

County Commission votes to support PGA Tour's plans for new headquarters in Ponte Vedra

By Jon Blauvelt
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The PGA Tour has called Ponte Vedra Beach its home for 35 years, and it doesn't look like that will be changing any time soon.

On Tuesday, the Board of County Commissioners (BCC) voted unanimously to support a \$2.8 million economic incentives program for the company to construct a new headquarters facility on its existing property along Palm Valley Road. The facility will ultimately consolidate the tour's 800 employees located at 17 office locations throughout St. Johns County into one space in Ponte Vedra, which is expected to be occupied by March 2020.

With plans to invest \$86 million into the construction of the estimated 210,000-square foot facility, the company anticipates hiring an additional 300 employees who will be paid an average wage of \$79,442, which is approximately two times the average wage in St. Johns County. According to county staff, the tour's financial investment would conservatively generate a net economic benefit of \$24 million to the county over a 20-year period and \$7 million alone to the county's general fund.

"The county, when this is done, this is going to get a 750 percent return on its investment," said District 4 County Commissioner Jay Morris at the hearing. "This is the biggest economic development and the biggest plus for St. Johns County that I've seen in the seven years I've been here."

The BCC supported the advancement of the incentives program in April 2017, but the identity of the company it would be benefitting was made confidential during the due diligence process. At the time, the company was referred to as "Project Boilermaker."

In addition to the incentives program, the BCC on Tuesday approved the PGA Tour's requests to amend the Caballos del Mar Development of Regional Impact (DRI) and Players Club Planned Unit Development (PUD) to consolidate acreage and uses of the company's property into a unified Master Development Plan. This consolidation, county staff explained, will enable the company to convert previously approved multi-family residential units into office or commercial square footage to house the headquarters.

The BCC also voted in support of the PGA Tour's acquisition of the 1.8-acre piece of property currently housing the County Courthouse Annex on Palm Valley Road, which will ultimately be used as one of the company's entrances to its new headquarters. The services currently provided at the annex building will be relocated to an undetermined location.

County Director of Economic Development Melissa Glasgow noted at the hearing that the PGA Tour evaluated other locations in the region and outside of the state throughout its due diligence process.

In explaining the incentives program, she said that the headquarters project is eligible for an economic development grant equal to four years of ad valorem taxes paid on capital improvements and tangible personal property, as well as up to 100 percent of impact fees and water/sewer connection fees paid to the county. The total estimated value of the incentive is \$2,758,310, she said, with an estimated annual payout of \$440,320 and

the first payment anticipated for fiscal year 2022. Glasgow added that the incentive also includes a state incentive that has already been approved.

“Economic development people like me stand ready to capture a deal of this magnitude,” she said, “and that’s another reason why the governor and the state in particular are keen on keeping this project here and encouraging their [the PGA Tour] expansion here in St. Johns County. This economic development project is one of the largest and most exciting to come before the county.”

Some area residents at the hearing, however, were not so supportive. Mary Kohnke called the incentives program and overall project “blatant favoritism of one developer over another.” Tom Reynolds referred to it as “corporate welfare at its worst.” Commissioner Morris said in a response that nothing is coming out of the county’s general fund and that the PGA Tour is paying itself back with its own money.

“We are not paying any money whatsoever out of the corporate coffers for this \$2.8 million,” he said.

Gerry Klingman, the president of the Sawgrass Players Club Association, spoke on behalf of the association in voicing its approval of the project, calling the PGA Tour a “fantastic neighbor.” Also during public comment, St. Johns County Chamber of Commerce CEO and President Isabelle Rodriguez expressed her support, noting that the project and the PGA Tour fall within the “primary industry” categorization, increasing the “multiplier effect” in economic development for the county. Victor Ramos, the immediate past chair of the Economic Development Council for the Chamber, added that the project is a rare opportunity for economic development.

Following the hearing, PGA Tour Vice President of Integrated Communications Kirsten Sabia said the company was pleased to receive the county commission’s final approval of the project.

“We look forward to continue working with the community and area residents, as well as investing in the overall growth of St. Johns County,” she said. “We will share further details once a finalized plan becomes available.”

County Courthouse Annex property

Damon Douglas from the county’s land management systems department explained at the hearing that the PGA Tour is acquiring the County Courthouse Annex parcel, which also includes a county-owned communications tower, for \$1.65 million.

As part of the purchase and sale agreement between the two parties, the PGA Tour will—at its cost—replace the existing lattice tower on the annex parcel that is used for communications services with a monopole that will be relocated to the north end of the company’s property. Douglas said the tour will also make provisions for a temporary facility to ensure communications aren’t interrupted.

He also said the company will provide the county with space on the new tower at no charge for as long as the county has reasonable use for it. Douglas noted that the tour will have 150 days of due diligence to finalize its plans for the annex building and communications tower. He said part of the agreement states that the county will have 18 months after that 150 days to continue using the annex building for its tax collector services.

Following questions from residents and commissioners regarding the relocation of the annex’s services, St. Johns County Tax Collector Dennis Hollingsworth said the county has a new building in mind that is within a mile of the current building. He added that the current building on Palm Valley Road is 30 years old and represents one of the highest maintenance costs for the county, so ultimately this is a good move.

“I believe everyone will be totally surprised and pleased with the relocation,” he said. “We have a couple options, but right now the one I’m really favored to would be a tremendous asset for the county.”

Additional items of interest

As part of the PGA Tour’s major modification to the Players Club PUD, the company requested waivers from local provisions and requirements, a few of which spurred controversy within the community.

One such waiver would have allowed the company to allow illumination on its golf practice facilities up to two-and-a-half hours prior to sunrise. After receiving negative feedback on this, the PGA Tour ultimately agreed to restrict morning lighting to no earlier than 5 a.m. the week of THE PLAYERS Championship and 6 a.m. any other week of the year.

Additional clarity was also provided regarding the PGA Tour's potential development of "golf villas" on the TPC Sawgrass golf course. By consolidating its development rights, the PGA Tour would be allowed to develop multi-family residential units there. Bill Schilling of Kimley-Horn and Associates said on behalf of the PGA Tour that the company has no immediate plans to construct the villas, yet it wants to preserve its development rights for the future. If they were to be built, Schilling noted they would most likely be located in the large gravel parking area in front of the TPC clubhouse, or possibly near the 10th hole or nursery area near Sawgrass Marriott.

Related to this item, another waiver that received public criticism is one that would allow the PGA Tour to bypass the requirement that five acres of active recreation be provided per 1,000 design population. The company updated its Master Development Plan to identify the examples of recreation that it says would be available throughout the Players Club PUD for prospective residents of the villas. These include trails, walkways, fields, a basketball court, a volleyball court and more.

County Commission Chair James Johns voiced his appreciation for the PGA Tour's accommodations and ultimately thanked the company for the role it plays in the community.

"You are a fantastic neighbor, and I want to thank you for the accommodations that you've made to get to this point in the process," he said. "You're not just living on a patch of land to make money off of. You've demonstrated your connections to our nonprofits in the community by donating millions of dollars to the community. You're providing wonderful jobs to our residents.

"Those are the types of developments that I want to attract to our community," he added. "You are the ideal example."