



# DOUGLAS BUILDING TRANSFER JUSTIFICATION



## **BRADFORD COUNTY**

## DOUGLAS BUILDING BLDG ADDRESS: 14281 S HWY 301 STARKE, FL 32091

### **PROJECT CONTACT**

Scott Kornegay, MPA County Manager 945 N Temple Ave Starke, FL 32091

904.966.6327

#### **EXECUTIVE SUMMARY**

Bradford County has just been re-designated by Governor DeSantis' Executive Order EO-23-132 June 16, 2023, which states, "

WHEREAS, certain rural communities are struggling to maintain, support or enhance job creating activities or to generate revenues for education and other critical government services such as infrastructure, transportation, and safety; and

WHEREAS, the challenges faced by these rural communities threaten their well-being and viability; and

WHEREAS, the Governor is authorized in section 288.0656(7), Florida Statutes, to designate up to three "Rural Areas of Opportunity," formerly "rural areas of critical economic concern," under section 288.0656, Florida Statutes (2000-2013); and

WHEREAS, a Rural Area of Opportunity is a rural community, or a region composed of rural communities, designated by the Governor, that have been adversely affected by an extraordinary economic event, severe or chronic distress, or a natural disaster or that presents a unique economic development opportunity of regional impact; and"

This is the fourth re-designation for a 5-year term since 2003 of the North Central Florida Rural Area of Opportunity (RAO) which is supported and overseen by the North Florida Economic Development Partnership (NFEDP). The NFEDP has provided many economic development leads to Bradford County most of which require an existing building for manufacturing, distribution, assembling, or providing maintenance, repair, or overhaul of equipment. The 100,000 square foot Douglas Building located at U.S. HWY 301 in Starke, Florida is currently owned by the Florida Department of Environmental Protection (DEP). The building has been vacant for approximately 3 years since it went through DEP's Surplus Property process. All State agencies were notified of the availability and given an estimated 6-month opportunity to acquire the building for its agency's use. The age of the building and the fact it is not climate controlled may have been factored into the decision by all of the agencies to decline the opportunity. The grounds surrounding the building have not been maintained and are currently an eyesore at the southern gateway into the City of Starke. Utilities continue to service the vacant building with the State covering this expense every month. This is an economic development project request made by the 3rd smallest county in Florida with a poverty rate of 20.1%, per capita income of \$39,748, and 26.9% of income are transfer payments.

### BRADFORD COUNTY GOALS AND OBJECTIVES

Bradford County has had no major economic development in the past 3-5 years. Many of the other rural counties in the region have but most of those counties had available land near or along interstate highways. Bradford County has no interstate or existing buildings to attract or incentivize businesses. In economic development, a community needs to have excellent transportation infrastructure, water, wastewater, natural gas, and competitive electric power rates.

Bradford County and the City of Starke are working together to extend water and wastewater infrastructure to the recently completed Florida Department of Transportation US Hwy 301 bypass at US Hwy 100 which will open access to land for development. Although the county and the city have received an appropriation this year, it will only start the process of design, engineering, and construction of Phase I. It will take 3-5 years to complete this water and wastewater extension project to the new interchange to attract businesses and industry.

Bradford County has identified a company in the aerospace and defense industry that would lease the Douglas Building from the county. The company would create and/or relocate all or some of the companies repair stations. It offers an ideal location to expand and consolidate a major repair capability to one location, furthering even more job creation for Flight Operations, Maintenance Teams, and Logistics Teams.

In the unlikely event the building should ever become vacant, Bradford County as the owner would be able to seek another aerospace/defense industry to occupy the building which would provide job creation and economic development. Bradford County would, with the assistance of the North Florida Economic Development Partnership, immediately market and recruit the building nationally and internationally. Bradford County intends to only allow improvements which will enhance the building's ability to be leased continually. The County has performed an environmental assessment of the land to include soil borings to verify additional construction is viable. Additionally, Bradford County wanted to ensure there are no impediments for the planned uses of the property. The transfer of the property to Bradford County will bring employment stability for current employees, as well as create high-wage jobs for others locally. It is our belief that to have a highly successful aviation-based MRO and training facility with a very positive future is extremely valuable not only to Bradford County's economic stability, but also to the region. This has the opportunity to become an international headquarters for a national MRO which was always considered extremely valuable by Florida's economists.

Transferring this building to the county will mean retaining 22 jobs with an average salary of \$87,000 with the potential for the county to see an influx of jobs that could amount to an additional 26 employees with the high end wage of \$200,000. This does not include the increase in personnel for the repair stations, and other ancillary business resources that will either be relocated to Florida or hired locally outright.

Bradford County will lease the space to the identified company and estimates show that the space could lease for upwards of \$1 million per year. This does not include the \$2-\$3 million of improvements that will be made by the company.

