Memorandum

MIAMI-DADE COUNTY

Date: July 21, 2009

Agenda Item No. 14(A)(54)

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Resolution Approving Qualified Target Industry Tax Refund for Confidential Project #08-00300

Recommendation

It is recommended that the Board of County Commissioners (BCC) approve the attached resolution authorizing Confidential Project #08-00300 to be approved as a Qualified Target Industry (QTI) business. The attached documents relating to the support for a QTI tax refund, under the State of Florida QTI tax refund program pursuant to Florida Statutes Section 288.106, have been prepared by The Beacon Council and reviewed by the Office of Economic Development Coordination. The job creation and disbursement dates are subject to change upon the approval of the County Mayor or the County Mayor's designee.

Scope

The economic impact of this decision will primarily affect Commission District 12, but is also likely to have a countywide impact through economic multiplier effects.

Fiscal Impact / Funding Source

Confidential Project #08-00300 has applied for a total of $75,000 in QTI funds, of which 80 percent would be provided by the State of Florida. If the accompanying resolution is approved by the BCC, the County is committed to provide an award of no greater than $15,000 (or $600 per new job) in matching funds towards the total QTI incentive from general fund revenues over a six-year period ($2,500 per year or $100 per new job per year).

Track Record/Monitor

This company is an already established wholesale distributer of computer components in Miami-Dade County. This business is seeking to move its current operations from a lease facility to a facility they will build and own and will occupy 48,000 square feet of space at the new facility.

QTI funds awarded for job creation are provided on a matching basis upon the State of Florida invoicing the County for jobs created and verified by the State. The State effectively monitors the creation of the QTI jobs and provides such information to the County. The County's matching funds are distributed only if the applicant complies with the commitment to create the number of new jobs indicated in the accompanying QTI application (*Attachment to the General Project Overview*) and all other conditions of this incentive program. QTI incentive payments are contingent upon the company meeting its target of additional jobs. In the event the company is unable to attain the employment targets specified in the application, they may then be entitled to receive a prorated amount of incentive payments for the additional employment positions they were able to achieve.

Economic Impact Overview

Confidential Project #08-00300 is an existing wholesale distributer of computer electronics and software in Miami-Dade County (NAICS Code # 423430). This business is seeking to relocate from a leased facility in Miami-Dade County to a new facility not far from their current location. The firm is

also considering relocation to a city in Broward County. However, the business also listed Colombia or Panama in its application and cited much lower wages overseas as the advantage considered important to its relocation decision.

There are some 269 businesses in Miami-Dade engaged in the same industry category as the applicant.[1] Miami-Dade County is an excellent location for this type of business with its international airport and seaport, plentiful warehouse space, and a workforce that is highly skilled and experienced in all aspects of international trade, marketing and distribution. The strength of Miami-Dade's international trade sector suggests that it can effectively compete with foreign locations. Nevertheless, the possibility that the firm will leave its Miami-Dade location should not be ruled out entirely.

The company currently has 48 employees in Miami-Dade County, and plans to expand employment by an additional 25 full-time positions by December 31, 2011 at a new facility. According to the QTI application, the schedule of job creation provides ten additional jobs by December 31, 2009; seven additional jobs by December 31, 2010, and eight additional jobs by December 31, 2011. The applicant states that these new jobs will have an average annualized salary of $43,800 with an additional $1,600 of employer provided benefits. The Beacon Council estimates that another 13 jobs would be generated through economic multiplier effects.

The applicant plans to invest $7,600,000 in a new warehouse (including both land acquisition and construction) and $490,000 in, equipment, shelving, rewiring, and other miscellaneous capital investments. Construction activity associated with the new warehouse facility may support an additional 65 to 83 jobs during a one–year construction period, according to economic analysis by County staff.

The Beacon Council projects that the $8.09 million in direct investment by the company and the local economic impact from operations will generate $235,271 in general fund revenues to Miami-Dade County mainly from property taxes, but also to a much lesser degree from the local share of general sales taxes over six years. The firm is also requesting a Targeted Jobs Incentive Fund (TJIF) award for $180,680 (7,227 per new job) over six years, through a separate application to the County, but that application is being evaluated separately from this QTI incentive request.

Cynthia W. Curry
Senior Advisor to the County Manager

Attachment

[1] The number of firms in this industry group was obtained from the *Quarterly Census of Employment and Wages, 2007*, U.S. Bureau of Labor Statistics (BLS). According to the BLS the 269 firms employed 3,426 workers in 2007.

