

**PALM BEACH COUNTY
 BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date:	August 19, 2014	[] Consent	[X] Regular
		[] Ordinance	[] Public Hearing
Submitted by:	Department of Economic Sustainability		
Submitted for:	County 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 Blink, a company authorized to do business in the State of Florida, as a Qualified Target Industry (QTI) business in a high-impact sector pursuant to s. 288.106 and s. 288.108, Florida Statutes; providing for local financial support for the Qualified Target Industry Tax Refund Program and Quick Action Closing Fund in the form of an Ad Valorem Tax Exemption in an amount not to exceed \$650,000 over a six (6) year period; and providing for an effective date; and

B) conceptually approve an Economic Development Incentive for Project Blink in the amount of \$650,000 in the form of an Ad Valorem Tax Exemption.

Summary: Project Blink is an aviation/engineering company planning a plant expansion with a \$25 Million capital investment. The company will create 110 new jobs at an average annual wage of \$84,892. It is anticipated that the State of Florida will provide \$880,000 from the Quick Action Closing Fund (QACF) and \$770,000 in the form of a Qualified Target Industry Tax Refund (QTI). The \$650,000 local match required by the State will be in the form of an Ad Valorem Tax Exemption for a period not to exceed six (6) years provided the project meets the requirements under Florida Statute 196.012. The company will be required to enter into a formal agreement memorializing their commitments and establishing the terms under which the local match will be provided. At such time the company name will be disclosed. The company currently has an active agreement whereby the County provided \$1 Million in incentives for an expansion to their facility, and although funds have recently been requested, to date no funds have been disbursed due to the need for additional documentation required by the County. The five (5) year local economic impact is estimated to be \$183 Million. District 1 (DW)

Background and Justification: The Economic Development Incentive Program continues to provide long term economic growth in Palm Beach County and further diversification of the local economy. The Program is implementing the Board's policy to attract new business to Palm Beach County, to support expanding business in the County that would otherwise expand elsewhere, and to create employment opportunities for residents of Palm Beach County.

Attachments:

1. Resolution

Recommended By:	<u><i>[Signature]</i></u> Department Deputy Director	8-11-14 Date
Approved By:	<u><i>[Signature]</i></u> Assistant County Administrator	8/14/14 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018
Capital Expenditures					
Operating Costs					
External Revenues	\$108,333	\$108,333	\$108,333	\$108,333	\$108,333
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$108,333	\$108,333	\$108,333	\$108,333	\$108,333
# ADDITIONAL FTE POSITIONS (Cumulative)					

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 the County's QTI match is a six(6) year ad valorem tax exemption if so approved by the Board of County Commissioners.

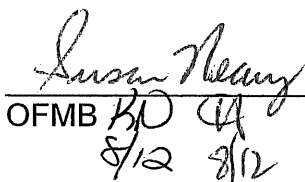
C. Departmental Fiscal Review:



 Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

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



 Susan Neary 8/12/14
 OFMB BO 44
 8/12 8/12



 Ana S. Jacobson 8/13/14
 Contract Development and Control
 8-13-14 B to Neal

B. Legal Sufficiency:



 8/14/14
 Senior Assistant County Attorney

C. Other Department Review:

 Department Director

RESOLUTION NUMBER R2014-_____

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT BLINK, A COMPANY AUTHORIZED TO DO BUSINESS IN THE STATE OF FLORIDA, AS A QUALIFIED TARGET INDUSTRY (QTI) 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 AND QUICK ACTION CLOSING FUND IN THE FORM OF AN AD VALOREM TAX EXEMPTION IN AN AMOUNT NOT TO EXCEED \$650,000 OVER A SIX (6) YEAR PERIOD; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, PROJECT BLINK is an aviation/engineering company located in Palm Beach County that is considering a \$25 Million plant expansion at its existing facilities; and

WHEREAS, PROJECT BLINK will create 110 new permanent full-time jobs in Palm Beach County at an average annual wage of \$84,892, excluding benefits, which is 200% 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 an economic impact of \$183 Million over five (5) years; and

WHEREAS, PROJECT BLINK has been identified as a Target Industry Business and, moreover, falls within one of the high-impact sectors designated under s.288.108, Florida Statutes, and is eligible to apply for the Qualified Target Industry Tax Refund with a High-Impact Sector Bonus pursuant to s.288.106 (QTI); and

WHEREAS, PROJECT BLINK has been approved by the State of Florida to receive an award from the Quick Action Closing Fund (QACF) Program pursuant to s. 288.1088, Florida Statutes; and

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

WHEREAS, the Board of County Commissioners of Palm Beach County hereby acknowledges support as required under the provisions of s.288.1088, Florida Statutes, governing the State's QACF Program; and

WHEREAS, Palm Beach County's Economic Development Ad Valorem Tax Exemption Program may be used as local participation for the QTI and 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 PROJECT BLINK cannot exceed an estimated \$650,000 over a six (6) year period for real property and tangible personal property improvements; and

WHEREAS, PROJECT BLINK is aware that the award is contingent upon the company fulfilling a capital investment of \$25 Million, that 110 permanent jobs must be created at an average annual wage of \$84,892 within three (3) years of the effective date of the Economic Development Incentive Agreement with Palm Beach County, 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 PROJECT BLINK, a company authorized to do business in the State of Florida, 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 for PROJECT BLINK in the amount of \$650,000, which includes \$110,000 for the Qualified Target Industry Tax Refund and \$44,000 for the High-Impact Sector Refund, and will be provided in the form of an Ad Valorem Tax Exemption granted to PROJECT BLINK pursuant to s.196.1995, Florida Statutes.

BE IT FURTHER RESOLVED, that Palm Beach County Board of County Commissioners has determined the basis of this project's average private sector wage commitment shall be 200% 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 vote, the vote was as follows:

- Commissioner Priscilla A. Taylor, Mayor** - _____
- Commissioner Paulette Burdick, Vice Mayor** - _____
- Commissioner Hal R. Valeche** - _____
- Commissioner Shelley Vana** - _____
- Commissioner Steven L. Abrams** - _____
- Commissioner Mary Lou Berger** - _____
- Commissioner Jess R. Santamaria** - _____

The Mayor thereupon declared the Resolution duly passed and adopted this _____ day of _____, 2014.

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