The company has also been approved for a \$25 million loan with Space Florida for a state-of-theart facility (hanger and warehouse and office) and are awaiting the results of a Federal Aviation Administration Finding of No Significant Impact (FONSI) letter to proceed with construction of those facilities. They have been approved for an initial amount of \$25M with Space Florida, but without the Douglas Building for warehousing, training and administration headquarters, there will be no need to move forward at Keystone Heights Airport.

To summarize, based upon ongoing discussions between Bradford County staff and the Northeast Florida Economic Development Corporation, we have identified a highly targeted aerospace and defense company that is experiencing unprecedented growth and expansion in the aviation industry that would like to expand in Bradford County. Bradford County has no other 100,000 square foot buildings, and no financial means to build such a building, especially when time is a huge factor in the company's decision to stay or leave. There are no state or federal grants that will assist in building a large building, and this particular company has been waiting for Bradford County to acquire the building for over 2 years. The company prefers to grow in Starke but simply cannot wait much longer.

To reiterate the importance of this request: This is an economic development project request made by the 3rd smallest county in Florida with a poverty rate of 20.1%, per capita income of \$39,748, and 26.9% of income are transfer payments. This request went before the regularly scheduled Bradford County Board of County Commissioners on August 17, 2023. We feel that the Douglas Building once conveyed to Bradford County will truly become one of our prime economic development assets. Please give every consideration as to the overall public benefit to the county through job retention, job creation, sales tax and employees purchasing power within the community.

#### About the Authors:

*This paper was a collaborative effort between Diane Scholz, Director of Rural & Economic Development Services at North Florida Economic Development Partnership* 

And

Scott Kornegay, MPA, Bradford County Manager

#### THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES: Appropriations Committee on Criminal and Civil Justice, Chair Criminal Justice, Vice Chair Appropriations Children, Families, and Elder Affairs Community Affairs Regulated Industries

SELECT COMMITTEE: Select Committee on Resiliency

SENATOR JENNIFER BRADLEY 6th District

September 11, 2023

Secretary Shawn Hamilton Florida Department of Environmental Protection 3900 Commonwealth Boulevard Tallahassee, Florida 32399-3000

Dear Secretary Hamilton:

Senate District 6 includes several fiscally constrained counties in North Florida. I believe it is incumbent on the state to support these communities as they work to grow economic opportunities for their residents. Bradford County is both fiscally constrained and was designated as a Rural Area of Opportunity (RAO) by Governor DeSantis. I am writing to ask for the department's assistance through the conveyance of the Douglas Building, a state-owned 100,000 square foot warehouse in Starke, to Bradford County. Once conveyed, the County plans to lease the facility to MSD-Rockland, an international company and employer in the county currently operating at the Keystone Heights Airport which faces an immediate need for facility expansion.

It is my understanding that no other state agency plans to use the Douglas Building, which has been vacant for several years, and that Bradford County was the sole party to express an interest in the facility. Given the County's fiscally constrained status and RAO designation, it is our hope that the facility be gifted by the state to the County for the purpose of preserving current jobs in the community and creating future job growth through an ongoing expansion of MSD-Rockland. MSD-Rockland has an immediate need for a facility for storage purposes and to expand its shipping and logistics operations.

I would greatly appreciate your consideration of this request and look forward to working with you on this and other projects that benefits the residents of our state.

Sincerely rade lennifer Bradley

cc: Mr. Scott Kornegay, County Manager

REPLY TO:

□ 1845 East West Parkway, Suite 5, Fleming Island, Florida 32003 (904) 278-2085

□ 124 Northwest Madison Street, Lake City, Florida 32055 (386) 719-2708 □ 408 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5006

Senate's Website: www.flsenate.gov

KATHLEEN PASSIDOMO President of the Senate DENNIS BAXLEY President Pro Tempore

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## **Representative Chuck Brannan**

#### The Florida House of Representatives

District 10

222 Capitol 402 South Monroe Street Tallahassee, FL 32399-1300 1262 Southeast Baya Drive Lake City, FL 32025-5555 Phone: (386) 758-0405 Baker County Courthouse 339 East Macclenny Ave Macclenny, FL 32063-2231

Chuck.Brannan@myfloridahouse.gov

September 15, 2023

Secretary Shawn Hamilton Florida Department of Environmental Protection 3900 Commonwealth Boulevard Tallahassee, Florida 32399-3000

RE: Conveyance of State-Owned Property in Bradford County

Dear Secretary Hamilton:

This is a letter of support for Bradford County in regards to the requested conveyance of the Douglas Building, a stateowned 100,000 square foot warehouse located in Starke, Florida. If the building is conveyed, the County plans to lease the facility to MSD-Rockland, an international company and major employer in Bradford County. This conveyance would be very beneficial to the community and bolster economic development in the region.

I ask that you favorably consider Bradford County's request and please let me know if you have any questions or if I can be of further assistance in this process.

Respectfully,

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Representative Chuck Brannan Florida House of Representatives, District 10

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