PROJECT 08-00300 SUMMARY SHEET	
APPLICANT:	Confidential Project #08-00300
HEADQUARTERS LOCATION:	Miami-Dade County
PROPOSED LOCATION IN MIAMI-DADE COUNTY:	District 12
OTHER LOCATIONS UNDER CONSIDERATION:	Panama, Colombia, and cities in Broward County
DATE OF QTI APPLICATION:	December 22, 2008
OVERALL BUSINESS ACTIVITY/MISSION:	To build and outfit a new 48,000 square feet computer component headquarters and distribution facility.
PROPOSED LOCAL BUSINESS ACTIVITY:	Merchant wholesale and distribution
PROPOSED CAPITAL INVESTMENT:	$8,090,000
TARGETED QTI INDUSTRY:	Distributor and wholesaler of computer components.
PROPOSED LOCATION IN DESIGNATED PRIORITY AREA:	No
NEW BUSINESS OR EXPANDING BUSINESS:	Expanding
TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	25 / 48
EFFORT IN HIRING RESIDENTS IN LOCAL AREA:	Miami-Dade County
ESTIMATED ANNUALIZED AVERAGE WAGES FOR NEW JOBS:	$43,800
ANNUAL EMPLOYEE BENEFIT PACKAGE:	$1,600
NUMBER OF INDIRECT JOBS TO BE CREATED:	13
NUMBER OF YEARS TO CREATE NEW JOBS:	3
MAXIMUM TAX REFUND PER JOB:	$3,000 spread over 6 years
MAXIMUM INCENTIVE AWARD APPLIED FOR:	$75,000
PROJECTED INCREMENTAL COUNTY TAX REVENUE:	$235,271
COUNTY'S MAXIMUM 20% AWARD ON PROJECT:	$15,000
STATE'S 80% MAXIMUM CONTRIBUTION:	$60,000
TYPE OF FUNDS REQUESTED IN APPLICATION:	General Revenue Funds
COMMENTS:	Information for this summary sheet was provided by The Beacon Council

MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: July 21, 2009

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 14(A)(54)

Please note any items checked.

✓ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised

____ 6 weeks required between first reading and public hearing

____ 4 weeks notification to municipal officials required prior to public hearing

____ Decreases revenues or increases expenditures without balancing budget

____ Budget required

____ Statement of fiscal impact required

____ Bid waiver requiring County Mayor's written recommendation

____ Ordinance creating a new board requires detailed County Manager's report for public hearing

____ Housekeeping item (no policy decision required)

____ No committee review

Approved _____ Mayor

Veto _____

Override _____

Agenda Item No. 14(A)(54)

7-21-09

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT NO. 08-00300 AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO FLORIDA STATUTES S-288.106, CONFIRMING THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT NO. 08-00300 EXIST; AND PROVIDING AN APPROPRIATION OF UP TO $15,000 FROM GENERAL REVENUE FUNDS AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2012 THROUGH 2017, INCLUSIVE, OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT NO. 08-00300 APPLICATION WITH THE PROVISION THAT ANY TAX ABATEMENT GRANTED TO CONFIDENTIAL PROJECT NO. 08-00300 UNDER FLORIDA STATUTE 196.1995 REDUCES ANY QUALIFIED TARGET INDUSTRY TAX REFUND TO CONFIDENTIAL PROJECT NO.08-00300; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO MAKE NON-SUBSTANTIVE MODIFICATIONS AND EXECUTE ALL CONTRACTS, AGREEMENTS, AND AMENDMENTS BY THE AMOUNT OF ANY SUCH TAX ABATEMENT GRANTED, IN COMPLIANCE WITH FLORIDA STATUTE 288.106(5)9; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, the Qualified Targeted Industry Tax Refund Confidential Project #08-00300 report, and the QTI General Project Overview application, copies of which are incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby finds that attracting, retaining and providing favorable conditions for the growth of target industries provide quality employment opportunities for residents of the County and enhance the County's economic foundations and recommends that Confidential Project No. 08-00300 be approved as

a qualified target industry business pursuant to Florida Statute 288.16, which created the Qualified Target Industry Tax Refund Program.

The necessary commitment of local financial support for Confidential Project No. 08-00300, as required under Florida Statute 288.106, exists in an amount not to exceed $15,000 from General Revenue Funds; and that this local financial support will be available in the following increments:

Fiscal Year 2012	$2,500
Fiscal Year 2013	$2,500
Fiscal Year 2014	$2,500
Fiscal Year 2015	$2,500
Fiscal Year 2016	$2,500
Fiscal Year 2017	$2,500
TOTAL	$15,000

Or payable over a time period and at annual amounts as determined by the State of Florida in its approval of Confidential Project No. 08-00300 application, as long as the $15,000 is not exceeded with the provision that any tax abatement granted to Confidential Project No. 08-00300, under Florida Statute 196.1995, reduces any QTI tax refund by the amount of any such abatement granted, in compliance with Florida Statute 288.106(5)(c) and will be paid to the Florida Economic Development Trust Fund with the stipulation that these funds are intended to represent the "local financial support" required by Florida Statute 288.106 for Confidential Project No. 08-00300 in compliance with the QTI Program, including the requirement that at least ten (10) jobs be created.

The necessary commitment of local financial support shall be contingent on Confidential Project No. 08-00300 maintaining the jobs during the life of the incentive and ensuring that its hiring practices are consistent with and reflect the diversity of the Miami-Dade County community.

The foregoing resolution was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman
Jose "Pepe" Diaz, Vice-Chairman

Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 21st day of July, 2009. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

BKN

Brenda Kuhns Neuman

Qualified Targeted Industry Tax Refund (QTI) & Targeted Job Incentive Fund (TJIF)

Confidential Project #: 08-00300

Prepared by the Beacon Council
June 2009

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Executive Summary

Background

Confidential Project #08-00300 is a computer component distributor to the Latin American market and is currently located in Miami-Dade County. The company is projected to experience rapid growth in sales. To accommodate this growth, the company is evaluating the expansion of its headquarters facility.

