



Pinellas County

Staff Report

File #: 22-1498A, **Version:** 1

Subject:

Nine applications for funding under the Penny for Pinellas Employment Sites Program.

Recommended Action:

Conditional approval and funding of nine projects presented here 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 of County Commissioners delegate authority to the County Administrator to negotiate and execute all agreements and documentation associated with the Employment Sites Program project funding.

A total of nine applications were received and evaluated. Based on scoring evaluations and the determination of these projects' readiness to proceed, all applications are recommended for conditional funding at this time.

- Harrod Properties - Starkey Lakes, in the amount of \$2,800,000.00 to offset costs related to stormwater vaults and fill dirt required for a new 160,000 square foot industrial building in Largo.
- Wendover Real Estate, in the amount of \$1,952,000.00 to assist in underwriting a vaulted detention system to maximize development and meet stormwater regulations with the development of a 69,006 square foot manufacturing addition to their existing headquarter building in unincorporated Largo.
- Agora Edge, in the amount of \$1,717,412.00 to help on infrastructure costs associated with a complete buildout of the site as well as the relocation of municipal utilities. The project will construct a new 47,900 square foot light manufacturing facility on 6 acres (currently undeveloped) located at the corner of 20th Avenue North and 29th Street North in St. Petersburg.
- B&R Enterprise - FGCI, in the amount of \$385,969.00 to offset costs associated with unanticipated building code regulations for the rehabilitation of an existing 22,551 square foot industrial building located in the Lealman CRA.
- Sunshine Properties LLP, in the amount of \$405,275.00 to cover stormwater work, and a fire sprinkler system in the new building to meet code requirements. Dosatron and Diluted Solutions are growing their current facility from 14,000 square feet to over 25,000 square feet on their existing site in Clearwater.
- Auburn Supply Group, in the amount of \$327,000.00 to offset the rising costs of construction to their new 12,000 square foot industrial building in Tarpon Springs.
- Tampa Bay Innovation Center, in the amount of \$4,000,000.00 to assist in underwriting the construction of a three-story, 45,000 square foot technology facility for the Innovation Center in the site located in St. Petersburg.
- Lockheed Martin, in the amount of \$906,000.00 to off-set the costs associated with significant

import of fill dirt, environmental preservation, and stormwater improvements to the property to accommodate a new 45,000 square foot industrial building in unincorporated Oldsmar.

- 8th Ave SE Industrial LLC, in the amount of \$950,000.00 to assist in remediation of the site and removal of materials along with clean fill dirt for the structures. The project will be two new industrial flex buildings that will total 197,000 square feet located in Largo.

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 third application cycle for the Employment Sites Program opened on February 1, 2022 and closed on April 4, 2022. Nine applications were submitted requesting project funding assistance in a total amount of \$13,443,656.00. 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. The recommended projects meet the eligibility criteria and comply 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 has a range from 0 - 165 points) 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 third 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 each project application is included as an attachment.

Staff recommends the Board approve the following maximum funding amounts for nine of the ten project applications and authorize the County Administrator to negotiate and approve the terms and final funding:

\$ 2,800,000.00 - Harrod-Starkey Lakes
\$ 1,952,000.00 - Wendover Real Estate
\$ 1,717,412.00 - Agora Edge
\$ 385,969.00 - B&R Enterprise - FGCI
\$ 405,275.00 - Sunshine Properties
\$ 327,000.00 - Auburn Supply Group
\$ 4,000,000.00 - Tampa Bay Innovation Center
\$ 906,000.00 - Lockheed Martin
\$ 950,000.00 - 8th Ave SE Industrial

\$ 13,443,656.00 Total funding amount

Fiscal Impact:

Total Maximum Expenditure - \$13,443,656.00

Funding to support the recommended applications is budgeted in the County's Capital Improvement Program, funded by the Local Infrastructure Sales Surtax (Penny for Pinellas) in project 004149A Penny IV Economic Development Capital Projects. This funding is from the Penny for Pinellas countywide investment for Economic Development Capital Projects and Housing.

Staff Member Responsible:

Dr. Cynthia Johnson, Director, Economic Development

Teresa Brydon, Business Development Manager, Economic Development

Partners:

City of Clearwater

City of Largo

City of St. Petersburg

City of Tarpon Springs

Unincorporated Oldsmar

Unincorporated Largo

Unincorporated St. Petersburg

Attachments:

Project Summary Sheets

Penny IV Affordable Housing and Economic Development Program Guidelines