



Interoffice Memorandum

AGENDA ITEM

April 9, 2018

TO: Mayor Teresa Jacobs  
-AND-  
Board of County Commissioners

FROM: Eric Ushkowitz, Economic Development Administrator  
Office of Economic, Trade & Tourism Development

A handwritten signature in black ink, appearing to read "Eric Ushkowitz", written over the "FROM:" line.

SUBJECT: **Consent Agenda Item – April 24, 2018**  
Approval and Execution of Proposal for Strategic Sites Inventory  
Program Expansion between Leotta Location and Design, LLC  
and Orange County Government

Leotta Location and Design, LLC (Leotta) has requested Orange County enter into a proposal for expansion of the Strategic Sites Inventory Program (SSI). The purpose of SSI is to advance a pre-selected site to preliminary engineering and environmental due diligence through Phase II of SSI. The SSI is a partnership between Leotta, Duke Energy, the Florida Department of Economic Opportunity and Enterprise Florida to develop and market high quality sites for the purpose of attracting industrial users. The cost of the Phase II SSI is \$10,000, and the total cost will be covered by a grant from Duke Energy.

**ACTION REQUESTED:** Approval and execution of Proposal for  
Expansion of Strategic Sites Inventory  
Program between Leotta Location and  
Design, LLC and Orange County  
Government.

EU/tp

BCC Mtg. Date: April 24, 2018



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Baton Rouge, Louisiana 70810  
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February 9, 2018

Mr. Eric Ushkowitz  
Economic Development Administrator  
Orange County Government  
201 South Rosalind Ave., 5th Floor  
Orlando, FL 32802-1393

RE: Proposal for Strategic Sites Inventory Program  
Phase II: Preliminary Due Diligence  
Proposal No. 18-006

Dear Mr. Ushkowitz:

Leotta Location and Design, LLC (LL+D) is pleased to present Orange County Government (Orange County) with this proposal for expansion of the Strategic Sites Inventory (SSI) Program. The proposed SSI Program expansion will build upon the Florida SSI Program LL+D has been conducting for Duke Energy in partnership with the Department of Economic Opportunity (DEO) and Enterprise Florida, Inc. (EFI) since November 2013. Specifically, LL+D is proposing to advance a pre-selected site to preliminary engineering and environmental due diligence through Phase II of our SSI Program.

Provided herein are a discussion of project objectives, SSI Program purpose and history, strategic site inventory development benefits, scope of services, deliverables, project investment, and estimated timetable for completion.

#### Understanding of Project Objectives

LEO understands that Orange County and Duke Energy recognize the need to develop an inventory of quality sites to strengthen its current inventory of available properties for economic development land uses. Based on current SSI Program progress in Central Florida, several high-quality sites have been identified as strategic real estate assets for economic development. In order to assess the true competitive value of potential strategic sites, analysis of engineering and environmental advantages and challenges relative to industrial and commercial property development must be conducted. As such, the primary project objective is to conduct preliminary due diligence on the subject site: 12095-0XX.

Conducting SSI Phase II: Preliminary Due Diligence is the next step in the process of advancing high-value sites to market. This will ensure Orange County has the quality real estate assets necessary to complete for quality job producing projects.

#### SSI Program Purpose and History

The SSI Program is a proactive site selection initiative designed to identify properties highly suited to attract quality industrial and commercial project investments. The SSI Program is designed to increase community competitiveness in economic development by strengthening inventories of high-value real estate assets. Communities with strong workforce, infrastructure, education, and other key competitiveness attributes often lose projects due simply to the fact they don't have a suitable site to

support the investment. The SSI Program provides a proactive solution to this problem through advance site selection. Strategic sites are subjected to a competitiveness determination through detailed engineering and environmental due diligence and landowner engagement to graduate sites to market at fair market values. The SSI Program was created with a singular focus: "quality sites = quality projects = quality jobs".

