

**BOARD OF COUNTY COMMISSIONERS**

DATE: January 22, 2008  
AGENDA ITEM NO. 31e

Consent Agenda

Regular Agenda

Public Hearing

County Administrator's Signature

**Subject:**

Ranking of Firms - Sale or Lease of Property, Toytown Site St. Petersburg  
Contract No. 067-0374-P(JL)

**Department:**

Economic Development / Purchasing

**Staff Member Responsible:**

Joe Lauro

**Recommended Action:**

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD), ACTING AS THE PINELLAS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, DOING BUSINESS AS THE PINELLAS COUNTY ECONOMIC DEVELOPMENT AUTHORITY (PCEDA), APPROVE THE RANKING OF FIRMS ESTABLISHED FOR ORDER OF NEGOTIATION FOR THE SALE OR LEASE OF PROPERTY, TOYTOWN SITE, SAINT PETERSBURG.

**Summary Explanation/Background:**

On March 25, 2007, the Purchasing Department, on behalf of the PCEDA, released a Request For Negotiation (RFN) for the sale or lease of property at the Toytown Site, St. Petersburg. The property is a closed Class One Landfill, certified for closure in 1991 and is currently operating under a closure permit. The property is included within the Gateway Area-wide Development of Regional Impact (DRI). All development within this DRI must occur in accordance with the DRI Development Order as adopted by the City of St. Petersburg. In 2004, the Board adopted Ordinance No. 04-18 which prohibits residential development of any type within 2000 feet of the boundary of the Pinellas County Solid Waste Disposal Facility without a variance being granted by the Board. The western portion of the site is located within 2,000 feet of the County's Sod Farm located on the west side of I-275; therefore a potential developer would have to apply for and receive from the Board a variance from the restrictions of this Ordinance before constructing any residential structures on this portion of the site.

The RFN was initiated after the County received an unsolicited proposal from Bear Creek Capital to develop the Toytown site. In response, the Board expressed its desire to solicit additional proposals through an RFN process.

An evaluation committee consisting of the Director of Economic Development, representatives from the Office of Management and Budget and Planning Department, President of the Economic Development Corporation of Sarasota County, a consultant with the Orlando office of the real estate services firm of Jones Lang LaSalle, along with the Purchasing Director, acting as a proctor, met on October 30, 2007, to establish a ranking of order for negotiation. The evaluation committee took into consideration individual submittals, as well as committee discussions, to reach a consensus on the rank order for negotiation.

The evaluation criteria contained in the RFN document, considered by the committee are as follows:

- 1) Net sale proceeds and/or income generated by the transaction.
- 2) Intended use of the property.
- 3) Value of future tax payments.
- 4) Number of jobs created.
- 5) Wages and benefits.
- 6) Expense reduction.
- 7) Other benefits to the County or its citizens.
- 8) Ability of applicant to complete proposed project.

The four groups participating in the RFN process in rank order of negotiation are as follows:

- 1) Industrial Realty Group (IRG), Los Angeles, California / Bear Creek Capital (BCC), LLC, Cincinnati, Ohio
- 2) The Sembler Company, St Petersburg, Florida / Real Estate Interest Group Inc., Bloomfield Hills, Michigan
- 3) Ryan Companies US, Inc. Tampa, Florida / White Development Co., Clearwater, Florida
- 4) Tri-City Kart Club, Inc., Pinellas Park, Florida

The top-ranked IRG/BCC submittal included the opportunity for residential (with up to 20% affordable workforce housing), but contained no residential requirements; proposed an anticipated amount of nearly \$25 million annually in future tax revenue to the County; provided for extensive park, recreational and public amenities; included detailed information on how they propose to manage existing permit and maintenance requirements and offered an experienced team concerning this type of development and construction. A comparison of the key features of the proposals is attached for your review.

