

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

Department:	Department of Economic Sustainability
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I. EXECUTIVE BRIEF

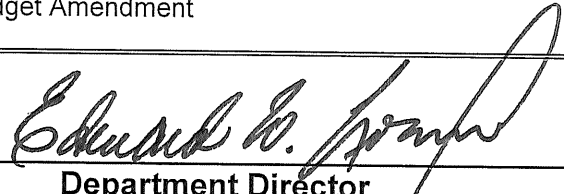

Motion and Title: Staff recommends motion to approve: **A)** an Economic Development Incentive Agreement with Sancilio & Company, Inc. (Company), for an incentive in the form of an \$82,500 local match paid according to the State’s schedule for the Qualified Target Industry Program, and an incentive with the Company in the amount not to exceed \$417,500 paid over a six (6) year period for the State Quick Action Closing Fund; **B)** a Budget Transfer of \$500,000 from the General Fund Contingency Reserves to the Department of Economic Sustainability Fund Economic Incentive Growth Program; and **C)** a Budget Amendment of \$500,000 in the Department of Economic Sustainability Fund to recognize the funds from the General Fund.

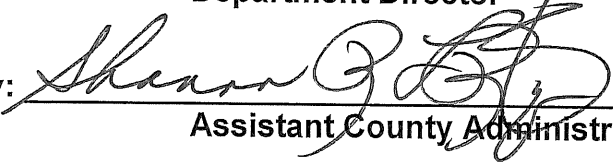
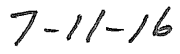
Summary: On March 10, 2015, the Board of County Commissioners conceptually approved (R2015-1355) an Economic Development Incentive for the Company totaling \$500,000. This Agreement discloses the name of the Company, Sancilio & Company, Inc., previously referred to as Project Pisces. The Agreement requires the Company to make a minimum \$6.5 Million capital investment, create 275 new full time jobs over a 50 month period starting March 1, 2015, at an average annualized wage of \$57,500 excluding benefits, and retain its 149 existing jobs. The Company will maintain the new and retained jobs for a period of five (5) years following the job creation period.

The State of Florida is providing the Company \$3,000,000 from the Quick Action Closing Fund (QACF) and \$825,000 in the form of a Qualified Target Industry (QTI) Tax Refund and has entered into agreements with the Company for both. The County and City of Riviera Beach (where the Company is located) are providing the required local QTI match of \$165,000 which will be split equally at \$82,500 from each. The County is also providing a local QACF incentive in the amount of \$417,500 and City of Riviera Beach is providing a local QACF incentive in the amount of \$167,500 for a total of \$585,000 in QACF local support. This project is expected to have a five (5) year economic impact of \$339 Million. The Company shall, without risk of violating any laws, make best efforts to develop and implement hiring policies that provide Palm Beach County residents preference in the hiring process. This Economic Development Incentive Grant will be secured by a Letter of Credit, Bond, Corporate Guarantee, or equivalent security. District 7 (JB)

Background and Justification: The Economic Development Incentive Grant will be used to offset significant capital costs required to renovate and equip the current facility in Palm Beach County.

- Attachments:**
- 1. Economic Development Incentive Grant Agreement with Sancilio & Company, Inc.
 - 2. Resolution R2015-1355
 - 3. Budget Transfer and Budget Amendment

Recommended By:		
	Department Director	Date

Approved By:		
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Grant Expenditures	83,335	83,333	83,333	83,333	83,333
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	83,335	83,333	83,333	83,333	83,333

# 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 general fund contingency reserve dollars as a cash grant match.

C. Departmental Fiscal Review:

Shairrette Major, Fiscal Manager II

III. REVIEW COMMENTS

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

John W. C.

OFMB ✓ 6/27 6/28 # 6/29

A. J. Jacobson 7/7/16
Contract Development and Control
7/7/16 *[Signature]*

B. Legal Sufficiency:

James Brad 7/8/16
Assistant County Attorney

C. Other Department Review:

Department Director

Economic Development Incentive Agreement

THIS AGREEMENT, dated as of this _____ day of _____, 2016, by and between **PALM BEACH COUNTY**, a political subdivision of the State of Florida, (hereinafter the "COUNTY") and **SANCILIO & COMPANY, INC.**, a Foreign For-Profit Corporation, whose Federal I.D. Number is 20-1747166, its successors and assigns (hereinafter referred to as the "COMPANY").

PART I RECITALS

WHEREAS, it is the policy of the COUNTY to encourage and stimulate economic growth in Palm Beach County by either attracting new businesses to Palm Beach County or by assisting local expanding businesses within Palm Beach County that would otherwise expand elsewhere; and

WHEREAS, the creation of new full time employment opportunities for residents of Palm Beach County and the tax revenues resulting from business relocation or expansion within Palm Beach County is beneficial to the local economy; and

WHEREAS, the State of Florida (State) has determined that counties may expend funds to attract and retain business enterprises, and that the use of public funds toward the achievement of such economic development goals constitutes a public purpose; and

WHEREAS, the COUNTY has determined that offering an Economic Development Incentive Grant encourages either existing businesses to remain and/or expand, or new businesses to establish a facility in Palm Beach County and thereby create employment opportunities for the residents of Palm Beach County; and

WHEREAS, the COMPANY is committing to expand its corporate operations in Riviera Beach through a total capital expenditure of approximately SIX MILLION FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000), and create two hundred seventy-five (275) new permanent full-time jobs over three (3) years at an annualized average wage of FIFTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$57,500) and retain its one-hundred forty-nine (149) existing jobs. The COMPANY is committing to maintain the new jobs for a period of five (5) years from the day each job is created; and

WHEREAS, the State has approved a Qualified Target Industry (QTI) Tax Refund for the COMPANY in the amount of EIGHT HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$825,000), and a Quick Action Closing Fund (QACF) for the COMPANY in the amount of THREE MILLION DOLLARS (\$3,000,000), both of which include local financial support; and

WHEREAS, the local match requirement for the QTI Tax Refund is ONE HUNDRED SIXTY-FIVE THOUSAND DOLLARS (\$165,000) of which the City of Riviera Beach will provide EIGHTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$82,500) and COUNTY will provide EIGHTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$82,500); and

WHEREAS, the local match requirement for the QACF is FIVE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$585,000) of which the City of Riviera Beach will provide ONE HUNDRED SIXTY-SEVEN THOUSAND DOLLARS (\$167,500) and COUNTY will provide FOUR HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$417,500); and

WHEREAS, the Board of County Commissioners on March 10, 2015 conceptually approved (R-2015-0355) an incentive in the form of a Job Growth Incentive Grant to COMPANY consisting of EIGHTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$82,500) as a portion of the local match for the State QTI Tax Refund, and of FOUR HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$417,500) as a portion of the local match of the State QACF; and

WHEREAS, the COUNTY finds and declares that it is in the public interest to award an Economic Development Incentive Grant to the COMPANY pursuant to the terms of this

Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants hereinafter contained, the parties agree as follows:

PART II DEFINITIONS

1. **Definitions**: The below terms as used in this Agreement shall mean:

A. **New Job**: Shall include an employee in a full-time job working a minimum of 2,080 hours annualized (inclusive of vacation, holidays, sick leave, and other paid activities), a Full-Time Equivalent Job or a Relocated Employee. Each New Job shall also:

(1) Result in a net increase in the number of the COMPANY'S Palm Beach County employees; and

(2) Involve only an employee working on-site at a COMPANY facility located in Palm Beach County.

B. **Full-Time Equivalent Job**: Shall mean any two or more part-time employees whose sum total work hours, inclusive of vacation and holidays, equals 2,080 hours annualized. Notwithstanding the foregoing, the 2,080 hours annualized shall be determined pursuant to the job requirement of the employee, and not the actual number of hours clocked at work, allowing for vacation, holiday and sick leave.

C. **Relocated Employee**: Shall mean either an employee in a full-time job working a minimum of 2,080 hours annualized (inclusive of vacation and holidays), or a Full Time Equivalent Job that is identified on the COMPANY'S payroll who transferred to the COMPANY'S facility in Palm Beach County from a COMPANY facility in a location other than one located in a county adjacent to the borders of Palm Beach County. Notwithstanding any provision in this Agreement to the contrary, for all purposes under this Agreement it shall be deemed that any employee in a full time job working a minimum of 2,080 hours annualized (inclusive of vacation and holidays), or a Full Time Equivalent Job that is identified on the COMPANY'S payroll, who transferred to the COMPANY'S facility in a location other than one located in a county adjacent to the borders of Palm Beach County prior to the Effective Date for the purpose of effectuating COMPANY'S facility in Palm Beach County is a Relocated Employee deemed to have transferred to Palm Beach County after the Effective Date and shall constitute a New Job.

D. **Full-Time Contract Employee**: Not Applicable.

E. **Annualized Average Wage**: Actual annual wage, salaries, and other payments for Full-Time Equivalent Jobs to be created under this Agreement as follows:

wages; salaries; commissions; bonuses; drawing accounts (advances to employees against future earnings); prizes and awards (if given by employer for employment); vacation pay; payment to employees of difference between regular pay and jury pay; payments to employees temporarily absent while in military service; wages earned before death but paid after death; dismissal pay; sick pay (not made under a plan or system); and supplemental payments (difference between workers' compensation and employee's salary).hours annualized (inclusive of vacation and holidays), or a Full-Time Equivalent Job that is identified on the COMPANY'S payroll, who transferred to the COMPANY'S facility in a location other than one located in a county adjacent to the borders of Palm Beach County prior to the Effective Date for the purpose of effectuating

COMPANY'S facility in Palm Beach County is a Relocated Employee deemed to have transferred to Palm Beach County after the Effective Date and shall constitute a New Job.

PART III WHOLLY OWNED SUBSIDIARIES

1. **Establishment of Wholly Owned Subsidiaries:** The COMPANY may create or purchase wholly owned subsidiaries in connection with activities undertaken by the COMPANY pursuant to this Agreement. All wholly owned subsidiaries, thus created or purchased, shall be under the full control of the COMPANY, and the COMPANY shall oblige all such wholly owned subsidiaries to comply with the requirements of this Agreement as provided for herein.
2. **Notification of Wholly Owned Subsidiaries:** The COMPANY shall, within thirty (30) days of its creation or purchase of a wholly owned subsidiary in connection with this Agreement, notify the COUNTY in writing of such wholly owned subsidiary by divulging to the COUNTY the name of such entity and the location of the entity's facilities, and the COMPANY shall provide the COUNTY, to the COUNTY'S satisfaction, documentation evidencing the COMPANY'S full control of such wholly owned subsidiary. Filing by COMPANY, or agents, with the Florida Department of State, Division of Corporations of notice of formation of such entity, listing COMPANY as owner, shall be sufficient to meet such notice requirement, provided COMPANY will provide any appropriate documentation to evidence wholly owned status upon request by COUNTY.
3. **Acceptance of Jobs Created by Subsidiaries:** The parties agree that all jobs created and maintained by the COMPANY's wholly owned subsidiaries that satisfy the requirements of paragraphs 1 and 2 of this Part III will be treated pursuant to this Agreement as jobs created and maintained by the COMPANY. COMPANY agrees that this Agreement is solely between COMPANY and COUNTY. In the event jobs created do not satisfy the requirements of paragraphs 1 and 2 of this Part III, COUNTY has the right, in its sole and absolute discretion to reject or accept any or all jobs created by COMPANY'S wholly owned subsidiaries.

PART IV COMPANY OBLIGATIONS

1. **New Job Creation:** The COMPANY shall create two hundred seventy-five (275) New Jobs within fifty (50) months of March 1, 2015, which is in accordance with Section 6. (a) and (b) of the State QTI Tax Refund Agreement and Section 7. (a) of the State QACF Agreement.
2. **Existing Job Retention:** The COMPANY shall retain one hundred forty-nine (149) existing jobs ("Retained Jobs") for five (5) years from March 1, 2015.
3. **New Job Maintenance:** The COMPANY shall maintain the required New Jobs for a period of five (5) years from the date each New Job was created.
4. **Salaries:** The COMPANY shall pay an Annualized Average Wage per annum equal to or greater than FIFTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$57,500), excluding benefits, for each New Job created under this Agreement
5. **Capital Investment:** The COMPANY shall make a minimum Capital Investment of SIX MILLION FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000) in Palm Beach County, Florida.

PART V PERFORMANCE PERIOD

1. **Effective Date:** This Agreement is expressly contingent upon the approval of the COUNTY Board of County Commissioners and the execution by all parties, and shall become effective on the date it is approved by the COUNTY Board of County Commissioners.

2. **Termination Date:** This Agreement shall terminate sixty six (66) months after the creation of the 275th New Job.

PART VI INCENTIVE AMOUNTS

1. **Quick Action Closing Funds (QACF):** The COMPANY is eligible to receive from the COUNTY, in the form of a cash subsidy, an amount not to exceed FOUR HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$417,500) paid according over six (6) years.
2. **Quick Action Closing Funds Distributions:** The COUNTY shall, upon receipt of an annual written request from the COMPANY, and based on the number of New Jobs reported by COMPANY on the Annual Job Creation and Maintenance Report that is required to be filed with the COUNTY under Part VIII.1 of this Agreement, disburse QACF program funds in the per job amount of ONE THOUSAND FIVE HUNDRED EIGHTEEN DOLLARS AND EIGHTEEN CENTS (\$1,518.18). The maximum amount that COUNTY would be obligated to disburse is FOUR HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED DOLLARS (\$417,500) with any amount less than the maximum being carried over to the next year until the maximum amount has been exhausted, provided it is within the six (6) year period. Excess funds will not be carried over beyond the sixth (6th) year.

As a prerequisite to making the initial disbursement of QACF program funds, the COUNTY shall have received a form of security, acceptable to COUNTY in its sole discretion, acting reasonably, as required herein.

3. **Qualified Target Industry (QTI) Tax Refund Program:** The COMPANY is eligible to receive from the COUNTY, in the form of a cash subsidy, an amount not to exceed EIGHTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$82,500) paid according to the schedule established by the State.
4. **Job Growth Incentive Grant Distributions as Match to State Qualified Target Industry (QTI) Tax Refund:** The COUNTY shall, upon receipt of an annual written request from the State, disburse Grant funds to the State according to the schedule established by State. The maximum amount that COUNTY is obligated to disburse is EIGHTY-TWO THOUSAND FIVE HUNDRED DOLLARS (\$82,500). Payment made to State under this section shall be paid to the COMPANY by State pursuant to a separate agreement between the State and the COMPANY as part of the local match required by the State. Payment of tax refunds for the State and local match are conditioned on and subject to pay amounts authorized in Section 288.106 Florida Statutes. As a prerequisite to making the initial disbursement of Grant funds, the COUNTY shall have received the required herein.
5. **Submission of Job Creation and Maintenance Reports:** As a prerequisite to making all disbursements of QACF program funds and QTI match funds, the COUNTY shall have determined that the COMPANY is in compliance with the terms of this Agreement, including, but not limited to, the COMPANY's submission of the Job Creation and Maintenance Reports required herein.
6. **Conditions Prior to Distribution of Grant Funds:** The COMPANY shall provide the COUNTY with performance security in the form of either a clean, irrevocable Letter of Credit or a Performance Bond. The COUNTY may, in its sole discretion, allow the COMPANY to provide a Corporate Guaranty as an alternate form of performance security. All forms of performance security shall be in compliance with the COUNTY policies and acceptable to the COUNTY in its sole discretion, acting reasonably. The security, in the amount of the requested disbursement pursuant to Part VI.2 and 4, shall be provided to the COUNTY as a precondition to the COUNTY making any disbursements contemplated herein.

The security shall remain in effect until the COUNTY has received the Final Job Creation and Maintenance Performance Audit and verified that the COMPANY has complied with the requirements outlined in this Agreement, or as indicated below.

Upon the COUNTY’S determination that the COMPANY has satisfactorily complied with the terms of this Agreement, the COUNTY shall notify the COMPANY that the security can be released.

In the event said New Jobs have been maintained for the five (5) years as required by Part IV.3 of this Agreement, COMPANY will be permitted to decrease the amount of the form of security hereunder by the per new job award amount ONE THOUSAND EIGHT HUNDRED EIGHTEEN DOLLARS and EIGHTEEN CENTS (\$1,818.18) provided that COMPANY first submits, and COUNTY approves, the required Annual Job Creation and Maintenance Report as it relates to those jobs maintained for the five (5) year period. Said Report shall be satisfactory to the COUNTY in its sole discretion, acting reasonably, verifying the COMPANY’s compliance with Part IV of this Agreement.

PART VII
ADVERTISING, RECRUITING AND JOB INFORMATION

1. **Job Advertising:** The COMPANY shall undertake advertising of the job openings in Palm Beach County to provide sufficient notice to Palm Beach County’s residents concerning the availability of COMPANY’S new positions. The advertising regarding the new jobs at COMPANY’S facility in Palm Beach County must be countywide, include Hispanic and Minority news venues, and not limited to a single advertisement.

2. **Job Availability:** The COMPANY shall coordinate with the following agencies regarding new job opportunities:
 - A. CareerSource Palm Beach County, Inc.
3400 Belvedere Road
West Palm Beach, FL 33406
Attention: Executive Director

 - B. West Career Center
1085 S Main Street
Belle Glade, FL 33430
Attention: Chairperson

3. **Low-income Residents:** The COMPANY shall make best efforts to provide low-income residents opportunities for training and employment at the COMPANY.

4. **Resident Preference:** The COMPANY shall, without risk of violating any laws, make best efforts to develop and implement hiring policies that provide Palm Beach County residents preference in the hiring process.

5. **Local Businesses:** The COMPANY shall, without risk of violating any laws, make best efforts to award contracts in connection with this Agreement to eligible business concerns located in or owned in substantial part by persons residing in Palm Beach County.

6. **Veterans Preference:** The COMPANY shall, without risk of violating any laws, make best efforts to develop and implement hiring policies that provide qualified Veterans preference in the hiring process.

7. **Transportation To And From Job Location:** The COMPANY shall provide the following information to employees it hires by posting such information on its web site or by providing in written form:
 - A. The bus stop location closest to COMPANY’S office;

 - B. The name and location of Tri-Rail train station closest to COMPANY’S office;

 - C. Information about COMPANY’S car pool program (if one exists); and

- D. Directions to COMPANY'S office from Interstate 95.

PART VIII AUDITS AND REPORTS

1. **Annual Job Creation and Maintenance Reports:** The COMPANY shall provide the COUNTY'S Department of Economic Sustainability (DES) with an Annual Job Creation and Maintenance Report, satisfactory to the COUNTY in its sole discretion, acting reasonably, verifying the COMPANY'S compliance with the requirements of PART IV of this Agreement. Such Annual Job Creation and Maintenance Report shall comply with the following:
 - A. Identify each job created and the date it was created.
 - B. Identify each job created and the duration of its maintenance period to date.
 - C. Identify each existing job retained and the duration of its maintenance period to date.
 - D. Report on the annualized average wage for New Jobs that were created and maintained.
 - E. Report on the number of Palm Beach County residents hired to date.
 - F. The Annual Job Creation and Maintenance Report shall be submitted to the COUNTY'S DES by the anniversary of the effective date of this Agreement.
2. **Final Job Creation and Maintenance Performance Audit:** The COMPANY shall provide the COUNTY'S DES a written Final Job Creation and Maintenance Performance Audit (hereinafter "Audit") satisfactory to the COUNTY in its sole discretion, acting reasonably, verifying the COMPANY'S compliance with the requirements of PART IV of this Agreement. Such Audit, which shall be prepared at the COMPANY'S sole cost and expense, shall comply with the following:
 - A. The Audit shall be conducted and prepared by a Certified Public Accountant (CPA) according to standards established by the American Institute of Certified Public Accountants and shall be submitted on the CPA's letterhead.
 - B. The CPA shall "examine" the COMPANY'S records, statements, and schedules and those of all wholly owned subsidiaries created or purchased by the COMPANY in connection with this Agreement, to verify the accuracy of the number of New Jobs created and maintained as required in Part IV of this Agreement, and to verify the annualized average wage for these New Jobs. The CPA shall express a written "opinion" in the Audit regarding the number of New Jobs created in compliance with this Agreement and the annualized average wage for these New Jobs, and the satisfaction of the maintenance requirement for the Retained Jobs.
 - C. The CPA's report shall attest to examining evidence supporting the COMPANY'S schedules of New Jobs and the annualized average wage of the New Jobs and those of the wholly owned subsidiaries stated immediately above.
 - D. The CPA's report must provide the annualized average wage for the category below:
 - (1) **All New Jobs:** Identify the annualized average wage of all New Jobs including all exempt and non-exempt employees and all officers and senior corporate executives that are included in the number of New Jobs to be created as required by this Agreement.
 - (2) **Low and Mid Echelon New Jobs Only:** Identify the average annualized wage of all New Jobs as stated above, excluding from

these calculations the average annual salary of all officers and senior corporate executives.

- E. The accuracy of the number, hire dates and annualized average wage of all New Jobs as represented by the COMPANY shall be verified in the Audit by the CPA to the COUNTY'S satisfaction.
- F. The Audit may be performed in conjunction with other auditing services.
- G. A report by a CPA that is a "review or agreed-upon procedures report" on the COMPANY'S representations shall not be deemed to meet the Audit requirements of this Agreement.
- H. The Audit shall be submitted to the COUNTY'S DES within sixty-three (63) months from the date the last New Job was created.

PART IX GENERAL CONDITIONS

1. **Obligation and Annual Appropriation:** The COUNTY'S obligation to pay under this Agreement is contingent upon annual appropriation for its purpose by the COUNTY. To the extent the annual appropriation amount is reduced, the corresponding obligation of the COMPANY shall be similarly and proportionately reduced.
2. **Non-Discrimination:** The COMPANY acknowledges that it is the express policy of the Board of County Commissioners of COUNTY, Florida that the COUNTY shall not conduct business with nor appropriate any funds to any organization that practices discrimination on the basis of race, color, ancestry, disability, national origin, religion, age, familial status, marital status, sex, gender, sexual orientation, gender identity and expression, or genetic information. In compliance with the COUNTY's requirements, the COMPANY has either submitted a copy of its written non-discrimination policy which is consistent with the policy detailed above, or has submitted an executed statement affirming that its non-discrimination policy is in conformance with the policy detailed above.

In furtherance of such policy, the COMPANY shall not, on the basis of race, color, ancestry, disability, national origin, religion, age, familial status, marital status, sex, gender, sexual orientation, gender identity and expression, or genetic information, exclude any person from the benefits of, or subject any person to discrimination under, any activity carried out by the performance of this Agreement. Upon receipt of evidence of such discrimination, the COUNTY shall have the right to terminate this Agreement.

3. **Workers' Compensation and Employers' Liability:** The COMPANY shall maintain Workers' Compensation Insurance & Employers' Liability in accord with Florida Statutes Chapter 440 for all jobs set forth in this Agreement. Coverage shall be provided on a primary basis.
4. **Convicted Vendor List:** As provided in F.S. 287.132-133, by entering into this Agreement or performing any work in furtherance hereof, the COMPANY certifies that it, and its subsidiaries who will perform hereunder, have not been placed on the Convicted Vendor List maintained by the State of Florida Department of Management Services within thirty-six (36) months immediately preceding the date of execution of this Agreement by the COUNTY. This notice is required by F.S. 287.133(3) (a).
5. **Successors and Assigns:** The COUNTY and the COMPANY each binds itself and its partners, wholly owned subsidiaries, successors, executors, administrators and assigns to the other party and to the partners, wholly owned subsidiaries, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement. Except as above, neither the COUNTY nor the COMPANY shall assign, sublet, convey or transfer its interest in this Agreement without the prior written consent of the other. Nothing herein shall be construed as

creating any personal liability on the part of any officer or agent of the COUNTY, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the COUNTY and the COMPANY. In the event that the COUNTY determines that the COMPANY is in violation of this paragraph, the COUNTY shall have the right to terminate this Agreement and to seek restitution of the funds paid by the COUNTY to the COMPANY.

6. **Name Change:** Prior to the COMPANY changing the name of the COMPANY the COMPANY shall immediately provide the COUNTY written notice regarding this change to COMPANY'S name.
7. **Material Change of Circumstances:** The COMPANY shall immediately notify the COUNTY of any material change of circumstances for the COMPANY'S business operations in Palm Beach County. For the purposes hereof, material change of circumstance shall include, but not be limited to, the failure of the COMPANY to diligently and actively pursue fulfillment of the terms hereof, the sale or transfer of COMPANY'S assets for the benefit of creditors, COMPANY'S relocation outside of Palm Beach County, the suspension, closing or cessation of operation of the COMPANY, voluntary or involuntary bankruptcy or an assignment for the benefit of the COMPANY'S creditors. In the event of a material change of circumstances, the COUNTY shall have the right to terminate this Agreement, whereupon the COUNTY shall have no further obligation to the COMPANY under this Agreement.
8. **Entire Agreement Between Parties:** The COUNTY and the COMPANY agree that this Agreement sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto. No provision of this Agreement is intended to, or shall be construed to create any third party beneficiary or to provide any rights to any person or entity not a party to this Agreement, including but not limited to any citizen or employees of the COUNTY and/or COMPANY.
9. **Waiver:** If the COUNTY shall waive any provisions of the Agreement, or shall fail to enforce any of the conditions or provisions of this Agreement, such waiver shall not be deemed to be a continuing waiver and shall never be construed as such; and the COUNTY shall thereafter have the right to insist upon the enforcement of such conditions or provisions.
10. **Invalid or Unenforceable Terms:** If any term or provision of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such terms or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Agreement shall be deemed valid and enforceable to the extent permitted by law.
11. **Performance Time and Liability:** The parties expressly agree that time is of the essence in this Agreement and the failure by a party to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall, at the option of the other party without liability, in addition to any other rights or remedies, relieve the other party of any obligation to accept such performance.
12. **Defaults:** The occurrence of any one or more of the following events shall constitute a Default hereunder:
 - A. Vacating, abandoning, or closing the COMPANY'S business.
 - B. Relocating the COMPANY'S business in Palm Beach County outside Palm Beach County.
 - C. Failure of the COMPANY to submit an acceptable form of performance security to the COUNTY and to maintain the security in effect for the period set forth in this Agreement.

- D. Failure of the COMPANY to create the number of New Jobs as required in this Agreement.
- E. Failure of the COMPANY to maintain the required number of New Jobs for each job's required maintenance period.
- F. Failure of the COMPANY to maintain the Retained Jobs for the required time period.
- G. Failure of the COMPANY to make the capital investments required.
- H. Failure of the COMPANY to submit to the COUNTY the Annual Job Creation and Maintenance Report and/or the Audit as required in this Agreement.
- I. Failure of the COMPANY to observe or perform any of the terms, covenants, conditions, obligations, or provisions of this Agreement to be observed or performed by the COMPANY where such failure continues for a period of thirty (30) days after written notice thereof from the COUNTY to the COMPANY; provided, however, that if the nature of COMPANY'S default is such that more than thirty (30) days are reasonably required for its cure, then COMPANY shall not be deemed to be in default if the COMPANY commenced such cure within said thirty (30) day period and thereafter diligently pursues such cure to completion.
- J. The making by the COMPANY of any general assignment, or general arrangement for the benefit of creditors.
- K. The filing by or against COMPANY of a petition to have the COMPANY adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against COMPANY, the same is dismissed within sixty (60) days).
- L. The appointment of a trustee or receiver to take possession of substantially all of COMPANY'S assets where possession is not restored to COMPANY within forty-five (45) days.
- M. The attachment, execution or other judicial seizure of substantially all of COMPANY'S assets located within Palm Beach County where such seizure is not discharged within forty-five (45) days.
- N. The discovery by the COUNTY that any financial statement relating to this Agreement given to the COUNTY was materially false.

13. **Remedies:** In the event of a Default by the COMPANY, the COUNTY may at any time thereafter, terminate this Agreement. In such event, the COUNTY shall be entitled to recover immediately upon demand from the COMPANY or any party joining in or consenting to this Agreement, all sums paid by the COUNTY to the COMPANY, or to the State of Florida, as applicable, pursuant to this Agreement. Except as set forth in Part IX Subpart 12, Subsections J, K, and L, COMPANY shall be granted thirty (30) days from notification of default to cure any deficiency that triggered said default.

14. **Law and Remedy:** This Agreement shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Agreement shall be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

15. **Regulations:** The COMPANY shall comply with all laws, ordinances and regulations applicable to the services contemplated herein, to include conflict of interest and collusion. The COMPANY is presumed to be familiar with all federal, state and local

laws, ordinances, codes and regulations that may affect the services offered.

16. **Headings**: The headings of the sections, paragraphs, divisions, subdivisions, part and subparts of this Agreement are for the convenience of reference only, and shall not limit or otherwise affect any of the terms hereof.
17. **Number and Gender**: Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the others and shall apply jointly and severally.
18. **Access To Records**: Upon thirty (30) business days notice and at any time during normal business hours and as often as the COUNTY deems necessary, there shall be made available by the COMPANY to the COUNTY for examination, all its records with respect to all matters covered by this Agreement. The COUNTY reserves the right to conduct an inspection of the COMPANY'S records regarding performance measures with respect to matters covered by this Agreement at any time for any period covered by this Agreement. In making any request for records, the COUNTY shall construct the request as narrowly as possible so as to avoid any undue burden on the COMPANY.
19. **Office Of The Inspector General**: COUNTY has established the Office of Inspector General in COUNTY Code, Section 2-421 - 2-440, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed COUNTY contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of the COMPANY, and its wholly owned subsidiaries, its officers, agents, employees, and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud. Failure to cooperate with Inspector General or interfering with or impeding any investigation shall be in violation of COUNTY Code, Section 2-421 – 2-440, and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.
20. **Indemnification And Hold Harmless**: The COMPANY agrees to protect, defend, reimburse, indemnify and hold the COUNTY, its agents, its employees and elected officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages, including attorney's fees, and causes of action of every kind and character against and from the COUNTY which arise out of this Agreement. The COMPANY recognizes the broad nature of this indemnification and hold harmless clause, and voluntarily makes this covenant and expressly acknowledges the receipt of good and valuable consideration provided by the COUNTY in support of this clause in accordance with the laws of the State of Florida. This Paragraph shall survive the termination of the Agreement.
21. **Notices**: All notices from the COMPANY to the COUNTY and the COUNTY to COMPANY required or permitted by any provision of this Agreement shall be in writing and sent by registered or certified mail and addressed as follows:

TO COUNTY: DEPARTMENT OF ECONOMIC SUSTAINABILITY
 100 Australian Avenue, 5th Floor
 West Palm Beach, FL 33406
 Attn: Sherry Howard, Deputy Director

With a copy to: Board of County Commissioners
 c/o Palm Beach County Attorney's Office
 301 N. Olive Avenue, Suite 601
 West Palm Beach, FL 33401
 Attn: James Brako, Assistant County Attorney

TO COMPANY: SANCILIO & COMPANY, INC.
 3874 Fiscal Court, Suite 200
 Riviera Beach, FL 33404
 Attn: Frederick D. Sancilio, President and CEO

With a copy to: Sancio & Company, Inc.
2129 N. Congress Ave.
Riviera Beach, FL 33404
Attn: Legal Department

Such addresses may be changed by written notice to the other party.

22. **Third Party Beneficiaries:** No provision of this Agreement is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Agreement, including but not limited to any citizen or employees of the COUNTY and/or COMPANY.
23. **Counterparts:** This Agreement, consisting of fourteen (14) enumerated pages, which include the exhibits referenced herein, may be executed in one or more counterparts, all of which shall constitute collectively but one and the same instrument.
24. **Force Majeure:** If COMPANY shall be delayed or hindered in or preventing from the performance of any act required hereunder by reason of strike, lockouts, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, terrorism, fire or other casualty, or other reason of a similar or dissimilar nature beyond the reasonable control of the COMPANY, then performance of any such act shall be extended for a period equivalent to the period of such delay without jeopardizing the continuation of the exemption.

PART X REQUIREMENTS APPLICABLE TO WHOLLY OWNED AFFILIATES

In addition to instances where the requirements of this Agreement are expressly set forth to be applicable to wholly owned subsidiaries of the COMPANY, the requirements of the below listed Parts and Subparts shall also apply to all such wholly owned subsidiaries:

- A. PART IV: Subparts 1, 2, 3 and 4.
- B. PART VI: Subparts 1, 2, 3, 4, 5 and 6.
- C. PART VII: Subparts 1, 2, 3, 4, 5, 6 and 7.
- D. PART IX: Subparts 2, 3, 4, 6, 7, 12, 15, 18, 19, and 20.

IN WITNESS WHEREOF, the COMPANY and the COUNTY have caused this Agreement to be executed on the date first above written.

Signed, sealed and delivered
in the presence of:

**SANCILIO & COMPANY, INC., a
Foreign For-Profit Corporation authorized
to do business in the State of Florida**

Witnesses:

[Signature]
Witness Signature

Christina Grindle
Print Witness Name

[Signature]
Witness Signature

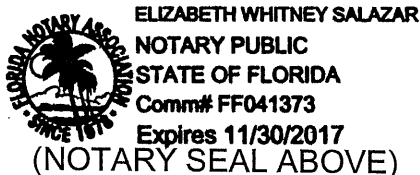
Tanya Shapiro-Potzer
Print Witness Name

By: [Signature]
(Officer/Member)

By: [Signature]
(Officer/Member)

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 17TH day of JUNE, 2016, by DR. FRED SANCILIO, who is personally known to me, or who produced _____ as identification and who did/did not take an oath.

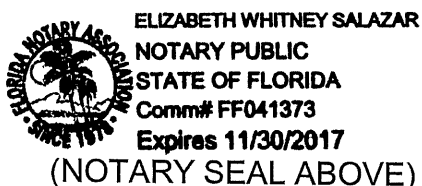


Signature: [Signature]

Notary Name: ELIZABETH WHITNEY SALAZAR
Notary Public - State of Florida

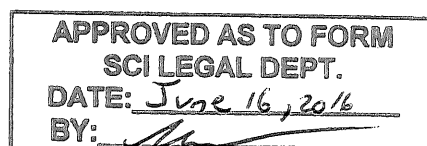
STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 17TH day of JUNE, 2016, by MARC WOLFF, who is personally known to me, or who produced _____ as identification and who did/did not take an oath.



Signature: [Signature]

Notary Name: ELIZABETH WHITNEY SALAZAR
Notary Public - State of Florida



(COUNTY SEAL BELOW)

**PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of Florida**
BOARD OF COUNTY COMMISSIONERS

ATTEST: Sharon R. Bock,
Clerk & Comptroller

By: _____
Shelley Vana, Mayor

By: _____
Deputy Clerk

Document No.: _____

Approved as to Form
And Legal Sufficiency

Approved as to Terms and Conditions
Department of Economic Sustainability

By: _____
James Brako,
Assistant County Attorney

By: _____
Sherry Howard,
Deputy Director

(COUNTY SEAL BELOW)

**PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of Florida**
BOARD OF COUNTY COMMISSIONERS

ATTEST: Sharon R. Bock,
Clerk & Comptroller

By: _____
Mary Lou Berger, Mayor

By: _____
Deputy Clerk

Document No.: _____

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Department of Economic Sustainability

By: _____
James Brako
Assistant County Attorney

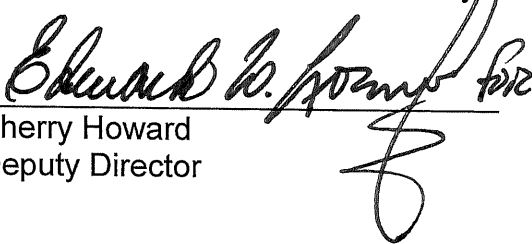
By:  _____
Sherry Howard
Deputy Director

EXHIBIT A

**ECONOMIC DEVELOPMENT INCENTIVE GRANT AGREEMENT BETWEEN
PALM BEACH COUNTY AND SANCILIO & COMPANY, INC.**

COMPANY IDENTIFICATION AND INFORMATION

QACF application date:

December 12, 2014

Company Name:

Sancilio & Company, Inc.

Addresses of the company's current facilities in Palm Beach County:

2129 N. Congress Ave.
Riviera Beach, FL 33404

3874 Fiscal Court,
Suite 200
Riviera Beach, FL 33404

Products/services to be provided from the company's facility in Palm Beach County:
Manufacturing

Business Type: Pharmaceutical

State of Florida Status: Active

State of Florida Filing Date:

01/04/2013

Qualification #: F13000000049

Federal ID Number: 20-1747166

RESOLUTION NUMBER R2015- 0355

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT PISCES, 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 NOT TO EXCEED \$82,500.

WHEREAS, PROJECT PISCES is considering expanding their headquarters in Riviera Beach, Florida; and

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

WHEREAS, PROJECT PISCES will create 275 new permanent full-time jobs in Palm Beach County at an average wage of \$57,500, excluding benefits, which is at least 115% greater than the average wage in the State of Florida, and will retain 149 existing jobs; and

WHEREAS, Palm Beach County's Department of Economic Sustainability estimates that the proposed project would result in an economic impact of \$339 Million over five (5) years; and

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

WHEREAS, PROJECT PISCES 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, Palm Beach County has determined that it will provide one half of the local financial support in the form of a Job Growth Incentive Grant to PROJECT PISCES in the amount of \$82,500; and

WHEREAS, the City of Riviera Beach has determined that it will provide one half of the local financial support in the form of a Job Growth Incentive Grant to PROJECT PISCES in the amount of \$82,500; and

WHEREAS, the State of Florida has committed to provide \$825,000 to PROJECT PISCES under the QTI Program; and

WHEREAS, PROJECT PISCES is aware that the award is contingent upon the company entering into a formal agreement with the County to create 275 permanent jobs at an average annual wage of \$57,500 within three (3) years of the effective date of the agreement and retain 149 existing jobs, and maintain those new and retained 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 PISCES, 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 one half of the local financial support for the Qualified Target Industry Tax Refund exists in the amount of \$82,500 from Palm Beach County, and one half from the City of Riviera Beach in the amount of \$82,500, which amounts 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 **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 Burdick, who moved its adoption. The motion was seconded by Commissioner Taylor, and being put to vote, the vote was as follows:

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

The Mayor thereupon declared the Resolution duly passed and adopted this 10th day of March, 2015.

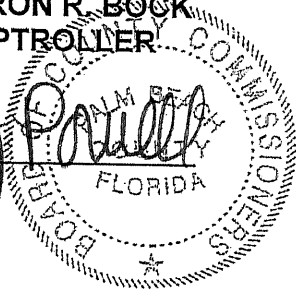
**PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS**

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY**

By: James Brako
James Brako
Assistant County Attorney

**ATTEST: SHARON R. BOCK
CLERK & COMPTROLLER**

By: Nancy Powell
Deputy Clerk



2016-

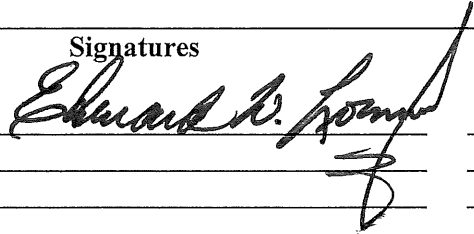
BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET TRANSFER

BGEX 143-062116*01535

FUND 0001 General Fund

Use this form to provide budget for items not anticipated in the budget.

ACCT.NUMBER ACCOUNT NAME		ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 6/21/16	REMAINING BALANCE
<u>EXPENDITURES</u>								
820-9100-9099	Tr To Economic Development Fd 1539	3,604,859	4,354,859	500,000		4,854,859	2,291,483	2,563,376
820-9900-9901	Contingency Reserves	20,775,190	19,146,901		500,000	18,646,901	0	
				500,000	500,000			
TOTALS								

Administration	Signatures	Date
INITIATING DEPARTMENT/DIVISION		6/24/2016
Administration/Budget Department Approval		
OFMB Department - Posted		

By Board of County Commissioners
At Meeting of
July 12, 2016
Deputy Clerk to the
Board of County Commissioners

2016 -


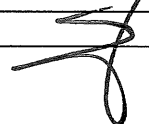
BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET AMENDMENT

BGEX 143-062116*01536
BGRV 143-062116*00494

FUND 1539 Economic Development Office

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 6/21/16	REMAINING BALANCE
REVENUES								
800-8000-8000	Tr Fr General Fund 0001	3,604,859	4,354,859	500,000	0	4,854,859		
Total Receipts and Balances		5,322,009	6,126,748	500,000	0	6,626,748		
EXPENDITURES								
143-1148-8201	Contributions-Non Gov't Agency	0	0	500,000	0	500,000	0	500,000
Total Appropriations & Expenditures		5,322,009	6,126,748	500,000	0	6,626,748		

DEPARTMENT OF ECONOMIC SUSTAINABILITY
INITIATING DEPARTMENT/DIVISION
Administration/Budget Department Approval
OFMB Department - Posted

Signatures & Dates
 6/24/2016


By Board of County Commissioners
At Meeting of:
July 12, 2016
Deputy Clerk to the
Board of County Commissioners