

**Minutes of the
Comprehensive Economic Development Strategy Committee
Treasure Coast Regional Planning Council
March 16, 2021 Meeting**

Chair Jones called the meeting to order at 2:00 p.m. and welcomed everyone.

Agenda Item 1: Roll Call

Ms. Heidt called roll.

Committee Members and Alternates Participating in Person

Mark Mathes	Indian River County
Lee-Anna Otis	Indian River County
Ted Astolfi	Martin County
Jared Gaylord	Martin County
Ralph Davino	Martin County
Peter Tesch	St. Lucie County
Peter Jones	St. Lucie County

Committee Members and Alternates Participating Remotely

Alan Chin Lee	Palm Beach County
Gary Hines	Palm Beach County
Thuy Shutt	Palm Beach County

Excused

Helene Caseltine	Indian River County
Nicholas Rojas, Alternate	Indian River County
Kevin Kryzda	Martin County
Pauline Becker	Martin County
Pinal Gandhi-Savdas	Martin County
Kathie Smith, Alternate	Martin County
Charles Duval	Palm Beach County

Absent

Nepoleon Collins	Palm Beach County
R. Douglas Bynoe	St. Lucie County

District Staff

Thomas Lanahan	TCRPC
Stephanie Heidt	TCRPC
Terry Ann Paulo	TCRPC
Kim DeLaney	TCRPC

Agenda Item 2: Agenda Approval

Committee Action: Mr. Tesch moved approval of the agenda. Mr. Astolfi seconded the motion, which carried unanimously.

Agenda Item 3: Approval of January 14, 2021 Meeting Minutes

Ms. Heidt indicated that the minutes incorrectly reflected Mr. Rojas as absent at the January meeting rather than Mr. Collins.

Committee Action: Mr. Tesch moved approval of the January 14, 2021 amended meeting minutes. Mr. Gaylord seconded the motion, which carried unanimously.

Agenda Item 4: Regional Revolving Loan Fund

Mr. Tesch introduced Mr. Bill West, formerly of the Virtual Business Recovery Center, and now with Florida Small Business Development Center. He stated that they wanted to discuss with the Committee the concept of creating a Regional Revolving Loan Fund. Mr. Tesch noted that to address the impacts of COVID-19, the Economic Development Council (EDC) of St. Lucie County worked with the Virtual Business Recovery Center, St. Lucie County, the Small Business Development Center, the Treasure Coast Regional Planning Council (RPC) and other organizations to provide outreach to businesses with respect to CARES Act funding resources. He stated that they processed 351 small business assistance grants to struggling vulnerable businesses with a dollar amount of just a little over \$2 million. He noted that in conversations with other economic and small business development agencies throughout the region, they learned that they were experiencing similar situations and it became apparent that there is a need for a regional approach to providing access to capital for small businesses. He stated that the RPC had submitted an application to the U.S. Economic Development Administration to set up a small business revolving loan fund. However, that was not awarded funding.

Mr. Tesch indicated that the discussion today is informative, but he also would like to get feedback from the CEDS Committee on how to move forward with this effort to provide small businesses with better access to capital. Mr. West stated that he is a former CEDS Committee member, so he is familiar with the Committee's work and feels this is a critical place to start this effort. He stated that there are gaps in capital access and believes that a regional revolving loan fund is a key piece to filling that gap. He noted that we have lost small community banks that served the area and specialized in smaller loans. He believes that something such as a revolving loan fund will fulfill the need left by community banks. He stated that by working together as a region to create a mechanism for small businesses to be able to access capital that is currently not available through conventional means is an important resource to bring in economic development and small business creation.

Mr. West indicated that he has been in initial discussions with bankers in the area and has found some interest. He noted that many of those he has spoken to do not know of some of the resources that are available, such as the RPC's Brownfields Revolving Loan Fund. He

stated that what we need to do is bring information and some of these initiatives to the bankers to see where there are gaps in funding for small business and what resources are available, or need to be developed, to address those gaps.

