

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Grant Expenditures	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Operating Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>0</u>	<u>142,857</u>	<u>142,857</u>	<u>142,857</u>	<u>142,857</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>0</u>	<u>242,857</u>	<u>242,857</u>	<u>242,857</u>	<u>242,857</u>
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes No

Budget Account No: Fund _____ Agency _____ Org. _____ Object _____

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

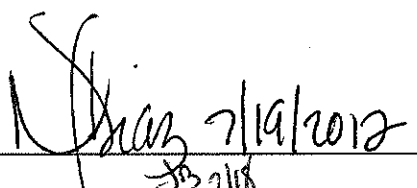
The source of funds are in the form of an ad valorem tax exemption not to exceed \$1 Million over a seven (7) year period and general fund contingency reserves dollars for the Job Growth Incentive match if so approved by the Board of County Commissioners. There is no direct fiscal impact on DES from granting a tax exemption for real property and tangible personal property improvements. The overall County impact is a reduction of collectable taxes. The estimated improvement costs attributed to the real property and tangible personal property total \$29,877,000. Based on the 2012 Countywide Millage Rate (4.7815), it is estimated that approximately (\$142,857) in tax dollars will be exempted annually.

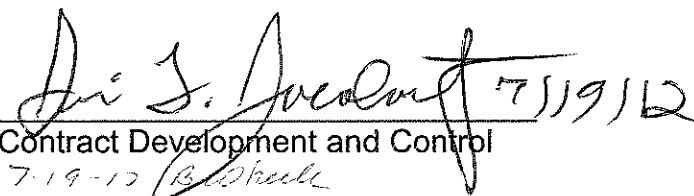
C. Departmental Fiscal Review:


Shairette Major, Fiscal Manager

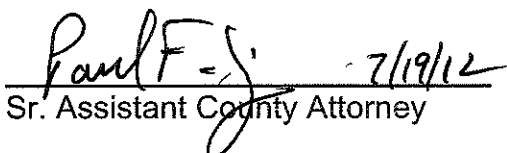
III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:


OFMB 7/19/12
JB 7/18


Contract Development and Control 7/19/12
7-19-12 B.D. Hall

B. Legal Sufficiency:


Paul F. J. Sr. Assistant County Attorney 7/19/12

C. Other Department Review:

Department Director

RESOLUTION NUMBER 2012-_____

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING THAT PRATT & WHITNEY, A DIVISION OF UNITED TECHNOLOGIES CORPORATION, BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS WITH A HIGH IMPACT SECTOR BONUS PURSUANT TO s.288.106, FLORIDA STATUTES; PROVIDING FOR LOCAL FINANCIAL SUPPORT FOR THE QUICK ACTION CLOSING FUND IN THE FORM OF AN AD VALOREM TAX EXEMPTION NOT TO EXCEED \$1,000,000 OVER A SEVEN (7) YEAR PERIOD AND A JOB GROWTH INCENTIVE GRANT NOT TO EXCEED \$400,000 OVER A FOUR (4) YEAR PERIOD; AND PROVIDING FOR AN EFFECTIVE DATE.

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

WHEREAS, Pratt & Whitney, a division of United Technologies Corporation, is a world leader in the design, manufacture and service of aircraft engines, industrial gas turbines and space propulsion systems, with 36,000 employees serving 11,000 customers worldwide; and

WHEREAS, Pratt & Whitney's proposed project will involve the expansion and renovation of their current facility in Jupiter, Florida to 190,000 sq. ft. at a total capital investment of \$63,000,000; and

WHEREAS, Pratt & Whitney will create in Palm Beach County 230 new full-time jobs at an average annual wage of \$81,110 excluding benefits which is 195% greater than the average wage in Florida and will retain 531 full-time jobs; and

WHEREAS, Palm Beach County's Department of Economic Sustainability estimates that the proposed project would result in a local economic impact of \$245 million over five (5) years and \$442 million over ten (10) years; and

WHEREAS, Pratt & Whitney, 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, Pratt & Whitney 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 *Aviation and Aerospace*, and is therefore eligible to apply for the Qualified Target Industry Tax Refund with a High-Impact Sector Bonus, 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's Ad Valorem Tax Exemption program may be used as local participation for the QTI and 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, Palm Beach County has determined that the Ad Valorem Tax Exemption granted to Pratt & Whitney cannot exceed an estimated \$142,857 annually for seven (7) years for a total of \$1,000,000 for real property and tangible personal property improvements; and

WHEREAS, Palm Beach County as determined that it will provide a Job Growth Incentive Grant to Pratt & Whitney of \$400,000 over a four-year period; and

WHEREAS, Pratt & Whitney is aware that in order to receive the award, the construction of the \$63 million facility is to be completed, 230 jobs are to be created at an annual average salary of \$81,110 within ten (10) years of the effective date of the Ad Valorem Tax Exemption and the Job Growth Incentive Grant agreements and 531 full-time jobs are to be retained for five (5) years from the date of compliance with the job creation requirement, and the determination is made that the project meets the requirements under Florida Statute 196.012 for an Ad Valorem Tax Exemption. An official application, per the requirements of the Ad Valorem Tax Exemption Program must be submitted by the deadline date;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that the Board hereby recommends Pratt & Whitney be approved as a Qualified Target Industry Business with High Impact Sector Bonus 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 \$1,400,000 which equals 47% of the total tax refund requested, and will be provided in the form of an Ad Valorem Tax Exemption pursuant to s. 196.1995, Florida Statutes and a Job Growth Incentive Grant. This amount will be made available in accordance with the guidelines set forth by Florida's Department of Economic Opportunity 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 195% 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.

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

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

ATTEST:
SHARON R. BOCK, CLERK & COMPTROLLER

By: _____
County Attorney

By: _____
Deputy Clerk