**Fiscal Impact/Cost/Revenue Summary:**

N/A

**Exhibits/Attachments Attached:**

Consensus Order of Negotiation  
Comparison of Proposals

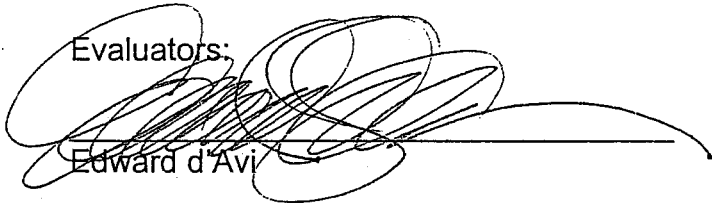
Consensus Order of Negotiation

RFN 067-0374-P (JL) Sale (Or Ground Lease) Of Property – Toytown Site – St. Petersburg, FL

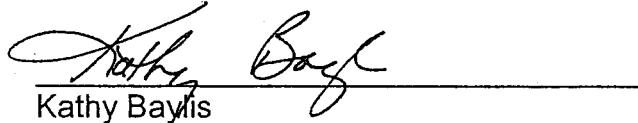
Tuesday, October 30, 2007 8:30 a.m.  
Pinellas County Utilities, 14 S Ft Harrison Ave, Clearwater, FL

| COMPANY   | CONSENSUS RANKING |
|---|-------------------|
| IRG/BCC Development Partners  | 1                 |
| Ryan Companies US Inc., Commercial Properties Realty Trust & Baton Rouge Area Foundation (BRAAF and White Development Company | 3                 |
| The Sembler Company and Real Estate Interests Group, Inc  | 2                 |
| Tri-City Kart Club, Inc   | 4                 |

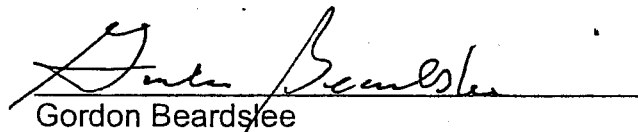
Evaluators:

  
Edward d'Avi

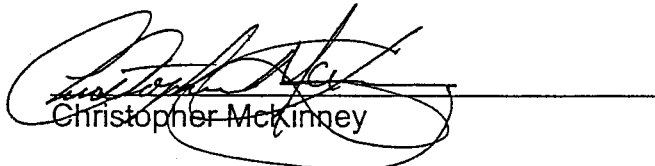
10/30/07  
Date

  
Kathy Baylis

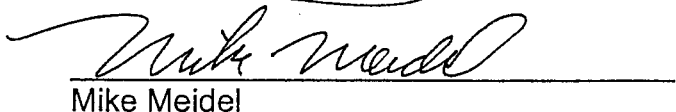
10/30/07  
Date

  
Gordon Beardslee

10/30/07  
Date

  
Christopher McKinney

10/30/07  
Date

  
Mike Meidel

10/30/07  
Date

# Comparison of Responses to Toytown RFN

**Evaluation Criteria**

|  |  |   |  |
|--|--|---|--|
| <b>Proposal Team</b>                             | Industrial Realty Group and Bear Creek Capital   | Real Estate Interests Group, Inc. and The Sembler Company   | Commercial Properties Realty Trust, Ryan Companies US, Inc., and White Development Company   |
| <b>Net Sale Proceeds and/or Income Generated</b> | None   | \$15,000,000 plus a to-be-determined amount per buildable square foot by use and space  | None   |
| <b>Use of Property</b>                           | Mixed use development including residential, office, retail, hotels and a convention center. Parks & recreation features include a community center, civic center, ballfields, tennis courts, BMX, skate park, water park, volleyball, playground, dog park, trails and boating uses on adjacent lake. Proposal states that they are "confident that the project will be very successful if regulatory or other issues prevent residential construction."  | Mixed use development including retail, office, residential, R&D and a hotel. Parks & recreation features include significant green space, a community center, rec center, ballfields, tennis courts, extreme sports, water park, outdoor performance center and trails. Proposal states that "the residential component is an essential element for this project."   | Mixed use development including retail, office, R&D, light industrial and hotel. Parks & recreation features include athletic fields, cross country running and a skate park. Proposal includes no on-site residential uses, but provides that 10% of annual future net profits will be allocated toward a local "Legacy Fund" to be used for workforce housing and employment training.   |
| <b>Value of Future Tax Payments</b>              | Ad valorem and sales taxes generated by the project.   | Ad valorem and sales taxes generated by the project.  | Ad valorem and sales taxes generated by the project. Proposes CRA and will use 30 year TIF to fund remediation and development costs (except for 20% returned to County/City). May also create a CDD (special assessment) if TIF is not enough   |
| <b>Number of Jobs Created</b>                    | Construction jobs during 2 year build-out. Office, retail and hospitality jobs commensurate with space available for those uses at any given year.   | Construction jobs during 10 year build-out. Office, R&D, retail and hospitality jobs commensurate with space available for those uses at any given year.  | Construction jobs during 5 year build-out. Office, light industrial, retail and hospitality jobs commensurate with space available for those uses at any given year.   |
| <b>Wages &amp; Benefits</b>                      | Benefits competitive with respective industries in local market.   | Benefits competitive with respective industries in local market.  | Benefits competitive with respective industries in local market.   |
| <b>Expense Reduction</b>                         | Will fund the building of the recreational facilities. Intend for recreational facilities operating and maintenance to be paid for by project either by supporting costs through increased revenue generated by project or establishing a CDD with some costs offset by YMCA. Will take over environmental liability and monitoring activity and eliminate current annual landfill maintenance costs.  | Will establish a funding mechanism (like a CDD) for up to \$1 million per year to County for landfill maintenance costs. Proper redevelopment expected to reduce County's maintenance costs. Final remedial/closure strategy and appropriate insurance product will reduce County contingency budget. Funding for open space and recreation area will be through County Parks & Rec. Site maintenance services shared with remainder of development will reduce parks and recreation costs. | Eliminate County maintenance expense   |
| <b>Other Benefits</b>                            | Will devise a workable program to attract workers from distressed areas. Concept plan provides for future transit, multimodal and regional transportation facilities. Plan embraces Community Housing goals and will use Section 138-1346 of County LDC as minimum standard (20% affordable). Initiated discussion with YMCA to operate rec component. Includes an additional 60 acre property adjoining the site to the south and anticipates working with the City of St. Petersburg to integrate use of nearby lake.  | University based jobs program is under consideration. Includes workforce housing mixed within each of the residential types. Integrated public art program. Environmentally friendly - water conservation, grey and/or rainwater collection system, green and sustainable design. Connect to regional transportation facilities.  | Support for training and community based family services through Legacy Fund - 10% of future annual net profits. Propose a LEED certified development exploring use of renewable energy (methane). Will structure a business or non-profit entity to take site control and assume cost of landfill maintenance   |
| <b>Ability of Applicant</b>                      | Industrial Realty Group is team lead; has portfolio of 70 million square feet of industrial reuse property. Founder and Managing Partner has net worth exceeding \$100,000,000 and has close relationships for equity and debt financing. International Risk Group LLC is prepared to assume environmental liabilities associated with project; has track record of privatization of environmental liability. Provided two page matrix of management approaches for landfill permit and maintenance requirements. Team has experience with redevelopment of former military and municipal landfill sites. Team leads have worked together in the past. | REI and Sembler are team leads and will use their financial capability and banking history to underwrite the project. REI has experience developing former industrial, mining, and landfill sites and is currently working a \$9 billion redevelopment project in Las Vegas. Supporting technical team also has experience with landfill redevelopment projects, including company involved in building Toytown's slurry wall.  | Ryan manages 10 million square foot portfolio. Team will form a new business or non-profit entity to implement project. This entity will serve as master developer, take ownership of property and assume all risks. Project Team has reputation and experience to access global capital markets. Team members have experience with redevelopment of former superfund site and army munitions depot, but limited landfill experience. Technical support members have experience with landfill closure permits. |