Since the initiation of the SSI Program with a Duke Energy funding grant in 2014, the State of Florida has achieved remarkable progress toward identification of high-quality real estate assets for economic development. To date, searches have been conducted in 59 of 67 counties to discover undeveloped land with excellent characteristics for a variety of quality job producing projects. SSI Project land uses include heavy industrial, light industrial, commercial/freight logistics, R&D/tech, business park, and agribusiness. More than 1,000 potential high-quality strategic sites have been discovered. Florida will soon begin realizing revenue and job ROI with the graduation of SSI Program sites to market this fall.

#### **BENEFITS OF INVESTING IN THE STRATEGIC SITES INVENTORY PROGRAM**

Central Florida has enjoyed significant capital investments over the last four years in the industrial, manufacturing, technology, and commercial sectors creating sustainable tax revenues while creating high quality jobs. This along with strong post-recession increase in the tourism industry, undoubtedly demonstrate Central Florida's economic strengths in a highly competitive global marketplace. However, with each project success comes the challenge of maintaining a sufficient inventory of available quality sites. "Product" development has emerged as a central need to ensuring communities can continue economic growth and job gains as existing available sites are developed.

LL+D's SSI Program is designed to identify and fully evaluate optimal locations to site quality job-creating economic development projects. Through logical and well-orchestrated site development phase, the SSI Program identifies and advances sites to market in a rapid and cost-conscious manner. The SSI Program will allow Central Florida to offer highly competitive locations that represent a balance between meeting a project's operational needs and protecting vulnerable cultural, environmental, and ecological resources. This translates into a strong competitive advantage by proactively marketing premium site locations and more effectively competing for projects through advance site selection.

Investment in LL+D's SSI Program for economic development will provide the following benefits:

- Rapid and targeted RFI response;
- Proactively market sites to site consultants and industry attract new opportunity;
- Quantify site strengths and challenges and plan for improvement;
- More accurately match sites to project needs;
- Geographically validate targeted industry assessments and provide foundation for economic development strategic planning;
- Negotiating leverage on property sale/lease prices;
- Gain reputation for having a high-quality sites inventory that is ready for ownership transfer which will drive higher visibility with site consultants;
- Provide support for or against zoning variances that may negatively impact site development for economic development;
- Strengthen overall community competitiveness.

LL+D/LEO SSI Program includes a comprehensive approach to graduating only the highest quality sites to market-ready status. Strategic site inventory development begins with discovery of potential sites and advances through full engineering and environmental due diligence to ensure all facets of site quality and ultimate competitiveness are achieved. A key element to the SSI Program is landowner engagement in which a real estate option is required to be secured along with competitive sale or lease pricing prior to due diligence advancement.

The LL+D SSI Program includes the following phases:

- Phase I: Site Discovery
- Phase II: Preliminary Due Diligence
- Phase III: Landowner Engagement
- Phase IV: Formal Due Diligence
- Phase V: Branding and Marketing

Each SSI Program Phase is described as follows:

Phase I: Site Discovery, is the principle differentiator between the SSI Program and site "certification" programs of various incarnations across the country. Whereas conventional site certification programs evaluate properties that are already on the marketing regardless of suitability, the SSI Program Phase I constitutes a mining exercise in which previously unknown sites of exceptional quality for industrial and commercial projects are discovered.

Phase II: Preliminary Due Diligence entails a desktop engineering and environmental site review to confirm initial site development potential from Phase I discovery. The Phase II exercise is designed to expose and potential "fatal flaws" that would compromise site competitiveness. This includes a qualitative review of physical site characteristics, ecological conditions, transportation and utility connectivity, and surrounding land use compatibility along with rough-order-of-magnitude costs for site improvements and environmental permitting burden including potential wetlands mitigation.

Phase III: Landowner Engagement commences upon a site achieving a favorable development opinion from Phase II and constitutes pursuit of a real estate purchase option. Control of the subject property at a fair market value price is a requisite for site graduation to market.

