

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Capital Expenditures					
Operating Costs	\$8,400	\$4,900	\$4,900		
External Revenues	\$29,987	\$49,294	\$49,294		
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$38,387	\$54,194	\$54,194		

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes X No _____
 Budget Account No.:

Fund 1539 Dept 143 Unit 1143 Object 8201 Program Code/Period _____

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

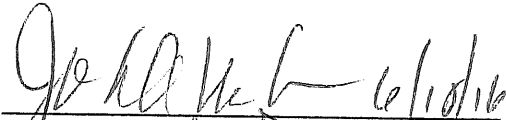
The source of the County's financial support is an \$18,200 cash incentive from general fund contingency reserve dollars combined with an ad valorem tax exemption of \$128,575 for a three (3) year period. The fiscal calculation is based on a valuation assessment of \$6,271,428. Using the current millage rate, the PBC tax revenue for 2016 is estimated at \$29,987.

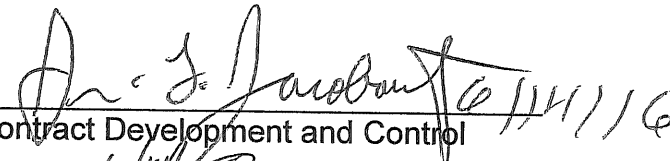
C. Departmental Fiscal Review:


 Shairrette Major, Fiscal Manager II
 6/6/16

III. REVIEW COMMENTS

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


 OFMB 6/10/16
 6/14/16


 Contract Development and Control
 6/14/16

B. Legal Sufficiency:


 Assistant County Attorney
 6/14/16

C. Other Department Review:

 Department Director

ORDINANCE NO. 2016-_____

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, ESTABLISHING AN EXEMPTION FROM CERTAIN AD VALOREM TAXATION TO ENCOURAGE ECONOMIC DEVELOPMENT IN THE COUNTY FOR **SIKORSKY AIRCRAFT CORPORATION**, AN EXISTING BUSINESS; PROVIDING FOR A FINDING THAT REQUIREMENTS HAVE BEEN MET; PROVIDING FOR THE AMOUNT OF REVENUE AVAILABLE FROM AD VALOREM TAX SOURCES FOR THE CURRENT FISCAL YEAR; PROVIDING FOR THE AMOUNT OF REVENUE LOST BY VIRTUE OF THE ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS CURRENTLY IN EFFECT; PROVIDING FOR THE ESTIMATED REVENUE LOST ATTRIBUTABLE TO THE EXEMPTION GRANTED TO **SIKORSKY AIRCRAFT CORPORATION**; PROVIDING FOR THE PERIOD OF TIME FOR WHICH THE EXEMPTION WILL REMAIN IN EFFECT AND THE EXPIRATION DATE OF THE EXEMPTION; PROVIDING FOR ANNUAL REPORTING REQUIREMENT; PROVIDING FOR APPLICABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Article VII, Section 3, of the Constitution of the State of Florida, and Section 196.1995, Florida Statutes, authorizes the granting of economic development ad valorem tax exemptions to new businesses and expansions of existing businesses upon the successful passage of a referendum; and

WHEREAS, a successful referendum was held on November 6, 2012, resulting in the enactment of Ordinance No. 2013-022, known as the "Economic Development Ad Valorem Tax Exemption Ordinance of Palm Beach County, Florida"; and

WHEREAS, such Ordinance establishes the requirements for exemption consideration, including the submission of an application; and

WHEREAS, **Sikorsky Aircraft Corporation** has submitted an application for an exemption; and

WHEREAS, all affected and interested agencies representative of the business and general community have reviewed said application, and provided comments on the granting of same; and

WHEREAS, all statutory and Ordinance requirements have been satisfied.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

SECTION 1. Title

This Ordinance shall be known as the "Economic Development Ad Valorem Tax Exemption Ordinance – **Sikorsky Aircraft Corporation**."

SECTION 2. Finding That Requirements Have Been Met

The Board of County Commissioners of Palm Beach County, Florida, based on the application submitted by **Sikorsky Aircraft Corporation**, and the report of the Property Appraiser, finds that **Sikorsky Aircraft Corporation** has met all the requirements of Ordinance No. 2013-022, and meets the requirements of Section 196.012(15), Florida Statutes and that granting the exemption will result in an economic benefit to Palm Beach County.

1 **SECTION 3. Ad Valorem Tax Revenues**

2 The revenues available to Palm Beach County for the current fiscal year from ad valorem tax
3 sources are **\$729,479,110 (operating)**. The revenues lost to Palm Beach County for the
4 current fiscal year by virtue of the ad valorem tax exemptions currently in effect are **\$178,558**.
5 The estimated revenues to be lost for the current year by granting this exemption are **\$29,987**.

6 **SECTION 4. Term of Exemption; Expiration Date**

7 The Economic Development Ad Valorem Tax Exemption granted to **Sikorsky Aircraft**
8 **Corporation** for an existing business expansion shall be for a period of three (3) tax years
9 commencing on January 1, 2016 and expiring on December 31, 2018. The ability to receive
10 an exemption for the period granted is conditioned upon **Sikorsky Aircraft Corporation's**
11 ability to maintain the expanded existing business as defined in Ordinance No. 2013-022,
12 throughout the three (3) year exemption period and in accordance with the terms of the
13 Economic Development Incentive Agreement entered with Palm Beach County. **Sikorsky**
14 **Aircraft Corporation** shall submit an annual report to the Board of County Commissioners
15 evidencing satisfaction of this condition along with a completed Annual Exemption Renewal
16 Application (DR-418) in such forms as are attached hereto and made a part hereof as Exhibit
17 "A." **Sikorsky Aircraft Corporation** shall furnish any and all information as the Board of
18 County Commissioners or its designee deems necessary for the purpose of determining
19 continued performance of the imposed conditions. Should **Sikorsky Aircraft Corporation** fail
20 to satisfy the conditions set forth herein, the Board of County Commissioners may revoke the
21 exemption and recover any taxes waived pursuant to Section 9 of Ordinance No. 2013-022.

