

Memorandum

MIAMI-DADE
COUNTY

Date: April 4, 2011

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Resolution Approving Targeted Jobs Incentive Fund Tax Refund for Confidential Project Vital

Agenda Item No. 9(A)(2)

Background

Project Vital submitted an initial application to the Beacon Council on September 27, 2010 under the old TJIF Ordinance No. 02-251, which expired on September 30, 2010. While the revised Ordinance (11-08) was being drafted and approved, Project Vital was issued two preserving inducement letters. On February 22, 2011, the Company submitted an amended application under the revised TJIF Ordinance. The Company does not qualify as a target industry business under the revised list of eligible industries, and thus The Beacon Council and the County Mayor's designee are requesting a waiver of Section 2-1254.

Recommendation

The Beacon Council, on behalf of Project Vital, has submitted an application for economic development incentives from Miami-Dade County that requires approval from the Board of County Commissioners (BCC). Project Vital is requesting confidentially. Staff is recommending that the BCC approve the attached resolution authorizing Confidential Project Vital to receive economic incentives from the County's Targeted Jobs Incentive Fund (TJIF) as set forth in the County Code of Ordinances Chapter 2, Sections 1251 through 1260 in an amount not to exceed \$52,869. As a condition to the disbursement of the TJIF award, the applicant agrees to hire an additional 60 workers and pay these new hires an average annual salary of \$50,500 (excluding benefits).

Revisions to the TJIF Ordinance were approved by the BCC on February 1, 2011 (Ordinance #11-08). The analysis of Project Vital and calculation of eligible incentive award are based on the formula approved by the BCC.

The anticipated dates for job creation and incentive award disbursements are set forth in the resolution but are subject to change upon the approval of the County Mayor or the County Mayor's designee.

The attached documents relating to the application of the incentive have been prepared by the Beacon Council and reviewed by the Office of Economic Development and International Trade.

Scope

The business operations of the project will create 60 new jobs that will primarily impact Commission District 2; however, the overall economic impacts will benefit the entire County through economic multiplier effects.

The business is seeking to expand its foodservice warehouse/distribution operations, which is currently located in the North Enterprise Zone located in District 2. The business plans to expand its current operations into a contiguous adjacent warehouse along with the expansion of refrigeration capacity.

The business is considering Orlando or Tampa as potential locations for this expansion. The business expansion will increase its current warehouse storage capacity by 66,741 new square feet and its number of employees from 127 to 187.

Fiscal Impact / Funding Source

The County uses general revenues to fund this incentive. Based on the conditions set forth in the TJIF Ordinance, Confidential Project Vital is eligible for \$52,869 in TJIF assistance to be paid over a six-year period based on the capital investment stated in its application. However, County staff is also projecting approximately \$68,888 in additional general fund revenues to the County from the capital investment commitment as stated in the company's TJIF application. Based on these projections, this incentive would yield a net positive fiscal impact of \$16,019 to the County.

The actual disbursement of the TJIF award is contingent upon verifying creation of the new jobs and subsequent to the capital investment of the project appearing on the tax roll. The TJIF award for Project Vital may equal up to 1.875 percent of the total real property capital investment and 1.325 percent of the tangible personal property capital investment since this project will be located in the County's designated Enterprise Zone. The disbursement of the TJIF award is capped at the incremental general fund County taxes actually generated by Project Vital.

Track Record/Monitor

The TJIF program specifies that a BCC approved TJIF project generally must create at least 10 new jobs and make at least a \$3 million capital investment to receive the incentive. This project is promising to make a capital investment of \$3,025,000 and create 60 new jobs.

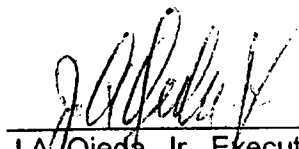
Staff from the Office of Economic Development and International Trade (OEDIT) upon the company's request for incentive payment, will verify that it has met the required number of new jobs created, at the required wage rate and in accordance with the TJIF agreement. OEDIT staff also confirm that the ad valorem and/or the tangible personal property taxes are sufficient to cover the TJIF payment.

