Agenda Item #: 50-1

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:

October 16, 2018

[] Consent [] Ordinance [X] Regular
[] Public Hearing

Submitted by:

Department of Housing and Economic Sustainability

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 Saturn, 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 \$19,200 over a five (5) year period; providing for severability; and providing for an effective date; and
- B) Conceptually approve an Economic Development Incentive for Project Saturn in the form of a cash incentive not to exceed \$19,200 over a five (5) year period.

Summary: Project Saturn is contemplating relocating its corporate headquarters from New Jersey to Palm Beach County or Virginia. The project will invest \$580,000 to lease, renovate, and equip an 11,500 square foot facility. The project will create 32 new jobs over a two (2) year period at an annualized average wage of \$76,647 and an annualized median wage of \$65,000. The estimated five (5) year local economic impact is \$51.7 million.

Project Saturn 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 \$192,000 incentive. Of this amount, \$153,600 is from the State of Florida and \$38,400 is a required match from local government entities. Palm Beach County and the City of Boca Raton will equally share the required local match. Palm Beach County's portion of the local match will be provided as a cash grant in an amount not to exceed \$19,200. The incentive will be provided over a period of five (5) years provided the project meets the State of Florida requirements; paid according to the State's QTI Refund schedule and 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 4 (JB)

Background and Justification: The Economic Development Incentive Program continues to support long-term economic growth in Palm Beach County and further diversification of the local economy. The Program implements the Board of County Commissioner's policy to attract new businesses to Palm Beach County, to support expanding businesses in the County that would otherwise expand elsewhere, and to create employment opportunities for residents of Palm Beach County.

Attachment(s):

1. Resolution

2. Letter of Support

Recommended	By: Department Director	9/20/18	
	Department Director	Ďate [/]	
Approved By: _	soure Johnson	10/10/18	
	Assistant County Administrator	Daté	_

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Grant Expenditures	\$3,840	\$3,840	\$3,840	\$3,840	\$3,840
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$3,840	\$3,840	\$3,840	\$3,840	\$3,840
# ADDITIONAL FTE POSITIONS (Cumulative)					
s Item Included In Currer Does this Item include the	e use of Fed				
Fund Dept Ui	nit Ob	ject I	Program Cod	le/Period	
3. Recommended Sou	irces of Fun	ıds/Summar	y of Fiscal I	mpact:	
Development Incent exceed \$19,200. Departmental Fisca	Il Review:		eid, Eiscal Ma		eriod not to
۵. OFMB Fiscal and/o				l Commonto	
A. OFMB Fiscal and/o	Contract D	evelopmem	and Contro	o Comments);
OFMB	9124101 19124	999/24 Contr	act Developi	Jourhal ment and Co	10/9/ htrol
B. Legal Sufficiency:			10 ja jasn		
Assistant County Att	wholiolis orney				·
C. Other Department F	Review:				
Department Director		_			

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A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT SATURN, 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 \$19,200 OVER A FIVE (5) YEAR PERIOD; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE; AND

WHEREAS, PROJECT SATURN is considering relocating its corporate headquarters to Palm Beach County; and

WHEREAS, PROJECT SATURN will involve the renovation of an existing facility and purchase of equipment; and

WHEREAS, PROJECT SATURN will create 32 new permanent full-time jobs in Palm Beach County at an average wage of \$76,647 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 \$51,746,576 over five (5) years; and

WHEREAS, PROJECT SATURN has been identified as a Target Industry Business, and is eligible to apply for the Qualified Target Industry Tax Refund (QTI) 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 Boca Raton has determined it will provide one half of the required local financial support to PROJECT SATURN in the amount of \$19,200; and

WHEREAS, Palm Beach County has determined it will provide one half of the required local financial support as Economic Development Incentive to PROJECT SATURN in the form of a cash grant in amount not to exceed \$19,200 over a five (5) year period; and

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

WHEREAS, PROJECT SATURN has been identified as a target industry business 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 SATURN is aware that the award is contingent upon the company entering into a formal agreement with the County to create 32 permanent jobs at an average annual wage of \$76,647 within two (2) 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 SATURN, 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 SATURN in the amount of \$38,400; that one half of the local financial support in the amount of \$19,200 will be provided from Palm Beach County, and one half of the required local financial support in the amount of \$19,200 will be provided from the City of Boca Raton, 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.

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 offe its adoption. The motion was second put to vote, the vote was as follows	red by Commissioneronded by Commissioner ::	, who moved , and being
	ette Burdick e Kerner en L. Abrams	
The Mayor thereupon declared the day of, 2018.	Resolution duly passed and adopte	ed this
	PALM BEACH COUNTY, FLC BOARD OF COUNTY COMMI	
APPROVED AS TO FORM AND LEGAL SUFFICIENCY	ATTEST: SHARON R. BOCK CLERK & COMPTROLLER	
By: James Brako Assistant County Attorney	By: Deputy Clerk	-