Confidential Project #08-00300 will create 25 new jobs with an average annualized salary of $43,800 in Miami-Dade County over a 3-year period. The company will invest $8.09 million in a new 48,000 square feet headquarters and distribution facility and new equipment. While the company would like to remain in the County, it is evaluating other options, including Broward County and overseas options in Latin America, specifically, Panama and Columbia. These countries have lower labor costs and may constitute a better logistical point for reducing shipping expenses and delays. Further, the initial capital requirements for the project will strain the flow of working capital during the first phase.

The application of Confidential Project #08-00300 for a QTI/TJIF combination recognizes the creation of new jobs and significant capital being committed by the project over 6-year payout period. The enclosed QTI/TJIF application package requests a maximum of $195,680 to be paid over a period of six years (20% QTI at $15,000 and 100% TJIF at $180,680) and provides a positive net revenue-cost ratio to the County of 1.2.

These are performance-based incentives. No funds will be provided to the Company until they meet all program requirements.

General Funds derived from the incremental tax revenue will be used to fund the county contribution. CDBG Funds will not be used.

The Basic Assumptions

- The latest Miami-Dade County millage tax rates (2008) were used.
- This latest millage rate was used for the entire 6-year period analysis.

Conclusions

Based on the projected investment of $8,090,000 in new real property, the project's 6-year property tax revenue from this expenditure will be: $924,168

- Miami-Dade County's general fund will receive $240,156 for the 6-year period.
- Miami-Dade County public schools will receive $387,047 for the 6-year period.
- The next largest tax revenue will go to special districts, including fire rescue, library and MSA.

INCENTIVE PROPOSAL SUMMARY: CONFIDENTIAL PROJECT 08-00300

Project Summary:	
Project Name	#08-00300
New Jobs	25
Average Salary	$43,800
New Capital Investment	$8,090,000
Square Footage	48,000
QTI and TJIF Breakdown:	
Total New Property Taxes (General Fund Only)	$240,156
QTI Miami-Dade County Match (20%)	$15,000
QTI Portion from Local Sales Taxes	$3,555
QTI Portion from Local Property Taxes	$11,445
TJIF Local Incentive Amount	$180,680
Miami-Dade County QTI + TJIF Amount for Miami-Dade County	$195,680
Net Revenue Benefit to Miami-Dade	$48,031
Total Benefit-Cost Ratio	1.2

REAL PROPERTY TAX BENEFITS

Six Year Projection Study

Incentive Summary

Confidential Project #08-00300
12/5/2008

Prepared by:

Jaap Donath, Ph.D.
Vice President
Department of Research & Strategic Planning

Six Year Projection Study
Summary

PROJECT DETAILS

Project Name:	Confidential Project #08-00300	**No. of Jobs:**	25
Investment Amount:	$8,090,000	**Annual Avg. Salary:**	$43,800
Type of Investment:	Real Property and Equipment	**Enterprise Zone:**	No

To maximize the possibility of retaining this firm, the Beacon Council will forward a Qualified Target Industry (QTI) incentive to the State of Florida and a local Target Job Incentive Fund (TJIF) proposal to Miami-Dade County.

The State of Florida has indicated that the company qualifies for a QTI. This program is funded by the State of Florida (80%) and Miami-Dade County (20%). Based on the project's capital investment, the QTI incentive breakdown is proposed as follows:

Total QTI Tax Refund Proposal:	**$75,000**	QTI Local Sales Taxes:	**$3,555**
State of Florida Match (80%):	**$60,000**	Local Property Taxes:	**$11,445**
Miami-Dade County Match (20%):	**$15,000**		

The property tax revenue generated from this project's investment will benefit the Miami-Dade County Government, Miami-Dade County Schools, as well as the State of Florida and area special districts.

THE BASIC ASSUMPTIONS

The latest Miami-Dade County mileage tax rates (2008) were used. This latest mileage rate was used for the entire six-year period analysis.

To adjust for the likely reduction in mileage rates over the next six-years, the real property value was assumed to increase by 1.5% rather than the more typical 3%.

CONCLUSIONS

Based on the investment of **$8,090,000** by the project in new real property and equipment, their six-year investment tax revenue is projected as follows:

Total Project Tax Revenue:	**$924,168**
Miami-Dade County's General Fund:	**$240,156**
Miami-Dade County Public Schools:	**$387,047**

The next biggest tax revenue would go to special districts, including fire rescue, library and MSA.

