



Pinellas County

Staff Report

File #: 21-2574A, Version: 1

Subject:

Lealman Exchange Master Lease and Management Agreement between Pinellas County and the St. Petersburg Foundation.

Recommended Action:

Approval of the Lealman Exchange Master Lease and Management Agreement (Agreement) between Pinellas County (County) and the St. Petersburg Foundation (Foundation).

- In Fiscal Year 2021, staff conducted a strategic planning process for the Lealman Exchange and later initiated a Letter of Interest (LOI) procurement process to select an entity to implement the strategic plan.
- The LOI review panel included representation from the Community Redevelopment Area Advisory Committee, County Administration, the Department of Administrative Services, the Office of Technology & Innovation, and Communications.
- The Foundation was selected to manage the Lealman Exchange under a Collective Impact model. This model unites multi-sector service providers into an integrated collective with shared goals, measurements, strategies, and services.
- The Community Foundation of Tampa Bay has pledged \$70,000.00 to the Foundation to support implementation of the Lealman Exchange strategic plan for the next three years or a total of \$210,000.00.
- The CRA Advisory Committee recommended approval of the CRA funding in the Agreement at its January 26, 2021 meeting.
- The strategic planning process and its implementation has involved key stakeholders from the community, the CRA Advisory Committee and current tenants at the Lealman Exchange such as the YMCA of Greater St. Petersburg.

Key aspects of the Agreement include:

- The Foundation will be responsible for operational, repair and maintenance expenses.
- The County will be responsible for maintaining and repairing all structural components of the Premises, including the roof, foundation, walls, and any structural components thereof.
- The Foundation will have the sole right and authority to manage, operate, direct and supervise the Exchange within the guidelines established by the Agreement
- The Foundation will be required to submit an Annual Business Plan for approval by the County Administrator and will be subject to an Annual Performance Review as part that approval process.
- As part of creating a sustainable model, the agreement calls for net income to be distributed as follows: 50% to the County to be reserved for program support, and capital expenditures to support programing, 25% to the County to reduce the County's internal Cost Allocation to the facility and 25% to the St. Petersburg Foundation for its sole discretionary use.
- The funds from the General Fund and from the Lealman CRA Fund are consistent with the FY22 Adopted Budget. The remaining funding is the responsibility of the St. Petersburg

Foundation and does not have a fiscal impact on Pinellas County.

Strategic Plan:

Ensure Public Health, Safety, and Welfare

2.2 Be a facilitator, convener, and purchaser of services for those in need

Foster Continual Economic Growth and Vitality

4.2 Invest in communities that need the most

Deliver First Class Services to the Public and Our Customers

5.1 Maximize partner relationships and public outreach

5.2 Be responsible stewards of the public's resources

Summary:

In FY21 staff conducted a strategic planning process for the Lealman Exchange and later initiated a Letter of Interest (LOI) procurement process initiated in FY21 to select an entity to implement the strategic plan. The LOI review panel included representation from the CRA Advisory Committee, County Administration, Department of Administrative Services, Office of Technology & Innovation and Marketing & Communications. The St. Petersburg Foundation was selected and included the following team members:

- The Community Foundation of Tampa Bay, which has pledged \$210,000 to the St. Petersburg Foundation to support implementation of the LEX strategic plan.
- St. Petersburg Group, a consulting firm founded to support public-private philanthropic partnerships.
- The Catalyst, a civic engagement and modern news platform covering local community news often under reported by traditional media channels.
- CapEx Advisory Group, a consulting firm that guides the vision, financing, and development of complex capital projects for mission-driven clientele.

Background Information:

In FY21 staff conducted a strategic planning process for the Lealman Exchange, which included the following mission statement: "Celebrating Lealman pride and increasing opportunity through partnerships and programs focused on economic empowerment, educational advancement, health & wellness, character & leadership and community connectivity."

Key findings of the strategic plan included the following:

- Service providers working together under a Collective Impact model in offers a path to meaningful and measurable change in the quality of Lealman residents' lives.
- Collective Impact unites multi-sector service providers into an integrated collective with shared goals, measurements, strategies, and services.
- The Lealman Exchange should serve as a hub, gathering place, community center and change agent for the revitalization of the Lealman Community.
- Partner organizations will be an optimized combination of full time, part time and program-specific tenants, as well as outside service providers committed to the common mission of closing the Lealman opportunity gap.
- All partnerships should serve to strengthen existing community service providers or fill an unmet community need.

Fiscal Impact:

Over the initial three-year term of the Agreement the proforma reflects an average annual budget of \$962,079 for all programming and occupancy income. Pinellas County will continue to provide the current level of funding from the General Fund for payment of facility-related utilities, contracted services, and labor over the initial three-year term at an annual average of \$433,255. The St. Petersburg Foundation will be responsible for an average annual amount of \$320,491 and the Lealman CRA Trust Fund will contribute an annual average of \$208,333 (\$250,000 in Year 1; \$200,000 in Year 2; and \$175,000 in Year 3) in Tax Increment Financing (from the MSTU portion). As part of creating a sustainable model, the Agreement calls for Net Income to be distributed as follows: 50% to the County to be reserved for program support, and minor capital expenditures to support programming, 25% to the County to reduce the County's Cost Allocation and 25% to the St. Petersburg Foundation for its sole discretionary use.

The \$433,255 funds from the General Fund are included in the FY22 Adopted budget in the Department of Administrative Services. The \$250,000 in funds in Year 1 from the Lealman CRA Fund are consistent with the FY22 Adopted Budget and is consistent with the Lealman CRA Plan. These funds will be paid out of the Municipal Services Taxing Unit (MSTU) portion of the Tax Incremental Financing (TIF) revenues for the Lealman CRA. The remaining \$320,491 of funding is the responsibility of the St. Petersburg Foundation and does not have a fiscal impact on Pinellas County.

Staff Member Responsible:

Tom Almonte, Assistant County Administrator
Diana Sweeney, Deputy Director, Department of Administrative Services
Chris Moore, Assistant to the County Administrator, Lealman Community

Partners:

Lealman CRA Advisory Committee

Attachments:

Lealman Exchange Master Lease and Management Agreement & Proforma
Lealman Exchange Strategic Plan
Lealman CRA Plan