

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

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<b>Meeting Date:</b>	<b>March 10, 2015</b>	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
<b>Submitted by:</b>	<b>Department of Economic Sustainability</b>		
<b>Submitted for:</b>	<b>County Administration</b>		

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**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 Diamond, 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 in an amount not to exceed \$532,000; and providing for an effective date; and

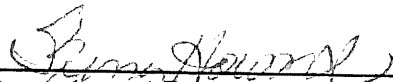
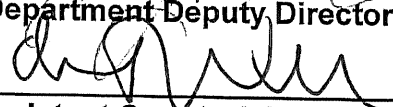
**B) conceptually approve** an Economic Development Incentive for Project Diamond in the form of an Ad Valorem Tax Exemption over ten (10) years, in an amount not to exceed \$3 Million as the local financial support for the State's Qualified Target Industry Tax Refund (\$532,000) and Quick Action Closing Fund (\$2,468,000) programs.

**Summary:** Project Diamond is a subsidiary and regional managing office project locating in Palm Beach County with a \$115 Million capital investment, which the Regional Economic Model estimates will have a five (5) year local economic impact of \$662.4 Million. The company plans to create 450 new jobs at an average annual wage of \$85,000, and will be required to maintain the new jobs in Palm Beach County for a five (5) year period. It is anticipated that the State of Florida will provide \$2.66 Million in the form of a Qualified Target Industry Tax Refund (QTI) with High-Impact Sector Bonus, and \$4.9 Million from the Quick Action Closing Fund (QACF) which includes the local financial support. The local match from Palm Beach County will be provided in the form of an Ad Valorem Tax Exemption in an amount not to exceed \$3 Million over a period of ten (10) 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 terms under which the local match will be provided. At such time the company name will be disclosed. Other states under consideration by the company include North Carolina and Georgia. Countywide (JB)

**Background and Policy Issues:** 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 businesses in the county that would otherwise expand elsewhere, and to create employment opportunities for residents of Palm Beach County. The County's Ad Valorem Tax Exemption Program may be used as local participation for the State QTI and QACF programs.

**Attachment:**  
1. Resolution

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<b>Recommended By:</b>		<u>3-6-2015</u>
	<b>Department Deputy Director</b>	<b>Date</b>
<b>Approved By:</b>		<u>3-6-15</u>
	<b>Assistant County Administrator</b>	<b>Date</b>

**II. FISCAL IMPACT ANALYSIS**

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

Fiscal Years	2016	2017	2018	2019	2020
Capital Expenditures					
Operating Costs					
External Revenues	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Program Income					
In-Kind Match (County)					
<b>NET FISCAL IMPACT</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$300,000</b>

# 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:**

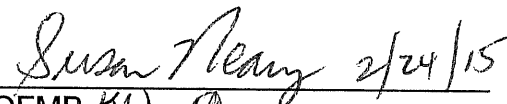
The source of the County's QTI and QACF match is a ten (10) year Ad Valorem Tax Exemption if approved by the Board of County Commissioners.

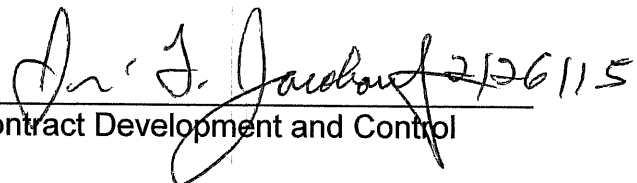
**C. Departmental Fiscal Review:**

  
 Shairette Major, Fiscal Manager I  
 2/23/15

**III. REVIEW COMMENTS**

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

  
 Susan Neary 2/24/15  
 OFMB 5/24/15

  
 Dr. J. Jacobson 2/26/15  
 Contract Development and Control

**B. Legal Sufficiency:**

  
 James Brubaker 2/2/15  
 Assistant County Attorney

**C. Other Department Review:**

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

**RESOLUTION NUMBER R2015-\_\_\_\_\_**

**A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT DIAMOND, 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 IN THE AMOUNT OF \$532,000; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, PROJECT DIAMOND is a corporate headquarters relocation project that is considering a \$115 Million capital investment at a site located in Palm Beach County; and

**WHEREAS**, PROJECT DIAMOND will create 380 new permanent full-time jobs in Florida at an average annual wage of \$85,000, excluding benefits, which is 200% of the average annual 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 \$662.4 Million over five (5) years; and

**WHEREAS**, PROJECT DIAMOND 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 (QTI) 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 QTI tax refund is required under the provisions of s.288.106, Florida Statutes, governing the State's QTI Program; and

**WHEREAS**, Palm Beach County's Economic Development 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 PROJECT DIAMOND cannot exceed an estimated \$3 Million over a ten (10) year period for real property improvements and tangible personal property, 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 DIAMOND, 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 DIAMOND in the amount of \$532,000 and will be provided in the form of an Ad Valorem Tax Exemption granted to PROJECT DIAMOND pursuant to s.196.1995, 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 shall be 200% of 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:

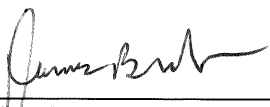
<b>Commissioner Shelley Vana, Mayor</b>	- _____
<b>Commissioner Mary Lou Berger, Vice Mayor</b>	- _____
<b>Commissioner Hal R. Valeche</b>	- _____
<b>Commissioner Paulette Burdick</b>	- _____
<b>Commissioner Steven L. Abrams</b>	- _____
<b>Commissioner Melissa McKinlay</b>	- _____
<b>Commissioner Priscilla A. Taylor</b>	- _____

The Mayor thereupon declared the Resolution duly passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

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

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY**

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

By:   
James Brako  
Assistant County Attorney

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