

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY**

<b>Meeting Date:</b>	August 20, 2019	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
<b>Department:</b>	Department of Housing and Economic Sustainability		

**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to Receive and File: Amendment No. 1 to the Economic Development Incentive Agreement (Agreement) with Gulfstream Product Support Corporation (Company).

**Summary:** Staff recommends the Board of County Commissioners (BCC) receive and file Amendment No. 1 to the Agreement (R-2019-0465) with the Company. On April 2, 2019, the BCC approved the Agreement with the Company to provide a cash grant in an amount not to exceed \$40,000 over a four (4) year period. At that time, the BCC also delegated authority to the County Administrator to execute future amendments to the Agreement in anticipation of the BCC's April 16, 2019, action on Economic Development Incentive (EDI) Program policy recommendations.

Amendment No. 1, executed by the County Administrator on June 27, 2019, incorporates the BCC-approved EDI Program policies into the Agreement. In accordance with County PPM CW-0-051, all delegated contracts, agreements, and grants must be submitted by the initiating Department as a Receive and File agenda item. On April 16, 2019, the BCC approved modifications to the Agreement audit requirements and retained the existing performance security requirement. The modifications eliminated the County's existing audit requirement and replaced it with that of the State to demonstrate a company's compliance with required information (number of new jobs created, existing and new jobs retained for a three (3) year job maintenance period, and average annual wage of new jobs) on a payment request basis. The retained performance security requirement obligates a company to provide an irrevocable Letter of Credit or Cash Bond in the full amount of the maximum Economic Development Incentive awarded. These funds are from the general fund contingency reserve. District 2 (DB)

**Background and Justification:** The EDI Program supports long term economic growth in Palm Beach County and diversification of the local economy. The EDI Program supports the BCC's policy to attract new business to Palm Beach County, to support expanding business that would otherwise expand elsewhere, and to create employment opportunities for county residents.

**Attachment(s):**

1. Amendment No. 1 to the Agreement with Gulfstream Product Support Corporation

<b>Recommended By:</b>	<u>Jonathan Brown</u> Department Director	<u>7/8/19</u> Date
<b>Approved By:</b>	<u>[Signature]</u> Assistant County Administrator	<u>7/24/19</u> Date

**II. FISCAL IMPACT ANALYSIS**

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

Fiscal Years	2019	2020	2021	2022	2023
Grant Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match					
<b>NET FISCAL IMPACT</b>					
# ADDITIONAL FTE POSITIONS (Cumulative)					

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 \_\_\_\_\_ Sub Unit \_\_\_\_\_ Object \_\_\_\_\_ Program Code/Period \_\_\_\_\_

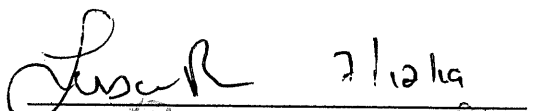
**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

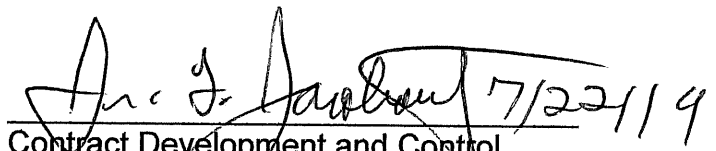
NO FISCAL IMPACT

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

**III. REVIEW COMMENTS**

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

  
 OFMB 7/11/19

  
 Contract Development and Control  
 7-22-19 JD

**B. Legal Sufficiency:**

  
 Assistant County Attorney

**C. Other Department Review:**

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

**AMENDMENT NO. 1 TO ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT  
BETWEEN PALM BEACH COUNTY AND GULFSTREAM PRODUCT SUPPORT  
CORPORATION**

**JUN 27 2019**

**THIS AMENDMENT NO. 1** entered into on \_\_\_\_\_, 2019 by and between **PALM BEACH COUNTY**, a political subdivision of the State of Florida, hereinafter referred to as "COUNTY", and **GULFSTREAM PRODUCT SUPPORT CORPORATION**, a Delaware Corporation authorized to do business in the State of Florida, whose Federal I.D. Number is 58-2598779 (hereinafter the "COMPANY").

**WITNESSETH:**

**WHEREAS**, the parties entered into an Economic Development Incentive Agreement (R2019-0465) ("Agreement") dated April 2, 2019, under which the COMPANY was required to create and retain jobs; and

**WHEREAS**, the parties wish to amend the Agreement to modify certain terms and conditions to the Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The foregoing recitals are true and correct and incorporated herein by reference. Terms not defined herein shall have the same meaning as ascribed to them in the Agreement.
2. The **fifth WHEREAS clause** is hereby deleted in its entirety and replaced with the following:

***WHEREAS**, the COMPANY is committing to expanding its current operations in West Palm Beach, FL; will invest or cause to invest TWENTY-FIVE MILLION DOLLARS (\$25,000,000) to lease, renovate, and equip a ONE HUNDRED FIFTEEN THOUSAND (115,000) square foot facility; will create FIFTY (50) New Jobs as defined in the Agreement over TWO (2) years at an Average Annual Wage of SEVENTY-THREE THOUSAND SIX HUNDRED EIGHTY-FIVE DOLLARS (\$73,685), and a Median Wage of SIXTY-FIVE THOUSAND DOLLARS (\$65,000); will retain ONE HUNDRED FOURTEEN (114) Existing Jobs as defined in the Agreement; will maintain the New Jobs for THREE (3) years from date of creation; and will retain the Existing Jobs for THREE (3) years from the New Jobs Creation and Existing Jobs Maintenance Date as defined in the Agreement; and*

