Agenda Item #: 402

# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

#### **AGENDA ITEM SUMMARY**

<b>Meeting Date:</b>	M	ee	tin	O	Da	te	=
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June 7, 2016

[ ] 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 Falcon, 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 not to exceed \$80,000; and providing for an effective date; and

**B)** conceptually approve an Economic Development Incentive for Project Falcon in the form of a Grant over eight (8) years, in the amount not to exceed \$80,000 as a portion of the local match for the State's Qualified Target Industry Tax Refund (\$80,000).

**Summary:** Project Falcon is considering Palm Beach County for significant job growth and plans to invest \$3 Million to build out and renovate an existing building and create 200 new jobs over a five (5) year period at an annualized median wage of \$66,098. The five (5) year local economic impact is estimated to be \$652 Million.

It is anticipated that the State of Florida is considering an \$800,000 incentive in the form of a Qualified Target Industry (QTI) Tax Refund. Of this amount, \$640,000 is from the State of Florida and \$160,000 is from local governmental entities. This amount will be shared equally by Palm Beach County and Palm Beach Gardens. The local match from Palm Beach County will be provided in the form of an Economic Development Grant in an amount not to exceed \$80,000 over a period of eight (8) years provided the project meets the requirements under State of Florida. The Grant will be paid according to the State's QTI Refund Schedule, and will be secured by a Letter of Credit, Bond, Corporate Guarantee or equivalent. 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 Kentucky. District 1 (JB)

**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. The County's Economic Development Incentive Program may be used as local participation for the State QTI program.

## Attachment(s):

1. Resolution

Recommended By:		5-20-16
	Department Deputy Director	Date '
Approved By:	Will & Elin	6(1/16
	Assistant County Administrator	Date

## II. FISCAL IMPACT ANALYSIS

## A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Capital Expenditures	\$10,000	\$10,,000	\$10,000	\$10,000	\$10,000
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$10,000	\$10,,000	\$10,000	\$10,000	\$10,000
# ADDITIONAL FTE POSITIONS (Cumulative)					
s Item Included In Curre	nt Budget?	Yes	No	- Addisonate	
und Dept U	nit Ob	oject F	Program Cod	e/Period	
Recommended So	uices oi Fuli	ius/Summar	y of Fiscai II	npact:	
The source of fund	ds for the lo	cal financial	support mat	ch is from	general fur
contingency reserve	dollars.			·	<b>,</b>
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Department Director

### RESOLUTION NUMBER R2016-

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT FALCON, 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 NOT TO EXCEED \$80,000; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, PROJECT FALCON is considering expanding its current operations in Palm Beach Gardens, Florida; and

WHEREAS, the PROJECT will involve building out and renovation of an existing building; and

WHEREAS, PROJECT FALCON will create 200 new permanent full-time jobs in Palm Beach County within five (5) years at an average wage of \$66,098 excluding benefits, which is at least 115% greater than 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 \$652 Million over five (5) years; 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 City of Palm Beach Gardens has determined that it will provide one half of the local financial support to PROJECT FALCON in the amount of \$80,000; and

WHEREAS, Palm Beach County has determined that it will provide on half of the local financial support in the form of a Economic Development Grant to PROJECT FALCON in the amount of \$80,000; and

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

WHEREAS, PROJECT FALCON 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 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, the State of Florida has committed to provide a total of \$800,000 to PROJECT FALCON under the QTI Program; and

WHEREAS, PROJECT FALCON is aware that the award is contingent upon the company entering into a formal agreement with the County to create 200 permanent jobs at an average annual wage of \$66,098 within five (5) years, 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 FALCON, 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 exists for PROJECT FALCON and may be provided in the form of an Economic Development Incentive (CASH) granted to PROJECT FALCON 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 wage sector commitment shall be at least 115% greater than the State's average annual wage.

This resolution shall take effect imme	diately upon its adoption.
The foregoing Resolution was offered its adoption. The motion was seco being put to vote, the vote was as follows:	d by Commissioner, who moved inded by Commissioner, and ows:
Commissioner Mary L Commissioner Hal R. Commissioner Paulett Commissioner Shelley Commissioner Steven Commissioner Melissa Commissioner Priscill	Valeche, Vice Mayor te Burdick Vana, L. Abrams a McKinlay -
The Mayor thereupon declared the R day of, 2016.	esolution duly passed and adopted this
	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