22 **SECTION 5. Grant of Exemption**

23 After consideration of the application submitted by **Sikorsky Aircraft Corporation**, a copy of
24 which is attached hereto and made a part hereof as Exhibit "B" which includes the report of the
25 Property Appraiser, in accordance with the procedure set forth in Ordinance No. 2013-022,
26 the Board of County Commissioners hereby grants and establishes an exemption from ad
27 valorem taxation of one hundred percent (100%) of the assessed value of the net increase in
28 qualifying tangible personal property acquired and added improvements to real property by
29 **Sikorsky Aircraft Corporation**, provided such net increase in qualifying tangible personal
30 property and real property improvements facilitate **Sikorsky Aircraft Corporation's**
31 expansion of its existing business located at 17900 Beeline Highway, Jupiter, FL 33478.
32 **Sikorsky Aircraft Corporation** agrees to abide by the terms and conditions set forth in
33 Ordinance No. 2013-022, and any and all amendments thereto, as well as any policies and
34 procedures related to the Economic Development Ad Valorem Tax Exemption Program as
35 may be adopted from time to time, and, in accordance with the terms of the Economic
36 Development Incentive Agreement between Palm Beach County and **Sikorsky Aircraft**
37 **Corporation**. Failure to abide by same may result in a revocation of the exemption and the
38 recovery of any taxes waived pursuant to Section 9 of Ordinance No. 2013-022, and pursuant
39 to the terms and conditions of the Economic Development Incentive Agreement between Palm
40 Beach County and **Sikorsky Aircraft Corporation**. No exemption shall be granted on the
41 land on which improvements for the expansion of the existing business are made by **Sikorsky**
42 **Aircraft Corporation**.

1 **SECTION 6. Applicability**

2 The exemption applies only to taxes levied by Palm Beach County. The exemption does not
3 apply to taxes levied by a municipality, school district, or special taxing district, or to taxes
4 levied for the payment of bonds or taxes authorized by a vote of the electors pursuant to
5 Section 9 and Section 12, Article VII of the State Constitution.

6 **SECTION 7. Inclusion in the Code of Laws and Ordinances**

7 The provisions of this Ordinance shall become and be made a part of the Code of Laws and
8 Ordinances of Palm Beach County, Florida. The sections of this Ordinance may be
9 renumbered or relettered to accomplish such, and the word "Ordinance" may be changed to
10 "section", "article", or any other appropriate word.

11 **SECTION 8. Severability**

12 If any section, paragraph, sentence, clause, phrase, or word of this Ordinance is for any
13 reason held by a Court to be unconstitutional, inoperative or void, such holding shall not affect
14 the remainder of this Ordinance.

15 **SECTION 9. Repeal of Laws in Conflict**

16 All local ordinances in conflict with any provision of this Ordinance are hereby repealed to the
17 extent of such conflict.

18 **SECTION 10. Effective Date**

19 The provisions of this Ordinance shall become effective upon filing with the Secretary of State.

20 **APPROVED AND ADOPTED** by the Board of County Commissioners of Palm Beach County,
21 Florida on the _____ day of _____, 2016.

22 ATTEST:
23 CLERK & COMPTROLLER
24 SHARON R. BOCK

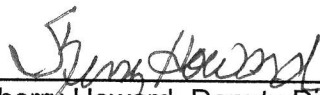
PALM BEACH COUNTY, FLORIDA
BY ITS BOARD OF COUNTY COMMISSIONERS

25
26
27 By: _____
28 Deputy Clerk

By: _____
Mary Lou Berger, Mayor

29
30
31 APPROVED AS TO TERMS
32 AND CONDITIONS:

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

33
34
35 By: 
36 Sherry Howard, Deputy Director
37 Dept. of Economic Sustainability

By: _____
James Brako
Assistant County Attorney

38
39
40 **EFFECTIVE DATE:** Filed with the Department of State on the ____ day of _____, 2016.

EXHIBIT "A"

2016 NEW

ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION Chapter 196.1995, Florida Statutes

DR-418
R. 12/99

To be filed with the Board of County Commissioners, the governing boards of the municipality, or both,
no later than March 1 of the year the exemption is desired to take effect.

