion of all due diligence review.</p>	<p>Applicants that are approved by the BCC for funding will be notified in writing. Staff will coordinate with each applicant and request any updated items needed, finalize any outstanding due diligence and underwriting requirements and prepare documents needed for a closing. These items may include, but not be limited to, updated survey information, appraisal, environmental information, financial information and title commitment. During the due diligence period, staff will determine the amount of funding assistance needed based on a comprehensive project review and a financial review conducted by a third-party entity (if applicable). Applicant will be required to pay for any costs associated with third-party due diligence efforts, as negotiated.</p> <p>To receive funding, the deal must close within the designated timeframe.</p> <p>If the approved maximum funding award is insufficient, additional BCC authorization will be required to increase the award.</p>
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60-DAY WINDOW	UP TO 30 DAYS	UP TO 2 MONTHS	UP TO 2 MONTHS	UP TO 2 YEARS	ONGOING
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Public Policy Goals from Guidelines

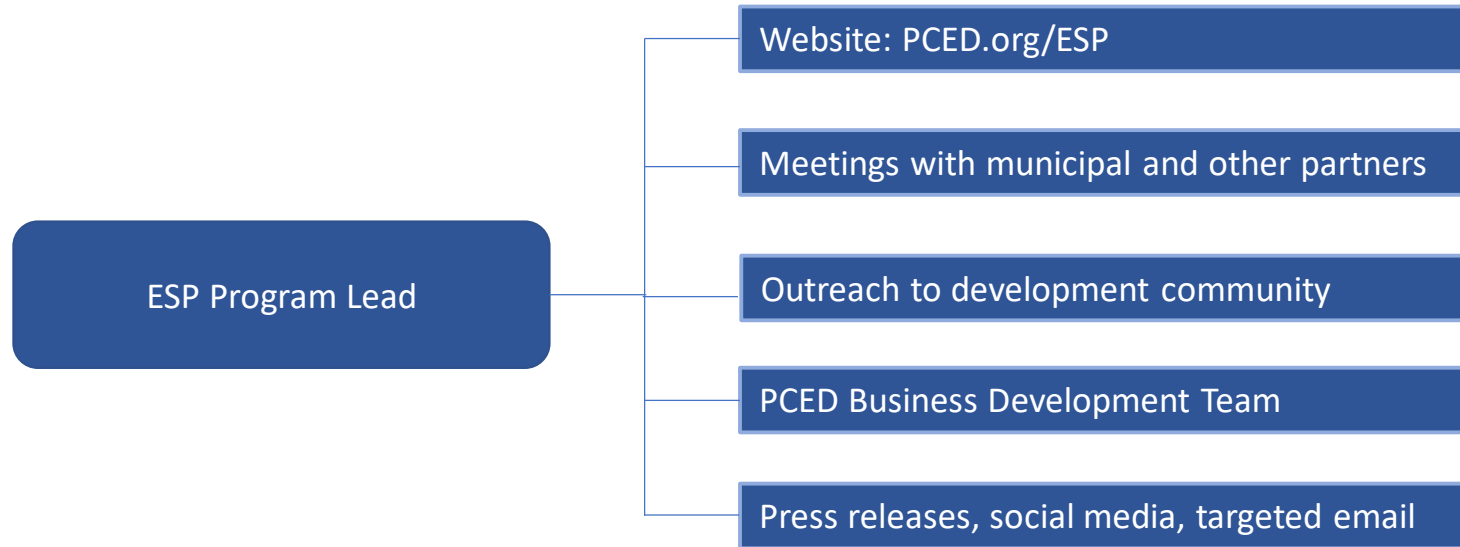


Projects that will yield new desired square footage in the shortest amount of time will be prioritized. **For new construction, expansion, or rehabilitation projects, priority will be given to projects based on the following preferences.**

- Create modern office or industrial spaces that meet the needs of target industry users
- Demonstrate the strongest link to target industry job creation and retention
- Require the lowest public subsidy per projected target industry job
- Assist with a specific target industry employer projects that have the greatest potential to create the largest number of high-wage jobs
- Include unique proposals that would enhance the County's ability to create and retain target industry jobs or would otherwise contribute to an improved local economy (e.g., R&D facilities, business incubators, Sensitive Compartmented Information Facility)
- Utilize higher percentages of the allowable floor area ratio (FAR) on a given site
- Include the approved appropriate entitlements (e.g. zoning, land use, etc.) to support the desired project outcomes
- Locate within: Target Employment Centers, as identified on the Countywide Plan Map; Urban Center Activity Centers, as identified on the Pinellas Land Use Strategy Map, as adopted in the Countywide Plan; or within Premium, Primary, and Secondary Corridors included in the Forward Pinellas Land Use Strategy Map
- Include additional local/municipal government support (e.g., in-kind services, regulatory relief, and/or financial resources)
- Generate higher returns on investment, both fiscally to local governments and in economic impact for the county as a whole

Twelve Scoring Criteria – Maximum 170 Points

- **Size of project**
- **Site utilization**
- **Project location**
- **Project impact**
- **Jobs link/impact**
- **Number of jobs**
- **Return on investment**
- **Public subsidy**
- **Project timing**
- **Local government support**
- **Development team**
- **Entitlements**



Next Steps



1st Quarter 2021

- Annual BCC program review – January 7th
- Notice of Funding Availability (NOFA) and applications open
- Pre-application meetings
- Application submittal deadline

2nd Quarter 2021

- Staff review
- Multi-department staff review and recommendations

3rd Quarter 2021

- Projects presented to BCC
- Begin due diligence

4th Quarter 2021

- Continued due diligence
- Negotiations
- Funding agreements

Questions?