RECOMMENDATION

Based on the project creating **$195,680** in new property and local sales taxes for Miami-Dade County, The Beacon Council recommends that the following incentives be awarded to the project:

Total QTI Incentive (Local and State):	**$75,000**
Total TJIF Incentive:	**$180,680**
Total Combined Incentive:	**$255,680**

INCENTIVE PROPOSAL CHECKLIST

Confidential Project #08-00300

1. Enterprise Zone:	No
2. Number of New Jobs Projected:	25
3. Average Salary per Job:	$43,800
4. New Capital Investment:	$8,090,000
5. New Square Footage:	48,000
6. Per Job Incentive:	$3,000

QUALIFIED TARGET INDUSTRY TAX REFUND (QTI) BASED UPON THE CREATION OF

25 New Jobs Over **3** Years

TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	$60,000
2. Miami-Dade County Match (20%)	$15,000
Total QTI Tax Refund Proposal	$75,000

RETURN ON INCENTIVE INVESTMENT (ROII)

1. Miami-Dade County Incremental Tax Revenue*	$235,271
2. Total Miami-Dade County (20%) QTI Match	$15,000
3. Miami-Dade County Net Revenue Benefit	$220,271
Total ROII Gain/Loss/Breakeven (Revenue-cost ratio)	15.68

* See Economic Impact Model

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SUMMARY OF ECONOMIC IMPACT

Confidential Project #08-00300

Totals represent what Miami-Dade County would potentially gain over a projected six year period if the business expands in Miami- Dade County.

Employment	
Direct Employment	25
Indirect Employment	13
Total Employment Gain	**38**
Income from Wages	
Direct Employment	$5,851,680
Indirect Employment	$1,462,920
Total Income Gain	**$7,314,600**
Revenue to Miami-Dade County	
Total Property Taxes	**$231,716**
Total Local Sales Taxes	**$3,555**
Total Tax Revenue Gain	**$235,271**
Total Miami-Dade County (20%) QTI Match	**$15,000**
Miami-Dade County Net Revenue Benefit	**$220,271**

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THE BEACON COUNCIL ECONOMIC IMPACT MODEL

Confidential Project #08-00300

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
EMPLOYMENT							
Total Direct Jobs	10	17	25	25	25	25	
Indirect Employment	5	9	13	13	13	13	
TOTAL EMPLOYMENT	15	26	38	38	38	38	
INCOME ($1,000)							
WAGES & SALARY							
Total Direct Wages	$438.0	$766.9	$1,161.7	$1,161.7	$1,161.7	$1,161.7	$5,851.7
Total Indirect Wages	$109.5	$191.7	$290.4	$290.4	$290.4	$290.4	$1,462.9
TOTAL WAGES & SALARIES	$547.5	$958.7	$1,452.1	$1,452.1	$1,452.1	$1,452.1	$7,314.6
TOTAL INCOME	$547.5	$958.7	$1,452.1	$1,452.1	$1,452.1	$1,452.1	$7,314.6
INCREMENTAL PROPERTY TAXES ($1,000)							
Building & Equipment Taxes							
TOTAL PROPERTY TAXES	$150.6	$149.7	$148.9	$148.1	$147.5	$146.9	$891.7
MIAMI-DADE PROPERTY TAXES	$39.1	$38.9	$38.7	$38.5	$38.3	$38.2	$231.7
SALES TAXES ($1,000)							
Available Income	$547.5	$958.7	$1,452.1	$1,452.1	$1,452.1	$1,452.1	$7,314.6
Less Federal Income Tax	$438.0	$766.9	$1,161.7	$1,161.7	$1,161.7	$1,161.7	$5,851.7
Less Hous, Ins, Prop Tax	$328.5	$575.2	$871.3	$871.3	$871.3	$871.3	$4,388.8
Less Savings, Life Insur.	$295.7	$517.7	$784.1	$784.1	$784.1	$784.1	$3,949.9
Less Food, Drugs, Other Non-Tax	$221.7	$388.3	$588.1	$588.1	$588.1	$588.1	$2,962.4
Avail. Income For Sales Tax	$221.7	$388.3	$588.1	$588.1	$588.1	$588.1	$2,962.4
State Sales Tax Realized	$13.3	$23.3	$35.3	$35.3	$35.3	$35.3	$177.7
Local Sales Tax Realized	$0.3	$0.5	$0.7	$0.7	$0.7	$0.7	$3.6
TOTAL SALES TAXES ($1,000)	$13.6	$23.8	$36.0	$36.0	$36.0	$36.0	$181.3
TOTAL MIAMI-DADE PROPERTY & SALES TAXES ($1,000)	$39.4	$39.4	$39.4	$39.2	$39.0	$38.9	$235.3
TOTAL PROPERTY & SALES TAXES ($1,000)	$164.2	$173.5	$184.9	$184.1	$183.5	$182.9	$1,073.0

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THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

Confidential Project #08-00300

Employment Assumptions

New Direct Permanent Jobs

Year 1	10
Year 2	17
Year 3	25
Year 4	25
Year 5	25
Year 6	25

Incremental Multiplier 0.50

* For every 100 direct jobs, 50 indirect jobs will be created. Total multiplier effect is 1.50

Annual Income Assumptions

Yearly Salary, Direct Permanent Job	$43,800
Indirect Job Salary	$21,900
Inflation	103%

Capital Investment

	Total Cap. Inv.
Y1 Value	$8,090,000
Y2 Value	$8,041,000
Y3 Value	$7,996,900
Y4 Value	$7,957,210
Y5 Value	$7,921,489
Y6 Value	$7,889,340

	Realty Prop.	Equip.
Y1	$7,600,000	$490,000
Y2	$7,600,000	$441,000
Y3	$7,600,000	$396,900
Y4	$7,600,000	$357,210
Y5	$7,600,000	$321,489
Y6	$7,600,000	$289,340