1 Business name Sikorsky Aircraft Corporation		Mailing address Lockheed Martin Corporation, PO Box 61511 Building 100					
2 Please give name and telephone number of owner or person in charge of this business.		Room U4632 King of Prussia, PA 19406					
Name Donna Giddings		Telephone number 610-354-6181					
3 Exact Location (Legal Description and Street Address) of Property for which this return is filed 41-40, improvements located within NW1/4 of SEC 14 & NE of SEC 15; 17900 Beeline Highway, Jupiter			4 Date you began, or will begin, business at this facility 25+ years				
5 Description of the improvements to real property for which this exemption is requested New building construction/ renovation and modification of existing facility			Date of commencement of construction of improvements 10/17/2011				
6 Description of the tangible personal property for which this exemption is requested and date when property was, or is to be purchased			APPRaiser'S USE ONLY				
Class or Item		Age	Date of Purchase	Taxpayer's Estimate of			
				Original Cost	Cond*	Fair Market Rent	Cond*
Various Personal Property - See Attached				\$ 613,322		\$	\$
Real Estate - See Attached				\$ 8,035,784		\$	\$
Various Leasehold Improvements - See Attached				\$ 1,683,126		\$	\$
				\$		\$	\$
				\$		\$	\$
				\$		\$	\$
				\$		\$	\$
				\$		\$	\$
				\$		\$	\$
				\$		\$	\$
Average value of inventory on hand:		*Condition: good, avg (average), or poor					
Any additional personal property not listed above for which an exemption is claimed must be returned on form DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.							
7 Do you desire exemption as a <input type="checkbox"/> new business or <input checked="" type="checkbox"/> expansion of an existing business				9 Trade levels (check as many as apply)			
8 Describe type or nature of your business Aerospace/ Aircraft Manufacturing				<input type="checkbox"/> Retail <input type="checkbox"/> Wholesale <input checked="" type="checkbox"/> Manufacturing <input type="checkbox"/> Professional <input type="checkbox"/> Service <input type="checkbox"/> Office <input type="checkbox"/> Other, specify:			
10 Number of full-time employees to be employed in Florida							
If an expansion of an existing business:		Net increase in employment	14	0	%	Increase in productive output resulting from this expansion	N/A %
11 Sales factor for the facility requesting exemption:							
Total sales in Florida from this facility-one (1) location only		\$	0	divided by	Total sales everywhere from this facility-one (1) location only	\$	0 %
12 For office space owned and used by a corporation newly domiciled in Florida		Date of incorporation in Florida		N/A		Number of full-time employees at this location	
I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners, the governing authority of the municipality, or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)							
Date 3/1/2016		Signature, preparer <i>Shirley C. Reed</i>					
Signature, taxpayer		Preparer's address 55 Ivan Allen Jr. Blvd. Atlanta GA 30308					
Title Tax Manager		Preparer's telephone number 404-817-5715					
Property Appraiser's Use Only							
I	Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources						\$
II	Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section						\$
III	Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation						\$
IV	Estimate of the taxable value lost to the county or municipality if the exemption applied for was granted						
		Improvements to real property \$		Personal property \$			
V	I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as a						
		<input type="checkbox"/> new business		<input type="checkbox"/> expansion of an existing business		<input type="checkbox"/> neither	
VI	Last year for which exemption may be applied <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>						

Application to be filed not later than March 1

Date

Signature, Property Appraiser

General Information

Ad Valorem property tax exemptions can be granted to new and expanding businesses only after the voters of a city and/or county vote in a referendum to allow that city or county to grant exemptions. Section 196.1995, Florida Statutes, requires that a referendum be held if: (1) The Board of County Commissioners or governing authority of a municipality (city or county commission) votes to hold such a referendum, or (2) if the county or city commission receives a petition signed by ten percent of the registered voters of the county or city. This referendum question can then be placed before the voters of a city or county at any regular election or special election called for voting on the tax incentive referendum or for any other purpose.

If the voters authorize exemptions, a company must first meet the definitions of a new or expanding business as stated in s. 196.012 (15) and (16), F.S.

The expansion must be on the same or a collocated site of the business current operations.

If a business meets one of the above definitions as a new or expanding business, it must then file this application with the county or city commission or both.

After the city or county commission receives this application, it must submit the application to the county property appraiser for review. After the property appraiser makes the report as to the fiscal impact of granting the exemption, the county or city commission shall then adopt an ordinance in the usual manner-granting the exemption, if it chooses to do so.

A business cannot receive exemption from school taxes or water management district taxes. Also a business must pay taxes that were voted by the voters of a city or county to pay for bond issues and other special tax levies authorized by the voters of a city or county.

The exemption can only be for the improvements to the real property and for tangible personal property. The land on which the new or expanding business is to be located will still be taxed and taxes must be paid on it.

The action taken by a city or county commission can only exempt the taxes paid to that governmental body. A city can only exempt its taxes; a county can only exempt its taxes. All other taxes must be paid.

Statutory Definitions

Section 196.011 Annual application required for exemption. —

(1)(a) Every person or organization who, on January 1, has the legal title to real or personal property, except inventory, which is entitled by law to exemption from taxation as a result of its ownership and use shall, on or before March 1 of each year, file an application for exemption with the county property appraiser, listing and describing the property for which exemption is claimed and certifying its ownership and use. The Department of Revenue shall prescribe the forms upon which the application is made. Failure to make application, when required, on or before March 1 of any year shall constitute a waiver of the exemption privilege for that year, except as provided in subsection (7) or subsection (8).

Section 196.012(15) and (16), Florida Statutes

(15) "New business" means:

(a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant;

2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s.220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or

3. An office space in this state owned and used by a corporation newly domiciled in this state; provided such office space houses 50 or more full-time employees of such corporation; provided that such business or office first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(b) Any business located in an enterprise zone that first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(c) A new business that is situated on property annexed into a municipality and that, at the time of annexation, is receiving an economic development ad valorem tax exemption from the county under s. 196.1995.

(16) "Expansion of an existing business" means:

(a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible

personal property at a fixed location and which comprises an industrial or manufacturing plant; or

2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s. 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; provided that such business increases operation on a site collocated with a commercial or industrial operation owned by the same business, resulting in a net increase in employment of not less than 10 percent or an increase in productive output of not less than 10 percent.

