



St. Johns County OKs PGA's planned changes

Beaches Leader
October 10, 2017

With the recent approval from St. Johns County for a \$2.8 million incentive package, the PGA Tour will move forward with plans to bring a consolidated headquarters to the county in 2020.

On Oct. 3, the St. Johns County Board of County Commissioners unanimously approved an Economic Development Agreement that will allow the tour to consolidate the 17 offices occupied throughout Ponte Vedra Beach and St. Augustine to a 210,000-square-foot facility to be built on tour-owned property along Palm Valley Road.

The more than \$80 million headquarters would bring in approximately 300 new jobs, according to Melissa Glasgow, director of economic development, with average wages at \$79,442 – significantly higher than the county's average of less than \$40,000.

The economic development agreement states that the PGA Tour will provide receive annual grant payments to PGA Tour. The grants will address four years of property tax and up to 100 percent of impact/connection fees – a total maximum incentive of \$2,758,310 for the PGA Tour with an estimated annual cost of \$440,320. The first grant payment is estimated to occur in fiscal year 2022. Glasgow noted that the incentives are performance based.

The economic benefits of the project are "extraordinary" for a single project, Glasgow said, touting the \$86 million investment in the expansion of the headquarters, which will increase countywide tax revenue by an estimated \$24 million over the next 20 years. She pointed out that \$7 million alone would go to the county's general fund.

"More importantly, with this new project the Tour would retain the 800 high-wage jobs already employed here in the county," she said. "We can't be presumptuous and think that [the PGA Tour] can't move their corporate headquarters elsewhere. Technically, they don't have to be located at TPC Sawgrass or any golf course"

Glasgow said she was aware the tour had evaluated other options in the region as well as out of state. She referred to the project as a "win-win" for the tour and the county.

During public comment, opinions for and against the project were expressed and nearly split on both sides. Among those not in favor of the project was Mary Kohnke, secretary of the Ponte Vedra Beaches Coalition. Kohnke, also a former commissioner, called the project a "sham" and a display of favoritism. She also said she did not believe the tour would go anywhere if the requests were not approved.

"They have 400 acres of property that only cost them \$1 in 1975, so they're not going to give away their \$1 400 acres," she said.

Commissioner Chairman Jimmy Johns said the PGA Tour had demonstrated their responsibility to the community and referred to the group as a "fantastic neighbor."

In response to statements made during public comment, Commissioner Jay Morris defended the commission's actions.

"I heard it stated that we're giving away \$2.8 million and then I heard the term 'corporate welfare' – we're not spending or giving away anything with this project," he said. "Nothing is coming out of the general fund. As a matter of fact, the PGA Tour is actually paying themselves back with their own money. We are not paying any money whatsoever out of the corporate coffers for this \$2.8 million."

Morris added that once complete, the facility will be the largest corporation headquarters in the county by far. He also noted the opportunity to turn a parking lot into a tax producing entity.

"The county, when this is done, is going to get a 750 percent return on their investment," he said. "This is the biggest economic development and the biggest plus for St. Johns County that I've seen in the 7 years that I've been here."

In addition to the unanimous approval of the Economic Development Grant Agreement, the commission approved the purchase of 1.83 acres of county-owned property needed in order to move the project forward. The property, which consists of the Ponte Vedra annex building and a public safety tower, was appraised at \$1.65 million, according to the project manager, Damon Douglas. As part of the approved purchase and sale agreement, Douglas said the PGA Tour will construct a tier 3 tower on their property and relocate the county's communication equipment – including a temporary facility to ensure communication equipment is not down at any point – at their cost. The tour will pay \$700,000 cash for the building and an additional \$950,000 will be spent on cost that are related to relocation of the equipment.

Commissioner Jeb Smith expressed concern regarding where the annex would eventually be relocated, to which Tax Collector Dennis Hollingsworth confirmed "a couple of options" were being considered – one of which, he particularly favored, he said. Hollingsworth said the potential locations are within a mile radius of the current location and that residents will be "totally surprised and pleased" with the new spot.