

Groveland City Council
City Manager Report
November 03, 2014

Pending Action Items:

- Scheduled Work Session – November 17, 2014 – Regarding Palisades (5 year) Planning Session
- Scheduled Work Session – December 1, 2014 – Regarding Business License
- Krispy's Chicken Update
- U.S. Marine "Toys for Tots" soap box derby race is on November 22, 2014
- Dunkin Donuts negotiations continue AND a site plan has been submitted

Report from the Desk of the City Manager:

- Update and Press Release: The City website is Scheduled to lunch November 14th.
- Update on our Bold Landscaping Plan, Mr. Philip Maggio, Operations Engineer with the Florida Department of Transportation needed confirmation on our choice of trees as he is trying to estimate overall state tree orders. Based on the information received the following choice to trees were selected:



Silver Date Palm



Muskogee Crape Myrtle



Redbud

Mr. Maggio also informed the city that an additional \$50,000 of funding has been found for the Groveland project. Again, pursuit of median grant from the State of Florida was set in motion, tasked and prioritized in the City Council Goal Setting. FDOT primarily offer trees only and would require the City keep up the maintenance after two year period. FDOT provides a

warranty during that period. It is recommended that desired additional vegetation be planted after the warranty.

- The Villa City DRI Application was delayed due to changes in legal counsel. I spoke with Mr. Kramer of Little John Engineering (representatives for this applicant) the investors were recently in our area and are still interested in seeing this project move forward. We expect Little John staff to begin working on this project this week. I have a tentative meeting set-up next Friday and anticipate having a time line provided at that time.
- Hunt Industrial Park is poised to expand and is expected to attract hundreds of jobs to the City of Groveland Community. The city staff have met with the Hunts and conceptually agreed to a development agreement outline. At this time, a Memorandum of Understanding has been signed; staff will work on the process of working out the details of a Development Agreement (between Hunt Industrial Park and the City of Groveland). This agreement will need City Council approval.
- The City Manager's Office continues to accept new ideas from citizens, city staff, and community stakeholders, as the City moves forward with establishing itself as a "Premier City". The city will continue to benchmark programs, initiatives, and services against the top 10 small communities that have been identified by CNN Money "America's Best Places to Live". These communities are not only thriving economically, they are also maximizing family friendly amenities, well ran government, and strong community involvement. Anyone interested in learning more are encouraged to contact the City Manager's Office at (352) 429-2141 x250.
- The Fire Chief and I have been meeting with business owners in the Ford Commerce Park, discussing a concept of using ISO ratings as a potential mechanism for insurance savings that help fund the capital cost of a fire sub-station in the commerce park. These discussions could lead to a proposal to develop a public private partnership that could use the soon vacant business center / visitor center as the bases for a new fire sub-station. At this time Chief Morgan and I have met with the following businesses:
 - American Marine Sports
 - C&C Pumping Services
 - Quite Flex
 - Captive Aire
 - West Orange Lumber
 - Raney Components
 - Imagination Station
 - And Peri Frameworks

Follow up / Reminder Items:

- None

Events:

- None

Redmond Jones II
City Manager

(Attachment 1)



CITY OF GROVELAND
156 S. LAKE AVENUE
GROVELAND, FL 34736

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"The city with a future, watch us grow!"

Donnie Hunt
Owner, Property Manager
15360 County Road 565A, Suite A
Groveland, FL 34736

October 23, 2014

Topic: **Memorandum of Understanding (MOU)** regarding a potential Development Agreement between Hunt Industrial Park and the City of Groveland.

Attn: To the Officer(s) authorized to sign for and on behalf of Hunt Industrial Park this MOU is for the purposes of establishing an initial conceptual agreement structure that will be used only as an outline for a negotiation of a formal development agreement subject to the City of Groveland City Council Approval.

Whereas, Hunt Industrial Park is a flexible use industrial complex within the City of Groveland, consisting of commercial, industrial, retail, warehouse and manufacturing space; and recently have closed on an additional 5.2-acre parcel directly to the north of the aforementioned property; and will be expected to develop said property based on terms conceptually outlined in this MOU.