(b) Any business located in an enterprise zone that increases operations on a site collocated with a commercial or industrial operation owned by the same business.

Section 196.1995 Economic development ad valorem tax exemption. —

(6) With respect to a new business as defined by s. 196.012(15)(c), the municipality annexing the property on which the business is situated may grant an economic development ad valorem tax exemption under this section to that business for a period that will expire upon the expiration of the exemption granted by the county. If the county renews the exemption under subsection (7), the municipality may also extend its exemption. A municipal economic development ad valorem tax exemption granted under this subsection may not extend beyond the duration of the county exemption.

Section 220.15(5), Florida Statutes.

(5) The sales factor is a fraction the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.

(a) As used in this subsection, the term "sales" means all gross receipts of the taxpayer except interest, dividends, rents, royalties, and gross receipts from the sale, exchange, maturity, redemption, or other disposition of securities. However:

1. Rental income is included in the term if a significant portion of the taxpayer's business consists of leasing or renting real or tangible personal property; and

2. Royalty income is included in the term if a significant portion of the taxpayer's business consists of dealing in or with the production, exploration, or development of minerals.

(b)1. Sales of tangible personal property occur in this state if the property is delivered or shipped to a purchaser within this state, regardless of the f.o.b. point, other conditions of the sale, or ultimate destination of the property, unless shipment is made via a common or contract carrier.

2. When citrus fruit is delivered by a cooperative for a grower-member, by a grower-member to a cooperative, or by a grower-participant to a Florida processor, the sales factor for the growers for such citrus fruit delivered to such processor shall be the same as the sales factor for the most recent taxable year of that processor. That sales factor, expressed only as a percentage and not in terms of the dollar volume of sales, so as to protect the confidentiality of the sales of the processor, shall be furnished on the request of such a grower promptly after it has been determined for that taxable year.

3. Reimbursement of expenses under an agency contract between a cooperative, a grower-member of a cooperative, or a grower and a processor is not a sale within this state.

(c) Sales of a financial organization, including, but not limited to, banking and savings institutions, investment companies, real estate investment trust, and brokerage companies, occur in this state if derived from:

1. Fees, commissions, or other compensation for financial services rendered within this state;
2. Gross profits from trading in stocks, bonds, or other securities managed within this state;
3. Interest received within this state, other than interest from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in this state, and dividends received within this state;
4. Interest charged to customers at places of business maintained within this state for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts;
5. Interest, fees, commissions, or other charges or gains from loans secured by mortgages, deeds of trust or other liens upon real or tangible personal property located in this state or from installment sale agreements originally executed by a taxpayer or the taxpayer's agent to sell real or tangible personal property located in this state;
6. Rents from real or tangible personal property located in this state; or
7. Any other gross income, including other interest, resulting from the operation as a financial organization within this state.

In computing the amounts under this paragraph, any amount received by a member of an affiliated group (determined under s. 1504(a) of the Internal Revenue code, but without reference to whether any such corporation is an "includable corporation" under s. 1504(b) of the Internal Revenue code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

Lockheed Martin Corporation
P.O. Box 61511 Building 100 Room U4632
King of Prussia, PA 19406



February 26, 2016

General Appointment of Agency

Ernst & Young LLP is authorized to represent Sikorsky Aircraft Corporation, and any of its affiliates and subsidiaries as required per the engagement letter for all property tax matters. Ernst & Young LLP has the general power to represent us in receiving notices of value, filing of returns, obtaining copies of appraisals, tax assessment work papers, or any other information relevant to property tax matters. After consultation and discussion with us, Ernst & Young is also authorized to negotiate and accept any settlement reached with all assessment and appraisal authorities including boards of equalization, appraisal review boards, state tax commissions, or other entities exercising authorities or review of property tax assessments, abatement, exemptions or any matter upon which it has administrative jurisdiction.

This appointment of agency remains in effect until revoked in writing by Sikorsky Aircraft Corporation or Ernst & Young LLP. Ernst & Young LLP will provide the taxpayer with a copy of the application.

Handwritten signature of Donald P. Martin in black ink.

Signed Sikorsky Aircraft Corp.

Donald P. Martin Assistant Secretary

Printed Name and Title

Sikorsky Aircraft Corp.
3900 Main Street
Stratford, CT 066015

Handwritten signature of Phillip C. Hoot in black ink.

Signed Ernst & Young LLP

Phillip C. Hoot - Manager

Printed Name and Title

Ernst & Young LLP
55 Ivan Allen Jr. Blvd
Suite 1000
Atlanta, GA 30303

EXHIBIT "A"
APPLICATION

ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION
Chapter 196.1995, Florida Statutes

NOTICE

Application is to be filed with the Board of County Commissioners no later than March 1 of the year the exemption is desired to take effect.

An applicant applying for an exemption on Tangible Personal Property must fill out and submit the Florida Department of Revenue form DR-405 (Tangible Personal Property Tax Return). Refer to Item 12 below.

If insufficient space is provided for a response, attachments may be enclosed.