Phase IV: Formal Due Diligence takes Phase II from an engineering and environmental review exercise to full "boots on the ground", quantitative site physical inspection and documentation. Phase IV is administered judiciously with only select sites qualifying as candidates for formal due diligence. Sites that merit Phase IV investment typically are suited for large-scale capital investments which require quantification of site development advantages and risks.

Phase V: Branding and Marketing is necessary to activate the SSI Program investment by creating a comprehensive informational package to globally promote the location value to target industries. Phase V should be immediately prior to the successful completion of Phase III and graduation of a site to market. Phase III resources include compelling visual documentation of the subject site along with quantifiable development advantages of both the site and the host community.

The ultimate goal of the SSI Program is to create an inventory of quality sites which support project operational needs, are relatively free of encumbrances, and are readily transferable for sale or lease. Quality sites are at an all-time premium both in Florida and nationally. An investment in a quality sites inventory will enable Central Florida and its community allies to maximize their economic competitiveness, expanding sustainable tax revenues and continuing to create quality jobs.

#### **SCOPE OF SERVICES**

LL+D is proposing to expand the SSI Program for Orange County to advance a pre-selected site (12095-0XX) to desktop engineering and environmental analysis through SSI Phase II: Preliminary Due Diligence. The SSI Phase II results will provide objective data to be used as decision support for continued investment in the advancement of the subject site to market. The scope of services for SSI Phase II are described in detail below.

### **SSI Phase II: Preliminary Due Diligence**

SSI Phase II is designed to begin the site due diligence on a low-cost, cursory basis to gain a more informed understanding on a sites development potential prior to investing in full scale due diligence. This preliminary due diligence includes desktop approaches to engineering and environmental site evaluations by qualified, discipline-specific experts using GIS mapping technology, an array of data layers and aerial imagery, and years of professional experience in land development processes. SSI Program prescribes the approach and technical requirements to conduct preliminary site due diligence to identify potential fatal flaws within the context of engineering and environmental conditions. This consists of desktop analyses utilizing an array of pertinent GIS data, aerial imagery, and trained engineering and environmental consulting expertise to assess site conditions and eliminate sites from consideration or recommend for further SSI Program advancement. The workflow for Phase II will include the following progression of project tasks:

1. Review and rank potential Phase I sites and collaborate with Orange County staff to recommend priority sites for Phase II
2. Create a reserve list of backup sites to consult should any priority sites exhibit observed fatal flaws, cost prohibitive improvement conditions, or result in landowner impasse
3. Perform desktop engineering assessment for recommended sites, quantify advantages and challenges, provide rough-order-of-magnitude (ROM) costs for site improvements, and report findings
4. Perform desktop environmental assessment for recommended sites, quantify advantages and challenges, provide rough-order-of-magnitude (ROM) costs for site improvements, and report findings
5. Suspend potential sites that exhibit "fatal flaws" significantly diminishing site development potential and/or competitiveness for economic development land use
6. Provide recommendations for site advancement to subsequent phases of strategic site inventory development including site visits, formal engineering and environmental due diligence and securing landowner options
7. Create a report of due diligence findings and recommendations for strategic site inventory advancement

*All Phase II project tasks are intended to serve as an informed guide to determination of site advancement to the formal due diligence phase of inventory development. The scope of services proposed for this project are limited to planning-level engineering and environmental consulting and do not rise to the investigative level of study for site design uses.*

#### *Pre-Phase II Site Review*

LL+D has developed a systematic and effective methodology for screening potential sites for practical development as part of the Phase II process. LL+D uses its methodology in conjunction with the GIS data cited above to evaluate sites to quantify advantages and challenges and issue an opinion on the optimal project use. The site screening is conducted within the context of achieving a strict quality standard and as such, many sites that appear to be of good economic value fail to receive a recommendation for pursuing for inventory.

