

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: March 12, 2024 [] Consent [X] Regular
[] Ordinance [] Public Hearing

Department: Housing and Economic Development

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

A) Adopt a Resolution of the Board of County Commissioners ("Board") of Palm Beach County, Florida, providing for a referendum to be held on August 20, 2024, pursuant to Section §196.1995(1)(a) Florida Statutes, to determine whether the Board may grant economic development ad valorem tax exemptions to new businesses and expansions of existing businesses under Section 3, Article VII of the State Constitution, to encourage economic development and establish new jobs; approving the ballot title, summary and question; authorizing a letter to transmit the ballot language to the Supervisor of Elections; and, providing for an effective date.

Title: ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTIONS TO NEW BUSINESSES AND EXPANSIONS OF EXISTING BUSINESSES

Ballot Summary: The Economic Ad Valorem Tax Exemption Program provides Palm Beach County with an additional economic development incentive tool to assist new and expanding businesses to make a positive economic impact on Palm Beach County's economy with the expectation that these businesses will create new, full-time jobs in Palm Beach County.

Shall the Board of County Commissioners of Palm Beach County be authorized to grant, pursuant to s. 3, Art. VII of the State Constitution, property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in Palm Beach County?

- ___ Yes – For authority to grant exemptions.
- ___ No – Against authority to grant exemptions.

B) Authorize correspondence to transmit the ballot to the Supervisor of Elections (SOE) no later than May 17, 2024.

Summary: On January 23, 2024, the Board approved a motion to direct staff to proceed with a voter referendum to reauthorize the Economic Development Ad Valorem Tax Exemption (AVTE) program. The current AVTE program was approved by referendum vote on November 6, 2012, and implemented by the BCC through adoption of Ordinance 2013-022, on October 22, 2013. The existing program will expire on August 31, 2024, by virtue of having reached the tenth year limitation pursuant to Section §196.1995, Florida Statutes. In order to reinstate the AVTE program, it is necessary to hold a new referendum on August 20, 2024.

If approved by the voters, the AVTE program will take effect upon the expiration of the current program and subject to Board adoption of an implementing Ordinance. Countywide (DB)

Background and Policy Issues: Continued on page 3

Attachments:

- 1. AVTE White Paper
- 2. Resolution
- 3. Letter to Supervisor of Elections

Recommended By: Jonathan Brown February 1, 2024
Department Director Date

Approved By: [Signature] 2-14-24
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2024	2025	2026	2027	2028
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT					
# ADDITIONAL FTE POSITIONS (Cumulative)					


Is Item Included In Current Budget? Yes No
 Does this item include the use of Federal funds? Yes No
 Does this item include the use of State funds? Yes No

Budget Account No.:

Fund _____ Dept. _____ Unit _____ Object _____ Program Code/Period _____

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

There is no fiscal impact associated with this Agenda Item.

C. Departmental Fiscal Review:  1/2/24
 Valerie Alleyne, Division Director II
 Finance and Administrative Services, DHED

III. REVIEW COMMENTS

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

oh alcala
 ASDUAL 2/5/24
 OFMB QA 2/5 DA 2/5/24
 Brando Machado 2/9/24
 Contract Development and Control
 Thel 2/9/24

B. Legal Sufficiency:

 2/14/24
 Assistant County Attorney

C. Other Department Review:

 Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

Background and Policy Issues: Continued from page 1

The AVTE program is a local economic development tool enabled under Section 3, Art. VII, of the State Constitution (§196.1995, *Florida Statutes*), that empowers any county or municipality to grant community and economic development ad valorem tax exemptions to new businesses or expansions of existing businesses. Exemptions may be granted only by ordinance following authorization by the electors of a county or municipality.

Palm Beach County Economic Development Tax Exemption Program

Introduction

The Palm Beach County Tax Exemption Program (AVTE) is designed to encourage economic development and to support new or expanding businesses within the County. The program offers an "economic exemption" for improvements made to real property and/or tangible personal property that are not already listed on the Palm Beach County Tax Roll. The Economic Development Ad Valorem Tax Exemption Program was created to stimulate economic growth, create jobs, and enhance the local economy.

Ordinance Background

On August 31, 2004, the voters of Palm Beach County approved a Referendum establishing the Ad Valorem Tax Exemption program leading to the adoption of Ordinance No. 2005-004.

