PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:

November 7, 2017

[] Consent

[X] Regular

[] Public Hearing

Submitted by:

[] Ordinance Department of Housing and 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 Cane, 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 \$64,800, and providing for an effective date; and

B) conceptually approve an Economic Development Incentive for Project Cane in the form of a cash incentive over eight (8) years, in an amount not to exceed \$64,800.

Summary: Project Cane, a provider of information technology consulting services, is contemplating expanding its corporate headquarters in Palm Beach County or moving to Georgia, Tennessee or North Carolina. The project will invest \$200,000 to equip a 7,500 square foot facility and create 108 new jobs over a five (5) year period at an annualized average wage of \$75,987. The project also will retain 16 existing jobs. The estimated five (5) year local economic impact is \$79,500,000.

The business qualifies for the Qualified Target Industry (QTI) Tax Refund program which continues to be funded by the Florida Legislature. The Company is being offered a \$648,000 incentive. Of this amount, \$518,400 is from the State of Florida and \$129,600 is a required match from local government entities. Palm Beach County and the Town of Lake Park will equally share the required local match. The Palm Beach County portion of the local match will be provided as a cash grant in an amount not to exceed \$64,800. The incentive will be provided over a period of eight (8) years provided the project meets the State of Florida requirements. The Palm Beach County 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 disbursed. The company name will be disclosed at such time. District 1 (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 Commissioner'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
- 2. Letter of Support

Recommended By:

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2018	2019	2020	2021	2022
Grant Expenditures	\$2,250	\$5,850	\$9,000	\$12,600	\$ 13,950
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$2,250	\$5,850	\$9,000	\$12,600	\$13,950

1	DITIONAL FTE ITIONS (Cumulative)				
Is Item Included In Current Budget? Yes NoX Budget Account No.:					
Fund	Dept Unit Object Program Code/Period				
B. Recommended Sources of Funds/Summary of Fiscal Impact:					
The source of funds is from the general fund contingency reserve for the Economic Development Incentive.					
C.	Departmental Fiscal Review: Beverley Reid, Fiscal Manager I				
	III. REVIEW COMMENTS				

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

OFMB IR 10/13 Contract Development Policy:

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director

RESOLUTION NUMBER R2017-____

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT CANE, 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 \$64,800; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, PROJECT CANE is considering expanding its corporate headquarters for its Information Technology consulting and support company in Lake Park, Florida; and

WHEREAS, PROJECT CANE will involve the purchase of equipment for a 7,500 square foot facility; and

WHEREAS, PROJECT CANE will create 108 new permanent full-time jobs in Palm Beach County at an average wage of \$75,987 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 Housing and Economic Sustainability estimates the proposed project would result in an economic impact of \$79,500,000 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 Town of Lake Park has determined it will provide one half of the required local financial support to PROJECT CANE in the amount of \$64,800; and

WHEREAS, Palm Beach County has determined it will provide one half of the required local financial support in the form of an Economic Development Incentive Grant to PROJECT CANE in the amount of \$64,800; and

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

WHEREAS, PROJECT CANE 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 CANE is aware that the award is contingent upon the company entering into a formal agreement with the County to create 108 permanent jobs at an average annual wage of \$75,987 within five (5) years, retain 16 existing jobs, and maintain those new and existing jobs for a period of five (5) years; and

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that the Board hereby recommends PROJECT CANE, 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 CANE in the amount of \$129,600; that one half of the required local financial support in the amount of \$64,800 will be provided from Palm Beach County and one half of the required local financial support in the amount of \$64,800 will be provided from the Town of Lake Park, 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 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 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 Paulette Burdick, Mayor Commissioner Melissa McKinlay, Vice Mayor Commissioner Hal R. Valeche **Commissioner Dave Kerner** Commissioner Steven L. Abrams Commissioner Mary Lou Berger **Commissioner Mack Bernard** The Mayor thereupon declared the Resolution duly passed and adopted this day of ______, 2017. PALM BEACH COUNTY, FLORIDA, BY ITS **BOARD OF COUNTY COMMISSIONERS** APPROVED AS TO FORM AND ATTEST: SHARON R. BOCK LEGAL SUFFICIENCY **CLERK & COMPTROLLER** By:__ By: James Brako Deputy Clerk

Assistant County Attorney



Department of Housing and Economic Sustainability

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Palm Beach County Board of County Commissioners

Paulette Burdick, Mayor

Melissa McKinlay, Vice Mayor

Hal Valeche

Dave Kerner

Steven L. Abrams

Mary Lou Berger

Mack Bernard

County Administrator

Verdenia C. Baker

"An Equal Opportunity Affirmative Action Employer" September 22, 2017

Ms. Kelly Smallridge, President and CEO Business Development Board of Palm Beach County, Inc. 310 Evernia Street West Palm Beach, FL 33401

Dear Ms. Smallridge:

Palm Beach County is pleased with the efforts of Project Cane to expand its corporate headquarters in Palm Beach County. We understand the project will invest \$200,000 to equip a 7,500 square foot facility and create 108 new jobs over a five-year period at an annualized average wage of \$75,987. We estimate the economic impact of the project on Palm Beach County's local economy will be \$79,500,000 million over five years.

The State of Florida is considering a \$648,000 incentive package in Qualified Target Industry (QTI) tax refunds. Of this amount, \$518,400 is from the State of Florida and \$129,600 is the required local match from local governmental entities, split equally between Palm Beach County and the Town of Lake Park.

Based on the information provided, the Department of Housing and Economic Sustainability is willing to recommend to the Board of County Commissioners approval of an Economic Development Incentive of up to \$64,800 in the form of a cash incentive over an eight-year period to satisfy the local match requirement.

The County reserves the right to modify or withdraw our recommendation should we become aware of any information that would have affected our decision had such information been disclosed to us at the time of our consideration. In addition, please understand this is only a recommendation and would require a favorable vote by the Board of County Commissioners after negotiation of a formal agreement.

I look forward to further discussions on this exciting subject. Should you have any questions or need any additional information, please do not hesitate to contact me directly at (561) 233-3602.

Best Regards,

Jonathan B. Brown

Director

Department of Housing and Economic Sustainability

cc: Sherry Howard, Deputy Director, Department of Housing and Economic Sustainability