The ultimate goal of site screening is to identify "fatal flaws" exhibited by a site that would render the site practically undevelopable or of low attractiveness to site consultants and industry prospects. LL+D uses a basic six-factor screening methodology to identify observable fatal flaws and subjectively quantify each site's development potential based on conditions present and information gleaned through the desktop analysis.

The primary site screening factors include the following:

- Parcel Assembly
- Transportation Infrastructure
- Energy Infrastructure
- Cultural Considerations
- Flood Risk
- Potential Wetlands

The scope of services for the site screening task will entail visual desktop screening and ranking in general accordance with the following tasks:

- Individual site review and screening against the six factors described above;
- Notation of observed physical site characteristics, surrounding land use, and conditions both for and against development;
- Assignment of a site ranking relative to development feasibility as a function of site quality;
- Map production displaying candidate sites symbolized by project use and size;
- Review of site screening with Orange County staff; and
- Determination of final candidate site nomination for advance to next phases of site development.

LEO will recommend primary sites to Orange County for inventory pursuit as well as a secondary list of backup sites to consider should primary sites become suspended due to potential fatal flaws or landowner impasse.

In addition to the evaluation of physical site and surrounding land use conditions, ROM costs estimates will be development to quantify potential costs associated with site engineering improvements for transportation and utility access, site grading and flood mitigation, etc. ROM costs associated with environmental permitting, wetlands mitigation, and other regulatory challenges will be provided on a generalized basis to the extent practical. The ROM costs will be considered as a significant factor in recommendation of site advancement for inventory pursuit.

*Ultimate site development potential and fatal flaw analysis cannot be determined without physically visiting the site and conducting formal engineering and environmental due diligence. However, an effective site screening methodology is highly effective in eliminating low quality or practically undevelopable sites and presents candidate sites with a high likelihood of enduring more formal engineering and environmental due diligence.*

#### *Desktop Engineering Review and ROM Determination*

The desktop engineering review and ROM determination is an analysis to identify potential fatal flaws that would render a site impractical for development. This can include an evaluation of transportation access, site drainage, site configuration, soils constructability, etc. Site and transportation improvements may prove to be cost prohibitive and thus eliminate sites from further consideration. This may include an engineering consulting option as to favorable site conditions and/or development challenges as it relates to:

- a. transportation access/infrastructure configuration
- b. assessment of rail spur access to site (where applicable)
- c. energy infrastructure (electric transmission, pipeline, etc.; non- local utilities) access and impedances
- d. flood risk and cut-fill burden
- e. general soils suitability for construction (formal geotechnical assessment to be conducted in subsequent formal due diligence stage)

- f. location of nearest community and size as it relates to water, sewer, and wastewater treatment capacity
- g. overall development opinion
- h. rough-order-of-magnitude (ROM) cost ranges for readying site for development:
  - i. ROM for road transportation access improvements
  - ii. ROM for rail spur access to site
  - iii. ROM for site clearing and grading
  - iv. ROM for local utility access

#### *Desktop Environmental Review and ROM Determination*

The desktop environmental review and ROM determination is an assessment to provide a qualified opinion as to the quality and extent of potential wetlands along with permitting burden and estimated mitigation costs. This does not constitute a formal wetlands delineation but provides reliable wetlands cursory assessment in an efficient and cost-effective manner. This may include an environmental consulting option as to favorable site conditions and/or development challenges as it relates to:

- a. Potential wetlands extent
- b. Type of quality of potential wetlands observed
- c. Mitigation options (general may apply)
- d. Cursory T&E review
  - i. Cursory cultural resource review (at least an opinion as to the likelihood of culturally significant conditions)
- e. Other known or observed environmental permitting based on surrounding environmentally sensitive and/or protected areas
- f. Overall opinion on general permitting and mitigation burden
- g. Rough-order-of-magnitude (ROM) cost ranges for wetlands mitigation and permitting

