AGENDA NUMBER

1. Call to Order

Chairman Bergosh called the Committee of the Whole (C/W) Workshop to order at 9:01 a.m.

2. Was the Meeting Properly Advertised?

The C/W was advised by Jessica Whittle, Legal Assistant, Clerk and Comptroller’s Office, that the meeting was advertised in the Pensacola News Journal in the Board's weekly meeting schedule.
3. OLF8 Master Plan Discussion

A. Board Discussion – The C/W viewed and discussed a map of the Beulah area and a copy of the County’s TRIUMPH Gulf Coast pre-application letter, which were also provided in hard copy, and the C/W:

   (1) Was advised by Commissioner Bergosh that:

      (a) In his opinion, the County should bring in a professional planner to hear input from all citizens, business leaders, county residents, and the Board to determine the highest and best use for the 636-acre property, as well as consider the historic votes and direction of the Board;

      (b) He purchased his home near OLF8 in 2004 and has personally observed the rapid growth in the area; at this time, Beulah cannot support any additional high-density residential development due to the insufficient infrastructure currently in place for existing and pending development; and the residents in Beulah would prefer to have dining options beyond Tom Thumb gas station food or delivery pizza;

      (c) The Board unanimously voted to seek $30 million from Triumph Gulf Coast, and there is $1.5 million in RESTORE Act funding available for planning;

      (d) A previous property appraisal that showed a value of approximately $6.75 million was flawed because it was based on being zoned for public use, which is the most restrictive land use category, and it listed the acreage incorrectly;

      (e) The Brantley appraisal, which was completed in 2016, arrived at a value of nearly $18 million by taking the frontage portion on Nine Mile Road and anticipating the zoning would be changed to provide for retail services;

      (f) One way to meet a portion of the Triumph application criteria that 1,000 new jobs be developed is through the sale of a portion of the land to Navy Federal with the requirement that new jobs are created as a result;

      (g) There are many multi-family units being developed in the area by the private sector; and

      (h) A committee has been formed to create a master plan for the entire Beulah community, but it is not solely focused on OLF8; rather, development at OLF8 is intended to compliment the overall master plan;

(Continued)
(2) Was advised by Commissioner May that:

   (a) There have been factors that were outside of the Board’s control that cost more money than was anticipated for this project;

   (b) From the outset, this project was intended to bring a higher quality of life and high-paying jobs for the residents of the Beulah community;

   (c) Caution should be exercised to ensure that new jobs aren’t structured in a manner where a highly-compensated CEO is brought in from out-of-town and the local employees are not well compensated;

   (d) County staff is not tasked with the economic development of the county; rather, Florida West receives incentives for their economic development efforts, so the Board must rely on Florida West to be engaged and do a good job; and

   (e) Similar to the jail construction project, this is a major project for the whole county and input from the entire county must be considered;

(3) Was advised by Commissioner Barry that:

   (a) The Board will ultimately make decisions regarding what is developed on the property and the overall look of the development; however, the only feedback he feels is appropriate prior to the master plan being developed is to carve out 100 acres for Navy Federal;

   (b) The Triumph application has some ambiguous language, but it can be summarized to state that the land should be developed to better suit the needs of the Beulah community;

   (c) The ability of the Navy to swap like-value property exists so the public is not harmed by the transaction and with the understanding that the property will be used in a way that benefits the public interest; and

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3. Continued…

A. Continued…

(3) Continued…

(d) When considering a sale of a portion of the property to Navy Federal, it is not intended to be a requirement that the new jobs created are required to be housed on said property; rather, the property may be used for parking, infrastructure, or employee amenities and still contribute to the number of jobs created within the existing footprint of the organization;

(4) Was advised by Commissioner Robinson that:

(a) He does not advocate for any additional single-family detached residential housing, but the planner should still consider all possibilities because the future workforce desires housing options such as high-rise condominiums, and multi-family housing within biking and walking distance to Navy Federal may be a good option and ease the burden on public infrastructure;

(b) The Triumph application indicates a minimum of 1,000 jobs, but he believes more jobs will be generated; and

