

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

Meeting Date:	October 22, 2019	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing

Department: 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 Carrier Corporation (Carrier).

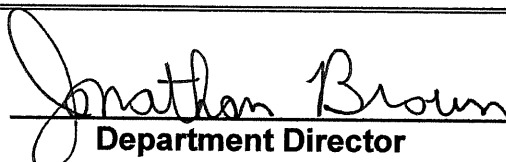
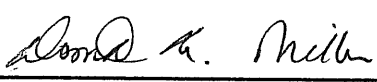
Summary: Staff recommends the Board of County Commissioners (BCC) receive and file Amendment No. 1 to the Agreement (R-2019-0466) with Carrier. On April 2, 2019, the BCC approved the Agreement to provide a cash grant in an amount not to exceed \$70,000 and an ad valorem tax exemption in an amount not to exceed \$650,000 over a six (6) 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.

On April 16, 2019, the BCC approved modifications to the Agreement audit requirements. The modifications eliminated the County's existing audit requirement and replaced it with the State audit to demonstrate a company's compliance with number of new jobs created, existing and new jobs retained for a three (3) year job maintenance period and average annual wage for new jobs. Amendment No. 1, executed by the County Administrator on September 6, 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. District 1 (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 Carrier Corporation

Recommended By:	 Department Director	9/24/19 Date
Approved By:	 Assistant County Administrator	10/15/2019 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2020	2021	2022	2023	2024
Grant Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match					
NET FISCAL IMPACT					
# 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:

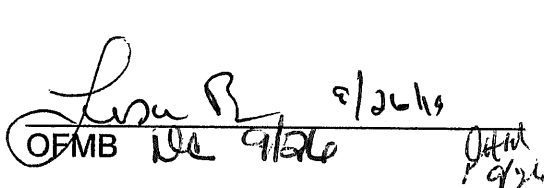
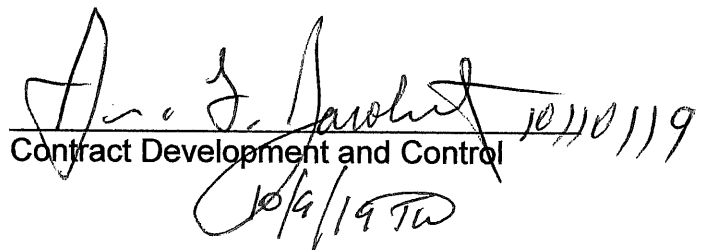
NO FISCAL IMPACT

C. Departmental Fiscal Review:


 Beverley Reid, Division Manager

III. REVIEW COMMENTS

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



 OFMB 10/9/20 9/26 Contract Development and Control
10/9/19 TW

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 CARRIER CORPORATION

SEP 06 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 CARRIER CORPORATION, a foreign for-profit corporation authorized to do business in the State of Florida, whose Federal I.D. Number is 06-0991716 and any QTI Affiliate (as defined in the Agreement) (hereinafter individually or collectively, the "COMPANY").

WITNESSETH:

WHEREAS, the parties entered into an Economic Development Incentive Agreement (R2019-0466) ("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 expanding in Palm Beach County; will invest TWENTY-FIVE MILLION DOLLARS (\$25,000,000) to renovate and equip its existing facility in Palm Beach County; will create ONE HUNDRED (100) New Jobs as defined in the Agreement below over THREE (3) years at an Average Annual Wage of NINETY-ONE THOUSAND ONE HUNDRED TWENTY-FOUR DOLLARS (\$91,124), and Median Wage of SIXTY-FOUR THOUSAND DOLLARS (\$64,000); and will maintain the New Jobs for THREE (3) years from date of creation; 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 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").*

5. Part IV, Paragraph 7 is hereby deleted in its entirety.

6. 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.*

7. Part V, Paragraph 4 is hereby deleted in its entirety and replaced with the following:

4. **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.

8. 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.

9. Part VII, Paragraph 1.A.iv is hereby deleted in its entirety.

10. Part VII, Paragraph 1.A.v is hereby deleted in its entirety.

11. Part VII, Paragraph 2.A.iii.b is hereby deleted in its entirety and replaced with the following:

- b. **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 herein shall be provided to the COUNTY as a precondition to the COUNTY making any disbursements contemplated herein.

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.

12. Part VII, Paragraph 2.A.iii.d is hereby deleted in its entirety

13. 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.

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

**PART IX
REPORTS**

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

- 1. **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:
 - A. The State Memo shall be requested by the COMPANY from the State and provided to COUNTY.
 - B. 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.
 - C. 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.

15. 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.

16. 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.

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

IN WITNESS WHEREOF, the COUNTY and the COMPANY have caused this Amendment No. 1 to be executed on the date first above written.

Signed, sealed and delivered in the presence of:

Witnesses:

[Signature]
Witness Signature

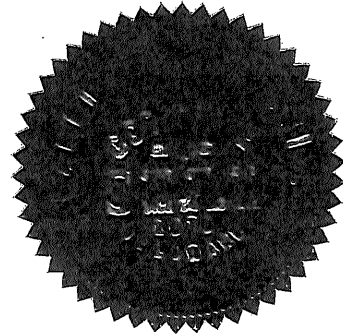
John LaBoda
Print Witness Name

[Signature]
Witness Signature
Jeannette S. Brumond
Print Witness Name

CARRIER CORPORATION

By: [Signature]
Name: Mark G. Thompson

Title: Secretary



STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 15th day of August, 2019, by Mark G. Thompson, who is personally known to me and who did not take an oath.

Pamela A. Brunoli
NOTARY PUBLIC
STATE OF FLORIDA
Comm# GG260194
(NOTARY SEAL EXPIRES) 12/15/2022

Signature: [Signature]

Notary Name: Pamela A. Brunoli
Notary Public - State of Florida

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

By: [Signature]
Verdenia C. Baker
County Administrator

Approved as to Form and
Legal Sufficiency

By: [Signature]
David Behar
Assistant County Attorney

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

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