

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date:	December 16, 2008	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Workshop	<input type="checkbox"/> Public Hearing
Department:	Administration		
Submitted By:	Economic Development Office		

I. EXECUTIVE BRIEF


Motion and Title: **Staff Recommends Motion to Adopt:** a Resolution conceptually approving an Economic Development Ad Valorem Tax Exemption for Flight Safety International, Inc. (FSI).

Summary: FSI is a worldwide leader in training aviation professionals. FSI is seeking conceptual approval of an Ad Valorem Tax Exemption application for a proposed \$46.8 million expansion to their Palm Beach County (PBC) operation, which currently has 93 employees. FSI is eligible for the Ad Valorem Tax Exemption Program based upon their expansion plans. They are also eligible for additional state incentives such as the QTI program. The proposed project involves constructing a new 78,000 sq.ft. training center at an approximate cost of \$13.8 million. The company will invest \$33 million in new equipment and create at least 50 new jobs with an average salary of \$65,000, excluding benefits. The potential ad valorem tax exemption refund at a 3.7811 millage rate is estimated at \$52,557 on property, and \$120,995 on tangible personal property, for a total of \$173,552 per year, totaling \$1,041,312 over a 6 year period. The Business Development Board (BDB) indicates that FSI is also considering an expansion in Atlanta. The Regional Economic Model, Inc. forecasts the output of the FSI expansion to be \$36 million over 6 years. The Office of Financial Management and Budget found the company to be in good financial condition, and based on the documents reviewed, the company has the financial stability to expand their operations. District 2 (DW)

Background and Policy Issues: Flight Safety International Inc. understands that an official application must be submitted by March 1st before the property expansion is on the tax roll, and that the tax exemption is subject to BCC approval. Planning, Zoning and Building has agreed to expedite the permitting process.

Attachments:

Flight Safety International Conceptual Ad Valorem Tax Exemption Resolution
Memorandum from Palm Beach County Department of Airports

Recommended By:		12-3-08
	Economic Development Director	Date
Approved By:		12-9-08
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Income (PBC)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match (PBC)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET FISCAL IMPACT	<u>*</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Is Item Included In Current Budget? Yes No x
Budget Account No: Fund Department Unit Object

B. Recommended Sources of Funds/Summary of Fiscal Impact:


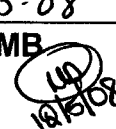
* The potential ad valorem tax abatement at a 3.7811 millage rate is estimated at \$52,557 on property, and \$120,995 on tangible personal property, for a total of \$173,552 per year, totaling \$1,041,312 over a 6 year period. Impact fees on the building expansion are an estimated \$425,500.

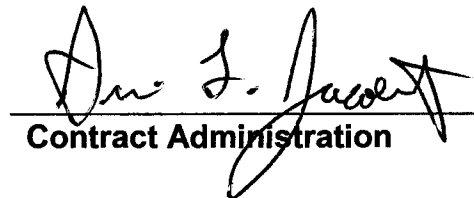
C. Departmental Fiscal Review:


Economic Development

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:

 12-5-08
OFMB  12/04/08

 12/5/08
Contract Administration

B. Legal Sufficiency:

 12/9/08
Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

RESOLUTION NO. R-2008-

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, FINDING THAT FLIGHT SAFETY INTERNATIONAL INC., BE APPROVED AS A QUALIFIED APPLICANT PURSUANT TO s.288.106, FLORIDA STATUTES; AND PROVIDING AN APPROPRIATION OF UP TO \$1,041,312 AS LOCAL PARTICIPATION IN THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM PURSUANT TO THE PALM BEACH COUNTY ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Flight Safety International Inc. is expected to file a Qualified Target Industry (QTI) Tax Refund Program application with Enterprise Florida, Inc. to seek State tax refunds, and for which the QTI Program requires that the local government, in this instance the Board of County Commissioners, provide a 20% local match. The County's total Tax Exemption award is estimated not to exceed \$1,041,312 in total; and

