



**II. FISCAL IMPACT ANALYSIS**

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

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT					

  

# ADDITIONAL FTE POSITIONS (Cumulative)					
---	--	--	--	--	--

Is Item Included In Current Budget? Yes  X  No       
 Does this item include the use of Federal funds? Yes      No  X

Budget Account No.:

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

No fiscal impact

**C. Departmental Fiscal Review:**

\_\_\_\_\_  
Beverly Reid, Division Manager

**III. REVIEW COMMENTS**

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

Jose R. White  
OFMB  
LH 4/10 8/4/19

Ar. J. Jankow 4/12/19  
Contract Development and Control  
4/12/19 TW

**B. Legal Sufficiency:**

James Brub 4/15/19  
Assistant County Attorney

**C. Other Department Review:**

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

**Background and Policy Issues:** Continued from Page 1

On November 16, 1993, the Board of County Commissioners (BCC) established the Palm Beach County Job Growth Incentive Fund (JGI) Policy and Program (R93-1519) to stimulate economic growth in Palm Beach County (PBC) by attracting new businesses or encouraging the expansion of existing business within the County. When a cash or Ad Valorem Tax Exemption is provided to the company as an incentive to relocate or expand in the County, The Economic Development Incentive Agreement (Agreement) is the legal document executed between the BCC and a company detailing the commitments and mutual covenants agreed to by both parties. The Department of Housing and Economic Sustainability (HES) is responsible for the administration of the program as well as the development and monitoring of Agreements. The Economic Development Incentive Program continues to support long-term economic growth in Palm Beach County. The program implements the BCC policy to attract new businesses, to support expanding businesses that would otherwise expand elsewhere, and to create employment opportunities for residents of Palm Beach County. Modifications to the Agreement will facilitate ease of implementation compliance and monitoring.

# Modification Summary Table

Existing Audit Requirements		
1    Audit Report	<u>County/HES</u> Provided 3 months after the conclusion of a 5-year maintenance period <b>OR</b> the Agreement expiration date; whichever is the latter	<u>State/DEO</u> Provided with each payment request
2    Conducted by CPA; AICPA standards	Can use either internal or external CPA	Must use RSM*
3    Requires a Written Expressed Opinion	Yes	No
*NOTE: RSM, formerly McGladrey, is DEO's and the County's external auditor.		
Audit Verification		
1    Jobs	<u>County/HES</u> New Jobs Created Existing Jobs Retained	<u>State/DEO</u> New Jobs Created Existing Jobs Retained
2    Wages of New Jobs Created	Average Annual Wage Median Wage	Average Annual Wage
3    New & Existing Jobs Maintenance Period	5 Years	3 Years
4    Capital investment	Yes	Cash Incentives only
5    Advertising, recruiting, & job information	Yes	No
Recommendation		
<b>For All Incentives</b>		
1	<b>Accept State's RSM-performed Audit as provided to HES by the Company</b> * Number of New Jobs Created & Existing Jobs Retained * Number of New & Existing Jobs Maintained for 3 years * Average Annual Wage of New Jobs Created * Capital Investment, where State provides Cash Incentive	
2	<b>Require internal Company report verifying:</b> * Median Wage of New Jobs Created; HES determines Median Wage eliminating highest & lowest staff salaries * Capital Investment, where County provides Cash &/or Ad Valorem Tax Exemption Incentive	
3	<b>HES verifies through CareerSource:</b> * Compliance with Advertising, Recruiting, & Job Information requirements	
4	<b>Reduce County New &amp; Existing Jobs Maintenance Periods from 5 to 3 Years</b> * County & State Maintenance Periods match	