

CITY OF ST. PETERSBURG
MEMORANDUM

TO: The Honorable Jeff Danner, Chair and Members of City Council

DATE: Meeting of July 23, 2009

SUBJECT: A resolution recommending Wal-Mart Stores East, LP Store No. 4690-00 be approved as an Eligible Business to receive a Brownfield Redevelopment Bonus Refund pursuant to Section 288.107, Florida Statutes; electing to exercise the local financial support waiver option pursuant to Section 288.106(1)(k) Florida Statutes; authorizing the Mayor or his designee to execute all documents necessary to effectuate this resolution; and providing an effective date.

EXPLANATION: On August 1, 2008, the City received a request from Akerman Senterfitt, the legal firm representing Wal-Mart Stores East, L.P (“Wal-Mart”) to designate as a Brownfields Area, the proposed Wal-Mart development project (the “Project”) located on two parcels at 101 and 201 34th Street North, on the northeastern corner of the intersection of 34th Street North and 1st Avenue North. This request was prompted by contamination found on the two project parcels during Wal-Mart’s due diligence activities. On November 21, 2008; City Council approved Resolution No. 2008-584 expanding the existing State Brownfields designation (Area ID #BF529901000) to include not only the Wal-Mart project parcels, but all of the commercial parcels located east of 34th Street, west of 31st Street, north of 1st Avenue South and south of Burlington Avenue North.

The Florida Department of Environmental Protection (FDEP) has reviewed and approved both the Site Assessment Report (SAR) as well as the Remedial Action Plan (RAP) that were submitted by Wal-Mart with regards to the subject property. Additionally, FDEP and Wal-Mart entered into a Brownfield Site Rehabilitation Agreement (BSRA) which was executed in December 2008. Wal-Mart will invest approximately \$940,000 for the environmental remediation of the property. Wal-Mart intends to construct and operate new 105,147 square foot retail Wal-Mart Super Center on the site. The project will include a capital investment of approximately \$30 million in land purchase, construction, and equipment purchases.

In a letter dated February 3, 2009, the City received notification from Akerman Senterfitt of Wal-Mart’s intention to apply to Enterprise Florida for the Brownfield Redevelopment Bonus Incentive for the subject project. Wal-Mart anticipates creating 125 new full-time jobs at the new store (#4690-00), by the end of 2011, the average compensation for these jobs will be \$23,000 per year. The Brownfield Redevelopment Job Bonus allows eligible companies to receive up to \$2,500 in state tax refunds for taxes paid by the company, for each new Florida job created. This incentive will help offset the costs associated with the environmental remediation and clean-up of the property.

A mandatory component of this application is a local resolution in support of the incentive. The local government may choose to contribute to the incentive with a \$500 per job match. However, pursuant to Section 288.106(1) (K) Florida Statutes, the local government may elect to waive the local financial component of the incentive. Due to the current budgetary constraints being experienced, staff recommends exercising the local financial support exemption option for this incentive. Wal-Mart will be eligible to receive a tax refund of \$2,000 per eligible job created from the state; however, the City will not be responsible to provide any financial support. The attached resolution recommends that Wal-Mart be approved as a Brownfield Redevelopment Bonus Refund Eligible Business as determined by Enterprise Florida, and states that the City has elected to exercise the local financial support waiver.

RECOMMENDATION:

Administration recommends that City Council approve the attached resolution recommending Wal-Mart Stores East, LP Store No. 4690-00 be approved as an Eligible Business to receive a Brownfield Redevelopment Bonus Refund pursuant to Section 288.107, Florida Statutes; electing to exercise the local financial support waiver option pursuant to Section 288.106(1)(k) Florida Statutes; authorizing the Mayor or his designee to execute all documents necessary to effectuate this resolution; and providing an effective date.

COST/FUNDING ASSESSMENT: N/A

ATTACHMENTS: Resolution

APPROVALS: Administrative:

Ken [Signature] 60 RM DM

Budget:

N/A

Legal:

R/S

Resolution No. 2009-_____

A RESOLUTION RECOMMENDING WAL-MART STORES EAST, LP STORE NO. 4690-00 BE APPROVED AS AN ELIGIBLE BUSINESS TO RECEIVE A BROWNFIELD REDEVELOPMENT BONUS REFUND PURSUANT TO SECTION 288.107, FLORIDA STATUTES; ELECTING TO EXERCISE THE LOCAL FINANCIAL SUPPORT WAIVER OPTION PURSUANT TO SECTION 288.106(1)(K) FLORIDA STATUTES; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE THIS RESOLUTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida has created the Brownfield Redevelopment Bonus Program, Section 288.107, Florida Statutes (“Program”), as an incentive program administered through the State that allows Florida communities to encourage redevelopment and job creation within designated Brownfield Areas; and

WHEREAS, Wal-Mart intends to build a new store in the City of St. Petersburg, which is identified by Wal-Mart as Store No. 4690-00, located within State Designated Brownfield Area # BF529901000 on two parcels at 101 and 201 34th Street North, on the northeastern corner of the intersection of 34th Street North and 1st Avenue North; and

WHEREAS, the new Wal-Mart store will be important to the City in terms of the projected 125 new associate positions, \$30 million dollar capital investment, and environmental clean-up of the site; and

WHEREAS, under the Program the City must provide a resolution recommending the applicant for the Incentive and, at the option of the City, request a waiver from the local financial support requirement authorized under the Brownfield Redevelopment Bonus Refund Program pursuant to §288.107, Florida Statutes;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of St Petersburg, Florida that this City Council hereby recommends Wal-Mart Stores East, LP Store No. 4690-00 be approved as an Eligible Business to receive a Brownfield Redevelopment Bonus Refund Program pursuant to Section 288.107, Florida Statutes: and


BE IT FURTHER RESOLVED that the City elects to exercise the local financial support waiver pursuant to Section 288.106(1)(k), Florida Statutes; and

BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to execute all documents necessary to effectuate this resolution.


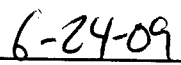
This resolution shall take effect immediately upon its adoption.

APPROVED AS TO FORM AND CONTENT

ECONOMIC DEVELOPMENT



Richard Badgley, Sr. Assistant City Attorney

Dave Goodwin, Director Date

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