WHEREAS, the Palm Beach County Economic Development Ad Valorem Tax Exemption Program is designed to motivate businesses by providing funding assistance to either relocate to or establish a facility in Palm Beach County or to help an existing local business with an expansion project which will result in the creation of full time jobs in Palm Beach County, increase the County's tax base, and strengthen and diversify the County's local economy; and

WHEREAS, the proposed estimated annual County Tax Exemption cannot exceed \$173,552 per year for six (6) years; and

WHEREAS, Flight Safety International Inc. is an important aerospace cluster industry located in West Palm Beach, and is in good financial standing; and

WHEREAS, the State is considering a package of incentives, including the Qualified Target Industry incentive; and

WHEREAS, Flight Safety International Inc's. proposed project will involve the retention/expansion of its operations with a new flight training center; and

WHEREAS, the projected expansion within Palm Beach County, Florida will result in an estimated investment of \$46.8 Million for building and equipment under a proposed 78,000 square foot facility; and

WHEREAS, Flight Safety International Inc. will retain 93 employees, and will create 50 new additional jobs at an average annual salary of \$65,000, excluding benefits; and

WHEREAS, the Palm Beach County Board of County Commissioners acknowledges that local participation is required and understood; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY

COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that: the Board hereby recommends that **FLIGHT SAFETY INTERNATIONAL INC.** be approved as a Qualified Target Industry Business pursuant to s.288.106, Florida Statutes.

BE IT FURTHER RESOLVED that Flight Safety International Inc. is aware that once their project is completed an official application, per the requirements of Ad Valorem Tax Exemption Program must be submitted by the deadline date in order to receive the award. The necessary commitment of local financial support for the Qualified Target Industry Business for the Qualified Target Industry Tax Refund Program exists and will be available pursuant to the Palm Beach County Economic Development Ad Valorem Tax Exemption Program; and the exemption will be reflected on the property tax roll of Palm Beach County. These funds are intended to represent the "local participation" required by s.288.106, Florida Statutes.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

Commissioner John F. Koons, Chairman	-
Commissioner Burt Aaronson, Vice Chairman	-
Commissioner Karen T. Marcus	-
Commissioner Shelley Vana	-
Commissioner Mary McCarty	-
Commissioner Jess R. Santamaria	-
Commissioner Addie L. Greene	-

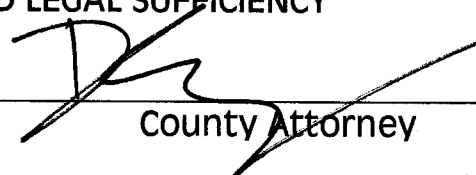
The Chairman thereupon declared the Resolution duly passed and adopted this _____ day of _____, 2008.

**PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS**

SHARON R. BOCK, CLERK AND COMPTROLLER

By: _____
Deputy Clerk

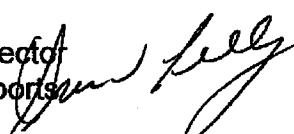
**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY**

By: 
County Attorney

**INTER-OFFICE MEMORANDUM
DEPARTMENT OF AIRPORTS**

TO: Jeff Koons, Chairman and Members
Board of County Commissioners

FROM: Bruce V. Pelly, Director
Department of Airports



DATE: November 24, 2008

RE: FlightSafety International

The Department of Airports would like to express its support for FlightSafety International's proposed project to locate a new facility on airport property south of Southern Blvd, east of Congress Ave. The proposed project involves the construction of a 78,000 square foot training facility that will house 50 new employees. It is our understanding that the new facility and related equipment will result in a significant capital investment to the property.

The project will also result in development of a site that has been vacant for several years and would provide a catalyst for other projects to locate in the area.

FlightSafety's facilities are visited by trainees from all over the world. Expansion of FlightSafety's facilities would drive additional traffic to the airport, as well as to local hotels, restaurants and shops. We have been told that FlightSafety generated over 8,000 hotel night stays in 2007 and that the company expects that number to exceed 9,500 in 2008.

If you have any questions, please do not hesitate to contact me.

cc: Robert Weisman, County Administrator

Attachment # 2

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