Agenda Item #: 68-1

# PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

## **AGENDA ITEM SUMMARY**

**Meeting Date:** 

January 7, 2020

[ ] 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 Doctor, 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 \$22,500 over a six (6) year period; providing for severability; providing for an effective date; and
- **B)** Conceptually approve an Economic Development Incentive for Project Doctor in the form of a cash grant not to exceed \$22,500 over six (6) years.

**Summary:** Project Doctor is contemplating relocating its national headquarters to Palm Beach County. The project will invest \$1,530,000 to lease, renovate, and equip a 23,000 square-foot facility. The project will create 75 new jobs over a three (3) year period at an annualized average wage of \$60,657 and an annualized median wage of \$50,000. The estimated five (5) year local economic impact is \$42.9 million.

Project Doctor 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 \$225,000. Of this amount, \$180,000 is from the State of Florida; and \$45,000 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 \$22,500. Provided it meets the State of Florida and County requirements, the cash grant will be paid over a period of six (6) years according to the State's QTI Refund schedule and secured by a letter of credit or cash bond. The company will be required to enter into a formal agreement memorializing its 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 Policy Issues: 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:	Department Director	12/6/19
•	Department Director	Date
Approved By:	Dans 14 - Mill	6/10/2019
	Assistant County Administrator	Date

## II. FISCAL IMPACT ANALYSIS

Operating Costs External Revenues Program Income In-Kind Match (County) NET FISCAL IMPACT \$3,375 \$4,500 \$5,625 \$5,625 \$2,250  # ADDITIONAL FTE POSITIONS (Cumulative)  # Item Included In Current Budget? Included Include the use of Federal funds? Included Include Include the use of Federal funds? Included Include	Fiscal Years	2020	2021	2022	2023	2024
External Revenues Program Income In-Kind Match (County) NET FISCAL IMPACT \$3,375 \$4,500 \$5,625 \$5,625 \$2,250  # ADDITIONAL FTE POSITIONS (Cumulative) # Item Included In Current Budget? Pose this Item include the use of Federal funds?  India Occi Dept #30 Unit 9900 Object 9901 Program Code/Period  Recommended Sources of Funds/Summary of Fiscal Impact:  The source of funds is from the general fund contingency reserve for the Econom Development Incentive. The annual fiscal impact is over a six (6) year period not exceed \$22,500. Therefore, in addition to the allocations above, FY 2025 = \$1,125  Departmental Fiscal Review:  Beverley Reid, Division Manager  III. REVIEW COMMENTS  OFMB Fiscal and/or Contract Development and Control Comments:  Contract, Development and Control Tale In Incompany Incompan	Grant Expenditures	\$3,375	\$4,500	\$5,625	\$5,625	\$2,250
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Department Director

## RESOLUTION NUMBER R2019-

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT DOCTOR, 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 NOT TO EXCEED \$22,500 OVER A SIX (6) YEAR PERIOD; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE;

WHEREAS, PROJECT DOCTOR, a company authorized to do business in the State of Florida, is considering relocating its national headquarters to Palm Beach County; and

WHEREAS, PROJECT DOCTOR, as part of establishing its headquarters in Palm Beach County, represents that it will lease and renovate an existing facility and purchase equipment; and

WHEREAS, PROJECT DOCTOR represents that its headquarters will create 75 new permanent full-time jobs in Palm Beach County at an average wage of \$60,657 excluding benefits, which is at least 115% of 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 \$42.9 million over five (5) years; and

WHEREAS, PROJECT DOCTOR has been identified as a Target Industry Business and is eligible to apply for the Qualified Target Industry Tax Refund, pursuant to s.288.106; 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 in the amount of \$22,500; and

**WHEREAS,** Palm Beach County has determined it will provide one half of the required local financial support in the form of a cash grant in amount not to exceed \$22,500 over a six (6) year period; and

**WHEREAS**, PROJECT DOCTOR 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 DOCTOR is aware that the award is contingent upon the company entering into a formal agreement with the County to, among other things, create 75 permanent jobs at an average annual wage of \$60,657 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 that PROJECT DOCTOR be approved as a Qualified Target Industry Business pursuant to s.288.106, Florida Statutes.

**BE IT FURTHER RESOLVED,** that a cash commitment of local financial support for the Qualified Target Industry Tax Refund exists for PROJECT DOCTOR in the amount of \$45,000, and that one half of the local financial support in the amount of \$22,500 will be provided from Palm Beach County, and one half of the required local financial support in the amount of \$22,500 will be provided from the City of Boca Raton. This amount 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 115% of the State's average annual wage.

#### **SEVERABILITY**

David Behar

**Assistant County Attorney** 

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 Dave Kerner, Mayor Commissioner Robert S. Weinroth, Vice Mayor -Commissioner Hal R. Valeche Commissioner Gregg K. Weiss Commissioner Mary Lou Berger Commissioner Melissa McKinlay Commissioner Mack Bernard The Mayor thereupon declared the Resolution duly passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2020. PALM BEACH COUNTY, FLORIDA, BY ITS **BOARD OF COUNTY COMMISSIONERS** APPROVED AS TO FORM AND ATTEST: SHARON R. BOCK LEGAL SUFFICIENCY

ATTEST: SHARON R. BOCK CLERK & COMPTROLLER

By:\_\_\_\_\_\_
Deputy Clerk



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" November 7, 2019

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 Doctor to relocate its corporate headquarters to Palm Beach County. We understand the project will invest \$1,530,000 to lease, renovate, and equip a 23,000 square foot facility and create 75 new jobs over a three year period at an annualized median wage of \$60,657 and a median wage of \$50,000. We estimate the economic impact of the project on Palm Beach County's local economy will be \$42,945,656 over five years.

The State of Florida is considering a \$225,000 incentive package in Qualified Target Industry (QTI) tax refunds. Of this amount, \$180,000 is from the State of Florida and \$45,000 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 \$22,500 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 Doctor 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 me at (561) 233-3653.

Best Regards,

Sherry Howard Deputy Director

Department of Housing and Economic Sustainability

cc: File

**ATTACHMENT 2**