3. **Part II, Paragraph 1.G** is hereby deleted in its entirety and replaced with the following:

*G. **Median Wage:** Shall mean the annual wage that is the exact middle of all annual wages excluding the highest and lowest wage. It shall be determined by taking the middle annual wage on the list if an odd number of annual wages and if an even number, taking the higher of the middle numbers and considering it the median.*

4. **Part IV, Paragraph 2** is hereby deleted in its entirety and replaced with the following:

*2. **Existing Job Retention:** The COMPANY shall retain ONE HUNDRED FOURTEEN (114) Existing Jobs for THREE (3) years from the New Job Creation and Existing Job Maintenance Date.*

5. **Part IV, Paragraph 3** is hereby deleted in its entirety and replaced with the following:

*3. **New Job Maintenance:** The COMPANY shall maintain the required New Jobs for a period of THREE (3) years from the date each New Job was created ("Maintenance Period").*

6. **Part IV, Paragraph 7** is hereby deleted in its entirety.
7. **Part IV, Paragraph 8** is hereby deleted in its entirety and replaced with the following:
  8. **Submission of Reports:** *The COMPANY shall submit Job Creation and Maintenance Reports as described in PART IX of the Agreement.*
8. **Part V, Paragraph 3** is hereby deleted in its entirety and replaced with the following:
  3. **Expiration Date:** *Unless earlier terminated according to the terms of this Agreement, this Agreement shall expire THIRTY-SIX (36) months after the creation of the one last New Job (the "Expiration Date") or upon the receipt of all incentives due to the COMPANY, whichever is later.*
9. **Part VII, Paragraph 1.A.ii** is hereby deleted in its entirety and replaced with the following:
  - ii. **Performance Security:** *The COMPANY shall provide the COUNTY with performance security ("Security") in the form of either a clean, irrevocable Letter of Credit or Cash Bond. All forms of Security shall be in compliance with COUNTY policies and acceptable to the COUNTY in its sole discretion, acting reasonably. The Security, equal to the full amount of the maximum Incentive to be awarded to the COMPANY under PART VI of the Agreement shall be provided to the COUNTY as a precondition to the COUNTY making any disbursements contemplated in the Agreement.*  
  
*The Security shall remain in effect until the COUNTY has received the last Job Creation and Maintenance Performance Report and verified that the COMPANY has complied with the requirements outlined in the Agreement, or as indicated below.*  
  
*Upon the COUNTY'S determination that the COMPANY has satisfactorily complied with the terms of the Agreement, the COUNTY shall notify the COMPANY that the Security can be released.*
10. **Part VII, Paragraph 1.A.iv** is hereby deleted in its entirety.
11. **Part VII, Paragraph 1.A.v** is hereby deleted in its entirety.
12. **Part VIII** is hereby deleted in its entirety and replaced with the following:

**PART VIII  
ADVERTISING, RECRUITING AND JOB INFORMATION**

1. **Job Availability:** *The COMPANY shall coordinate with the following agencies regarding new job opportunities:*
  - A. *CareerSource Palm Beach County  
3400 Belvedere Road  
West Palm Beach, FL 33406  
561-340-1060*
  - B. *West Career Center  
1085 S Main Street  
Belle Glade, FL 33430  
561-829-2040*
2. **Local Businesses:** *The COMPANY shall, without risk of violating any laws, make reasonable efforts to award contracts in connection with this*

*Agreement to qualified eligible business concerns located in or owned in substantial part by persons residing in Palm Beach County.*

13. Part IX is hereby deleted in its entirety and replaced with the following:

**PART IX  
REPORTS**

1. **For Incentives Provided in the Form of a Cash Grant and/or Ad Valorem Tax Exemption:** *The following reports are required:*

A. **Job Creation and Maintenance Reports:** *The COMPANY shall provide the COUNTY'S Department of Housing and Economic Sustainability verification of the State's audit in the form of the Department of Economic Opportunity, Division of Strategic Business Development Incentive Claim Review Results Memorandum (the "State Memo") and an Internal Compliance Report (collectively the "Job Creation and Maintenance Report"), satisfactory to the COUNTY in its sole discretion, acting reasonably, verifying the COMPANY'S compliance with the requirements of PART IV of the Agreement. Such Job Creation and Maintenance Report shall comply with the following:*

- i. *The State Memo shall be requested by the COMPANY from the State and provided to COUNTY.*
- ii. *Internal Compliance Report shall be an internally prepared report that includes verification of compliance with the Median Wage portion of Salary requirements and Capital Investment requirements as provided in PART IV herein.*
- iii. *The Job Creation and Maintenance Report will be required upon receipt of a written request for Incentives received by the COUNTY as provided in PART VII herein.*

2. Part X, Paragraph 12.H is hereby deleted in its entirety and replaced with the following:

H. *Failure of the COMPANY to submit to the COUNTY the Job Creation and Maintenance Report as required in the Agreement.*

3. Except as set forth herein, the Agreement remains unmodified and in full force and effect, and COUNTY and COMPANY hereby ratify, confirm, and adopt the Agreement, as amended.

4. This Amendment No. 1 shall become effective when signed by all parties.

**PALM BEACH COUNTY, FLORIDA, a Political  
Subdivision of the State of Florida**

By: Verdenia C. Baker  
Verdenia C. Baker  
County Administrator

Approved as to Form and  
Legal Sufficiency

By: David Behar  
David Behar  
Assistant County Attorney

Approved as to Terms and Conditions  
Dept. of Housing & Economic Sustainability

By: Sherry Howard  
Sherry Howard, Deputy Director  
Department of Housing & Economic  
Sustainability