



Legislation Text

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Agenda Item Name:

Presentation of Eco-Industrial Business Plan for Shovel-Ready Industrial Parcels

Presenter:

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Description:

Presentation of the Eco-Industrial Park business plan including comparable projects, and pro forma

Recommended Action:

Hear presentation.

Prior Board Motions:

On April 24, 2018 Commissioner Hutchinson moved the following:

1. To approve the award of Bid 18807: Project 6398 Resource Recovery Park Phase 1, to V.E. Whitehurst & Sons, Inc., in the amount of \$2,331,180.35 plus a contingency of 10% brings the total amount to \$2,564,298.39, as the lowest responsible and responsive bidder meeting specifications and authorize staff to negotiate an agreement.
 2. Request that staff to return to the Board with a range of scenarios for repaying the cost of the development to include stretching the payments out and also include negotiations with the partners (Haulers and Municipalities) to request that they pass the savings on to the customers as much as possible.
 3. Request that at the next available City County meeting a briefing on solid waste issues be scheduled for a Commission to Commission meeting.
 4. That staff promptly schedules a discussion with the Board following the completion of the waste composition study regarding where the Board would like to proceed with the study. Staff is to provide a two to three page summary of the peer facility in Tallahassee and the economics of that facility.
 5. Refer the proposal to Environmental Protection Advisory Committee (EPAC) and the Economic Development Advisory Board (EDAC) the business plan and request their input on how the plan can be improved.
- The motion carried 4-1 with Commissioner Cornell voting "Nay."

Fiscal Consideration:

None at this time.

Background:

This agenda item represents the first component of a three-part business plan for the Eco-Industrial Park (EIP). For the 31 acres of shovel-ready industrial parcels, this first component of the business plan will cover the real estate functions, pricing and comparable projects. This first portion of the business plan compliments the previously presented community-wide economic impact analysis of the EIP.

Estimated Economic Impact

The EIP will be a regional incubator and attractor of private sector-industries for Florida's material-remanufacturing future generating up to 3,300 direct, indirect and induced jobs at project buildout.

Estimates at Project Buildout

- 2,069 - 3,337 fulltime and part-time jobs supported
- Direct employment for operation: 281-471 jobs
- Average labor income per employee: ~ \$50,800 - \$57,600
- \$176.7 - \$320.4 million per year in value added (GSP) supported
- \$11.9 - \$24.6 million per year in state and local tax revenue impacts

Points Covered by the Business Plan for Shovel Ready Parcels for Industrial Users

- Estimated lease rate structure utilizing relevant comps
- Estimated parameters of operations, maintenance and site stewardship costs (e.g. roads, storm water systems, public parking, landscaping.)
- 10 year pro forma with noted external variables

Lease Rate Pricing

Based on comparable projects with industrial lands the following rate structure is recommended for long term (50+ years) ground leases:

\$0.18 annual rent per square foot per year or \$8,030 annual rent per acre per year on a net lease basis with a 4% escalator every year.

Shovel-Ready Industrial Parcels

Staff have engaged with subject matter experts in real estate and developers of similar project types to provide guidance on the real estate aspects of the business plan. In addition to reviewing local, industrial-incubation-innovation projects, staff also looked for outside models that have a local government-university relationships.

Comparable Sites

A prime example of a local government-university governed research-industrial park can be found at the Tallahassee Innovation Park (TIP) located in Tallahassee, Florida. The TIP has been in operation for 20 years, covers over 200 developed acres. The TIP focus is on magnetic research where the EIP has a focus on waste related industries in the clean-tech and agri-tech sectors.