*Additional general regulatory requirements for industrial facility construction and operation and potential permitting challenges will be provided where practical. Without a specific industrial applicant specific environmental regulatory permitting burden cannot be fully assessed.*

#### *Site Pursuit Recommendations*

The end deliverable for preliminary site due diligence is a professional recommendation for the suspension of further inventory pursuit or advancement to the next phase of site vetting which includes securing property option with the landowner and engaging in site visits and formal engineering and environmental due diligence exercises. A report of findings accompanied with SSI Program advancement will be provided for each site reviewed. The site due diligence reports will include specific engineering and environmental elements evaluated detailing observations and professional opinions regarding the impact of those observations to site development potential. Maps and other associated supporting documentation will be included with each site report. Sites recommendation results and all due diligence reports and associated support maps and documents will be delivered electronically as static PDF documents.



#### PROJECT INVESTMENT

LL+D understands that Orange County has received a grant from Duke Energy to perform the SSI Phase II project work. The project cost for conducting an SSI Phase II site analysis in accordance with the scope of services presented herein is **\$10,000.00**.

LL+D will provide the proposed services in accordance with the scope of services on a lump sum cost basis. Should changes in scope occur, LL+D will not exceed the stated costs without prior written authorization from Orange County. LL+D will bill client in two invoice cycles: 50% at project initiation and final 50% at completion of project and acceptance by client of project deliverables. *This payment term may be adjusted based on grant funding allocation rules and Orange County payment constraints due to cost reimbursement lead times.* Costs include all time, material, and travel expenses required to perform the scope of services. All invoice payment terms are NET 30.

#### ESTIMATED PROJECT SCHEDULE

Based on completion of SSI Phase II for over thirty sites in Florida, LL+D estimates it will require three to four weeks to complete the engineering and environmental analysis and report generation. Actual completion time may be more or less depending on actual surface conditions observe through the site search and screening process. LL+D will notify Orange County staff should any material issues arise during project performance that would significantly impact the delivery of task items within the estimated completion timeframes. LL+D has the capacity to begin the SSI Program implementation within ten days of contract execution. This proposal is valid for forty-five days from data of delivery. If you find these proposed services acceptable, you may complete and sign the "Notice to Proceed" section provided below and return via facsimile to our office at (225) 751-2010 or scan and email to [victor@location-design.com](mailto:victor@location-design.com).

LL+D believes that our SSI Program will provide Orange County with immediate value with the advancement of quality sites that may be consulted for RFI response and proactive site development. Communities cannot compete for quality economic development projects without quality, market-ready real estate assets. This regional product development program endeavors to aggressively build a strategic inventory of high quality greenfield sites to ensure Orange County has the real estate assets required to remain globally competitive for capital-intensive, quality job-creating business investments.

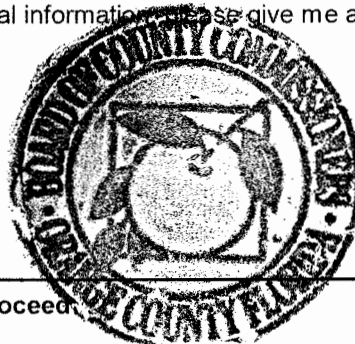
Leotta Location and Design appreciates the opportunity to provide economic development consulting services to Orange County Government. We look forward to continuing to build a strong working relationship and combining our resources in the best interest of achieving continued economic success. Should you have any questions or need additional information, please give me a call at (225) 753-0325.

Regards,

Leotta Location and Design, LLC



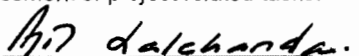
Victor Leotta  
Principal



#### Notice to Proceed

Orange County Government accepts this proposal based on the scope of services and fees presented herein. Leotta Location and Design, LLC is authorized to proceed with commencement of project related tasks.

By:



Date:

4.24.18

Title:

County Administrator

P.O. No.: