

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: August 20, 2019 [] Consent [X] Regular
[] Ordinance [] 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 Signal, a domestic business corporation that will be required to register and be 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 six (6) year period; providing for severability; providing for an effective date; and
- B) **Conceptually approve** an Economic Development Incentive for Project Signal in the form of a cash grant not to exceed \$19,200 over six (6) years.

Summary: Staff recommends the Board of County Commissioners' (BCC) adopt a resolution recommending approval of Project Signal and conceptually approving an Economic Development Incentive for Project Signal. Project Signal is contemplating relocating its international headquarters to Palm Beach County. The project will invest \$1,220,000 to lease, make renovations to, and equip a 7,500 square-foot facility. The project will create 32 new jobs over a three (3) year period at an annualized average wage of \$71,663 and an annualized median wage of \$57,293. The estimated five (5) year local economic impact is \$59.6 million.

Project Signal qualifies for the Qualified Target Industry (QTI) Tax Refund program which continues to be funded by the Florida Legislature. The company is being offered an incentive not to exceed \$192,000. 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 will provide its portion of the local match as a cash grant in an amount not to exceed \$19,200. The cash grant will be: 1) paid over a period of six (6) years, provided it meets the State of Florida requirements; 2) paid according to the State's QTI Refund schedule; and 3) secured by a letter of credit or cash bond. The company will be required to enter into a formal agreement memorializing their commitments and establishing terms under which the incentive will be disbursed. The company name will be disclosed at such time. District 4 (DB)

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, support expanding businesses in the County that would otherwise expand elsewhere, and create employment opportunities for residents of Palm Beach County. The Program may be used to satisfy local participation requirements of the State QTI program.

- Attachment(s):**
- 1. Resolution
 - 2. Letter of Support

Recommended By: Jonathan Brown July 2, 2019
Department Director Date

Approved By: [Signature] 7/10/19
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Grant Expenditures		\$1,800	\$3,300	\$4,800	\$4,800
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT		\$1,800	\$3,300	\$4,800	\$4,800

# 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 for the Economic Development Incentive. The annual fiscal impact is over a six (6) year period not to exceed \$19,200. Therefore, in addition to the allocations above, FY 2024 = \$3,000 and FY 2025 = \$1,500.

C. Departmental Fiscal Review: 
 Beverley Reid, Division Manager

III. REVIEW COMMENTS

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

 7/2/19
 OFMB  7/2

 7/5/19
 Contract Development and Control
 7/2/19 TW

B. Legal Sufficiency:

 7/8/19
 Assistant County Attorney

C. Other Department Review:

 Department Director

RESOLUTION NUMBER R2019-_____

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT SIGNAL, A DOMESTIC BUSINESS CORPORATION THAT WILL BE REQUIRED TO REGISTER AND BE 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 SIX (6) YEAR PERIOD; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, PROJECT SIGNAL is considering relocating its international headquarters to Palm Beach County; and

WHEREAS, PROJECT SIGNAL will involve the leasing and renovation of an existing facility, as well as the purchase of equipment; and

WHEREAS, PROJECT SIGNAL will create 32 new permanent full-time jobs in Palm Beach County at an average wage of \$71,663 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 \$59.6 million over five (5) years; and

WHEREAS, PROJECT SIGNAL 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 SIGNAL 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 SIGNAL in the form of a cash grant in amount not to exceed \$19,200 over a six (6) year period; and

WHEREAS, PROJECT SIGNAL, a for-profit company, has filed a QTI Tax Refund Program application with Enterprise Florida, Inc. to seek State tax refunds; 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 SIGNAL 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 \$71,663 within three (3) years and maintain those new jobs for a period of three (3) years; and

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that the Board hereby recommends PROJECT SIGNAL, a domestic business corporation that will be required to register and be 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 SIGNAL 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 offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and being put to vote, the vote was as follows:

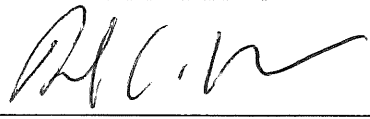
Commissioner Mack Bernard, Mayor	_____
Commissioner Dave Kerner, Vice Mayor	_____
Commissioner Hal R. Valeche	_____
Commissioner Gregg K. Weiss	_____
Commissioner Robert S. Weinroth	_____
Commissioner Mary Lou Berger	_____
Commissioner Melissa McKinlay	_____

The Mayor thereupon declared the Resolution duly passed and adopted this _____ day of _____, 2019.

PALM BEACH COUNTY, FLORIDA, BY ITS BOARD OF COUNTY COMMISSIONERS

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

**ATTEST: SHARON R. BOCK
CLERK & COMPTROLLER**

By: 

David Behar
Assistant County Attorney

By: _____
Deputy Clerk



May 31, 2019

**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.discoverpbcgov.org



**Palm Beach County
Board of County
Commissioners**

Mack Bernard, Mayor
Dave Kerner, Vice Mayor
Hal R. Valeche
Gregg K. Weiss
Robert S. Weinroth
Mary Lou Berger
Melissa McKinlay

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 Signal to establish its corporate headquarters in Palm Beach County. We understand the project will invest \$1,220,000 to lease, renovate, and equip a 7,500 square foot facility and create 32 new jobs over a three year period at an annualized average wage of \$71,663 and a median wage of \$57,293. We estimate the economic impact of the project on Palm Beach County's local economy will be \$59.66 million over five years.

The State of Florida is considering a \$192,000 incentive package in Qualified Target Industry (QTI) tax refunds. Of this amount, \$153,600 is from the State of Florida and \$38,400 is the required local match from local governmental entities, split equally between Palm Beach County and the City of Boca Raton.

Based on the information provided, the Department of Housing and Economic Sustainability is willing to recommend to the Board of County Commissioners approval of an Economic Development Incentive of up to \$19,200 in the form of a cash incentive over a six year period to satisfy the local match requirement.

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. In addition, 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. Finally, please note Project Signal will be required to provide a performance security in the form of a clean, irrevocable Letter of Credit or a Cash Bond, equal to the full amount of the maximum incentive to be paid.

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 Sherry Howard at (561) 233-3653.

Best Regards,

Jonathan B. Brown
Director

Department of Housing and Economic Sustainability

cc: Sherry Howard, Deputy Director, Department of Housing and Economic Sustainability

ATTACHMENT 2