Economic Impact Overview

Confidential Project Vital is a foodservice warehouse/distribution company (SIC Code #5141, NAICS Code #424410) currently located in the North Enterprise Zone of Miami-Dade County in District 2.

The company currently employs 127 workers at its Miami-Dade facility and is committing to create an additional 60 jobs over a three-year period. In total, the company is committing to maintaining 187 jobs for the duration of the TJIF incentive. The company agrees as a condition of the TJIF award that the 60 new workers hired will have an average annual salary of \$50,500 (excluding benefits). The Beacon Council projects that by the end of the third year an additional 69 new indirect jobs will result from the company's local purchases of goods and services, as well as consumer spending from labor income directly or indirectly earned from its business activities.

Attachments



J.A. Ojeda, Jr., Executive Director
Office of Economic Development and International Trade

- c: Robert Cuevas, Jr., County Attorney
- Robert Meyers, Executive Director, Commission on Ethics and Public Trust
- Chris Mazzella, Inspector General

PROJECT VITAL SUMMARY SHEET

| | |
|--|--|
| APPLICANT: | Confidential Project Vital |
| HEADQUARTERS LOCATION: | Miami-Dade County |
| PROPOSED LOCATION IN MIAMI-DADE COUNTY: | District 2 |
| OTHER LOCATIONS UNDER CONSIDERATION: | Orlando, Tampa |
| DATE OF QTI/TJIF APPLICATIONS: | February 22, 2011 |
| OVERALL BUSINESS ACTIVITY/MISSION: | Wholesale food and related products distribution. |
| PROPOSED LOCAL BUSINESS ACTIVITY: | Expansion of existing operations into a contiguous adjacent warehouse along with refrigeration capacity. |
| PROPOSED CAPITAL INVESTMENT: | \$3,025,000 |
| TARGETED QTI/TJIF INDUSTRIES: | Foodservice Distribution/Warehouse |
| PROPOSED LOCATION IN DESIGNATED PRIORITY AREA: | Yes, North Enterprise Zone |
| NEW BUSINESS OR EXPANDING BUSINESS: | Expanding |
| TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED: | 60 / 127 |
| EFFORT IN HIRING RESIDENTS IN LOCAL AREA: | Unknown |
| ESTIMATED ANNUALIZED AVERAGE WAGES FOR NEW JOBS: | \$50,500 |
| ANNUAL EMPLOYEE BENEFIT PACKAGE: | \$6,400 |
| NUMBER OF INDIRECT JOBS TO BE CREATED: | 69 |
| NUMBER OF YEARS TO CREATE NEW JOBS: | 3 |
| MAXIMUM INCENTIVE PER DIRECT JOB CREATED: | \$881.15 |
| MAXIMUM INCENTIVE AWARD APPLIED FOR: | \$52,869 |
| PROJECTED INCREMENTAL COUNTY TAX REVENUE: | \$68,888 |
| COUNTY'S MAXIMUM TJIF AWARDS: | \$52,869 |

TYPE OF FUNDS REQUESTED IN APPLICATION: Countywide General Fund Revenues

COMMENTS: Information and data in this summary sheet provided The Beacon Council.



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: April 4, 2011

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

SUBJECT: Agenda Item No. 9(A)(2)

Please note any items checked.

- "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
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 9(A)(2)
4-4-11