Property/Real Estate Taxes

Mill Rate, Less Dade's Revenue	0.01378
Miami-Dade's Revenue Mill Rate	0.00484
Miami-Dade's Total Mill Rate	0.01862
Assessment Value of Real Property	90%

Sales Tax Rates

Calculation: Income Available For Sales Tax

Income Devoted to:	
Federal Income Tax Liability , 20%	0.80
Housing, Insurance, Real Estate Taxes, 25%	0.75
Savings, Life Insurance, 10%	0.90
Food, Drugs, Other Non-Tax Items, 25 %	0.75

Sales Tax Rates

Florida Sales Tax	6.00%
Miami-Dade County Sales Tax	0.12%
Total Sales Tax	6.12%

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Tax Revenue by Government Entity
2008 - 2013
Confidential Project #08-00300

Year	Value of Real Property $7,600,000 1.015	Total 0.0186172	County General 0.0048379	County Debt 0.000285	School 0.007797	State 0.0006585	Other Districts 0.0050388	City 0.0000
2008	$7,600,000.00	$141,490.72	$36,768.04	$2,166.00	$59,257.20	$5,004.60	$38,294.88	$0.00
2009	$7,714,000.00	$143,613.08	$37,319.56	$2,198.49	$60,146.06	$5,079.67	$38,869.30	$0.00
2010	$7,829,710.00	$145,767.28	$37,879.35	$2,231.47	$61,048.25	$5,155.86	$39,452.34	$0.00
2011	$7,947,155.65	$147,953.79	$38,447.54	$2,264.94	$61,963.97	$5,233.20	$40,044.13	$0.00
2012	$8,066,362.98	$150,173.09	$39,024.26	$2,298.91	$62,893.43	$5,311.70	$40,644.79	$0.00
2013	$8,187,358.43	$152,425.69	$39,609.62	$2,333.40	$63,836.83	$5,391.38	$41,254.46	$0.00
Total 6 Year Tax Revenue		$881,423.65	$229,048.38	$13,493.21	$369,145.75	$31,176.41	$238,559.91	$0.00

Tax Revenue by Government Entity
2008 - 2013
Confidential Project #08-00300

Year	Investment/Depreciation **$490,000** **0.9**	Total 0.0186172	County General 0.0048379	County Debt 0.000285	School 0.007797	State 0.0006585	Other Districts 0.0050388	City 0.0000
2008	$490,000.00	$9,122.43	$2,370.57	$139.65	$3,820.53	$322.67	$2,469.01	$0.00
2009	$441,000.00	$8,210.19	$2,133.51	$125.69	$3,438.48	$290.40	$2,222.11	$0.00
2010	$396,900.00	$7,389.17	$1,920.16	$113.12	$3,094.63	$261.36	$1,999.90	$0.00
2011	$357,210.00	$6,650.25	$1,728.15	$101.80	$2,785.17	$235.22	$1,799.91	$0.00
2012	$321,489.00	$5,985.23	$1,555.33	$91.62	$2,506.65	$211.70	$1,619.92	$0.00
2013	$289,340.10	$5,386.70	$1,399.80	$82.46	$2,255.98	$190.53	$1,457.93	$0.00
Total 6 Year Tax Revenue		**$42,743.96**	**$11,107.52**	**$654.34**	**$17,901.44**	**$1,511.88**	**$11,568.78**	**$0.00**

SIX YEAR PROJECTION
2008 - 2013
Confidential Project #08-00300

Year	Realty + Equipment	Total	County General	County Debt	School	State	Other Districts	City
	$8,090,000	0.0186172	0.0048379	0.000285	0.007797	0.0006585	0.0050388	0.0000
2008	$8,090,000.00	$150,613.15	$39,138.61	$2,305.65	$63,077.73	$5,327.27	$40,763.89	$0.00
2009	$8,155,000.00	$151,823.27	$39,453.07	$2,324.18	$63,584.54	$5,370.07	$41,091.41	$0.00
2010	$8,226,610.00	$153,156.44	$39,799.52	$2,344.58	$64,142.88	$5,417.22	$41,452.24	$0.00
2011	$8,304,365.65	$154,604.04	$40,175.69	$2,366.74	$64,749.14	$5,468.42	$41,844.04	$0.00
2012	$8,387,851.98	$156,158.32	$40,579.59	$2,390.54	$65,400.08	$5,523.40	$42,264.71	$0.00
2013	$8,476,698.53	$157,812.39	$41,009.42	$2,415.86	$66,092.82	$5,581.91	$42,712.39	$0.00
Total 6 Year Tax Revenue		**$924,167.60**	**$240,155.90**	**$14,147.55**	**$387,047.18**	**$32,688.29**	**$250,128.68**	**$0.00**

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QTI-TJIF Combined Incentive Breakdown

