



Pinellas County

Staff Report

File #: 22-0983A, Version: 1

Subject:

Conditional approval of funding under the Penny for Pinellas Employment Sites Program.

Recommended Action:

Conditional approval and funding of a project following the 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 the agreement and documentation associated with the Employment Sites Program project funding.

A total of three applications were received and evaluated for the Second Round and all were recommended by staff for conditional funding. Two applications were provided conditional approval and delegated authority during the Board of County Commissioner's meeting on April 12, 2022. This staff item is to present the third application.

- Funding for Edge Central Development Partners, LLC in the amount of \$3,000,000.00 to assist with infrastructure and development costs of a 50,000-square-foot Class A office space in downtown St. Petersburg.
- The office space is part of the larger mixed-use development called Orange Station at the Edge that will include residential, retail and parking.
- The total cost of the 50,000-square-foot office development is approximately \$20,000,000.00.

Strategic Plan:

Foster Continual Economic Growth and Vitality

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

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:

The second application cycle for the Employment Sites Program opened on June 2, 2021 and closed on July 6, 2021. Three applications were submitted requesting project funding assistance in a total amount of \$3,744,440.00. Pinellas County Economic Development staff scored each application based on objective evaluation criteria based on the public policy goals. Then County staff from multiple departments reviewed and provided input on all proposed projects. Two applications were provided conditional approval and delegated authority during the Board of County Commissioner's meeting on April 12, 2022. The remaining project is recommended for funding and meets the eligibility criteria and complies with the public policy goals as set forth in the program guidelines.

Background Information:

Penny IV Funds are provided through an extension of the Infrastructure Sales Surtax, a voter-approved 1.0% sales tax that is dedicated to infrastructure improvement projects in Pinellas County. Penny IV was approved by 83% of Pinellas County voters on November 7, 2017. The approved ballot language included “capital projects to support economic development” as permissible uses of funds. On August 1, 2017, prior to the vote on the Penny IV ballot initiative, an Interlocal Agreement between Pinellas County and the 24 municipalities was approved to allocate the proceeds from the 2020-2029 infrastructure surtax. Under the Interlocal Agreement, 8.3% of the net proceeds of the surtax is dedicated to countywide investments in the areas of Economic Development Capital Projects, as authorized in Section 212.055(2)(d)3, Florida Statutes, and “Housing” land acquisition in support of affordable residential housing, as authorized in Section 212.055(2)(d)(1)(e), Florida Statutes.

The Board established a Joint Review Committee (JRC) to develop guidelines for the use of Penny IV Funds for affordable housing and economic development capital projects. The JRC was comprised of City and County representatives and met monthly between March and October of 2019. The County engaged a consultant to assist the JRC by conducting market research to inform policy regarding the deployment of Penny IV Funds. This research indicated that there is strong demand for the development of industrial and office properties within Pinellas County. However, while there is a potential market for future development, attraction and retention of targeted industry employers will likely be limited by various factors including:

- 1) Competition for target industry employers from other markets
- 2) Presence of obsolete buildings that do not meet modern target industry employers’ needs
- 3) Unavailability of sites
- 4) Inadequate infrastructure
- 5) Financial feasibility of new office and industrial development
- 6) Lack of workforce housing

Program guidelines prescribe that the Penny IV Funds be used for strategic investment in economic development capital project to address these identified challenges which prevent or limit desired economic development. These guidelines were approved by the Board on December 10, 2019 and establish minimum criteria and project eligibility requirements. Based on the guidelines, staff developed an application along with evaluation criteria that align with the public policy goals. The guidelines identified three primary categories for funding:

- 1) New construction, expansion, and/or rehabilitation of office and industrial buildings
- 2) Site-readiness
- 3) Public infrastructure

The second application cycle for the first category of funding focused on the private sector’s ability to complete new and/or substantially improved office and/or industrial spaces to accommodate target industry jobs. All proposals were required to submit an online application that included a financial plan to demonstrate and document a financial gap. Following conditional Board approval, due diligence will be completed to ensure compliance with program guidelines. A summary sheet for the application is included as an attachment.

Staff recommends the Board approve the following maximum funding amount for the project application and authorize the County Administrator to negotiate and approve the terms and final funding:

\$ 3,000,000.00 - Edge Central Development Partners, LLC

Fiscal Impact:

Total Maximum Expenditure - \$3,000,000.00

Funding is available from the Penny IV allocation for Economic Development Capital projects (project 004149A)

Staff Member Responsible:

Cynthia Johnson, Economic Development Director
Teresa Brydon, Economic Development Manager

Partners:

City of St. Petersburg

Attachments:

Project Summary Sheet
Presentation