

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	January 24, 2012	<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: **A) Adopt** a Resolution by the Board of County Commissioners of Palm Beach County, Florida, recommending Digital Risk, LLC be approved as a Qualified Target Industry Business pursuant to s.288.106, Florida Statutes; providing for local financial support for the Qualified Target Industry Tax Refund with High-Impact Sector Bonus; approving up to \$75,000; and providing for an effective date; and **B) Conceptually** approve a \$75,000 Job Growth Incentive (JGI) Grant with Digital Risk, LLC as a portion of the local match for a State Qualified Target Industry (QTI) Grant with a High Impact Sector Bonus.

Summary: Digital Risk, LLC is a business and financial services firm specializing in providing mortgage underwriting services to mortgage originators, lenders, insurers, conduits, investors and servicers. The company has approximately 1,000 employees in other areas of Florida. In addition, the company has offices in New York, Texas and Colorado, and is considering leasing 25,000 sq. ft. of space in Boca Raton. The company will create 150 jobs by December 31, 2014, with an average annual salary of \$48,048, excluding benefits. The company has secured a total of \$750,000 from the State of Florida which requires a \$150,000 local match. Of this amount, the City of Boca Raton will provide \$75,000 and the County will provide a total of \$75,000 over four (4) years.

The Regional Economic Model results estimate that Digital Risk, LLC will have a \$130 Million economic impact over a five (5) year period, generating \$6.7 Million in state and local taxes. Digital Risk, LLC is considering Boca Raton, along with Atlanta, Georgia; Los Angeles, California; and Phoenix, Arizona. As this approval is conceptual, formal Grant Agreements will be brought before the Board of County Commissioners (BCC) when Digital Risk, LLC has finalized their plans. The BCC directed staff to bring qualified companies to the BCC for consideration. **Funding will come from General Fund Contingency Reserves. District 4 (DW)**

Background: Palm Beach County, Enterprise Florida, Inc., and the State's Department of Economic Opportunity (formerly known as the Office of Tourism, Trade & Economic Development) utilize the QTI Program to support relocation/expansion business projects. Each QTI incentive dollar matched by the County leverages five dollars from the State.

Attachment:
Resolution

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Recommended By:	<u>Stacy Howard</u>	<u>1-23-2012</u>
	Economic Development Director	Date
Approved By:	<u>Sharon B. By</u>	<u>1-23-2012</u>
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Grant Expenditure	<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 ___
 Budget Account No: Fund ___ Department ___ Unit ___ Object ___


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

* There is no fiscal impact at this time. If Digital Risk, LLC is approved as a QTI/HIPI and Quick Action Closing Fund business, items will be brought to the BCC for their consideration.

C. Departmental Fiscal Review: 
 Economic Development

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:

 1/20/12
 OFMB
 WS 1/19/2012
 1/19/12
 1/19/12

 1/20/12
 Contract Administration

B. Legal Sufficiency:

 1/23/12
 Assistant County Attorney

C. Other Department Review:

 Department Director

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

RESOLUTION NUMBER 2012-_____

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING DIGITAL RISK, LLC BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO s.288.106, FLORIDA STATUTES; PROVIDING FOR LOCAL FINANCIAL SUPPORT FOR THE QUALIFIED TARGET INDUSTRY TAX REFUND WITH HIGH-IMPACT SECTOR BONUS; APPROVING UP TO \$75,000; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:

WHEREAS, Digital Risk, LLC is a business and financial services firm specializing in mortgage underwriting services with approximately 1000 employees in the State of Florida; and

WHEREAS, Digital Risk, LLC's proposed project will involve a new location in Boca Raton, Florida leasing 25,000 sq. ft. of new office space; and

WHEREAS, Digital Risk, LLC will create in Palm Beach County 150 full-time jobs at an average annual wage of \$48,048 excluding benefits which is 17.5% greater than the average wage in Florida; and

WHEREAS, Digital Risk, LLC, a for-profit corporation, has filed 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, provide a 20% local match; and

WHEREAS, Digital Risk, LLC has been identified as a Target Industry Business and, moreover, falls within one of the high-impact sectors designated under Florida Statute 288.108, specifically *Financial Services*, and is therefore eligible to apply for the Qualified Target Industry Tax Refund with a High-Impact Sector Bonus of up to \$750,000, pursuant to s.288.106; and

WHEREAS, the Board of County Commissioners of Palm Beach County hereby acknowledges that local financial support of 20% of the total tax refund is required under the provisions of s.288.106, Florida Statutes, governing the State's Qualified Target Industry Tax Refund Program; and

WHEREAS, Palm Beach County has determined that they will provide one half of the required 20% local match totaling \$75,000 over a four year period; and

WHEREAS, Digital Risk, LLC is aware that in order to receive the award they must create 150 jobs at an annual average salary of \$48,048 within three (3) years of the effective date of the agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that the Board hereby recommends Digital Risk, LLC be approved as a Qualified Target Industry Business pursuant to s. 288.106, Florida Statutes.

BE IT FURTHER RESOLVED, that the necessary local financial support for the Qualified Target Industry Tax Refund with High-Impact Sector Bonus exists in the amount of \$75,000 which equals one-half of the total match requested. This amount will be made available in accordance with the guidelines set forth by the Governor's Office of Tourism, Trade, and Economic Development with the stipulation that these funds are intended to represent local financial support pursuant to s.288.106, Florida Statutes.

BE IT FURTHER RESOLVED, that the Palm Beach County Board of County Commissioners has determined the basis of this project's average private sector wage commitment calculation shall be 17.5% greater than the State's average annual wage.

This resolution shall take effect immediately upon its adoption.

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

COMMISSIONER SHELLEY VANA, CHAIR	_____
COMMISSIONER STEVEN L. ABRAMS, VICE CHAIRMAN	_____
COMMISSIONER KAREN T. MARCUS	_____
COMMISSIONER PAULETTE BURDICK	_____
COMMISSIONER BURT AARONSON	_____
COMMISSIONER JESS R. SANTAMARIA	_____
COMMISSIONER PRISCILLA A. TAYLOR	_____

The Chair thereupon declared the Resolution duly passed and adopted this ____ day of _____, 2012.

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

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

By: 
County Attorney

ATTEST:
SHARON R. BOCK, CLERK & COMPTROLLER

By: _____
Deputy Clerk