Comparable projects considered as part of the business plan creation include:

- Gainesville Airport Industrial Park (Industrial Land)
- Gainesville Regional Airport (Industrial Land)
- Tallahassee Innovation Park (Anchor Building/Multi-Tenant Facility and Industrial Land)
- City of Phoenix/Arizona State University Resource Innovation and Solutions Network (Anchor Building/Multi-Tenant Facility and Industrial Land)
- Austin Technology Incubator (ATI) Circular Economy Incubator (Anchor Building/Multi-Tenant Facility)
- UF Innovate/ Progress Park (Anchor Building/Multi-Tenant Facility/Industrial Land)

Marketing and Outreach Portion of the Business Plan

The marketing and branding portion of the Business Plan will be brought back to the Board on February 25, 2020. The marketing and outreach plan will extend the reach of real estate service to national and international industries.

Research Core

The third component of the business plan will cover the administration and functions of the EIP's six acre Research Core still in architectural development. This part will be brought forward as construction documents are completed and resources are identified for buildout.

Research Core Portion of the Business Plan Design

As a parallel activity, the schematic design of the Research Core is in collaboration with UF's College of Design, Construction, and Planning. These schematic designs were vetted with potential UF occupant colleges (IFAS, UF Engineering, Material Science, Hinkley Center and others).

As part of the Research Core a Bulk Storage Facility scope of work and business plan are in development. The bulk material storage facility will be a 15,000 square foot high-bay, open-air, covered facility with an elevated loading/unloading dock, a solid concrete floor, and ground access for a fork lift or other light machinery. Construction will be similar to the Leveda Brown Environmental Park's Materials Recovery Facility: a metal cladding and steel truss supports.

This structure will serve the immediate purpose of securing larger reusable items from the waste stream and diverting them from the landfill for reuse, rehabilitation, and redistribution.

About the EIP

The EIP is located in North Central Florida, roughly 15 minutes north of Gainesville. The EIP is a two-part, 37 acre expansion of public facilities next to the County's Leveda Brown Environmental Park and Transfer Station.

EIP Components Defined

The EIP, as complete complex, can be divided into three distinct areas which includes the operational Leveda Brown Environmental Park and Transfer Station; 31 acres of Shovel-Ready Parcels for Industrial Users; and the six acres under development for a future Research Core.

At full build-out, the project will result in a six acre Research Core and 31 acres of Shovel-Ready Industrial Parcels dedicated to turning waste into wealth through remanufacturing industries and cutting-edge research.

Located in the economically depressed and underdeveloped east-side of Alachua County, this expansion will be an epicenter for recycling, waste-related material research, education, and business incubation in the State of Florida, generating jobs and materials for domestic waste remanufacturing.

Alachua County, in partnership with the University of Florida, developed the schematic architectural design of the six acre Research Core (Core). Construction costs for the core are roughly estimated to be \$7.5 Million with a total under-roof dimension of approximately 50,000 square feet.

The Core itself is comprised of two main areas: a) a 35,000 square foot incubator with research and development capabilities and b) a 15,000 square foot bulk storage facility. The Core would act as the facilitator of an innovation cluster dedicated to the investigation and development of new products and technologies directed to waste markets, sustainable material creation, and upcycling processes. The primary outcome of the Core is to attract industry-related research that creates resilient, material re-manufacturing jobs with better environmental outcomes than the landfilling or incineration of trash.

Alachua County is the home of the University of Florida, and Santa Fe College. Together the community hosts an unparalleled cluster of incubation, innovation, and research & development opportunities. Adding this material re-manufacturing sector, will attract industries, researchers, and entrepreneurs. It will spur collaborative opportunities available to a community hosting a top seven ranked public university with the engineers, scientist, and waste-related specialist to develop new sustainable materials and resilient manufacturing industry. Additionally, Santa Fe College is projected to be a critical partner for vocational and workforce preparedness in service to the EIP.

Next Steps

- Issue a RFP for real estate services once marketing and branding efforts are finalized.
- As part of the marketing efforts, staff is preparing a Request for Innovators seeking industrial processors and manufacturers for the shovel-ready parcels.
- Release an RFP for Architectural and Engineering services for the Research Core to take the schematic designs produced by UF to complete construction documents.
- Staff will pursue grant and legislative support to fund the construction of the Research Core throughout 2020.
- Pursue a co-branding and cooperative agreement with the University of Florida.