1. BUSINESS NAME AND MAILING ADDRESS Business applicant legal name: <p align="center">Sikorsky Aircraft Corporation</p>	
Business street address in Palm Beach County: <p align="center">17900 Beeline Highway, Jupiter FL</p>	
Business mailing address: c/o Lockheed Martin Corporation PO Box 61511 Building 100, Room U4632 King of Prussia, PA 19406	
Telephone: 610-354-6181	Fax: 610-354-7117
2. PROPERTY OWNER Full legal name of owner of this business: <p align="center">Sikorsky Aircraft Corporation</p>	
Telephone: 610-354-6181	Fax: 610-354-7117
E-mail address: <p align="center">donna.a.giddings@LMCO.com</p>	
3. PERSON IN CHARGE OF THIS BUSINESS / CONTACT Name of employee to contact regarding this application: <p align="center">Donna Giddings</p>	
Telephone: 610-354-6181	Fax: 610-354-7117
E-mail address: <p align="center">donna.a.giddings@LMCO.com</p>	
4. EXACT LOCATION Legal description of property for which this application is filed: <p align="center">41-40, improvements located within NW 1-4 of SEC 14 & NE 1/4 of SEC 15</p> Property control numbers: 00-40-41-13-00-000-3010(personal property); 00-40-41-03-00-000-9021 (real estate) Street address of this property: <p align="center">17900 Beeline Highway, Jupiter, FL</p>	
5. COMMENCE OPERATIONS Date you began, or will begin, business activities at this facility: 25+ years	
6. NEW OR EXPANSION BUSINESS Do you desire exemption as: <input type="checkbox"/> New Business <input checked="" type="checkbox"/> Expansion of an Existing Business	7. REAL AND/OR TANGIBLE PERSONAL PROPERTY Do you desire exemption for: <input type="checkbox"/> Real Property <input checked="" type="checkbox"/> Tangible Personal Property
8. TYPE OF BUSINESS Describe the type or nature of your business: <p align="center">Aerospace/ Aircraft Manufacturing</p>	
9. TRADE LEVEL Check as many as apply below. Identify industry cluster (if applicable): <input type="checkbox"/> Wholesale <input checked="" type="checkbox"/> Manufacturing <input type="checkbox"/> Professional <input type="checkbox"/> Service <input type="checkbox"/> Office <input type="checkbox"/> Other	

<p>LENGTH OF EXEMPTION</p> <p>10. Total number of years that applicant requests exemption: 3 Year Ad Valorem Exemption (length of exemption approved is at sole discretion of County Commission and commences on effective date of ordinance granting exemption)</p>															
<p>REAL PROPERTY</p> <p>11. Description of Improvements to real property for which exemption is requested: Hangar Expansion</p> <p>Date of commencement of construction of improvements: 10/17/2011</p>															
<p>TANGIBLE PERSONAL PROPERTY</p> <p>12. Provide a description of tangible personal property for which exemption is requested and date when property was, or is to be, purchased on the enclosed table DR-418 "Tangible Personal Property". SEE ATTACHED</p> <p>Any additional personal property not listed on the table DR-418 "Tangible Personal Property" for which an exemption is claimed must be provided on form DR-405 "Tangible Personal Property Tax Return".</p>															
<p>INVENTORY</p> <p>13. Average value of inventory on hand: \$ N/A</p>															
<p>NEW JOBS</p> <p>14. The applicant must enclose current payroll roster as of January 1st of the year the exemption is being sought. Provide hire dates and job titles; omit employee names and social security numbers of employees.</p> <p>Current Jobs - <u>new</u> business. Total number of full-time jobs as of January 1st: [] ♦</p> <p>Current Jobs - <u>expansion</u> of an existing business. Total number of full-time jobs for four most recent years:</p> <table style="margin-left: 40px; border: none;"> <tr> <td>Year [2012]</td> <td>Jobs [10]</td> <td>Year [2014]</td> <td>Jobs [14]</td> </tr> <tr> <td>Year [2013]</td> <td>Jobs [4]</td> <td>Year [2015]</td> <td>Jobs [14]</td> </tr> </table>		Year [2012]	Jobs [10]	Year [2014]	Jobs [14]	Year [2013]	Jobs [4]	Year [2015]	Jobs [14]						
Year [2012]	Jobs [10]	Year [2014]	Jobs [14]												
Year [2013]	Jobs [4]	Year [2015]	Jobs [14]												
<p>New Jobs - new or expanding business. Total number of jobs to be created and to be maintained:</p> <table style="margin-left: 40px; border: none;"> <tr> <td>[14]</td> <td>Full-time</td> </tr> <tr> <td>[]</td> <td>Equivalent (2,080 hours)</td> </tr> <tr> <td>[]</td> <td>Seasonal</td> </tr> <tr> <td>[]</td> <td>TOTAL NEW JOBS ♦♦</td> </tr> </table>	[14]	Full-time	[]	Equivalent (2,080 hours)	[]	Seasonal	[]	TOTAL NEW JOBS ♦♦	<p>Total Jobs - new or expanding business.</p> <table style="margin-left: 40px; border: none;"> <tr> <td>[]</td> <td>CURRENT JOBS ♦</td> </tr> <tr> <td>[14]</td> <td>NEW JOBS ♦♦</td> </tr> <tr> <td>[]</td> <td>TOTAL PAYROLL</td> </tr> </table>	[]	CURRENT JOBS ♦	[14]	NEW JOBS ♦♦	[]	TOTAL PAYROLL
[14]	Full-time														
[]	Equivalent (2,080 hours)														
[]	Seasonal														
[]	TOTAL NEW JOBS ♦♦														
[]	CURRENT JOBS ♦														
[14]	NEW JOBS ♦♦														
[]	TOTAL PAYROLL														
<p>Job Creation Timeframe - Completion date by when all new full-time jobs will be filled: 2013</p> <p>Reside - Estimated percentage of total employees who will reside in Palm Beach County: 71.4 %</p>															
<p>SALARY</p> <p>15. The average annual wage of employees at facility in Palm Beach County:</p> <table style="margin-left: 40px; border: none;"> <tr> <td>[\$ 123,075]</td> <td>current full-time employees</td> </tr> <tr> <td>[\$]</td> <td>new full-time jobs</td> </tr> <tr> <td>[\$]</td> <td>new equivalent jobs (2,080 hours)</td> </tr> <tr> <td>[\$]</td> <td>new seasonal jobs</td> </tr> </table>		[\$ 123,075]	current full-time employees	[\$]	new full-time jobs	[\$]	new equivalent jobs (2,080 hours)	[\$]	new seasonal jobs						
[\$ 123,075]	current full-time employees														
[\$]	new full-time jobs														
[\$]	new equivalent jobs (2,080 hours)														
[\$]	new seasonal jobs														
<p>CURRENT SALES</p> <p>16. Current sales factor for the facility requesting exemption: N/A</p> <table style="margin-left: 40px; border: none;"> <tr> <td>Total sales inside Palm Beach County [\$]</td> <td>(%)</td> </tr> <tr> <td>Total sales outside Palm Beach County [\$]</td> <td>(%)</td> </tr> <tr> <td>TOTAL [\$]</td> <td>(100.00 %)</td> </tr> </table> <p>To what extent are these same or similar products and/or services currently being produced or provided by other businesses in Palm Beach County:</p> <p>PROJECTED SALES For an expanding business: Estimated percentage increase in productive output resulting from this expansion: %</p> <p>If there are any plans for new products and/or services involving the facility in Palm Beach County, provide a description:</p>		Total sales inside Palm Beach County [\$]	(%)	Total sales outside Palm Beach County [\$]	(%)	TOTAL [\$]	(100.00 %)								
Total sales inside Palm Beach County [\$]	(%)														
Total sales outside Palm Beach County [\$]	(%)														
TOTAL [\$]	(100.00 %)														
<p>OFFICE SPACE AND INCORPORATION IN FLORIDA</p> <p>17. For office or facility space in Palm Beach County owned or leased and used by a corporation newly domiciled in Florida, the date of incorporation in Florida: N/A</p>															

INCENTIVE	
18. Relocation or expansion would occur without the exemption: Yes [] No [X]	
ENVIRONMENT	
19. Environmental impact of new or expanding business project: Identify the number and type of environmental permits required as a result of this project; e.g., air, soil and water pollution, water and sewer provision, dredge and fill, RCRA industrial wastewater treatment.	
N/A	
IMPACT FEES	
20. Total amount of impact fees for the new or expanding business project: \$ N/A (attach copies of impact fee schedule and payments)	
VIOLATIONS	
21. Local expanding business is in violation of a federal, state, or local law or regulation governing environmental matters: Yes [] No [X] If answer is Yes, explain:	
COST AND DEMAND FOR SERVICES	
22. Identify sources of existing services and which existing services will need to be increased. Include costs for existing or increased services (provide attachments if necessary): N/A	
SOURCE OF SUPPLIES	
23. Identify in specific terms the source, type and volume of supplies (provide attachments if necessary): N/A	
ENTERPRISE ZONE	
24. Business is / will be located in an enterprise zone: Yes [] No [X] If yes, attach the following: (1) map identifying property inside zone; and (2) written confirmation from municipality that business project site is inside zone.	
Map is enclosed: Yes [] No [] Written confirmation is enclosed: Yes [] No []	
Enterprise Zone name is:	
COMMUNITY REDEVELOPMENT AGENCY	
24. Business is / will be located in a CRA area: Yes [] No [X] If yes, attach a map to confirm property is inside CRA area.	
Map is enclosed: Yes [] No []	
CRA name is:	

I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct and complete to the best of my knowledge and belief, including any attached statements, schedules, etc. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)

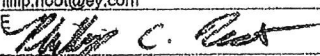
TAXPAYER - Owner Name and Title Sikorsky Aircraft Corporation/ Tax Manager	PREPARER / AUTHORIZED AGENT - Name and Address Ernst & Young LLP - 55 Ivan Allen Jr. Blvd, Atlanta, GA 30308
	Telephone 404-817-6715
	Fax 844-734-7018
	E-mail phillip.hoot@ey.com
SIGNATURE	SIGNATURE 
TYPE OR PRINT NAME Donna Giddings	TYPE OR PRINT NAME Phillip Hoot
DATE	DATE

EXHIBIT "A"
ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION
Chapter 196, 1995, Florida Statutes

Business Name: _____

PROPERTY APPRAISER'S USE ONLY

I.	Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources: \$ _____
II.	Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section: \$ _____
III.	Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted had the property for which the exemption is requested otherwise had been subject to taxation: \$ _____
IV.	Estimate of the taxable value lost to the county or municipality if the exemption applied for were granted: Improvements to Real Property: \$ _____ Personal Property: \$ _____
V.	I have determined that the property listed above meets the definition, as defined by Section 196.012 (15) or (16), Florida Statutes, as a <input type="checkbox"/> New Business <input type="checkbox"/> Expansion of an Existing Business <input type="checkbox"/> Neither
VI.	Last year for which exemption may be applied: _____
DATE	SIGNATURE (Property Appraiser)

APPLICATION TO BE FILED NOT LATER THAN MARCH 1st

EXHIBIT "A"
TANGIBLE PERSONAL PROPERTY
 ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION
 CHAPTER 196.1995, FLORIDA STATUTES

6.a. Description of the tangible personal property for which this exemption is requested and date when property was, or is to be, purchased.

CLASS OR ITEM	AGE	DATE OF PURCHASE	ORIGINAL COST	TAXPAYER'S ESTIMATE OF CONDITION			TAXPAYER'S ESTIMATE OF FAIR MARKET VALUE	APPRAISER'S USE ONLY	
				G O O D	A V G	P O O R		CONDITION	
Various Pers. Prop. - See Attached			\$613,322						
Real Estate - See Attached			\$8,035,784						
Various LHI's - See Attached			\$1,683,126						

General Information

Ad Valorem property tax exemptions can be granted to new and expanding businesses only after the voters of a city and/or county vote in a referendum to allow that city or county to grant exemptions. Section 196.1995, Florida Statutes, requires that a referendum be held if: (1) The Board of County Commissioners or governing authority of a municipality (city or county commission) votes to hold such a referendum, or (2) if the county or city commission receives a petition signed by ten percent of the registered voters of the county or city. This referendum question can then be placed before the voters of a city or county at any regular election or special election called for voting on the tax incentive referendum or for any other purpose.

If the voters authorize exemptions, a company must first meet the definitions of a new or expanding business as stated in s. 196.012 (15) and (16), F.S.

The expansion must be on the same or a collocated site of the business current operations.

If a business meets one of the above definitions as a new or expanding business, it must then file this application with the county or city commission or both.

After the city or county commission receives this application, it must submit the application to the county property appraiser for review. After the property appraiser makes the report as to the fiscal impact of granting the exemption, the county or city commission shall then adopt an ordinance in the usual manner granting the exemption, if it chooses to do so.

A business cannot receive exemption from school taxes or water management district taxes. Also a business must pay taxes that were voted by the voters of a city or county to pay for bond issues and other special tax levies authorized by the voters of a city or county.

The exemption can only be for the improvements to the real property and for tangible personal property. The land on which the new or expanding business is to be located will still be taxed and taxes must be paid on it.

The action taken by a city or county commission can only exempt the taxes paid to that governmental body. A city can only exempt its taxes; a county can only exempt its taxes. All other taxes must be paid.

Statutory Definitions

Section 196.011 Annual application required for exemption.—

(1)(a) Every person or organization who, on January 1, has the legal title to real or personal property, except inventory, which is entitled by law to exemption from taxation as a result of its ownership and use shall, on or before March 1 of each year, file an application for exemption with the county property appraiser, listing and describing the property for which exemption is claimed and certifying its ownership and use. The Department of Revenue shall prescribe the forms upon which the application is made. Failure to make application, when required, on or before March 1 of any year shall constitute a waiver of the exemption privilege for that year, except as provided in subsection (7) or subsection (8).

Section 196.012(15) and (16), Florida Statutes

(15) "New business" means:

(a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant;

2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s.220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or

3. An office space in this state owned and used by a corporation newly domiciled in this state; provided such office space houses 50 or more full-time employees of such corporation; provided that such business or office first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(b) Any business located in an enterprise zone that first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(c) A new business that is situated on property annexed into a municipality and that, at the time of annexation, is receiving an economic development ad valorem tax exemption from the county under s. 196.1995.

(16) "Expansion of an existing business" means:

(a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or

2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s. 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; provided that such business increases operation on a site collocated with a commercial or industrial operation owned by the same business, resulting in a net increase in employment of not less than 10 percent or an increase in productive output of not less than 10 percent.

(b) Any business located in an enterprise zone that increases operations on a site collocated with a commercial or

industrial operation owned by the same business.

Section 196.1995 Economic development ad valorem tax exemption.-

(6) With respect to a new business as defined by s. 196.012(15)(e), the municipality annexing the property on which the business is situated may grant an economic development ad valorem tax exemption under this section to that business for a period that will expire upon the expiration of the exemption granted by the county. If the county renews the exemption under subsection (7), the municipality may also extend its exemption. A municipal economic development ad valorem tax exemption granted under this subsection may not extend beyond the duration of the county exemption.

Section 220.15(5), Florida Statutes.

(5) The sales factor is a fraction the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.

(a) As used in this subsection, the term "sales" means all gross receipts of the taxpayer except interest, dividends, rents, royalties, and gross receipts from the sale, exchange, maturity, redemption, or other disposition of securities. However:

1. Rental income is included in the term if a significant portion of the taxpayer's business consists of leasing or renting real or tangible personal property; and 2. Royalty income is included in the term if a significant portion of the taxpayer's business consists of dealing in or with the production, exploration, or development of minerals.

(b) 1. Sales of tangible personal property occur in this state if the property is delivered or shipped to a purchaser within this state, regardless of the f.o.b. point, other conditions of the sale, or ultimate destination of the property, unless shipment is made via a common or contract carrier.

2. When citrus fruit is delivered by a cooperative for a grower-member, by a grower member to a cooperative, or by a grower-participant to a Florida processor, the sales factor for the growers for such citrus fruit delivered to such processor shall be the same as the sales factor for the most recent taxable year of that processor. That sales factor, expressed only as a percentage and not in terms of the dollar volume of sales, so as to protect the confidentiality of the sales of the processor, shall be furnished on the request of such a grower promptly after it has been determined for that taxable year.

3. Reimbursement of expenses under an agency contract between a cooperative, a grower-member of a cooperative, or a grower and a processor is not a sale within this state.

(c) Sales of a financial organization, including, but not limited to, banking and savings institutions, investment companies, real estate investment trust, and brokerage companies, occur in this state if derived from:

1. Fees, commissions, or other compensation for financial services rendered within this state;
2. Gross profits from trading in stocks, bonds, or other securities managed within this state;
3. Interest received within this state, other than interest from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in this state, and dividends received within this state;
4. Interest charged to customers at places of business maintained within this state for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts;
5. Interest, fees, commissions, or other charges or gains from loans secured by mortgages, deeds of trust or other liens upon real or tangible personal property located in this state or from installment sale agreements originally executed by a taxpayer or the taxpayer's agent to sell real or tangible personal property located in this state;
6. Rents from real or tangible personal property located in this state; or
7. Any other gross income, including other interest, resulting from the operation as a financial organization within this state.

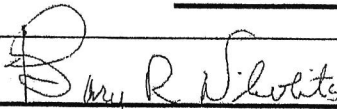
In computing the amounts under this paragraph, any amount received by a member of an affiliated group (determined under s. 1504(a) of the Internal Revenue code, but without reference to whether any such corporation is an "includable corporation" under s. 1504(b) of the Internal Revenue code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

Source: Florida Department of Revenue DR-418, R. 12/99
[<http://www.myflorida.com/dor/forms/2003/dr418r1299.pdf>]

Sikorsky Aircraft Corporation
Economic Development Ad Valorem Property Tax Exemption
DR-418 / DR-405 Support: Description of assets

<u>Asset</u> Number	<u>Cap.date</u>	<u>Asset description</u>	<u>Cost/Acquisition</u> Value	<u>Classification</u>
<u>TANGIBLE PERSONAL PROPERTY:</u>				
21015945	8/31/2013	WPB Capacity Expansion-UH-60 Tail Rotor Stand	\$ 41,628.48	Personal
21015946	8/31/2013	WPB Capacity Expansion-UH-60 Tail Rotor Stand	41,628.47	Personal
21015044	3/26/2012	WPB Capacity Expansion-Water Test Spray Rack	161,000.00	Personal
21015043	2/27/2012	WPB Capacity Expansion-Water Test Kidney System	369,065.34	Personal
TOTAL TANGIBLE PERSONAL PROPERTY			<u>\$ 613,322.29</u>	
<u>REAL ESTATE:</u>				
2001148	8/29/2013	WPB Capacity Expansion - Hanger Construction	<u>\$ 8,035,783.85</u>	Real
<u>LEASEHOLD IMPROVEMENTS:</u>				
17000543	7/31/2013	WPB Capacity Expansion-Water Tank	391,922.00	LHI
17000544	7/31/2013	WPB Capacity Expansion-Water Tank	391,922.00	LHI
17000552	7/31/2013	WPB Capacity Expansion-Foam Storage Tanks	54,250.00	LHI
17000553	7/31/2013	WPB Capacity Expansion-Foam Storage Tanks	54,250.00	LHI
17000538	6/20/2013	WPB Capacity Expansion-Pump House Pumps	198,750.00	LHI
17000539	6/20/2013	WPB Capacity Expansion-Pump House Pumps	198,750.00	LHI
17000540	6/20/2013	WPB Capacity Expansion-Pump House Pumps	198,750.00	LHI
17000537	5/10/2013	WPB Capacity Expansion-Crane System	194,532.00	LHI
TOTAL LEASHOLD IMPROVEMENTS			<u>\$ 1,683,126.00</u>	
GRAND TOTAL, ALL PROPERTY			<u><u>\$ 10,332,232.14</u></u>	

EXHIBIT "B"
ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION
 Chapter 196.1995, Florida Statutes

Business Name: Sikorsky Aircraft Corporation							
PCN 00-40-41-03-00-000-9021	Tangible Account No. 203157						
Property Appraiser's Use Only							
I. Total revenue available to the county or municipality for the current fiscal year from ad valorem sources: <u>\$729,479,110</u> \$152,562,817,106 x 0.0047815 (2015 millage)							
II. Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section: <u>\$178,558</u> \$37,343,414 x 0.0047815 (2015 millage)							
III. Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation: <u>\$29,987</u> \$6,271,428 x 0.0047815 (2015 millage)							
IV. Estimate of the taxable value lost to the county or municipality if the exemption applied for were granted: <table style="width:100%; margin-left: 20px;"> <tr> <td>Improvements to Real Property:</td> <td align="right">\$4,528,400</td> </tr> <tr> <td>Personal Property:</td> <td align="right">+ \$1,743,028</td> </tr> <tr> <td>TOTAL</td> <td align="right"><u><u>\$6,271,428</u></u></td> </tr> </table>		Improvements to Real Property:	\$4,528,400	Personal Property:	+ \$1,743,028	TOTAL	<u><u>\$6,271,428</u></u>
Improvements to Real Property:	\$4,528,400						
Personal Property:	+ \$1,743,028						
TOTAL	<u><u>\$6,271,428</u></u>						
V. I have determined that the property listed above meets the definition, as defined by Section 196.012 (15) or (16), Florida Statutes, as a <input type="checkbox"/> New Business <input checked="" type="checkbox"/> Expansion of an Existing Business <input type="checkbox"/> Neither							
VI. Last year for which exemption may be applied: <u>2025</u>							
DATE <u>3/11/2016</u>	SIGNATURE <u></u> Gary R. Nikolits, Palm Beach County Property Appraiser						

APPLICATION TO BE FILED NOT LATER THAN MARCH 1st