On November 6, 2012, the voters approved a Referendum leading to the adoption of Ordinance No. 2013-022 by the Board of County Commissioners (BCC) on October 30, 2013. This Ordinance renewed the program which is effective from August 31, 2014 - August 31, 2024. Each Ordinance set a 10-year programmatic operation period.

Program Requirements

When applying for an AVTE, businesses are required to include the industry and location of the business, capital investment, and number, type, and average & median salary of the new and retained jobs. These factors are all included when calculating the economic impact (direct and indirect) of the project and providing recommendations regarding the AVTE. The duration of an approved exemption can range from one to ten years, however the BCC has historically approved a maximum amount, allowable over the approved exempted period. If the Board approves an AVTE, the business is required to enter into a separate Agreement with the County to ensure compliance regarding job creation and other obligations. A Letter of Credit or Cash Bond from the business is required to secure the incentive.

Outcomes

From 2013 to 2023, the County provided \$6.2M in AVTEs to 6 out of 20 businesses receiving incentives. In addition to the AVTE program, Palm Beach County has also contributed cash incentives totaling \$3,948,100. Combined incentive amounts for these companies during this period from various sources including municipalities, the County and State totaled \$35,912,600.

Those investments have resulted in 2,246 jobs retained, 2,800 jobs created and a capital investment of \$428,190,000. This influx of capital has resulted in a total estimated 5-year economic impact of \$5,721,193,876.

Recommendation

Since the last voter approved Referendum, the State has eliminated the Qualified Target Industry Program that provided State incentive funding and required the local match. DHED recommends the County bring the Referendum forward to the voters. Additionally, we recommend that while the program should be available Countywide, that preferences for the program be considered in areas of the County including the Glades and other low-income census tracts where a majority of households have a median income of 80% or less or a poverty rate of 20% or higher.

Timeline for 8/20/2024 Ballot

March 12, 2024	BCC Regular Agenda adopting Resolution, Ballot language, and authorize transmittal to SOE
May 17, 2024	Deadline to provide SOE with Ballot Language
July 15, 2024	Public Notice per F.S. 100.342
July 29, 2024	Public Notice per F.S. 100.342
August 20, 2024	Referendum
September	BCC Ordinance First Reading
Sept./October	BCC Ordinance Adoption

RESOLUTION NUMBER R-2024-_____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, PROVIDING FOR A REFERENDUM TO BE HELD ON AUGUST 20, 2024, PURSUANT TO SECTION §196.1995(1)(a) FLORIDA STATUTES, TO DETERMINE WHETHER THE BOARD MAY GRANT ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTIONS TO NEW BUSINESSES AND EXPANSIONS OF EXISTING BUSINESSES UNDER SECTION 3, ARTICLE VII OF THE STATE CONSTITUTION, TO ENCOURAGE ECONOMIC DEVELOPMENT AND ESTABLISH NEW JOBS; APPROVING THE BALLOT TITLE, SUMMARY AND QUESTION; AUTHORIZING A LETTER TO TRANSMIT THE BALLOT LANGUAGE TO THE SUPERVISOR OF ELECTIONS; AND, PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section §196.1995(1)(a), *Florida Statutes*, authorizes the Board of County Commissioners of Palm Beach County, Florida (hereinafter the “Board”), to call a referendum to determine whether the Board may grant economic development ad valorem tax exemptions under Section 3, Article VII of the State Constitution, provided that the Board votes to hold such referendum; and

WHEREAS, Section §196-1995(2), *Florida Statutes*, establishes the substantial form for a referendum ballot question for an economic development ad valorem tax exemption program; and

WHEREAS, Section §101.161, *Florida Statutes*, requires that the wording of a “*public measure*” (hereinafter “measure”) include a ballot summary to be embodied in the enabling resolution. The summary shall be an explanatory statement, not exceeding 75 words in length, of the chief purpose of the measure; and

WHEREAS, Section §101.161, *Florida Statutes*, requires that the ballot title consist of a caption, not exceeding 15 words in length, by which the measure is commonly referred to or spoken of; and

WHEREAS, the adoption of this resolution formalizes and finalizes the actions to be taken by the Board to effectuate the subject referendum.

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

1. The foregoing recitals are hereby affirmed and ratified.
2. A referendum is hereby called and ordered to be held in Palm Beach County to determine whether the Board is authorized to grant economic development ad valorem tax exemptions to new businesses and expansions of existing businesses to encourage economic development and establish jobs.
3. Only the duly qualified electors of Palm Beach County shall be entitled and permitted to vote in the referendum. The places for voting on the referendum shall be the same as the places for voting in the general elections held in the County, which shall be determined by the Supervisor of Elections in and for Palm Beach County, Florida. The polls shall be opened in accordance with Florida law, and in the case of early voting, at such times, on such days and at such polling locations or places as determined by the Supervisor of Elections for the County.
4. Notice of the referendum shall be published in a newspaper of general circulation in accordance with Section §100.342, Florida Statutes, or on a publicly accessible website and governmental access channels, as provided in Section §50.0311, Florida Statutes. Proof of publication shall be secured.
5. The ballot title, summary and question to be used in the referendum shall be:

Title: ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTIONS TO NEW BUSINESSES AND EXPANSIONS OF EXISTING BUSINESSES

Summary: The Economic Ad Valorem Tax Exemption Program provides Palm Beach County with an additional economic development incentive tool to assist new and expanding businesses to make a positive economic impact on Palm Beach County's economy with the expectation that these businesses will create new, full-time jobs in Palm Beach County.

Question: Shall the Board of County Commissioners of Palm Beach County be authorized to grant, pursuant to s. 3, Art. VII of the State Constitution, property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in Palm Beach County?

Yes – For authority to grant exemptions.

No – Against authority to grant exemptions.

6. The referendum shall be held and conducted, and the votes cast shall be counted, tabulated, canvassed, and returned without delay, in the manner prescribed by the general law for referenda.

7. In the event that a word, phrase, clause, sentence or paragraph hereof shall be held invalid by any court of competent jurisdiction, such holding shall not affect any other word, phrase, clause, sentence or paragraph hereof.

8. The Resolution shall take effect upon adoption.

Commissioner _____ moved for the approval of the Resolution.

The motion was seconded by Commissioner _____, and upon being put to vote, the vote was as follows:

Commissioner Maria Sachs, Mayor	- _____
Commissioner Maria G. Marino, Vice Mayor	- _____
Commissioner Gregg K. Weiss, District 2	- _____
Commissioner Michael A. Barnett, District 3	- _____
Commissioner Marci Woodward, District 4	- _____
Commissioner Sara Baxter, District 6	- _____
Commissioner Mack Bernard, District 7	- _____

The Mayor thereupon declared that the Resolution was duly passed and adopted on _____ 2024.

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

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY**

**JOSEPH ABRUZZO
CLERK & COMPTROLLER**

By: _____
David Behar
Assistant County Attorney

By: _____
Deputy Clerk



County Administration

P.O. Box 1989
West Palm Beach, FL 33402-1989
(561) 355-2040
FAX: (561) 355-3982
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**Palm Beach County
Board of County
Commissioners**

Maria Sachs
Mayor
Maria G. Marino
Vice Mayor
Gregg K. Weiss
Michael A. Barnett
Marcy Woodward
Sara Baxter
Mack Bernard

County Administrator

Verdenia C. Baker

"An Equal Opportunity
Affirmative Action Employer"

March 15, 2024

Ms. Wendy Sartory Link
Palm Beach County Supervisor of Elections
240 South Military Trail
West Palm Beach, Florida 33416

Dear Supervisor Link,

This is to inform you that the Palm Beach County Board of County Commissioners ("Board"), at its March 12, 2024 meeting, authorized a referendum to be held on the August 20, 2024 Primary Election, to ascertain whether the Board should grant tax exemptions to new businesses and expansions of existing businesses.

Please place the following language on the August 20, 2024 ballot:

Title: ECONOMIC DEVELOPMENT PROPERTY TAX EXEMPTIONS TO NEW BUSINESSES AND EXPANSIONS OF EXISTING BUSINESSES

Ballot Summary: The Economic Ad Valorem Tax Exemption Program provides Palm Beach County with an additional economic development incentive tool to assist new and expanding businesses to make a positive economic impact on Palm Beach County's economy with the expectation that these businesses will create new, full-time jobs in Palm Beach County.

Ballot Question:

Shall the Board of County Commissioners of Palm Beach County be authorized to grant, pursuant to s. 3, Art. VII of the State Constitution, property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in Palm Beach County?

Yes – For authority to grant exemptions.
No – Against authority to grant exemptions.

Should you have any questions, please contact Sherry Howard, Deputy Director, Housing and Economic Development, at (561) 233-3653, or at SHoward@pbcgov.org.

Sincerely,

Verdenia C. Baker
County Administrator

Attachment: Resolution R-2024-