Agenda Item #:



PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting [Date:
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April 4, 2017

[] Consent [] Ordinance [X] Regular

[] Public Hearing

Submitted by:

Department of Economic Sustainability

Submitted for:

County Administration

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A) adopt a Resolution by the Board of County Commissioners of Palm Beach County, Florida, recommending approval of Project Blue Heron, a company authorized to do business in the State of Florida, as a Qualified Target Industry (QTI) business pursuant to s.288.106, Florida Statutes; providing for local financial support for the Qualified Target Industry Tax Refund Program not to exceed \$40,000; and providing for an effective date; and
- B) conceptually approve an Economic Development Incentive for Project Blue Heron in the form of a cash incentive not to exceed \$40,000 over five (5) years.

Summary: Project Blue Heron is considering maintaining and expanding its Palm Beach County service location to expand its operations in anticipation of substantial growth. We understand the project will invest \$25 Million to lease, renovate, and equip a 115,000 square foot facility and create 50 new jobs over a one (1) year period at an annualized average wage of \$73,685 and a median wage of \$65,000. The company will retain 116 existing jobs. The five (5) year local economic impact is estimated to be \$127.6 Million.

The Company is being offered a \$200,000 incentive in the form of a Qualified Target Industry (QTI) Tax Refund. Of this amount, \$160,000 is from the State of Florida and the required local match from Palm Beach County is a \$40,000 cash grant. The incentive will be provided over a period of four (4) years provided the project meets the State's requirements. The County's grant will be paid according to the State's QTI Refund Schedule and will be secured by a letter of credit or bond. The company will be required to enter into a formal agreement memorializing their commitments and establishing terms under which the local match will be provided. At such time the company name will be disclosed. Other states under consideration by the company include California, Texas and Georgia. District 2 (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 of County Commissioners' 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:

- 1. Administration Letter of Support
- 2. Resolution

Recommended By:	Sherrig House of	3-10-17	
Ammound Day	Department Director	Date	
Approved By:			
	Assistant County Administrator	Date	

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fisc	cal Years	2017	2018	2019	2020	2021
Gra	nt-Expenditures	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Оре	erating Costs					
Exte	ernal Revenues					
Prog	gram Income					
In-K	(ind Match (County)					
NET	FISCAL IMPACT	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
	DDITIONAL FTE SITIONS (Cumulative)					
l s Ite Budg	em Included In Curre jet Account No.:	nt Budget?	Yes I	NoX		
Fund	Dept U	nit Obje	ect Pro	ogram Code	/Period	
В.	Recommended So	urces of Fund	ls/Summary o	of Fiscal Im	pact:	
	The source of funds Development Incen	s is from the ge tive match.	neral fund cor	ntingency re	serves for th	ne Econom
С.	Departmental Fisc	al Review:	Bu	20		
		_	Beverley Reid	, Fiscal Man	ager l	
۹.	OFMB Fiscal and/o		EW COMMEN		Comments	
	OFMB		Contrac	ct Developm	ent and Cor	ntrol
3.	Legal Sufficiency:					
	Assistant County At	torney	_			
S.	Other Department	Review:				

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

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT BLUE HERON, A COMPANY AUTHORIZED TO DO BUSINESS IN THE STATE OF FLORIDA, AS A QUALIFIED TARGET INDUSTRY (QTI) BUSINESS PURSUANT TO s.288.106, FLORIDA STATUTES; PROVIDING FOR LOCAL FINANCIAL SUPPORT FOR THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM NOT TO EXCEED \$40,000; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, PROJECT BLUE HERON is considering maintaining and expanding its Palm Beach County operations in anticipation of substantial growth; and

WHEREAS, the PROJECT BLUE HERON will involve the leasing and renovation of a 115,000 square feet facility; and the purchase of machinery and equipment; and

WHEREAS, PROJECT BLUE HERON will create 50 new permanent full-time jobs in Palm Beach County at an average wage of \$73,685 excluding benefits, which is at least 150% or greater than the average wage in the State of Florida; and

WHEREAS, Palm Beach County's Department of Economic Sustainability estimates that the proposed project would result in an economic impact of \$127.6 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, Palm Beach County has determined that it will provide the required 20% of local financial support in the form of a Economic Development Grant to PROJECT BLUE HERON in the amount of \$40,000; and

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

WHEREAS, PROJECT BLUE HERON 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 Economic Development 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, PROJECT BLUE HERON 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 \$73,685 within a year, and maintain those new jobs for a period of five (5) years.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that the Board hereby recommends PROJECT BLUE HERON, 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 cash commitment of local financial support for the Qualified Target Industry Tax Refund Program exists for PROJECT BLUE HERON in the amount of \$40,000; that local financial support for the Qualified Target Industry Tax Refund in the amount of \$40,000 will be provided from Palm Beach County, which amount 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 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 150% or greater than the State's average annual wage.

This resolution shall take effect imm	ediately upon its adoption.
The foregoing Resolution was offered its adoption. The motion was seed being put to vote, the vote was as for	ed by Commissioner, who moved conded by Commissioner, and collows:
Commissioner Paule Commissioner Meliss Commissioner Hal R Commissioner Dave Commissioner Steve Commissioner Mary Commissioner Mack	sa McKinlay, Vice Mayor Valeche Kerner n L. Abrams
The Mayor thereupon declared the day of, 2017.	Resolution duly passed and adopted this
	PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS
APPROVED AS TO FORM AND LEGAL SUFFICIENCY	ATTEST: SHARON R. BOCK CLERK & COMPTROLLER
By: James Brako Assistant County Attorney	By: Deputy Clerk