

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

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<b>Meeting Date:</b>	September 22, 2015	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
<b>Submitted by:</b>	Department of Economic Sustainability		
<b>Submitted for:</b>	County Administration		

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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 Darwin, 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 Program in the form of a cash grant in an amount not to exceed \$160,000 and providing for an effective date; and

**B) conceptually approve** an Economic Development Incentive for Project Darwin in the amount of \$160,000 in the form of a cash grant as a portion of the local match for a State QTI Grant.

**Summary:** Project Darwin is considering a site in the municipality of Boca Raton for the build out of its manufacturing facility which will include a \$28 Million capital investment for the construction of a 120,000 sq. ft. facility and create 160 new full-time jobs over a four (4) year period at an average annual salary and a median salary of \$64,356 and \$58,000, respectively. The company will be required to maintain the existing 57 jobs for a period of five (5) years from the effective date of the Economic Development Incentive Agreement and will be required to maintain the new jobs for a period of five (5) years from the date the jobs are created.


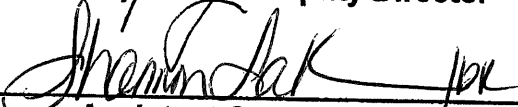
It is anticipated that the State of Florida will provide \$800,000 in the form of a Qualified Target Industry Tax Refund which requires a 20% local match of \$160,000. The County will provide the local match for the QTI. The State is also expected to provide \$500,000 in the form of a Quick Action Closing Fund. The local match for the Quick Action Closing Fund of \$200,000 will be provided by the City of Boca Raton. The company will be required to enter into a formal agreement memorializing their commitments and establishing criteria for funding distribution which will be presented to the Board of County Commissioners for final approval. At such time the company name will be disclosed. The five (5) year local economic impact is estimated to be \$273 Million. District 4 (JB)

**Background and Justification:** The Economic Development Incentive/JGI 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 of County Commissioners' 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
2. Letter from Palm Beach County dated September 17, 2015

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<b>Recommended By:</b>		9-18-15	
	Department Deputy Director	Date	
<b>Approved By:</b>		9/18/15	
	Assistant County Administrator	Date	

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures		\$40,000	\$40,000	\$40,000	\$40,000
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT		\$40,000	\$40,000	\$40,000	\$40,000

# 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:

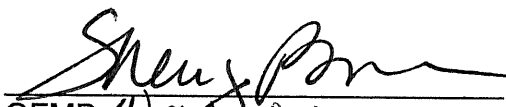
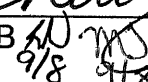
The source of funds is from the general fund contingency reserve as a cash grant match if so approved by the Board of County Commissioners.

C. Departmental Fiscal Review:

  
Shairette Major, Fiscal Manager II

III. REVIEW COMMENTS

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

  
OFMB  9/8 9/8 9/9

 9/14/15  
Contract Development and Control

B. Legal Sufficiency:

 9/15/15  
Assistant County Attorney

C. Other Department Review:

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

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

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

**A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT DARWIN, 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 PROGRAM IN THE FORM OF A CASH GRANT IN AN AMOUNT NOT TO EXCEED \$160,000 AND PROVIDING FOR AN EFFECTIVE DATE.**

**BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, as follows:**

**WHEREAS**, PROJECT DARWIN is considering expanding their operations in Palm Beach County, Florida; and

**WHEREAS**, the PROJECT DARWIN project will involve renovation and construction of an existing building and the purchase of machinery and equipment; and

**WHEREAS**, PROJECT DARWIN will create 160 new permanent full-time jobs in Palm Beach County within four (4) years at an annualized average wage of \$64,356 excluding benefits, which is at least 130% of the average wage in the State of Florida; and

**WHEREAS**, Palm Beach County's Department of Economic Sustainability estimates that the proposed project would result in an economic impact of \$273 Million over five (5) years; and

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

**WHEREAS**, PROJECT DARWIN has been identified as a target Industry business as defined under s.288.106, Florida Statutes; and

**WHEREAS**, Palm Beach County's cash grant is utilized 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 hereby acknowledges that local financial support of 20% of the total tax refund of \$800,000 is required under the provisions of s.288.106, Florida Statutes, governing the State's QTI Program; and

**WHEREAS**, PROJECT DARWIN is aware that the award is contingent upon the company entering into a formal agreement with the County to create 160 permanent jobs at an annualized average wage of \$64,356 and median salary of \$58,000 within four (4) years, and maintain those new jobs for a period of five (5) years; and

**WHEREAS**, PROJECT DARWIN is aware that the award is contingent upon the company entering into a formal agreement with the County to retain 57 permanent jobs at an annualized average wage of \$64,356 and median salary of \$58,000 and maintain those new jobs for a period of five (5) years.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that the Board hereby recommends PROJECT DARWIN, 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 cash commitment of local financial support for the Qualified Target Industry Tax Refund exists in the amount of \$160,000 from Palm Beach County, which 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.288.106, 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 shall be at least 130% 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:

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

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



Department of Economic  
Sustainability

Business Investments

100 Australian Avenue  
Suite #500

West Palm Beach, FL 33406

(561) 233-3660

FAX: (561) 656-7553

Palm Beach County  
Board of County  
Commissioners

Shelley Vana, Mayor

Mary Lou Berger, Vice Mayor

Hal R. Valeche

Paulette Burdick

Steven L. Abrams

Melissa McKinlay

Priscilla A. Taylor

County Administrator

Verdenia C. Baker

Equal Housing  
Opportunity

"An Equal Opportunity  
Affirmative Action Employer"

September 17, 2015

Ms. Kelly Smallridge, President and CEO  
Business Development Board of Palm Beach County, Inc.  
310 Evernia Street  
West Palm Beach, FL 33401

Dear Ms. Smallridge:

Palm Beach County supports Project Darwin's plans to expand their operations in Palm Beach County.

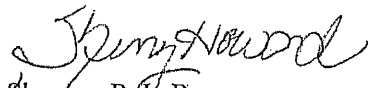
It is our understanding that the company will make a \$28 Million capital investment and create 160 new jobs over a four (4) year period at an average salary of \$64,356, and median salary of \$58,000. Additionally the 57 existing jobs will be retained for five (5) years from the effective date of the Economic Development Incentive Agreement. We estimate that this project will have a 5-year economic impact of \$273 Million on Palm Beach County's local economy.

Also, it is our understanding that the State of Florida is anticipating providing up to \$800,000 from the Qualified Target Industry (QTI) Tax Refund Program. This State incentive would require a \$160,000 local match of which Palm Beach County would contribute. The State of Florida is also anticipating providing \$500,000 from the Quick Action Closing Fund (QACF) which also requires a local match. This local match will be provided by the local municipality.

Due to these determining factors, Palm Beach County Administration will be recommending to the Board of County Commissioners (Board) that a Job Growth Incentive Grant be awarded in the amount of \$160,000. This incentive is subject to the approval by the Board, who has the final authority of the incentive amount. Formal approval of an agreement between the company and the Board memorializing the commitments made by the company, the conditions concerning distribution of the funding and retention requirements for new employees will be required in the future should the company accept our incentive offer.

Should you have any questions or need any additional information, please do not hesitate to contact me directly at (561) 355-2428.

Best Regards,

  
Shannon R. LaRocque,  
Assistant County Administrator

cc: Verdenia Baker, Deputy County Administrator  
Sherry Howard, Deputy Director, Department of Economic Sustainability