



Pinellas County

Legislation Details (With Text)

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Type: Resolution **Status:** Passed

File created: 1/30/2023 **In control:** Industrial Development Authority

On agenda: 2/28/2023 **Final action:** 2/28/2023

Title: Tax Equity Fiscal Responsibility Act Resolution for the issuance by the Pinellas County Industrial Development Authority, d/b/a the Pinellas County Economic Development Authority, of its Industrial Development Revenue Bonds, in an aggregate principal amount of not to exceed \$10,000,000.00, on behalf of Racetrack 430, LLC. (Companion to Item No. 32)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Adopted RES 23-14, 2. Resolution, 3. Exhibit A Notice of Public Hearing, 4. Affidavit of Notice of Public Hearing, 5. Draft/blank affidavit of Notice of Public Hearing

Date	Ver.	Action By	Action	Result
2/28/2023	1	Board of County Commissioners	approved	Pass

Subject:

Tax Equity Fiscal Responsibility Act Resolution for the issuance by the Pinellas County Industrial Development Authority, d/b/a the Pinellas County Economic Development Authority, of its Industrial Development Revenue Bonds, in an aggregate principal amount of not to exceed \$10,000,000.00, on behalf of Racetrack 430, LLC. (Companion to Item No. 32)

Recommended Action:

Hold a public hearing and adopt a Tax Equity Fiscal Responsibility Act (TEFRA) Resolution authorizing the TEFRA approval of the Pinellas County Industrial Development Authority Industrial Development Revenue Bonds (O.L. Products Project), Series 2023, in one or more series, either taxable or tax-exempt, or both (Bonds), in an aggregate principal amount of not to exceed \$10,000,000.00, on behalf of Racetrack 430, LLC.

- This project includes the construction of a new approximately 50,265 square foot manufacturing facility, and of an additional approximately 14,673 square feet to an existing manufacturing facility.
- The borrower will own the facilities and lease them to a related entity, O.L. Products, Inc. for the primary purpose of the manufacturing of tanning and personal care products and related manufacturing purposes.
- In addition to its existing 84 employees, O.L. Products will create an estimated 51 new jobs including machinists, lab technicians and production staff.
- This is a companion item to the bond approval, resolution, and related bond documents which will be considered by the Pinellas County Board of County Commissioners, acting as the

Pinellas County Industrial Development Authority.

Strategic Plan:

Foster Continual Economic Growth and Vitality

4.1 Proactively attract and retain businesses with targeted jobs to the county and the region

Summary:

Racetrack 430, LLC (the "Borrower") has requested the issuance of the Bonds by the Pinellas County Industrial Development Authority (d/b/a the Pinellas County Economic Development Authority) (the "Issuer"). The Borrower intends to use the bond proceeds for the primary purpose of financing and refinancing, including through reimbursement, (i) the acquisition, construction, renovation, improvement, expansion and equipping of manufacturing facilities located at 430 Race Track Road North, Oldsmar, Florida 34677, including (a) the construction and equipping of a new approximately 50,265 square foot building and (b) the construction, renovation, improvement, expansion and equipping of an existing building from approximately 22,250 square feet to approximately 36,923 square feet (collectively, the "Facilities"), both to be used for the manufacturing of tanning and personal care products and related manufacturing purposes (collectively "Manufacturing"); (ii) the refinancing of a conventional taxable term loan from Wells Fargo Bank, National Association (the "Purchaser"), to the Borrower, entered into on June 23, 2017, the proceeds of which were Racetrack 430, LLC (the "Borrower") has requested the issuance of the Bonds by the Pinellas County Industrial Development Authority (d/b/a the Pinellas County Economic Development Authority) (the "Issuer"). The Borrower intends to use the bond proceeds for the primary purpose of financing and refinancing, including through reimbursement, (i) the acquisition, construction, renovation, improvement, expansion and equipping of manufacturing facilities located at 430 Race Track Road North, Oldsmar, Florida 34677, including (a) the construction and equipping of a new approximately 50,265 square foot building and (b) the construction, renovation, improvement, expansion and equipping of an existing building from approximately 22,250 square feet to approximately 36,923 square feet (collectively, the "Facilities"), both to be used for the manufacturing of tanning and personal care products and related manufacturing purposes (collectively "Manufacturing"); (ii) the refinancing of a conventional taxable term loan from Wells Fargo Bank, National Association (the "Purchaser"), to the Borrower, entered into on June 23, 2017, the proceeds of which were applied by the Borrower to finance and refinance the acquisition and improvement of the approximately 4.5 acres of land on which the Facilities will be located; (iii) funding a debt service reserve fund, if deemed necessary or desirable; (iv) paying capitalized interest, if deemed necessary or desirable, and (v) paying certain Bond issuance costs (collectively, the "Project"). The Borrower will own the Facilities and lease them to a related entity, O.L. Products, Inc. ("O.L. Products"), or a different affiliated or related entity, for the primary purpose of Manufacturing.

This is a companion item to the bond approval, resolution and related bond documents which will be considered by the Pinellas County Board of County Commissioners, acting as the Pinellas County Industrial Development Authority, on February 28, 2023.

Background Information:

The Borrower has requested the issuance of the Bonds by the Issuer. The Borrower intends to use the bond proceeds for the purpose of the financing and refinancing, including through reimbursement, the Project. The Borrower will own the Facilities and lease them to a related entity, O.L. Products, or a different affiliated or related entity, for the primary purpose of Manufacturing.

The Borrower was established as a Florida limited liability company on April 6, 2005, and has selected the Purchaser as the purchaser of the Bonds. The Bonds will be sold to the Purchaser in whole. The Bonds will be secured by a mortgage on the property which has an appraised value upon completion which exceeds the amount of the Bond issue.

This is a substantial economic development project to construct a new approximately 50,265 square foot manufacturing facility; and an additional approximately 14,673 square feet to an existing manufacturing facility; and acquire various production line equipment to a facility in Oldsmar, Florida. The development project will promote economic growth within Pinellas County, Florida and throughout Florida through the retention of 84 jobs and the creation of an estimated 51 new jobs including machinists, lab technicians and production staff.

The public hearing is a condition of exclusion from gross income for federal income tax purposes of the interest on private activity bonds. This is a companion item to the bond approval, resolution and related bond documents which will be considered by the Pinellas County Board of County Commissioners, acting as the Pinellas County Industrial Development Authority, on February 28, 2023.

Fiscal Impact:

There is no fiscal impact to the County. The Borrower is responsible for payment of all fees and expenses. The County has received the bond application fee of \$2,000.00 from the Borrower. The County will also receive a financing fee of 1/2 of 1% of the Bond amount, up to \$20,000.00 maximum, at closing to cover administrative costs for this Project.

Staff Member Responsible:

Dr. Cynthia Johnson, Director, Economic Development

Partners:

N/A

Attachments:

Resolution

Exhibit A - Notice of Public Hearing

Affidavit of Notice of Public Hearing