

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

<b>Meeting Date:</b>	<b>February 6, 2018</b>	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
<b>Submitted by:</b>	<b>Department of Housing and Economic Sustainability</b>		
<b>Submitted for:</b>	<b>County Administration</b>		

**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to:

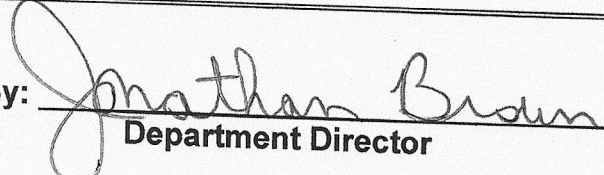
- A) adopt** a Resolution by the Board of County Commissioners of Palm Beach County, Florida, recommending approval of Project Cane, a company authorized to do business in the State of Florida, as a Qualified Target Industry (QTI) business pursuant to s.288.106, Florida Statutes; providing for local financial support for the Qualified Target Industry Tax Refund Program not to exceed \$54,000; repealing and replacing Resolution 2017-1705; providing for severability; 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 \$54,000.

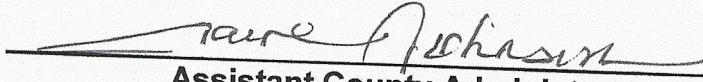
**Summary:** On November 7, 2017, the Board of County Commissioners adopted Resolution R2017-1705 recommending approval of an economic incentive to Project Cane in an amount not to exceed \$64,800. The incentive amount was calculated based the creation of 108 new jobs with an annual average wage of \$75,987 which is 150% of the average wage in the State of Florida. However, the average wage was recalculated to exclude executive salaries for existing jobs. Revised salary calculations including only the 108 new jobs, reduces the annual average wage to \$58,257 which is 115% of the average wage in the State of Florida. As a result, the incentive award, including the state award and required local match, is reduced from \$648,000 to \$540,000. 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 \$58,257. 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 \$540,000 incentive. Of this amount, \$432,000 is from the State of Florida and \$108,000 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 \$54,000. 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:** (Continued on Page 3)

**Attachment(s):**  
1. Resolution

**Recommended By:**  **Jonathan Braun** **Department Director** **1/16/18**  
**Date**

**Approved By:**  **Laura Johnson** **Assistant County Administrator** **1/16/18**  
**Date**

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	2018	2019	2020	2021	2022
Grant Expenditures	\$0	\$1,625	\$3,750	\$6,500	\$9,750
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
<b>NET FISCAL IMPACT</b>	<b>\$0</b>	<b>\$1,625</b>	<b>\$3,750</b>	<b>\$6,500</b>	<b>\$9,750</b>

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes  No   
 Does this Item include the use of Federal funds? Yes  No

Budget Account No.:

Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_ Program Code/Period \_\_\_\_\_

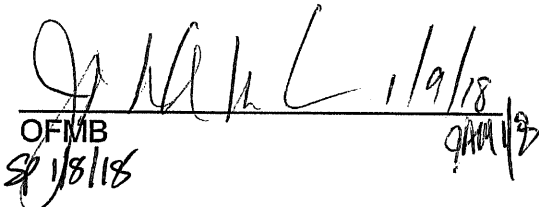
**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

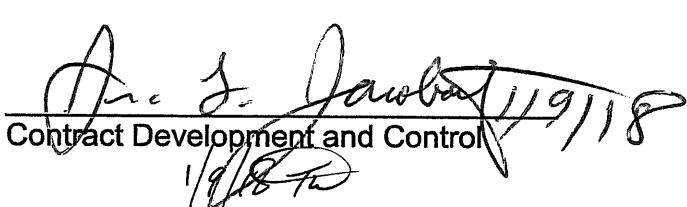
The source of funds is from the general fund contingency reserve dollars for the Economic Development Incentive match. The annual fiscal impact will be over eight (8) years not-to-exceed \$54,000; therefore, in addition to the annual allocations above, FY 2023 = \$11,875; FY 2024 = \$9,750; FY 2025 = \$7,000; and, FY 2026 = \$3,750.

**C. Departmental Fiscal Review:**   
 Beverley Reid, Fiscal Manager I

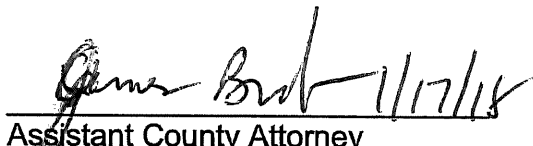
**III. REVIEW COMMENTS**

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

 1/9/18  
 OFMB  
 1/8/18

 1/9/18  
 Contract Development and Control  
 1/8/18

**B. Legal Sufficiency:**

 1/17/18  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

**Background and Justification:** (Continued from Page 1)

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.

RESOLUTION NUMBER R2018-\_\_\_\_\_

**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 \$54,000; REPEALING AND REPLACING RESOLUTION R2017-1705; PROVIDING FOR SEVERABILITY; 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 \$58,257 excluding benefits, which is at least 115% 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 \$54,000; 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 \$54,000; 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 \$58,257 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 repeals and replaces Resolution R2017-1705.

**BE IT FURTHER RESOLVED,** 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 \$108,000; that one half of the required local financial support in the amount of \$54,000 will be provided from Palm Beach County and one half of the required local financial support in the amount of \$54,000 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 115% or greater than the State's average annual wage.

**Section 1. EFFECTIVE DATE**

This resolution shall take effect immediately upon its passage and adoption.

**Section 2. SEVERABILITY**

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

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:

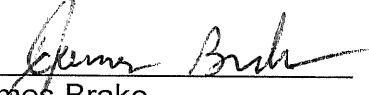
- Commissioner Melissa McKinlay, Mayor - \_\_\_\_\_
- Commissioner Mack Bernard, Vice Mayor - \_\_\_\_\_
- Commissioner Hal R. Valeche - \_\_\_\_\_
- Commissioner Paulette Burdick - \_\_\_\_\_
- Commissioner Dave Kerner - \_\_\_\_\_
- Commissioner Steven L. Abrams - \_\_\_\_\_
- Commissioner Mary Lou Berger - \_\_\_\_\_

The Mayor thereupon declared the Resolution duly passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

**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