And Whereas, The City of Groveland has the goal of to "develop inviting high profile visually impactful projects that establish Groveland as a destination; gateway, branding, and other projects that reflect sound use of tax dollars"; and seeks to promote the public interest of assisting business growth, employment opportunities, and industry productivity with its city limits. Therefore, the City of Groveland will pursue the following conceptual terms as basis for a development agreement.

Terms of Hunt Industrial Park

1. Hunt Industrial Park is required to verify the purchase and site control of the 5.2 acre parcel directly to the north of the commonly recognized Hunt Industrial Park addressed at 15360 CR 565A, Groveland, Florida 34736.
2. Hunt Industrial Park agrees to develop the aforementioned 5.2 acres into an expansion development with building quality levels at similar or greater than the existing Hunt Industrial Park structures. As well as assume the construction and related expansion development cost.
3. Hunt Industrial Park agrees to aggressively seek an additional 30 – 50 businesses with the potential of adding anywhere from 100 – 500 new jobs.
4. Hunt Industrial Park will agree to include: a 13,200 sq ft. storefront building; a full-service professional incubator office building.

5. Hunt Industrial Park agrees to accept and remedy any City of Groveland Code Enforcement Issues related to the property purchased.
6. Hunt Industrial Park agrees to make a Grand Total Investment in the aforementioned expansion of \$4.2 million.

Terms of the City of Groveland

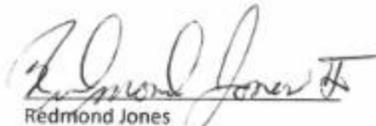
1. The City of Groveland agrees to coordinate the construction of a sewer connection that will allow access to the Hunt Industrial Park expansion. The will work with an existing sewer development proposal to expedite its construction to coincide with the Hunt Industrial Park. The City of Groveland will front any cost associated with moving this sewer project ahead schedule (making reimbursement agreements outside of Hunt Industrial Park – if necessary).
2. The City of Groveland will examine developing a tax increment financing policy (that would require City Council discussion and approval). If this policy can be drafted before the completion of the construction work of this project, this type of policy could seriously assist the construction and permanent financing of a project of this nature. A policy of this nature could take current (undeveloped) city tax assessed values, lock in the city's portion of taxes due at today's rates and promise to keep said rates for a negotiated number of years. If available staff would recommend the use of such a policy, because it would allow the developer Hunt Industrial Park to pay a tax rate substantially lower than the improved upon land would normally require. Often this allows for lower finance rates and/or amounts. Additionally, depending on finance structuring this approach can assist in developing a financial grace period that can buy down early year loses due to construction and slow start-up.
3. The City of Groveland has a long and well documented history of not waving Impact Fees; however, the city has accepted exchanges of land or other valuable assets "in lieu" of Impact Fees in the past. The city has also used a step or a tiered approach to having Impact Fees paid over a certain time period. The City of Groveland would be open to either approach based on the needs of the developer Hunt Industrial Park. Unless a different approach preferred, the City of Groveland agrees to amortize or tier, the payment of owed impact fees in a method that is open to negotiation. Again, this method helps the project with cash flow during construction financing phases, and can be used to lessen slow expansion revenues in the early stages of business start-up.
4. The City of Groveland will examine developing a tax abatement policy (that would require City Council discussion and approval). This policy would be very similar to the tax increment financing policy, but this policy would require paying no city tax on the project for a negotiated number of years. The city may consider approaching other taxing entities for similar abatements on behalf of this project. Typically, these arrangements can be handled by not collecting the taxes originally, or structuring a rebate program that would generate a pro-rated cash reimbursement to the developer for a negotiated term. These arrangements typically highlight unique public use in the development.



5. The City of Groveland agrees to (an amount to be negotiated) a cash infusion into the project. The City of Groveland will also commit moving funds received from Lake County "incubator rebate" received due the county's change in direction related to the Business Opportunity and Visitor Center.