Confidential Project #08-00300

6-Year Study

Miami-Dade County General Fund:	**$240,156**
Total New Property Taxes (County General Fund x 0.8):	**$192,125**
QTI Miami-Dade County Match (20%):	**$15,000**
QTI Portion from Total Local Sales Taxes:	**$3,555**
QTI Portion from Local Property Taxes: Miami-Dade County QTI 20% Match minus QTI Local Sales Taxes	**$11,445**
Total New Property and Local Sales Taxes: (Total New Prop. Taxes + QTI Portion from Local Sales Taxes)	**$195,680**
TJIF Local Incentive Amount: (Total New Property & Local Sales Taxes minus QTI 20% County Match)	**$180,680**
Total Local QTI + TJIF Incentive Amount:	**$195,680**
Net Revenue Benefit to Miami-Dade County (General Fund):	**$48,031**
Total Return on Investment (ROI):	**1.2**

Total Incentive:	**$255,680**
(QTI 20% Local Match)	$15,000
(QTI 80% State Match)	$60,000
(TJIF 100% Local Match)	$180,680

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GENERAL PROJECT OVERVIEW

#08-00300
Name of Business

Project Technology
Project Title or Code Name (1-5 word description)

FOR EFI USE ONLY		
Date Received	Date Revised	Date Completed
EFI Project Number		

Contact Enterprise Florida to discuss your project and application before submitting a formal proposal. The completed and signed application must be filed with:

Enterprise Florida

The Atrium Building, Suite 201 • 325 John Knox Road
Tallahassee, Florida 32303
850/298-6620 • Fax: 850/298-6659
http://www.eflorida.com/

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GENERAL PROJECT OVERVIEW

To add text outside of the gray fields or click the statutory reference link, de-select the "Protect Form" (lock) button on the Forms toolbar.

1. BUSINESS INFORMATION

A. Name of Business Unit: Project #08-00300

B. Mailing Address: _____
Street Address

Miami FL
City State Zip Code

C. Name of Parent Company: _____

D. Primary Business Unit Contact: _____

Title: _____

Mailing Address: _____
Street Address

City State Zip Code

Telephone: _____ Fax: _____

Email: _____ Website: _____

E. Business Unit's Federal Employer Identification Number: _____

F. Business Unit's Unemployment Compensation Number: _____

G. Business Unit's Florida Sales Tax Registration Number: _____

H. Is the business unit minority owned?

Yes x No ☐ If yes, explain: Owners are Hispanic

I. What is the business unit's tax year (ex: Jan 1 to Dec 31): Jan 1 to Dec 31

2. PROJECT OVERVIEW

A. Which of the following best describes this business unit[1]:

☐ New business unit to Florida

X Existing Florida business creating and / or retaining jobs[2,3]

48 If an expansion, how many jobs are currently in the expanding business unit?

B. How many individuals are employed at all Florida locations? 48

C. Are any jobs being transferred from other Florida locations[4]?

Yes ☐ No X If yes, how many jobs and from where? _____

Why are these jobs moving and why is it justified in light of the statutory language governing the applicable incentive program(s)?

_____

[1] Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

[2] A QTI Tax Refund award cannot be granted for existing Florida jobs.

[3] Incentives may not be used in connection with a project that involves the relocation of jobs from one Florida community to another except in certain circumstances as described in statute.

[4] Incentives may not be used in connection with a project that involves the relocation of jobs from one Florida community to another except in certain circumstances as described in statute.

GENERAL PROJECT OVERVIEW

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D. **Give a full description of this project, including the primary business activities / functions:**
Expanded facility capacity to sustain additional sales of computer component distributor.

E. **What is the project's Targeted Industry(ies)[5]:** Headquarters location, Computer Peripheral Wholesale

F. **Break down the project's primary function(s) and the corresponding wages:**

Business Unit Activities	NAICS Code	Project Function (total = 100%)	Annualized Wage ($)
Computer Peripheral Wholesale	423430	100	$43,800
		%	$
		%	$

G. **What is the project's proposed location address:**

Street Address

Miami FL
City *State* *Zip Code*

What is the project's current location address (if different):

Street Address

Miami FL
City *State* *Zip Code*

H. **Is the project location within a current or proposed Brownfield site / area?**
Yes ☐ No X If yes, attach a copy of the official document designating the Brownfield area.
Is the project location in an Enterprise Zone?
Yes ☐ No X If yes, which zone? _____
Is the project location in a designated Rural area?
Yes ☐ No X If yes, which Rural area? _____

I. **Which of the following describes the applicant's operations** (select all that apply):
☐ Multi-state business enterprise
X Multinational business enterprise
☐ Florida business enterprise (eligible for Brownfield Redevelopment Bonus incentive only)

J. **Which of the following describes this business unit** (select all that apply):
☐ Regional headquarters office
☐ National headquarters office
X International headquarters office
☐ This is not a dedicated headquarters office

K. **What is the estimated percentage of gross receipts or final sales resulting from this project that will be made outside of Florida** (if sales is not a reasonable measure, use another basis for measure and provide explanation below):
80% Explain, if necessary: _____

3. JOB AND WAGE OVERVIEW

A. **How many jobs[6] are expected to be created as part of this project?** 25

[5] Refer to the QTI Target Industry list.

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GENERAL PROJECT OVERVIEW

To add text outside of the gray fields or click the statutory reference link, de-select the "Protect Form" (lock) button on the Forms toolbar.