(c) Ellyson Industrial Park generates a large number of jobs for Escambia County, but it is not necessary to replicate that format to facilitate new jobs;

(5) Was advised by Chips Kirschenfeld, Natural Resources Management Director, that:

(a) The Triumph Board has approved or is in the process of approving eight projects, and none have included residential development; priority is given to transformational projects that will diversify the economy in Northwest Florida beyond the Department of Defense and tourism industries, with emphasis on high-wage jobs and projects providing local matching funds;

(b) Dr. Rick Harper analyzes all of the applications and runs economic models to determine the return on investment, measured as jobs created for money spent; the models are not used to show residential development yielding long-term jobs;

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(5) Continued…

(c) The Triumph and RESTORE legislation include criteria that the funding cannot benefit one company or one individual and private developers must go through the solicitation process; and

(d) The Triumph pre-application was developed from the information provided in the RESTORE application prepared by FloridaWest and was submitted in November of 2017 before the Triumph Board had made any selections of projects and without knowing the desired criteria;

(6) Was advised by Horace Jones, Development Services Director, that public use zoning allows for correctional facilities, educational facilities, offices for governmental agencies, and other public institutional uses and it prohibits any residential units or independent restaurants;

(7) At the request of Commissioner Robinson, was advised by Alison Rogers, County Attorney, that the current timeline predicts substantial completion in mid-October, the land swap to occur in mid-December, and the ceremony to be scheduled for mid-February;

(8) Was advised by Scott Luth, CEO, FloridaWest, that:

(a) The Triumph Board is looking for projects that will have the highest return on investment in relation to the overall economic impact; the projects that have been approved to date include training and education of the workforce relative to jobs paying well above the current county average wage and infrastructure projects that are anticipated to lead to jobs that pay significantly above the average wage;

(b) There is no reason not to consider carving out 100 acres for sale to Navy Federal at this time in exchange for job creation;

(c) The overall objective and goal for the project remains the creation of jobs paying $60,000 per year, but five years have elapsed since the initial submittal, so the projected average wage of new jobs coming in may be higher; and

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(d) He concurs with the direction of the conversation; the people who do this for a living and can take into account the historical, current, and future needs of the region can structure the project for the highest return on investment for the community;

(9) Was advised by Theresa Blackwell that 97 percent of the residents in Beulah who have been polled do not support a large commerce park in the same fashion of Ellyson Field; she believes the highest return on investment would be realized by a development that includes restaurants and places to hang out; the two appraisals that were completed in 2016 both indicated that development of a commerce park would result in a poor return on investment; and the residents of Beulah will not be comfortable with a master plan developed by FloridaWest; and

(10) Was advised by Kara Cardona, Vice President, Navy Federal, that Navy Federal is still very interested in acquiring 100 acres at a mutually-agreed-upon fair market value; they are willing to create additional jobs; approximately 56 acres of the land are wetlands; additional parking is needed to support the existing campus; and they are happy to forward a development concept to the Board for review; and

B. Board Direction – The C/W recommends that the Board immediately begin negotiations with Navy Federal Credit Union (NFCU) to sell the northeastern most 100 acres of the OLF8 property to NFCU at market price, subject to NFCU’s commitment of a mutually agreed upon number of jobs to be added to the NFCU campus.

Recommended 3-1, with Commissioner May voting “no” and Commissioner Underhill absent

4. West Cervantes Street/Mobile Highway Corridor Improvements

This item was briefly discussed and rescheduled to the next Regular Board Meeting.
5. Progress Update on the New Correctional Facility

A. Board Discussion – The C/W reviewed a PowerPoint presentation, entitled *New Escambia County Correctional Facility*, which was also provided in hard copy, and the C/W:

(1) Was advised by Colby Brown, Branch Director, Public Works, that:

   (a) The auger cast piles have been installed at the site and the rework of the Juvenile Justice Center parking lot is underway;

   (b) There has been a 75% design review meeting for the mechanical and plumbing and the 100% drawings are expected at the end of the month;

   (c) As previously requested, larger samples of the colors currently being considered are presented for consideration;

   (d) The Florida Department of Transportation (“DOT”) issued a driveway permit, but it includes a stipulation that a shared access joint-use agreement be submitted within 90 days of August 16;

   (e) The approved plans include four access points: one access for the jail from Fairfield, one access to the outparcel site from Fairfield, one access for the jail from Pace, and one access to the outparcel site from Pace;

   (f) The recommended plan takes into consideration the DOT’s spacing requirements and includes two more access points for the outparcel site on Fairfield and at least three more along Pace, for a total of seven, which will likely result in a cost increase of an undetermined amount; and

   (g) Attendance at the Access Management Review Board in Chipley, Florida, on October 1, 2018, is necessary; and

B. Board Direction – That the C/W move forward with the recommended plan of seven access points at the jail site and prepare the issue agreement based on the number permitted by the Florida Department of Transportation.

*Recommended 4-0, with Commissioner Underhill absent*

Speaker(s):

Shane Lyle
6. Lease Fees/Property Taxes on Pensacola Beach

A. Board Discussion – The C/W reviewed a PowerPoint presentation, entitled *Potential BCC Policy Re: Pensacola Beach Leases*, that was provided in hard copy only, and the C/W:

(1) Was advised by Commissioner Bergosh that:

(a) The leases on the beach are complicated, in that some property owners are paying ad valorem tax and others are paying lease fees, leading to inequity in the amount paid for similar properties;

(b) The negotiated leases that are currently in place should remain, but he would like to see standardized lease agreements going forward;

(c) When Beach Club renewed their lease, it amounted to $185 per year in lease fees for the property portion of the taxes, and, in his opinion, this amount is too low given the value of the condominiums; and

(d) He would prefer a standard template for lease renewals that includes the option of a lease that renews in perpetuity and requires ad valorem taxes on the property and improvements, or a lease that renegotiates every 99 years and includes a market rate lease fee with an escalator clause;

(2) Was advised by Commissioner Barry that he is supportive of the language as it is currently presented, and he would like to hear the thoughts of Commissioner-elect Robert Bender since this issue is in his district;

(3) Was advised by Commissioner Robinson that he is agreeable to a system that provides options in renewing leases, but he made a commitment when he was elected in 2014 that he would not interfere in this issue, and he would prefer the decision wait until Robert Bender is in office;

(4) Was advised by Commissioner-elect Robert Bender that, while he did speak with some constituents during the campaign, he has not yet had an opportunity to do his due diligence on this matter, and he is looking forward to discussing it further when he takes office in November; and

(5) Was advised by Tammy Bohannon, Acting Secretary/Treasurer, Santa Rosa Island Authority, that she does not agree with the proposed changes because 99-year leases should be taxed in the intangible tax rate and she is concerned about the impact on beach renourishment funds; and

B. Board Direction – None.
7. Infill Housing Program

This agenda item was briefly discussed and rescheduled to the September 20, 2018, meeting.

8. Mid-Town Commerce Park Master Developer RFP Response

A. Board Discussion – The C/W reviewed PowerPoint presentations, entitled *National Energy Advancing Zero Waste Solutions* and *EMC2 September 13, 2018*, also provided in hard copy, and the C/W:

(1) Was advised by Amy Lovoy, Assistant County Administrator, that the Board previously authorized staff to proceed with issuing an RFP (Request for Proposal) for a master developer for the main portion of the Mid-Town Commerce Park site, not to include the Clarinda Triangle site, and one response was received; and that any development on the property would be subject to property taxes even though it is owned by the County;

(2) Was advised by Ely Green, Parkside Partners, that Parkside Partners:

   (a) Is an Atlanta-based development and investment firm specializing in construction of office and industrial products, as well as adaptive re-use, which entails converting warehouses to office buildings and converting functionally-obsolete office buildings into state-of-the-art office buildings;

   (b) Has development experience including:

       • Mercy Care Chamblee – a former GE site with heavy contaminants
       • Edison at Eastside – a large master-planned mixed-use office park that is adjacent to an airport and therefore height-restricted
       • 1280 West Peachtree – the first LEED Platinum (Leadership in Energy and Environmental Design) and WELL Certified building in the southeast
       • Trackside – developed as part of a 99-year lease with MARTA (Metropolitan Atlanta Rapid Transit Authority), taking advantage of bond financing with the city to receive a partial tax abatement over 15 years in exchange for the creation of a number of jobs
       • Boundary – developed in conjunction with the City of Atlanta and Invest Atlanta
       • Bureau – an environmentally-challenged project formerly owned by Honeywell and developed through a brownfields program

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         (c) Has developed strong relationships with lenders including Fidelity Bank, State Bank & Trust Company, Atlantic Capital, IberiaBank, Wells Fargo, and BB&T;

         (d) Aims to revitalize the remediated superfund site in the heart of Pensacola into a state-of-the-art business environment for companies at the forefront of their respective industries through their partnership with local and regional economic development professionals;

         (e) Will determine the size and scope of the project by the demand, partnership with the Board, and partnership with the appropriate economic development agencies, but the higher the density the greater the success; and

         (f) Proposes an annual lease fee of $50,000 per year for the entire site, escalating every ten years;

(3) Was advised by Jason Nail, Parkside Partners, that part of the process includes an extensive due diligence period to bracket risk and understand any challenges and hurdles to be overcome; they will confirm the environmental concerns, perform market analysis, and underwrite the job with initial concept pricing to ensure it is feasible; and there will be some height restrictions on the project based on how deep the cap allows them to dig;

(4) Was advised by Dave Robau, Founder and CEO, National Energy USA, that:

      (a) His personal passion is to end the practice of landfilling, and he has spent 18 years in environmental and civil engineering looking at better ways to take garbage and turn it into a more useful product;

      (b) National Energy is a minority-owned company based in Pensacola with offices located on Palafox, and they desire to establish a training facility at the Mid-Town Commerce Park that leverages innovative technologies and finds solutions to environmental challenges;

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(c) Traditionally, China took in much of the world’s recycling material such as fiber and plastic, but they have stopped, and this has resulted in local impacts; National Energy proposes to “innovate our way out of this problem” by converting garbage into an engineered fuel that has been given non-hazardous secondary material approval from the EPA and offsets the use of coal;

(d) National Energy currently has eight projects in development in different locations, and the staff for each of those project sites will have to be trained on a functional operating system;

(e) They plan to build a training facility to the LEED (Leadership and Energy in Environmental Design) standard, harvest rainwater for use, and look at other ways to reduce energy and operational costs;

(f) All waste streams are acceptable for processing, so they utilize the products that were headed for the landfill and compliment recycling programs;

(g) The technology is commercially viable, has been operating for 15 years, and is compact at approximately 60,000 square feet; all of the processing and waste handling is done within an enclosed building that is maintained using inductive draft fans to create negative pressure to prevent the release of odors; however, the proposed training facility will be larger due to the training component and a featured eco-lab learning center that will provide educational opportunities in science, technology, engineering, and math and will feature interactive displays and exhibits designed as a resource for local students and educators; and

(h) The company is looking to make a $22 million investment and create 19 full-time employees to operate the training facility and another 10 corporate jobs in engineering, project management, sales and marketing, and customer services over the next three years, with an average salary of $68,965; the starting salary for entry-level positions is $18.20 per hour;

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(5) Was advised by Commissioner May that he would like to have the site developed as soon as possible, and he would like additional time to hear further information on the proposals for the property;

(6) Was advised by Commissioner Barry that he is receptive to some of the local businesses that may want to develop the outparcels, and it should be determined whether or not those parcels need to be included in the master plan;

(7) Was advised by Commissioner Robinson that he is in favor of a process that would prevent construction and demolition waste from being dumped in pits; and

(8) Was advised by Pat Johnson, Director, Waste Services, that the Board should be cognizant of the revenue derived from municipal solid waste; and

B. Board Direction – None.

9. Alcohol Sales Measurement

This agenda item was briefly discussed and rescheduled to the September 20, 2018, meeting.

10. Adjourn

Chairman Bergosh declared the C/W Workshop adjourned at 11:33 a.m.