

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date:	March 10, 2020	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
Submitted by:	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 Button, 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 \$30,000 over a five (5) year period; providing for severability; providing for an effective date; and
- B) Conceptually approve** an Economic Development Incentive for Project Button in the form of a cash grant not to exceed \$30,000 over five years.

Summary: Project Button is contemplating expanding its offices in Palm Beach County. The project will invest \$1,399,000 to lease, make renovations to, and equip an additional 16,873 of office space. The project will create 60 new jobs over a two (2) year period at an annualized average wage of \$60,657 and an annualized median wage of \$87,817. All new jobs must be maintained for three (3) years after the creation date. The estimated five (5) year local economic impact is \$80 Million.

Project Button qualifies for the QTI Tax Refund program which continues to be funded by the Florida Legislature. The company is being offered an incentive not to exceed \$300,000. Of this amount, \$240,000 is from the State of Florida; and \$60,000 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 \$30,000. Provided it meets the State of Florida and County requirements, the cash grant will be paid over a period of five (5) 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:	<u>Jonathan Brown</u>	<u>1/17/2020</u>
	Department Director	Date

Approved By:	<u>Ronda A. Pichler</u>	<u>2/3/2020</u>
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2020	2021	2022	2023	2024
Grant Expenditures	\$0	\$4,375	\$7,500	\$7,500	\$7,500
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	\$0	\$4,375	\$7,500	\$7,500	\$7,500

# ADDITIONAL FTE POSITIONS (Cumulative)					
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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 0001 Dept 020 Unit 9900 Object 9901 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 five year period not to exceed \$30,000. Therefore, in addition to the allocations above, FY 2025 = \$3,125.

C. Departmental Fiscal Review:

Beverley Reid, Division Manager

III. REVIEW COMMENTS

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

P. Kelly-Kewo 1/29/2020 *Ann J. Jacoby* 1/30/2020
 OFMB *PK* 1/29 *AM* 1/29 Contract Development and Control 1/30/2020

B. Legal Sufficiency:

[Signature] 1/30/2020
 Assistant County Attorney

C. Other Department Review:

 Department Director

RESOLUTION NUMBER R2020-_____

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, RECOMMENDING APPROVAL OF PROJECT BUTTON, 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 \$30,000 OVER A FIVE YEAR PERIOD; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE;

WHEREAS, PROJECT BUTTON, a company authorized to do business in the State of Florida, is considering expanding in Palm Beach County; and

WHEREAS, PROJECT BUTTON, as part of expanding in Palm Beach County, represents that it will lease and renovate an existing facility and purchase equipment; and

WHEREAS, PROJECT BUTTON represents that its expansion will create 60 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 \$80.487 million over five years; and

WHEREAS, PROJECT BUTTON 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 (Board) 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 \$30,000; 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 \$30,000 over a five year period; and

WHEREAS, PROJECT BUTTON 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 BUTTON is aware that the award is contingent upon the company entering into a formal agreement with the County to, among other things, create 60 permanent jobs at an average annual wage of \$60,657 within two years and maintain those new jobs for a period of three years; and

WHEREAS, Project BUTTON is aware that failure to execute a formal agreement with the County within 120 days of the effective date of this Resolution will automatically rescind the Resolution and automatically rescind the County's offer of an Economic Development Incentive unless, within the 120 day period, the Company requests an

extension from the County's Department of Housing and Economic Sustainability (DHES), which is thereafter granted.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, THAT:

1. The above recitals are incorporated herein by reference to the same extent and with the same force and effect as if fully set forth herein.
2. The Board hereby recommends that PROJECT BUTTON be approved as a Qualified Target Industry Business pursuant to s.288.106, Florida Statutes.
3. A cash commitment of local financial support for the Qualified Target Industry Tax Refund exists for PROJECT BUTTON in the amount of \$60,000, and that one half of the local financial support in the amount of \$30,000 will be provided by Palm Beach County, and one half of the required local financial support in the amount of \$30,000 will be provided by 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.
4. The Board 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.
5. If any section, paragraph, sentence, clause or word of this Resolution is for any reason held by a court to be unconstitutional, inoperative, or void, such holding shall not affect the remainder of this Resolution.
6. 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 LEGAL SUFFICIENCY

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

By: 

David Behar
Assistant County Attorney

By: _____
Deputy Clerk



December 30, 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**

Dave Kerner, Mayor

Robert S. Weinroth, Vice Mayor

Hal R. Valeche

Gregg K. Weiss

Mary Lou Berger

Melissa McKinlay

Mack Bernard

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 Button to expand its existing operations in Palm Beach County. We understand the project will invest \$1.399 million to lease, renovate, and equip an additional 16,873 square feet of office space and create 60 new jobs over a two year period at an annualized average wage of \$60,657 and a median wage of \$87,817. We estimate the economic impact of the project on Palm Beach County's local economy will be \$80 million over five years.

The State of Florida is considering a \$300,000 incentive package in Qualified Target Industry (QTI) tax refunds. Of this amount, \$240,000 is from the State of Florida and \$60,000 is the required local match from local governmental entities which will be 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 \$30,000 in the form of a cash incentive over a five 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 Button 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: Jonathan Brown, Director, Department of Housing and Economic Sustainability