B. **If an existing business unit, how many jobs are expected to be retained as part of this project?** (jobs in jeopardy of leaving Florida should only be included here; these jobs are not eligible for QTI) 48

C. **What is the anticipated annualized average wage (excluding benefits) of the new to Florida jobs created as part of this project?** (Cash payments to the employees such as performance bonuses and overtime should be included. The wage reported here is only an estimate of the average wage to be paid and will not be used in the certification, agreement, and claim evaluation process.) $43,800

D. **What is the annualized average value of benefits associated with each new job created as part of this project?** $1,600

E. **What benefits are included in this value?** (health insurance, 401(k) contributions, vacation and sick leave, etc.)
Health, dental, vision, vacation, sick leave

4. CAPITAL INVESTMENT OVERVIEW

A. **Describe the capital investment in real and personal property** (Examples: construction of new facility; remodeling of facility; upgrading, replacing, or buying new equipment. Do not include the value of land purchased for construction of a new building): $7,600,000 for construction and buildout of new facility, $490,000 for customizations and equipment.

B. **Will this facility be:**

- ☐ Leased space with renovations or build out
- X Land purchase and construction of a new building
- ☐ Purchase of existing building(s) with renovations
- ☐ Addition to existing building(s) (already owned)
- ☐ Other (please describe in 4A above)

C. **List the anticipated amount and type of major capital investment to be made by the applicant in connection with this project:** (attach separate schedule if investment will be made over more than three years)

	Year 1	Year 2	Year 3
Land	$	$	$
Construction / Renovations	$7,600,000	$	$
Manufacturing Equipment	$	$	$
R&D Equipment	$	$	$
Other Equipment (computer equipment, office furniture, etc.)	$490,000	$	$
Total Capital Investment	$8,090,000	$	$

D. **What is the estimated square footage of the new or expanded facility?** 48,000

E. **When is the final location decision anticipated** (date)? 1st quarter 2009

F. **What is the anticipated date construction will begin?** 2nd quarter 2009

G. **What is the anticipated date operations will commence?** 4th quarter 2009

[5] A "full time equivalent job" means at least 35 hours of paid work per week.

GENERAL PROJECT OVERVIEW

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5. COMPETITIVE LANDSCAPE

A. **What role will the incentive(s) play in the business unit's decision to locate, expand, or remain in Florida?**
Important role when deciding whether remaining in FL is a better financial decision

B. **What other cities, states, or countries are being considered for this project?**
Coral Springs, Miramar, Pembroke Pines, Sunrise, Panama, Columbia

C. **What advantages or incentives offered by these locations do you consider important in your decision?**
Overseas wages are much less that US wages.

D. **Indicate any additional internal or external competitive issues impacting this project's location decision?**

6. ECONOMIC IMPACT AND CORPORATE RESPONSIBILITY

A. **Provide a brief synopsis of the special impacts the project is expected to stimulate in the community, the state, and the regional economy.** Include the impact on indicators such as unemployment rate, poverty rate, and per capita income.
See attached

B. **Provide a summary of past activities in Florida and in other states particularly as they relate to environmental or growth management impacts.** For example, what kind of corporate citizen has the applicant been? Also list awards or commendations.
Project # 08-00300 has been an excellent corporate citizen. In regards to environmental impact, the nature of our business limits our possibilities of participating in "green" programs such as recycling or other types of waste management due to our lack of waste created.

C. **List and explain any criminal or civil fines or penalties or ongoing investigations that have been imposed upon the company, its executives, or its affiliates and any recent bankruptcy proceedings of the applicant or its parent company.**
N/A

D. **Provide any additional information you wish to be considered as part of this incentive application or items that may provide supplementary background information on your project or company.**

7. CONFIDENTIALITY

A. **You may request that your project information (including information contained in this application) be confidential per F.S. 288.075, Confidentiality of Records for a 12 month period, with an additional 12 month extension available upon request for projects still under consideration.**

Please indicate your confidentiality preference: (Does not apply to SDST sales tax exemption applicants)

GENERAL PROJECT OVERVIEW

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X Yes
☐ No

*****Be sure to attach the proper incentive attachment sheet(s)*****

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GENERAL PROJECT OVERVIEW

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8. SIGNATURES

Application Completed By:	To the best of my knowledge, the information included in this application is accurate.
Signature	Signature (Authorized Company Officer) REQUIRED
Name	Name
Financial Analyst	CFO
Title	Title
Company	Company
Address, if different than mailing address	Address, if different than mailing address
Phone Number	Phone Number
Fax Number	Fax Number
Email Address	Email Address
December 11, 2008	December 11, 2008
Date	Date

Name of contact person, if different than above

Phone Number

Address

Email Address

PROJECT IMPACT

Confidential project #08-00300 will be relocating its headquarters to better support the projected increase in revenue for the coming years. The increase in production will require project #08-00300 to add 25 new jobs in the next 3 years. Should the project expand in Medley, the expansion will translate to a better economic scenario for the surrounding areas in Medley and Sweetwater.

Medley and Sweetwater have been struggling as of late with their employment statistics. Currently, Medley's unemployment rate is at 8.2% and Sweetwater is at 10.9%, well above the national average. The average salary in Medley is currently $22,686 with over 42% of the employing industries concentrated in construction, education, social, health care services and manufacturing sectors. Sweetwater's average salary is $19,699 with over 37% of employing industries concentrated in the retail trade, education, health care, social services, professional, scientific, management, and waste management services. In addition, only 8% of Medley residents and 13% of Sweetwater residents have a bachelor's degree or better.