Mr. Tesch stated that one of the efforts that can be done is enhancing the previous application to EDA based on a more collaborative, regional coalition that will involve more than just the local governments, but also include public private partnerships. He indicated that the EDC is doing a strategic planning initiative and they have identified three areas of need: talent develop, entrepreneurship, and small business capital access. He asked if there were any questions from the Committee members.

Chair Jones stated that he found it interesting that the bankers are not aware of all the resources available for funding projects. He asked how they might become partners in this effort and how it would be organized. Mr. Tesch explained that smaller loans are not of interest to bankers because it is like firing up the grill to cook only one hot dog. This would leave them with the option of only helping those business needing more funding. Whereas our proposed program would be helping the small business that are not asking for a large amount. Chair Jones noted that in talking with local companies that were receiving the CARES Act funding he found that for some receiving just \$10,000 was enough to be able to carry them through a few months. He stated that although that is not a lot of money, it was able to provide those businesses enough funding to get through the crisis.

Mr. Lanahan noted that the previously submitted grant to EDA received the support of the Boards of County Commissioners in the three northern counties of the region. He stated that they were very receptive and understood how a revolving loan fund would benefit the small businesses in the region. He stated that he appreciates the work of Mr. Tesch and Mr. West to keep this initiative moving forward. Mr. Astolfi asked if anyone has reached out to EDA to find out why the previous grant application was not funded. Mr. Tesch indicated that Mr. Lanahan and Ms. Heidt did a post-mortem with Greg Vaday, the regional EDA representative. Mr. Lanahan indicated that one of the reasons given for not being awarded was that the funding allocation was nine times oversubscribed. Ms. Heidt noted that EDA also wants to see that their funding will go to projects that are able to leverage private investment and create jobs. An application that can show the private investment and involvement from the banks would be much stronger.

Mr. Astolfi asked how the program would be structured. Mr. Tesch indicated it would likely be a formalized committee of commercial loan officers, attorneys, and accountants to review the loan applications and then there would be a professional service provider to administer the program. Mr. West indicated that there is a large secondary market for small business loans, such as Community Development Financial Institutions, that can be used to model how this would structured.

Agenda Item 5: Southern Grove Master Plan Presentation

Kim DeLaney, Director of Strategic Development & Policy, presented an overview of the Southern Grove Master Plan that Council developed for the City of Port St. Lucie. The project

area consists of approximately 1,200 acres of vacant land acquired by the City within the Southern Grove Development of Regional Impact (DRI), located along the west side of I-95 between Tradition Parkway and Becker Road. With the acquisition of the property, the City inherited substantial infrastructure bond debt and a conceptual development program with entitlements that have become inconsistent with market conditions. The City has maintained its long-standing goal to create a jobs corridor on the property, and to correlate this goal with the market, the City engaged Council in late 2019 to create a updated, market-based land development and infrastructure master plan for the property.

Dr. DeLaney noted the resulting master plan was developed through a planning process that included extensive public and business input; a thorough market analysis that analyzed various development sectors; a comparative analysis of competitive locations; and an assessment of prior and potential property disposition strategies. She explained the purpose of the plan was to reinforce the development of a high-intensity jobs corridor that would generate economic benefits and jobs for residents and complement surrounding neighborhoods; create an integrated multimodal transportation network to boost internal connectivity and reduce exterior trips; to develop efficient water and sewer systems and consolidated and interconnected stormwater system; and to establish a sense of place for the City. Dr. DeLaney noted the Cleveland Clinic hospital and ancillary medical facilities immediately north of the area will serve as a significant regional catalyst for the future of the City. She presented several development concepts for the area, including a Town Center District that builds upon the Tradition DRI north of Tradition Parkway; a Bio/Health District immediately north of the subject property that encompasses Cleveland Clinic and ancillary bio-medical uses; and a Workplace District that can accommodate larger-scale industrial buildings along I-95 with small-scale, mixed-use buildings along the Village Parkway frontage. The Master Plan proposes a mix that allows the existing Town Center to be enhanced to accommodate new demand while sufficient land is reserved south of the hospital complex for new workplace and industrial development. Maps and information on the infrastructure networks for the roadway and stormwater systems were also presented along with economic development activities currently underway in the area.

