

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

## AGENDA ITEM SUMMARY

Meeting Date: August 27, 2013      ☐ Consent      ☒ Regular  
☐ Ordinance      ☐ Public Hearing

**Department:** Administration

## 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 approval of Project Gas, a company authorized to do business in the State of Florida, as a Qualified Target Industry (QTI) business pursuant to s. 288.108, Florida Statutes; providing for local financial support for the Qualified Target Industry Tax Program not to exceed \$218,000; and

**B) conceptually approve** an Economic Development Incentive in the amount of \$218,000 in the form of a Job Growth Incentive Grant for Project Gas; and

**C) adopt** a Resolution by the Board of County Commissioners of Palm Beach County, Florida, recommending approval of Project Gas, a company authorized to do business in the State of Florida, as a Qualified Target Industry (QTI) business pursuant to s. 288.108, Florida Statutes; providing for local financial support for the Qualified Target Industry Tax in the form of an Ad Valorem Tax Exemption in an amount not to exceed \$800,000; and

**D) conceptually approve** an Economic Development Incentive in the amount of \$800,000 in the form of an Ad Valorem Tax Exemption (AVTE); and

**E) approve** a waiver of a prohibited conflict of interest under the County's Agreement with the Business Development Board.

**Summary:** Project Gas is a wholly-owned subsidiary of an international company that specializes in the production of clean energy. It currently has a leased facility in Palm Beach County that serves as the headquarters for the subsidiary. Project Gas is expanding and is considering Jupiter, Florida, Tennessee and Virginia for the location of its expanded facilities. The company is evaluating two (2) expansion options for the Jupiter location. Project Gas has requested that the County provide conceptual approval of both options so that the parties will be in a position to enter into a formal agreement quickly once a decision has been made. **Although two (2) Resolutions are presented here for approval, only one will be utilized and the other one will be rescinded after the company makes its selection.**

The first option, which would be completed by 2016, will consist of the construction of 137,000 sq. ft. of new development, and a 180,000 sq. ft. renovation of an existing building to accommodate additional office, R&D, and warehouse space. Option 1 will create 120 permanent full-time jobs within three (3) years with an average annualized wage of \$69,000, excluding benefits, and will retain 372 employees for five (5) years. The new jobs will also be maintained for five (5) years. The first option would result in a capital investment of \$31 Million with a five-year economic impact of \$617 Million. If Project Gas proceeds with the first option, the State will contribute \$2.5 Million, and Palm Beach County and the Town of Jupiter will each contribute \$218,000. The County's contribution will be in the form of a JGI grant. If the County provides a JGI Grant, the grant will be secured by a Letter of Credit, Bond, or Corporate Guaranty. **(Continued on Page 3)**

**Background and Justification: (Continued on Page 3)**

**Attachments:**

### 1. Two (2) Resolutions

Recommended By: *Jim Howard* 8-15-13  
Department Director Date

Approved By: \_\_\_\_\_

**Assistant County Administrator**                      **Date**

## II. FISCAL IMPACT ANALYSIS

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

Fiscal Years	2013	2014	2015	2016	2017
Grant Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT					

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

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

No fiscal impact

### C. Departmental Fiscal Review:

Thomas for 8/15/13  
Shairette Major, Fiscal Manager I

## III. REVIEW COMMENTS

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

\_\_\_\_\_  
OFMB

\_\_\_\_\_  
Contract Development and Control

### B. Legal Sufficiency:

\_\_\_\_\_  
Assistant County Attorney

### C. Other Department Review:

\_\_\_\_\_  
Department Director

**Summary:** (Continued from Page 1)

The second option, which would be completed by 2020, includes the construction of a 360,000 sq. ft. new facility including office, R&D and warehouse space, the creation of 330 permanent full-time jobs within seven (7) years with an average annualized wage of \$69,000, excluding benefits, and will retain 372 employees for five (5) years. The new jobs will also be maintained for five (5) years. The second option would result in a capital investment of \$65 Million with a five-year economic impact of \$642 Million. If Project Gas proceeds with the second option, the State will contribute \$6.3 Million, Palm Beach County will contribute \$800,000 in the form of an Ad Valorem Tax Exemption and the Town of Jupiter will contribute \$464,000. Prior to receipt of the Ad Valorem Tax Exemption, the company must file an application with the Property Appraiser's office for its determination that the project meets the requirements under Florida Statute 196.012 for an Ad Valorem Tax Exemption. If the project meets the requirements, an ordinance granting the exemption will be presented to the Board of County Commissioners (BCC) as required by State statute.

The company will be required to enter into a formal agreement approved by the BCC memorializing their commitments and establishing criteria for funding distribution. At such time, the company name will be disclosed.

Project Gas applied for incentives through the Business Development Board of Palm Beach County (BDB). In its contract with Palm Beach County, the BDB represented that it did not have any interest, direct or indirect, which would conflict in any manner with its performance of services under the contract, and that no person having such conflict of interest would be employed for the performance of those services. The BDB stated that no person who exercised any functions or responsibilities in connection with the BDB's services for the County would have any personal financial interest, direct or indirect, in the activities provided under the contract. The BDB agreed to notify the County of all potential conflicts of interest which might influence or appear to influence the BDB's judgment or quality of services so the County could determine whether the circumstance constituted a conflict of interest. In connection with the Project Gas negotiations, the BDB disclosed that it has a staff member who has a family relationship with the company. Steps were taken then to ensure that the employee was not involved in the Project Gas negotiations. As there could be a perceived conflict of interest between the BDB employee's relationship with Project Gas and approval by the County of an agreement with the company, Staff is requesting a waiver of the relationship by the Board. **Funding from the JGI Grant for Scenario one (1) will come from General Fund Contingency Reserves. District 1 (DW)**

**Background and Justification:** (Continued from Page 1)

The JGI criteria approved by the BCC on September 16, 1997 (R97-1267-D) require a minimum job creation of 50 jobs. The JGI Program continues to provide for long term economic growth in Palm Beach County and further diversification of the local economy. The JGI Program is implementing the Board's policy to attract new business to Palm Beach County, to support expanding existing businesses in the County that would otherwise expand elsewhere, and to create employment opportunities for residents of Palm Beach County.

RESOLUTION NUMBER R2013-\_\_\_\_\_

**A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT GAS, A COMPANY AUTHORIZED TO DO BUSINESS IN THE STATE OF FLORIDA, AS A QUALIFIED TARGET INDUSTRY (QTI) BUSINESS PURSUANT TO s.288.108, FLORIDA STATUTES; PROVIDING FOR LOCAL FINANCIAL SUPPORT FOR THE QUALIFIED TARGET INDUSTRY TAX PROGRAM NOT TO EXCEED \$218,000.**

**WHEREAS**, PROJECT GAS is a wholly-owned subsidiary of an international company; and

**WHEREAS**, PROJECT GAS currently leases a facility in Palm Beach County that serves as the headquarters for the subsidiary; and

**WHEREAS**, the international company is targeted to grow significantly and PROJECT GAS needs to expand its operations to support the parent company's growth; and

**WHEREAS**, the PROJECT GAS project will involve construction and renovation of existing facilities to accommodate both current and future space requirements; and

**WHEREAS**, PROJECT GAS will create 120 new permanent full-time jobs in Palm Beach County at an average annualized wage of \$69,000, excluding benefits, which is 150% greater than the average wage in Palm Beach County; and

**WHEREAS**, Palm Beach County's Department of Economic Sustainability estimates that the proposed project would result in an economic impact of \$617 Million over five (5) years; and

**WHEREAS**, PROJECT GAS, a for-profit corporation, has filed a QTI Tax Refund Program application with Enterprise Florida, Inc. to seek State tax refunds; and

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

**WHEREAS**, Palm Beach County's Job Growth Incentive program is 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 it will provide one half of the local financial support in the form of a Job Growth Incentive Grant to PROJECT GAS in the amount of \$218,000; and

**WHEREAS**, the Town of Jupiter has determined that it will provide one half of the local financial support in the form of a Job Growth Incentive Grant in the amount of \$218,000; and

**WHEREAS**, the State of Florida has committed to provide \$2.5 Million to PROJECT GAS under the QTI Program; and

**WHEREAS**, PROJECT GAS is aware that the award is contingent upon the company entering into a formal agreement with the County to create 120 permanent jobs at an average annualized salary of \$69,000 within three (3) years of the effective date of the agreement and retain those jobs for a period of five (5) years. Additionally, the company will be required to retain 372 existing jobs for a period of five (5) years from the effective date.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that the Board hereby recommends PROJECT GAS, a company authorized to do business in the State of Florida, be approved as a Qualified Target Industry Business pursuant to s.288.108, Florida Statutes.