Relocating project #08-00300 to the new area would have a positive impact on Sweetwater and Medley. Project #08-00300 operates in the distribution/wholesale sector and would diversify the types of industries in both cities. It would create 25 new jobs to stimulate the local job markets. The 25 new jobs will consist of 12-13 salaried employees for candidates with a bachelor degree. The additional staffing needs for individuals with a higher education may attract those candidates to become permanent residents of the surrounding areas. Project #08-00300 average salary of $43,800 per year is higher than either current areas average salaries.

Qualified Target Industry Tax Refund
Attachment to the General Project Overview

To add text outside of the gray fields or click the statutory reference link, de-select the "Protect Form" (lock) button on the Forms toolbar.

Project # 08-00300
Name of Business

Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

IMPORTANT NOTE: This application must be filed and the incentive approved *prior* to making the decision to expand an existing Florida business unit or to locate a new business unit in Florida.

*** * *Be sure to submit the General Project Overview and Local Support Resolution[1] following passage by the City / County* * ***

1. PROJECT EMPLOYMENT AND WAGE COMMITMENTS

A. **What is the total number of net new full-time equivalent Florida jobs created by the project at the business unit[2]?** 25

B. **Provide the job creation schedule to which you commit:** (Please limit the phases to a maximum of three consecutive years and job creation to no less than ten jobs in the first year).

Phase	Number of net new full-time equivalent Florida jobs created in the business unit	Date by which jobs will be created
I	10	12/31/2009
II	7	12/31/2010
III	8	12/31/2011
Total	25	

C. **For the purposes of certification, agreement, and claim review, indicate the average wage and corresponding threshold (percentage) to which you commit:**
Check the relevant box (only one) and fill in the first field (wage commitment) and second field (county, state, or MSA used).

- ☒ $43,800, which is at least 115% of the average wage in Miami-Dade County.
- ☐ $_____, which is at least 150% of the average wage in _____.
- ☐ $_____, which is at least 200% of the average wage in _____.

2. LOCAL FINANCIAL SUPPORT

A. **Identify the local government(s) anticipated to provide local financial support[3]:**
Miami-Dade County

B. **Indicate the date(s) the QTI support resolution(s) is / are anticipated to be passed by the local government:**
02/03/2009

[1] Submit the resolution adopted by the local governing body recommending the applicant be approved as a QTI Business unit and indicating the amount of local financial support that has been committed. Resolution should clearly indicate waivers requested and justification for such waivers.
[2] Must be a minimum of 10 new jobs and a 10 percent increase in current business unit employment (if an existing Florida business).
[3] The total QTI award may not exceed five times the local financial support provided by the community. If the community has requested a local financial support waiver or the support is provided in the form of ad valorem tax abatement, the QTI award will be reduced by this amount.

Qualified Target Industry Tax Refund
Attachment to the General Project Overview

To add text outside of the gray fields or click the statutory reference link, de-select the "Protect Form" (lock) button on the Forms toolbar.

3. SIGNATURES

Signature of Individual Completing this Attachment (if different from General Project Overview)	12-11-08 Date
Address (if different)	Phone Number (if different)
Signature (Authorized Company Officer) REQUIRED	12-11-08 Date
Name and Title of Authorized Officer	

4. KEY QTI PROGRAM INFORMATION

- The tax refund claim form will be due by January 31st each year for the number of jobs on December 31st of the previous calendar year. Tax refunds paid per state fiscal year (July 1 – June 30) may not exceed 25 percent of the total tax refund award associated with the phase(s) scheduled.
- The total award will be equal to $3,000 ($6,000 in Enterprise Zones or Rural Counties) times the number of jobs reported in item 1A, plus $1,000 per job if the average annual wage is at least 150% of the area's average; or $2,000 per job if the average annual wage is at least 200%. However, the QTI award may not exceed five times the local financial support paid by the community.
- If in any year the applicant does not achieve the job creation schedule outlined in item 1C, but achieves at least 80% of the required net new jobs, the company will receive a pro-rated refund less a 5% penalty of the scheduled award amount for that year. If job creation falls below 80% of the required jobs, the company will not receive a refund and will be terminated from the program.
- For an expanding Florida business unit:
  - Existing number of full-time equivalent jobs must be maintained for the duration of the QTI agreement.
  - The average wage commitment should include wages paid across the expanding business or reporting unit for all new and existing jobs, as shown on the unit's UCT-6 form. If the project involves activities not representative of the expanding business or reporting unit and are anticipated to be substantially different from the historical range and distribution of jobs and wages paid (higher or lower) in the existing unit, that issue should be disclosed and discussed with Enterprise Florida at the time of application to determine if separate record keeping must be established.
- A qualified target industry business that fraudulently claims a refund under *288.106(2), Florida Statutes:*
  - Is liable for repayment of the refund to the account, plus a mandatory penalty in the amount of 200 percent of the tax refund which shall be deposited into the General Revenue Fund.
  - Is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
- Qualified Target Industry Tax Refund: *Section 288.106, Florida Statutes.*