



BOARD OF COUNTY COMMISSIONERS

DATE: August 5, 2014

AGENDA ITEM NO. 17

Consent Agenda

Regular Agenda

Public Hearing

[Signature]
County Administrator's Signature:

Subject:

Adoption of two Resolutions, one establishing a \$84,000 financial commitment to Project A9012133972, and one establishing a \$51,000 financial commitment to Project A9012133972 for a total financial commitment of \$135,000.

Department:

Planning and Development Services

Staff Member Responsible:

Mike Meidel, Director
Economic Development

Recommended Action:

I RECOMMEND THAT THE BOARD OF COUNTY COMMISSIONERS (BOARD) ADOPT TWO RESOLUTIONS ESTABLISHING A TOTAL FINANCIAL COMMITMENT OF \$135,000 TO PROJECT A9012133972.

Summary Explanation/Background:

Florida Statute 125.045 authorizes counties to expend public funds to support economic development activities, including making grants for the expansion of businesses to the community. Project A9012133972 is a family-owned and operated S-Corp that has expressed an interest in expanding within Pinellas County. The project consists of \$10.1 million in construction and \$5.9 million in equipment. The economic impact of this capital investment is \$13.4 million. An estimated 85 employees are projected to be hired with annual pay scales at or above 100% of the County's average annual wage which is \$43,541. The earnings will result in an economic impact of \$5.8 million and 131 new direct and indirect jobs. This project will also retain 79 high wage jobs currently located in Pinellas County. Additional locations the company is considering are Alabama, South Carolina, Louisiana and Georgia.

The economic impacts were calculated using the U.S. Bureau of Economic Analysis Regional Impact Model for Pinellas County.

Fiscal Impact/Cost/Revenue Summary:

Project A9012133972 is requesting an \$84,000 commitment from Pinellas County (a 22% local match), to provide the local match needed for the company to secure a State of Florida Governor's Quick Action Closing Fund. The State of Florida will provide the additional \$300,000 for the State of Florida Governor's Quick Action Closing Fund incentive of \$384,000. Allocation from the Quick Action Closing Fund is extremely competitive; the higher the local match, the better a project scores. The commitment from Pinellas County will enhance Project A9012133972 standing in the process. No funds will be expended until such time that all related agreements are executed to the satisfaction of all parties, and the Board grants approval of the terms and conditions of all related agreements to which it is a party. Clawback provisions will be included in all related agreements.

The total qualified target industry (QTI) tax refund is \$51,000, which is calculated at \$3,000 per job with a total of 85 new jobs. The \$3,000 per job calculation is based on pay scales of at least 100% of the County's average annual wage. This incentive returns a portion of taxes paid by the business after the company meets its job creation and wage commitments. Additionally, no more than 25% of the total refund approved may be taken in any single fiscal year.

Florida statute requires 20% local financial participation as tax refunds become due. Staff is requesting the Board provide 100% of the local match necessary to facilitate the State approval process due to project A9012133972 location unincorporated Pinellas County. The total local financial support requires for the QTI is \$51,000 which is requested through Pinellas County Government and will be budgeted within the Division of Economic Development. The tax refund will be paid over a series of fiscal years as determined by the State

The total financing commitment from Pinellas County is \$135,000.

Exhibits/Attachments Attached:

Resolutions (2)

RESOLUTION NO. 14- _____

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS COUNTY, FLORIDA AUTHORIZING AN ECONOMIC DEVELOPMENT GRANT TO PROJECT NO. A9012133972 TO EXPAND A BUSINESS ENTERPRISE IN PINELLAS COUNTY, FLORIDA SUBJECT TO FURTHER APPROVALS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, because of increasing competition from other states and countries for the location and retention of private enterprises within Florida, counties are authorized, pursuant to §125.045, Florida Statutes, to expend public funds to support economic development activities, including, but not limited to, improving local infrastructure, issuing bonds to finance or refinance the cost of capital projects, leasing or conveying real property, and making grants to private enterprises for the expansion of businesses existing in the community, or the attraction of new businesses to the community; and

WHEREAS, Project No. A9012133972 is a family-owned and operated S-Corp that has expressed an interest in expanding within Pinellas County, Florida; and

WHEREAS, the State of Florida has targeted entities such as Project No. A9012133972 for expansion in Florida to serve as continued catalysts for evolving economic development clusters in order to expand the state's economic base; and

WHEREAS, Pinellas County recognizes that the presence of Project No. A9012133972 would help to attract and retain the type of high-wage primary jobs envisioned by Pinellas County's "Pinellas by Design Plan", while helping to facilitate growth in the economic clusters already targeted by the County; and

WHEREAS, pursuant to §288.1088, Florida Statutes, Project No. A9012133972 has been recommended to receive grant funds needed for expansion within Pinellas County from the State of Florida; and

WHEREAS, subject to additional approvals required to finalize the expansion within Pinellas County, it is necessary to identify and make available financial support from local partners to be eligible for the above referenced State of Florida grant; and

WHEREAS, the Board of County Commissioners finds that granting economic development grant matching funds of up to \$84,000 constitutes a public purpose which will serve to employ Pinellas County citizens and ensure the County's economic vitality.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS COUNTY, FLORIDA, at a duly-assembled meeting held on the 5th day of August, 2014, as follows:

Section 1. The County hereby approves in concept awarding an economic development grant for the expansion of Project No. A9012133972 in Pinellas County in the sum of \$84,000 as provided in the grant agreement referenced in Section 2 herein.

Section 2. This grant award committing County funds shall be conditioned upon: (i) final approval by the Board of County Commissioners of the terms and conditions of all related agreements to which it is a party, and (ii) Project No. A9012133972 securing such other approvals, grants, and/or affiliation agreements pursuant to Sec. 288.1088, Florida Statutes as may be necessary or required to expand in Pinellas County. Nothing herein will prevent other jurisdictions, agencies or the private sector from providing increased funding; however, in no event will this grant award from Pinellas County exceed \$84,000.

RESOLUTION NO. 14- _____

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS COUNTY, FLORIDA APPROVING PROJECT A9012133972 AS A QUALIFIED APPLICANT FOR THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM PURSUANT TO SECTION 288.106, FLORIDA STATUTES; IDENTIFYING LOCAL COUNTY FINANCIAL SUPPORT FOR PROJECT A9012133972; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida established the Qualified Target Industry Business Tax Refund Program (“QTI Program”) to encourage the growth of Florida’s economy by creating high-wage, value-added employment opportunities, and authorized the Florida Department of Economic Opportunity to accept, review and approve applications for tax refunds to qualified target industry businesses; and

WHEREAS, the QTI Program requires 20% local financial participation as tax refunds become due; and

WHEREAS, Project A9012133972 is a family-owned and operated S-Corp that would like to expand within Pinellas County and projects hiring 85 employees in qualified value-added jobs; and

WHEREAS, the Board of County Commissioners finds that providing QTI Program tax refunds to Project A9012133972 serves the public purpose of promoting positive impacts on and benefits to the County’s economic vitality.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PINELLAS COUNTY FLORIDA, at a duly-assembled meeting held on the 5th day of August, 2014, as follows:

Section 1. Project A9012133972 is approved as a Qualified Target Industry Business pursuant to Section 288.106, Florida Statutes. This recommendation is based upon the creation of

