

CONSTRUCTING A MIXED-USE DEVELOPMENT HEADQUARTERS IN THE GOLDEN GATE CITY ECONOMIC DEVELOPMENT ZONE (GGEDZ) FINDING THAT THIS APPLICANT IS A TARGET BUSINESS QUALIFYING FOR THE INCENTIVES SET FORTH IN THE GGEDZ ORDINANCE - MOTION TO APPROVE BY COMMISSIONER SAUNDERS; SECONDED BY COMMISSIONER MCDANIEL - APPROVED

MS. PATTERSON: Commissioners, we're going to go to Item 11C, formerly 16A18. This is a recommendation to approve an economic development agreement with PFPI OZ, LLC, for the proposed project "CENTRO" for reimbursement of up to \$788,878.56 in actual expenditures for sanitary sewer, drainage, impact fees, and building permits for constructing a mixed-use development headquarters in the Golden Gate City Economic Development Zone finding that this applicant is a target business qualifying for the incentives set forth in the GGEDZ ordinance.

This item was moved from Item 16A18 to the regular agenda by Commissioner Saunders' request.

CHAIRMAN LoCASTRO: Okay. Commissioner Saunders.

COMMISSIONER SAUNDERS: Thank you. There's no issues with this. I wanted this off the consent agenda so we could talk a little bit about it, especially for the new commissioners that we have that were not part of the initial process to create that Economic Development Zone and some of the projects and things that we've been working on for a number of years.

This particular project is the first new project pursuant to the overlay, the zoning overlay that this board approved. And it's a beautiful building. The renderings in the package are really nice. It's going to be probably one of the nicest, if not the nicest building in that Economic Development Zone.

And my goal was, in creating -- in asking the Board to create this Economic Development Zone and to do this overlay was to start the process of improving the commercial district along Golden Gate Parkway. And so this project certainly fits the category of projects that I think can help jump start more development along these lines. This will be a first-class office building with a first-class restaurant on the first floor.

The -- I can tell you from a meeting that I've -- a couple meetings I've had in Golden Gate City, the folks that are active civically there are very excited about this type of project, doing things that will help improve that overall area.

In addition, one of our goals is to get as many people off of septic systems as possible. This particular project will be providing a sewer line to this project, so this project will not be on a septic system, but there will also be seven other commercial properties that will hook into that sewer line, and other residential -- multifamily residential areas out there that will be able to hook into this.

I've talked to Dr. Yilmaz about making sure that these lines, when they're put in, the service lines are sufficient to hook up any other developers and development that would be going into this area. Again, with the goal of eliminating septic systems.

This project is right on a canal. I think they call it the Santa Barbara Canal, if I'm not mistaken. The restaurant will have seating that is on a deck that will actually be over part of the canal. It will be very nice but, more importantly, it will help eliminate runoff and seepage from septic systems that are polluting that canal. It will help -- it won't solve the problem there, but it will certainly help.

So I just wanted the Board to understand that this was -- this is part of a long-term project. Hopefully it will be a springboard for others coming hopefully more quickly. This has been a couple years in the making, but at least we got the first one ready to go.

So I make a motion to approve this project and the funding for this project.

CHAIRMAN LoCASTRO: Okay. I've got a motion to approve. Do I have a second?

COMMISSIONER McDANIEL: Second.

CHAIRMAN LoCASTRO: Motion to approve and a second. All in favor?

COMMISSIONER HALL: Aye.

CHAIRMAN LoCASTRO: Aye.

COMMISSIONER KOWAL: Aye.

COMMISSIONER SAUNDERS: Aye.

COMMISSIONER McDANIEL: Wait.

CHAIRMAN LoCASTRO: Oh, sorry. Commissioner McDaniel, I didn't see you light up there, sir. Go ahead.

COMMISSIONER McDANIEL: I did. I had a question, and it had to do with the rate of return on the term of this reimbursement. How long -- and I think I asked this question on Friday during my one on one. So we have an estimated time for the -- for the reimbursement to come back?

MS. PATTERSON: So when we calculate these rate of returns, there's a couple of different things that we're looking at. So if we simply look at the investment of just under \$800,000, then divided by the increase to the tax base -- and it is a substantial increase. They're proposing an investment, absent the infrastructure and the other fees, of about 4.5 or \$4.6 million. And that, you know, may be shy of what it actually costs to construct this.

Now, the payback on something like that, just considering the increase in taxes if you look at the county portion, would be over a longer term. But the interesting part about this project is the accessory benefit, and that is the extension of those sewer lines allows different types of commercial to be able to be constructed as

well as the benefit to any of the residential properties -- multifamily is what they are -- to be used in different ways.

So when we were considering that -- I've done dozens of these types of tax runouts and TIF runouts looking to try to recapture within 15 to 20 years. It can be exceptionally difficult when we're only considering the portion of the millage that we have control over. However, in this case, I think when we really get our arms around the benefits to the surrounding properties, we are within a reasonable window of that recapture.

And the second part of this is is the catalyst effect of a business actually taking part in the Economic Development Zone and then that encouragement that will occur as it starts to hopefully ripple down the corridor.

So I'm sorry that we don't have an exact time, because it's really going to -- this one being the first to go, is really going to set the stage for those things to come.

COMMISSIONER McDANIEL: Okay. Well, going forward, then, I would like to have the recapture on that that we do have control over. We're all aware, as Commissioner Saunders, stated that there's a lot of ancillary benefits to providing this, but I also -- I also -- from a term standpoint, I'd like to have that data.

MS. PATTERSON: Understood.

COMMISSIONER McDANIEL: We don't have to have it today. You can just tell me sometime.

MS. PATTERSON: Understood. And as we get our arms around this particular project, we can most certainly report back on that. But we understand, and it will -- the picture will become clearer as we work in this zone more.

Jamie?

MR. FRENCH: Commissioners, again, for the record, Jamie French with -- your Growth Management and Community

Development department head.

I appreciate what you're saying, Commissioner McDaniel. You're absolutely right, there is a large ancillary return that is -- that is typically not considered. This is -- this will impact 15 properties, so there's eight residential properties that this will affect as well.

So what we'll see is we'll see improved, beyond the -- beyond the environmental consideration, we'll also see more value of the property for redevelopment. And this really does grasp the spirit of what the Board had adopted with the Golden Gate City overlay, to promote this type of regeneration of dollars, of interest. And we're continuing to get lots of calls -- and this is the first Class A facility that we've seen of many to come is what we expect.

So we will bring that back forward going forward in our calculations -- we'll bring that back going forward with our calculations for any further considerations that you would -- you would have in front of you.

COMMISSIONER McDANIEL: Sure. I wasn't nit-picking. I just -- when I was reviewing the Board package, I had a note here as to what the actual payback is with the control -- or with the dollars that were coming back to the county with the enhancement of the value of the property that is being developed, so that was -- that was where I was going.

CHAIRMAN LoCASTRO: Commissioner Saunders.

COMMISSIONER SAUNDERS: Just real quickly. I certainly understand the issue in terms of rate of return. That's really not the issue in terms of what we're trying to accomplish there in terms of a rate of return on that actual dollar investment. And we do that a lot. I think, if I'm not mistaken, we waived impact fees in certain types of development in the Immokalee area. I believe that's an ongoing project. I'm not sure how many people have taken advantage of that. But I don't know that we've tried to calculate a rate of return on those

dollars that are there to help assist some redevelopment in the Immokalee area.

I only mention that I don't know that we really focus too much on rate of return on this type of an issue. So as this goes forward, I know you're going to be coming back with a calculated rate of return, and it may show that it's going to take 50 years to get a return of investment. That's not really the controlling factor. If you just look at those dollars going to that specific project, what's the rate of return from that specific project is not the whole picture, and I think we do that a lot. So I just want to make sure the Board, at least from my perspective, understands that, you know, that rate of return is not the sole issue that we're concerned about here. It's the impact on the overall community that we're trying to improve.

MS. PATTERSON: Commissioners, we understand. And to your point, absolutely. So in the past in our more in-depth economic development programs, rate of return on a straight line is only one factor that's looked at because you have all of the spin-off business as well as the impact of those visitors and those employees. So it is a -- it is a complicated thing to analyze, starting, of course, easily, with how much we're giving and how many we're getting back. But there is -- there are at least 10 other factors that would have to be considered in any of this analysis.

CHAIRMAN LoCASTRO: Okay. We did have a motion and a second to approve the recommendation of the economic development agreement. All in favor?

COMMISSIONER HALL: Aye.

COMMISSIONER McDANIEL: Aye.

CHAIRMAN LoCASTRO: Aye.

COMMISSIONER KOWAL: Aye.

COMMISSIONER SAUNDERS: Aye.

CHAIRMAN LoCASTRO: Opposed?

(No response.)

CHAIRMAN LoCASTRO: It passes unanimously.

Where we going next? Is it 11E?

Item #11E – Moved from Item #16F2 (Per Agenda Change Sheet)

A SECOND AMENDMENT TO VACANT LAND CONTRACT BETWEEN COLLIER COUNTY AND DAVID LAWRENCE MENTAL HEALTH CENTER, INC., THAT EXTENDS THE APPROVAL PERIOD ONE YEAR - DUE TO AN UNEXPECTED DELAY IN FINALIZING THE REZONING OF THE UNDERLYING PROPERTY - THE TIME TO OBTAIN THE NECESSARY SITE DEVELOPMENT PLANS - MOTION TO APPROVE BY COMMISSIONER SAUNDERS; SECONDED BY COMMISSIONER LOCASTRO – APPROVED

MS. PATTERSON: Yes, Commissioners. This -- next up will be Item 11E, which was formerly 16F2. This is a recommendation to approve a second amendment to Vacant Land Contract between Collier County and David Lawrence Mental Health Center, Inc., that extends the approval period one year -- due to unexpected delay in finalizing the rezoning of the underlying property -- the time to obtain the necessary Site Development Plans.

This item is being moved at Commissioner McDaniel's request. And we have Mr. Ed Finn, Deputy County Manager, here to answer questions.

CHAIRMAN LoCASTRO: Sir.

COMMISSIONER McDANIEL: And I --

MR. FINN: Thank you, ma'am.

COMMISSIONER McDANIEL: Do you want to go first or do you want me to say what I'm looking at here?