

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date:	July 12, 2016	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> 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 CHOP, 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 with High-Impact Sector bonus in the form of a grant not to exceed \$25,000 and providing for an effective date; and

B) conceptually approve an Economic Development Incentive for Project CHOP in the form of a Grant over five (5) years, in the amount not to exceed \$25,000 as a portion of the local match for the State's Qualified Target Industry Tax Refund (\$25,000).

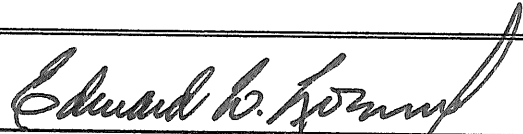
Summary: Project CHOP is considering expanding its existing West Palm Beach facility to accommodate the relocation of its regional headquarters. The company plans to invest \$600,000 to build out and renovate an existing building and create 50 new jobs over a two (2) year period at an annualized average wage of \$50,675 and a medium wage of \$60,000. The company will retain 66 existing jobs for an additional five (5) years from the effective date of the agreement between the County and company. Other states under consideration by the company include Georgia.


The State of Florida is considering a \$250,000 incentive in the form of a Qualified Target Industry (QTI) Tax Refund. Of this amount, \$200,000 is from the State of Florida and \$50,000 is from local governmental entities. The local amount will be split equally between Palm Beach County and the City of West Palm Beach. The local match from Palm Beach County will be provided in the form of an economic development grant in an amount not to exceed \$25,000 over a period of five (5) years provided the project meets the requirements under the State of Florida. The cash grant will be paid according to the State's QTI refund schedule after the required jobs are created, 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. The five (5) year local economic impact is estimated to be \$257.2 Million. District 7 (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:		6/30/2016	
	Department Deputy Director	Date	

Approved By:		7-11-16	
	Assistant County Administrator	Date	

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Grant Expenditures	\$3,125	\$6,250	\$6,250	\$6,250	\$3,125
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$3,125	\$6,250	\$6,250	\$6,250	\$3,125

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

Fund _____ Dept _____ Unit _____ Object _____ Program Code/Period _____

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

The source of funds for the local financial support match is from general fund contingency reserves.

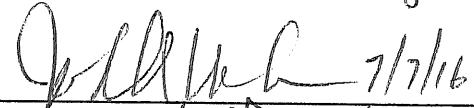
C. Departmental Fiscal Review:

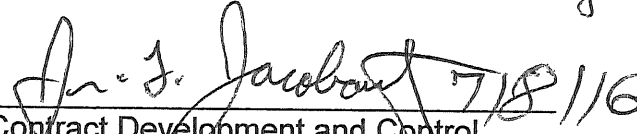

Shairette Major, Fiscal Manager II
6/30/16

III. REVIEW COMMENTS

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

This fiscal impact is conceptual. A budget transfer from contingency reserves will be brought back to the board with the formal agreement.


OFMB ET 7/6/16


Contract Development and Control 7/8/16

B. Legal Sufficiency:


Assistant County Attorney 7/8/16

C. Other Department Review:

Department Director

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

-RESOLUTION NUMBER R2016-_____

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT CHOP, 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 WITH HIGH-IMPACT SECTOR BONUS IN THE FORM OF A GRANT NOT TO EXCEED \$25,000; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, PROJECT CHOP is considering expanding its current operations in Palm Beach Gardens, Florida to relocate its Regional Headquarters; and

WHEREAS, the PROJECT will involve expansion and renovation of an existing building and purchasing of equipment; and

WHEREAS, PROJECT CHOP will create 50 new permanent full-time jobs in Palm Beach County within two (2) years at an average wage of \$50,675 excluding benefits, which is at least 115% greater than the average wage in the State of Florida and retain sixty six (66) jobs they currently employee in Palm Beach County; and

WHEREAS, Palm Beach County's Department of Economic Sustainability estimates that the proposed project would result in an economic impact of \$257.2 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 CHOP in the amount of \$25,000; 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 CHOP in the amount of \$25,000; and

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

WHEREAS, PROJECT CHOP 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 \$250,000 to PROJECT CHOP under the QTI Program; and

WHEREAS, PROJECT CHOP is aware that the award is contingent upon the company entering into a formal agreement with the County to create 50 permanent jobs at an average annual wage of \$50,675 within two (2) years, and maintain those new jobs for a period of five (5) years. Also the company will retain sixty-six (66) jobs they currently employee in Palm Beach County.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that the Board hereby recommends PROJECT CHOP, 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 CHOP in the amount of \$250,000, which includes \$150,000 for the Qualified Target Industry Tax Refund and \$100,000 for the High-Impact Sector Refund, and will be provided in the form of an Ad Valorem Tax Exemption granted to PROJECT CHOP pursuant to s.196.1995, Florida Statutes.

BE IT FURTHER RESOLVED, that the necessary local financial support for the Qualified Target Industry Tax Refund exists for PROJECT CHOP and may be provided in the form of an Economic Development Incentive (CASH) granted to PROJECT CHOP 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 _____, 20_____.

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