



## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017
Grant Expenditures	\$75,000	\$75,000	\$75,000	\$75,000	
Operating Costs					
External Revenues	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$175,000	\$175,000	\$175,000	\$175,000	\$100,000

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes \_\_\_\_\_ No X

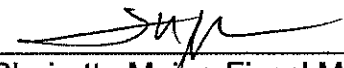
Budget Account No.:

Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_ Program Code/Period \_\_\_\_\_.

### 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 \$700,000 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 \$20,913,939. Based on the 2013 Countywide Millage Rate (4.7815), it is estimated that approximately (\$100,000) in tax dollars will be exempted annually.


### C. Departmental Fiscal Review:

  
 10/3/12 Shairette Major, Fiscal Manager I


## III. REVIEW COMMENTS

### A. OFMB Fiscal and/or Contract Development and Control Comments:

  
 OFMB 10/5/12

  
 Contract Development and Control 10/11/12  
 10-10-12 (B. Hule)

### B. Legal Sufficiency:

  
 Senior Assistant County Attorney 10/11/12

### 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 APPROVAL OF PRATT & WHITNEY - FLORIDA ENGINE DELIVERY CENTER (FEDC), A PROPOSED NEW BUSINESS UNIT OF PRATT & WHITNEY, AS A TARGET INDUSTRY BUSINESS IN A HIGH-IMPACT SECTOR PURSUANT TO s.288.108, 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 \$700,000 OVER A SEVEN (7) YEAR PERIOD, AND A JOB GROWTH INCENTIVE (JGI) GRANT NOT TO EXCEED \$300,000 OVER A FOUR (4) YEAR PERIOD; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, Pratt & Whitney 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 around the world. Florida Engine Delivery Center (FEDC), a proposed new business unit of Pratt & Whitney will focus on engine assembly, testing and delivery; and

**WHEREAS**, FEDC's proposed project will involve the renovation of 90,000 square feet of existing space, the construction of 80,000 - 100,000 square feet of new space and the purchase of equipment representing \$63 Million in capital investment; and

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

**WHEREAS**, Palm Beach County's Department of Economic Sustainability estimates that the proposed project would result in a local economic impact of \$225.4 Million over five (5) years and \$422.5 Million over ten (10) years; and

**WHEREAS**, FEDC has been approved by the State of Florida for a Quick Action Closing Fund (QACF) award. The QACF Program requires that the local government provide a local match; and

**WHEREAS**, FEDC has been identified as a Target Industry Business and falls within one of the high-impact sectors designated under s.288.108, Florida Statutes, specifically *Aviation and Aerospace*; and

**WHEREAS**, the Board of County Commissioners of Palm Beach County hereby acknowledges that local financial support is required under the provisions of s. 288.108, Florida Statutes, governing the State's QACF Program; and

**WHEREAS**, Palm Beach County's Ad Valorem Tax Exemption program may be used as local participation for the QACF 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 FEDC cannot exceed an estimated \$100,000 annually for seven (7) years for a total of \$700,000 for real property and tangible personal property improvements; and

**WHEREAS**, Palm Beach County has determined that it will provide a Job Growth Incentive Grant to FEDC of \$300,000 over a four (4) year period; and

**WHEREAS**, FEDC is aware that distribution of funds is contingent upon fulfillment of a capital investment of \$63 Million, that 230 jobs must 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 agreement and retained for five (5) years from the date of compliance with the job creation requirement, and a determination must be made that the project meets the requirements under s.196.012, Florida Statutes, for an Ad Valorem Tax Exemption based on the submission of an official application, per the requirements of the Ad Valorem Tax Exemption Program, 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 FEDC, a proposed new business unit, be approved as a Target Industry Business in a high-impact sector pursuant to s. 288.108, Florida Statutes.

**BE IT FURTHER RESOLVED,** that the necessary local financial support for the Quick Action Closing Fund exists in the amount of \$1,000,000, 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 the Florida Department of Economic Opportunity with the stipulation that these funds are intended to represent local financial support pursuant to s. 288.108, 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 SELF SUFFICIENCY**

**ATTEST:  
SHARON R. BOCK, CLERK & COMPTROLLER**

By: \_\_\_\_\_  
Dawn S. Wynn,  
Senior Assistant County Attorney

By: \_\_\_\_\_  
Deputy Clerk