Agenda Item #:

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	June 7, 2016	[] Consent [] Ordinance	[X] Regular [] 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 P2P, 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 \$251,400; and providing for an effective date; and

B) conceptually approve an Economic Development Incentive for Project P2P in the form of an Ad Valorem Tax Exemption over nine (9) years, in the amount not to exceed \$576,400 as a portion of the local match for the State's Qualified Target Industry Tax Refund (\$251,400), and Quick Action Closing Fund (\$325,000) programs.

Summary: Project P2P is considering expanding its business operations and incorporating the company's headquarters in the new facility that plans to make a \$15 Million capital investment to acquire, renovate, and equip a 210,000 square foot facility, and create 838 new jobs over a six (6) year period at an annualized median wage of \$55,000. The five (5) year local economic impact is estimated to be \$339.3 Million.

It is anticipated that the State of Florida is considering a 6,140,000 incentive package including the Quick Action Closing Fund, the Qualified Targeted Industry Tax Refund Program, and the Florida Flex Training Grant Program. Of this amount, 4,987,200 is from the State of Florida and 1,152,800 is from local governmental entities. This amount will be shared equally by Palm Beach County and the City of Boca Raton. The local match from Palm Beach County will be provided in the form of an Ad Valorem Tax Exemption in in an amount not to exceed 576,400 over a period of nine (9) 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. District 4 (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 Ad Valorem Tax Exemption Program may be used as local participation for the State QTI and QACF programs

Attachment(s):

1. Resolution

Recommended By:	Shin Hanord	5-20-16
	Department Deputy Director	Date
Approved By:	anne Rz	. 6-2-16
-	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Capital Expenditures			-		
Operating Costs					
External Revenues	\$37,987	\$50,661	\$64,161	\$77,661	\$88,536
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$37,987	\$50,661	\$64,161	\$77,661	\$88,536
# ADDITIONAL FTE POSITIONS (Cumulative)				·····	·····
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s Item Included In Curre Budget Account No.:	nt Budget?	Yes	No		
Fund Dept U	nit Oł	oject	Program Cod	e/Period	

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

The source of funds for the Economic Development Incentive is in the form of Ad Valorem tax exemption over nine (9) years. The estimated tax assessment value for the tax exemption cannot be determined at this time.

C. Departmental Fiscal Review:

Shairette Major Fiscal Manager II P5120114

III. REVIEW COMMENTS

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

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Contract Development

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT P2P, 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 \$251,400; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, PROJECT P2P is considering expanding their regional headquarters in Boca Raton, Florida; and

WHEREAS, the PROJECT P2P project will involve the purchase and renovation of an existing building; and the purchase of machinery and equipment; and

WHEREAS, PROJECT P2P will create 838 new permanent full-time jobs in Palm Beach County within six (6) years at an average wage of \$55,000 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 \$339.3 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 Boca Raton has determined that it will provide one half of the local financial support to PROJECT P2P in the amount of \$251,400; 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 P2P in the amount of \$251,400; and

WHEREAS, PROJECT P2P, a for-profit company, has filed a QTI Tax Refund Program application with Enterprise Florida, Inc. to seek State tax refunds; and

WHEREAS, PROJECT P2P 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 \$2,011,200 to PROJECT P2P under the QTI Program; and

WHEREAS, PROJECT P2P is aware that the award is contingent upon the company entering into a formal agreement with the County to create 838 permanent jobs at an average annual wage of \$55,000 within six (6) 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 P2P, 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 P2P and may be provided in the form of an Ad Valorem Tax Exemption granted to PROJECT P2P 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 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 Mary Lou Berger, Mayor	-
Commissioner Hal R. Valeche, Vice Mayor	
Commissioner Paulette Burdick	_
Commissioner Shelley Vana,	
Commissioner Steven L. Abrams	
Commissioner Melissa McKinlay	
Commissioner Priscilla A. Taylor	=

The Mayor thereupon declared the Resolution duly passed and adopted this _____ day of _____, 2016.

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 Ву:_____

Deputy Clerk