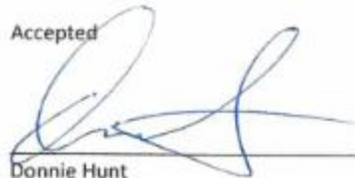
Again, this agreement is not intended to explore every detail of a potential development agreement. Instead it is intended to be the starting point for an on-going negotiation, which will consider several incentives to be used as a group or incentive package. Typically, we like to present incentives that represent 7% -10% of total investment. Given the large size of investment and the limitations of our incentive programs, staff has looked to offer bundling of various incentives and services in the form of a development agreement. With this approach the developer will know the city is an enthusiastic partner in this endeavor. We are waiting for more details to come forward, and new policies to be development. At this time, I will be looking to schedule a follow up visit with Hunt Industrial Park representatives, to discuss their prospective and processes that may need to be considered to keep this project moving along. It should also be noted: this agreement is not binding and is open interpretation. The Signature lines of this agreement only signify a good faith effort in an attempt to negotiate the aforementioned terms basis of a development agreement. It is understood that the City Council will need to review and approve any negotiated development agreement.

Sincerely,



Redmond Jones
City Manager

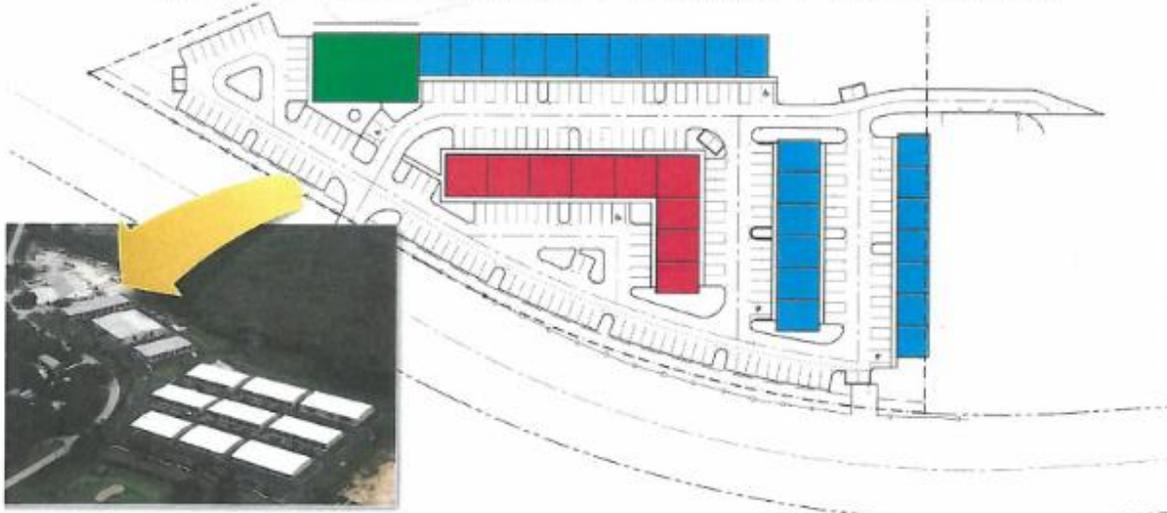
Accepted



Donnie Hunt
Owner, Property Manager

PHASE III

THE SUITES - PROFESSIONAL OFFICE | STOREFRONT | WAREHOUSE/OFFICE



Currently Home to **60** Businesses.
Building Phase III for **50** More!



We have your next business address!

Flexible
Warehouse
Offices

Convenient
Storefront
Units

Professional &
Entrepreneur
Office Suites

*Reserve your
next business
address now!*

Hunt Industrial Park is one of Lake County's largest commercial flexible-use locations and we are adding an additional 50,000+ square feet.

Phase III will bring approximately **27,000** square feet of office & warehouse flex-space, **13,000** square feet of Storefront units facing the newly constructed West Orange Trail addition and a **14,000** square feet Incubator Style Suites.

For more info, call
Donnie Hunt at
407-832-0858.



HUNT
INDUSTRIAL PARK

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