

Young – Rainey STAR Center

The successful transition of the
Former US DOE Pinellas Plant

Project Summary

This is the final report of the Economic Development Activities at the Young - Rainey Science, Technology, and Research (STAR) Center (originally the Pinellas Plant Sale Transition). This transition project began March 8, 1995 and ended June 30, 2008. Over this period the US Department of Energy (DOE) funds aided in the transition of a federal nuclear weapons plant to a free standing high technology industrial center. If the transition had not taken place, DOE would have spent approximately \$20 million in 1995 to “green field” this site. The transition of the site per se cost the DOE only \$17.6 million over the 13 year period.

When DOE announced that the Pinellas Plant would be closing in 1993, the plant employed 1,400 workers with a total payroll of nearly \$60 million. DOE sold the Pinellas Plant to the Pinellas County Industrial Council (PCIC) pursuant to Section g, Chapter 1073 – Public Law 703 of the Atomic Energy Act of 1954 for \$2.6 million based on a professionally developed appraisal in March 1995. DOE awarded PCIC a \$6.2 million grant to renovate the plant to accommodate multiple tenants and to meet State and local safety codes. DOE began cleanup of the plant at that time and completed their work by December 1997, three years ahead of schedule saving another \$29 million of federal funds.

In July 1999, Pinellas County took full ownership of the plant and renamed it the Pinellas STAR Center. In December 2001 the facility was rededicated and named the Young - Rainey STAR Center in honor of US Congressman CW (Bill) Young and former Pinellas County Chairman Charles Rainey. These two individuals spear-headed the purchase of the facility and the conversion to a high technology industrial center. By January 2002, facility became financially self-sufficient for operational purposes. Today, the Young-Rainey STAR Center is home to 36 high tech commercial businesses that employ a total of 1,528 workers. The Young-Rainey STAR Center’s total earnings base is \$68.5 million and provides a total economic impact of \$137.2 million for the Tampa Bay area.

In addition to the federal funding the project produced **\$65,977,971** of funds from rental income and third party cash contributions.

The significant accomplishment of this transition was the creation or retention of 2,780 jobs at the site which now houses 36 organizations. The cost per job created/retained to date at the STAR Center is \$6,328. Currently there are 1,528 employees working at the STAR Center. There were only 200 remaining at the end of 1997 when DOE ceased all operations. The Pinellas County completed its annual evaluation of the direct and indirect impact the STAR Center has on the local economy based on the number of employees and their salaries. For 2007 it was \$137,163,639.

The organizations now on site occupy approximately 634,428 square feet of STAR Center controlled buildings (including common areas and support space), another 34,038 square feet of former Pinellas Plant buildings, and 440,000 square feet of third party constructed buildings on STAR Center owned land. In addition there are 27,269 square feet available for the STAR Center to lease.

The tenant organizations include a large military secure-communication products and networks manufacturer, three forensic operations, a state-of-the-art analytical laboratory, homeland security firms, microelectronic manufacturing, thermal battery manufacturing and testing, two firms doing research in **IED** (improvised explosive devices) detection, a company providing e-business solutions, and a first class day care center.

The topping on this success story is STAR TEC. STAR Technology Enterprise Center is a public/private partnership that develops successful entrepreneurs, develops new jobs, new sources of technology and manufacturing capabilities. It is dedicated to accelerating entrepreneurial success for its client companies. There have been two successful graduates from the 3-year program. This epitomizes the main mission of the transition program to keep a steady stream of high technology companies and jobs in the Tampa Bay area.

This project was highly successful because the STAR Center's slogan was "There is no limit to what one can accomplish if you don't care who takes the credit." This was a complete cooperative management with the DOE and had the strong support of all local governments, chambers of commerce, regional businesses and associations thereof, the universities, and the affected employees of the plant to be closed. The management of the STAR Center was also aggressive in bringing in cash flow while searching for an anchor tenant by renting a large amount of space to a local major company for ware housing operations. That lease had a proviso that the STAR Center would reduce the space thus rented as high tech firms moved in and the interim company also agreed to move out in a short time when the anchor tenant was identified.

Significant Milestones

- Fall 1993 - US Department of Energy (DOE) announces closure of the DOE Pinellas Plant
- Fall 1993 – 1,400 people were employed at the plant at that time with a total payroll of approximately \$60 million all funded by federal taxpayers.
- Mar 1995 – DOE sells the Pinellas Plant to the Pinellas County Industrial Council (PCIC).
- Mar 1995 – The DOE saved \$20 million it would have paid to “Greenfield” the plant site.
- Mar 1995 - DOE awards grant of \$6.2 million to PCIC to renovate the Pinellas Plant.

- May 1995 – Federal Pinellas Plant officials develop the guidelines to transfer federal personal property based on an explicit federal law allowing for such transfers.
- Dec 1997 – DOE vacates the Pinellas Plant three years ahead of schedule saving federal tax payers an additional \$29 million.
- Jul - The Pinellas County government takes ownership of the then named Pinellas STAR Center
- Jul 1999 – Almost all former federal personal property had been transferred to entities that pledged to use the property to further their commercial enterprises in the Tampa Bay area.
- December 2001 – Redication of the facility and renaming to the Young - Rainey STAR Center
- Jan 2002 – The Young - Rainey STAR Center becomes financially self-sufficient for operational purposes but still needed DOE assistance to fund infrastructure improvements to continue the transition from a single occupant to one that then housed over 20 individual high tech entities.
- Sep 2005 – DOE provides final supplemental funding of \$1 million to replace the 25 year old cooling tower with an energy efficient, maintenance free, 50-year life tower.
- Jun 2008 – Removal of a 25-year old 6-cell wooden cooling tower structure and installation of a state-of-the-art fiber glass 5-cell, 5,000 ton, tower with a 50-year life expectancy for HVAC service for the main buildings of the original Pinellas Plant.

To date the Young - Rainey STAR Center has helped in the start-up of 13 new businesses. There are now 36 separate organizations, most of which are high tech commercial companies, employing approximately 1,528 employees with a total earnings base of \$68.5 million.