

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2018	2019	2020	2021	2022
Capital Expenditures	\$0	\$5,775	\$11,550	\$17,500	\$17,500
Operating Costs					
External Revenues		\$108,333	\$108,333	\$108,333	\$108,333
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT					

# ADDITIONAL FTE POSITIONS (Cumulative)	\$0	\$114,108	\$119,883	\$125,833	\$125,833
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Is Item Included In Current Budget? Yes ___ No X
 Does this Item include the use of Federal Funds? Yes ___ No X

Budget Account No.:

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

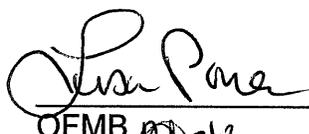
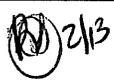
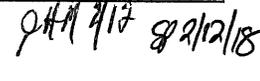
B. Recommended Sources of Funds/Summary of Fiscal Impact:

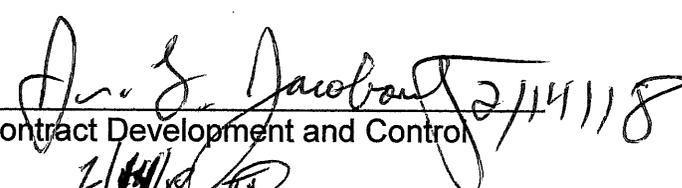
The source of the cash grant is from the general fund contingency reserve for the Economic Development Incentive Program. The annual fiscal impact is over (6) years not-to-exceed \$70,000; therefore, in addition to the allocations above, FY 2023 = \$11,725; and, FY 2024 = \$5,950. The impact on tax collections for the ad valorem tax exemption portion of this incentive has been estimated above. The estimated annual tax exemption for FY 2023 = \$108,334; and, FY 2024 = \$108,334.

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

III. REVIEW COMMENTS

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

 2/13/18
 OFMB  2/13/18  2/12/18

 2/14/18
 Contract Development and Control  2/14/18

B. Legal Sufficiency:

 2/15/18
 Assistant County Attorney

C. Other Department Review:

 Department Director

RESOLUTION NUMBER R2018-_____

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT KNIGHT, 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 \$70,000 OVER A SIX (6) YEAR PERIOD; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, PROJECT KNIGHT is a business contemplating expanding in Palm Beach County; and

WHEREAS, PROJECT KNIGHT will involve the renovation and purchase of equipment for its existing facility; and

WHEREAS, PROJECT KNIGHT will create 100 new permanent full-time jobs in Palm Beach County at an average wage of \$92,124 excluding benefits, which is at least 200% 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 \$248,264,729 over five (5) years; and

WHEREAS, PROJECT KNIGHT has been identified as a Target Industry Business and, moreover, falls within one of the high-impact sectors designated under s.288.108, Florida Statutes, and is eligible to apply for the Qualified Target Industry Tax Refund (QTI) with a High-Impact Sector Bonus pursuant to s.288.106, Florida Statutes; and

WHEREAS, the Board of County Commissioners of Palm Beach County hereby acknowledges that local financial support of 20% of the total QTI 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 it will provide one half of the required local financial support to PROJECT KNIGHT in the amount of \$70,000; and

WHEREAS, Palm Beach County has determined it will provide one half of the required local financial support as Economic Development Incentive to PROJECT KNIGHT in the in the form of a cash grant in amount not to exceed \$70,000 over a six (6) year period; and

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

WHEREAS, PROJECT KNIGHT 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, the Palm Beach County 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 KNIGHT is aware that the award is contingent upon the company entering into a formal agreement with the County to create 100 permanent jobs at an average annual wage of \$92,142 within three (3) years and maintain those new 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 KNIGHT, 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 KNIGHT in the amount of \$140,000; that one half of the required local financial support in the amount of \$70,000 will be provided from Palm Beach County and one half of the required local financial support in the amount of \$70,000 will be provided from the City of Palm Beach Gardens, 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 200% or greater than the State's average annual wage.

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.

EFFECTIVE DATE

This resolution shall take effect immediately upon its passage and 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 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
James Brako
Assistant County Attorney

By: _____
Deputy Clerk



January 30, 2018

**Department of Housing and
Economic Sustainability**

100 Australian Avenue
Suite 500
West Palm Beach, FL 33406

Phone: 561-233-3600
Fax: 561-233-3651
www.discoverpbegov.org



**Palm Beach County
Board of County
Commissioners**

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

County Administrator
Verdenia C. Baker

*"An Equal Opportunity
Affirmative Action Employer"*

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 Knight to consolidate key executive positions and support positions from across its U.S. operations in Palm Beach County. We understand the project will invest \$25 million to renovate and equip its existing facility and create 100 new jobs over a three year period at an annualized average wage of \$92,124. We estimate the economic impact of the project on Palm Beach County's local economy will be \$248,264,729 over five years.

The State of Florida is considering a \$700,000 incentive package in Qualified Target Industry (QTI) tax refunds. Of this amount, \$560,000 is from the State of Florida and \$140,000 is the required local match from local governmental entities, split equally between Palm Beach County and the City of Palm Beach Gardens.

Based on the information provided, the Department of Housing and Economic Sustainability is willing to recommend to the Board of County Commissioners approval of a six year Economic Development Incentive not to exceed \$70,000 in the form of a cash incentive and \$650,000 in the form of an ad valorem tax exemption.

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. 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