Dr. DeLaney provided an overview of the Economic Impact Analysis that included general estimates for new job creation and potential new City ad valorem tax revenues that could be produced with build-out of the recommended development program. The master plan recommends a modified entitlement program that is designed to better correspond to market conditions (substantially reduce retail, substantially increase industrial), and the economic impact analysis considers the total potential development program cumulatively. Dr. DeLaney noted that economic impacts were classified into two primary categories: (1) temporary/one-time impacts that would occur during site construction and sales/lease-up before the project is fully occupied; and (2) ongoing annual impacts that would occur when the project is built out and achieves stabilized occupancy. She indicated the analysis was developed as a template for the City to use to evaluate for future development opportunities. Additionally, she summarized the recommended next steps for the City to consider as it moves forward with implementation of the master plan as well as key regional take-aways for the entire Council to consider in their home jurisdictions.

Chair Jones stated that it is interesting that many of the people moving into the city and county are retired or semi-retired, which means they do not necessarily need a job. Dr. DeLaney stated that is an issue that has been frequently discussed City Council. She noted that Port St. Lucie is often cited as one of the best places to retire in the United States, and it is a great place for the over 55 population, many of which are no longer working or working in the same way.

Mr. Lanahan noted the development analysis was one of several means by which projects could be measured and a more expanded version that included job creation impacts as well as impacts on City services is desirable. At the basic level, the analysis suggests apartments are more beneficial to the City based on ad valorem; however, expanding the analysis to include both jobs benefits (e.g., wages) as well as impacts on City services would generate a different conclusion of value by use.

Dr. DeLaney added the City has requested Council take a deeper dive into the development analysis, looking particularly the Oculus Surgical and Tamco projects in terms of economic yield and the multipliers associated with those jobs coming into the local economy. That will provide the City a more detailed picture of how incentives and city investment versus outcome correlate over time. Analyses like these are valuable to further inform local government decisions, and in this example illustrate the differences in yield/acre highlighted the need for the City to recalibrate assessment rates by land use type.

Dr. DeLaney noted that part of Council's work for the City included a long-term, 20-year evaluation of the impacts of projects to ensure the projects collectively were assessed sufficiently to help the City avoid "the Golden Acre," or land remaining at the end of property disposition that would require exorbitant assessments to exhaust the debt on the property. Chair Jones asked for a copy of the presentation. Ms. Heidt indicated she would post it on Council's website.

Dr. DeLaney further noted the benefits of stormwater master planning in Southern Grove in a manner wherein the Community Development District could take on the responsibility for development, operations, and maintenance. Further, aggregated stormwater management is beneficial to the developers and higher quality stormwater treatment, and economic and environmental benefits are achieved through a high-level master plan.

Mr. Tesch noted Martin County had expressed an interest in connecting at the southern end of the property; however, Dr. DeLaney indicated that while connectivity was desirable from a regional perspective, the multi-county bridge connection in that location had not been prioritized by the City.

Agenda Item 6: COVID Update

Ms. Paulo indicated that she sent out the Economic Impact Survey last Friday to businesses and organizations in the Region. She stated that 60 responses have already been received.

Agenda Item 7: Public Comment

None

Agenda Item 8: CEDS Committee Member Comment

Chair Jones provided aerial photographs of the new hangar at the Treasure Coast International Airport and Business Park in St. Lucie County. He also provided photographs of the boat lift that is being installed at the Port.

Mr. Astolfi noted that there is a bill related to port preemptions currently being considered by the legislature. Mr. Jones indicated that the Port director is following that bill and at the current time there are no concerns.

Ms. Otis introduced herself to the Committee. This is her first meeting as a CEDS Committee member, having just been appointed by Commissioner Moss from Indian River County.

Agenda Item 9: Next Meeting – May 13, 2021

Chair Jones noted that the next meeting is scheduled for May 13, 2021.

Agenda Item 10: Adjournment

There being no further business, Chair Jones adjourned the meeting at 3:40 p.m.