BE IT FURTHER RESOLVED, that one half of the local financial support for the Qualified Target Industry Tax Refund exists in the amount of \$218,000 from Palm Beach County, and one half from the Town of Jupiter, which amounts 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 150% greater than the County'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:

STEVEN L. ABRAMS, Mayor	- _____
PRISCILLA A. TAYLOR, Vice Mayor	- _____
HAL R. VALECHE	- _____
PAULETTE BURDICK	- _____
SHELLEY VANA	- _____
MARY LOU BERGER	- _____
JESS R. SANTAMARIA	- _____

The Mayor thereupon declared the Resolution duly passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

ATTEST: SHARON R. BOCK  
CLERK & COMPTROLLER

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

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

RESOLUTION NUMBER R2013-\_\_\_\_\_

**A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT GAS, A COMPANY AUTHORIZED TO DO BUSINESS IN THE STATE OF FLORIDA, AS A QUALIFIED TARGET INDUSTRY (QTI) BUSINESS PURSUANT TO s.288.108, FLORIDA STATUTES; PROVIDING FOR LOCAL FINANCIAL SUPPORT FOR THE AD VALOREM TAX PROGRAM NOT TO EXCEED \$800,000.**

**WHEREAS**, PROJECT GAS is a wholly-owned subsidiary of an international company; and

**WHEREAS**, PROJECT GAS currently leases a facility in Palm Beach County that serves as the headquarters for the subsidiary; and

**WHEREAS**, the international company is targeted to grow significantly and PROJECT GAS needs to expand its operations to support the parent company's growth; and

**WHEREAS**, the PROJECT GAS project will involve acquisition of land and construction of approximately 360,000 square feet of space to accommodate both current and future space requirements; and

**WHEREAS**, PROJECT GAS will create 330 permanent full-time jobs in Palm Beach County at an average annualized wage of \$69,000, excluding benefits, which is 150% greater than the average wage in Palm Beach County; and

**WHEREAS**, Palm Beach County's Department of Economic Sustainability estimates that the proposed project would result in an economic impact of \$642 Million over five (5) years; and

**WHEREAS**, PROJECT GAS, a for-profit corporation, has filed a QTI Tax Refund Program application with Enterprise Florida, Inc., to seek State tax refunds; and

**WHEREAS**, PROJECT GAS has been identified as a Target Industry Business and falls within one of the high-impact sectors designated under s.288.108, Florida Statutes; 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 it will provide an Ad Valorem Tax Exemption to PROJECT GAS in the total amount of \$800,000 as a portion of the local QTI match, which exemption shall be applied in increments according to the schedule established by the State of Florida; and

**WHEREAS**, prior to receipt of the Ad Valorem Tax Exemption, PROJECT GAS must file an application with the Property Appraiser's office for its determination that the project meets the requirements under Florida Statute 196.012 for an Ad Valorem Tax Exemption, and if it meets those requirements, an ordinance granting the exemption must be approved by the Board as required by State statute; and

**WHEREAS**, the Town of Jupiter has determined that it will contribute \$464,000 as a portion of the local QTI match; and

**WHEREAS**, the State of Florida has committed to provide \$6,300,000 to PROJECT GAS under the QTI Program; and

**WHEREAS**, PROJECT GAS is aware that the award is contingent upon the company entering into a formal agreement with the County to create 330 permanent jobs at an average annualized salary of \$69,000 within seven (7) years of the effective date of the agreement and retain those jobs for a period of five (5) years. Additionally, the company will be required to retain 372 existing jobs for a period of five (5) years from the effective date.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA**, that the Board hereby recommends PROJECT GAS, a company authorized to do business in the State of Florida, be approved as a Qualified Target Industry Business pursuant to s.288.108, Florida Statutes.

**BE IT FURTHER RESOLVED**, that local financial support for the Qualified Target Industry Tax Refund exists in the form of an \$800,000 Ad Valorem Tax Exemption from Palm Beach County, and in the form of a grant in the amount of \$464,000 from the Town of Jupiter, which amounts 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 150% greater than the County'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:

<b>STEVEN L. ABRAMS, Mayor</b>	- _____
<b>PRISCILLA A. TAYLOR, Vice Mayor</b>	- _____
<b>HAL R. VALECHE</b>	- _____
<b>PAULETTE BURDICK</b>	- _____
<b>SHELLEY VANA</b>	- _____
<b>MARY LOU BERGER</b>	- _____
<b>JESS R. SANTAMARIA</b>	- _____

The Mayor thereupon declared the Resolution duly passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY**

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

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

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