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT VITAL AS A TARGETED JOBS INCENTIVE FUND PROGRAM BUSINESS PURSUANT TO THE CODE OF MIAMI-DADE COUNTY, FLORIDA, CHAPTER 2, ARTICLE LXXXVI, AS MODIFIED BY ORDINANCE NO. 11-08; CONFIRMING THAT THE COMMITMENT OF INCENTIVE AWARDS FOR CONFIDENTIAL PROJECT VITAL EXISTS; PROVIDING AN APPROPRIATION OF UP TO \$52,869 FROM GENERAL REVENUE FUNDS FOR FISCAL YEARS 2012-2013 THROUGH 2017-2018 WITH THE PROVISION THAT ANY TAX ABATEMENT GRANTED TO CONFIDENTIAL PROJECT VITAL UNDER FLORIDA STATUTE 196.1995 REDUCES ANY TARGETED JOBS INCENTIVE FUNDS AWARD TO CONFIDENTIAL PROJECT VITAL BY THE AMOUNT OF ANY SUCH TAX ABATEMENT GRANTED; AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO MAKE NON-SUBSTANTIVE MODIFICATIONS, INCLUDING MODIFICATIONS TO THE JOB CREATION AND DISBURSEMENT DATES TIMELINE, AND TO EXECUTE ALL CONTRACTS, AGREEMENTS AND AMENDMENTS; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, *Targeted Job Incentive Fund (TJIF) Confidential Project Vital* report, and *Application and Agreement for Targeted Jobs Incentive Fund (TJIF)*, copies of which are incorporated herein by reference; and

WHEREAS, Confidential Project Vital does not qualify as a target industry business under the revised TJIF Ordinance (11-08); and

WHEREAS, The Beacon Council and the Mayor's Designee have approved a waiver of Section 2-1254,

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 provides quality employment opportunities for residents of the County and enhances the County’s economic foundations, and authorizes the County Manager to execute the Application and Agreement between Miami-Dade County and Confidential Project Vital, as a targeted jobs incentive fund program business pursuant to the Code of Miami-Dade County, Florida, Chapter 2, Article LXXXXVI, as modified by Ordinance No. 11-08, and further authorizes the County Mayor or County Mayor’s designee to make non-substantive modifications, including modifications to the job creation and disbursement dates timeliness, and to execute all contracts, agreements, and amendments.

The applicant’s business activity is located within Miami-Dade County’s Enterprise Zone.

The commitment of incentive awards for Confidential Project Vital exists in an amount not to exceed \$52,869 from General Revenue Funds, and is conditioned on and subject to specific annual appropriations by the Board in the following increments:

| | |
|-----------------------|-----------------|
| Fiscal Year 2012-2013 | \$8,812 |
| Fiscal Year 2013-2014 | \$8,812 |
| Fiscal Year 2014-2015 | \$8,812 |
| Fiscal Year 2015-2016 | \$8,812 |
| Fiscal Year 2016-2017 | \$8,812 |
| Fiscal Year 2017-2018 | \$8,809 |
| TOTAL | \$52,869 |

with the provision that any tax abatement granted to Confidential Project Vital under Florida Statute 196.1995 reduces any TJIF incentive award granted by the amount of any such tax abatement granted, and will be paid to Confidential Project Vital with the stipulation that

Confidential Project Vital is in compliance with the TJIF program including the requirement that at least ten (10) jobs be created.

The commitment of incentive awards shall be contingent on Confidential Project Vital 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. Confidential Project Vital also agrees to a “good faith” effort to hire, to the maximum extent, residents from Miami-Dade County.

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:

- | | |
|-------------------|-------------------------------------|
| | Joe A. Martinez, Chairman |
| | Audrey M. Edmonson, Vice Chairwoman |
| Bruno A. Barreiro | Lynda Bell |
| Jose "Pepe" Diaz | Carlos A. Gimenez |
| Sally A. Heyman | Barbara J. Jordan |
| Jean Monestime | Dennis C. Moss |
| Rebeca Sosa | Sen. Javier D. Souto |

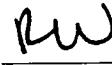
The Chairperson thereupon declared the resolution duly passed and adopted this 4th day of April, 2011. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

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.



Rachel M. Wilhelm



Application and Agreement for Targeted Jobs Incentive Fund (TJIF)

Project "VITAL"

Name of Business

(Note: if name of company is confidential at time of application, said company name shall be provided and appended to this Application and Agreement by N/A.)

Important: This Application and Agreement for TJIF shall be in compliance with Miami-Dade County Board of County Commissioners Ordinance No. 00-98 as codified in the Code of Miami-Dade County, Chapter 2, Article LXXXVI, and as further modified by Ordinance No. 11-08, as may be amended.



The Beacon Council
80 S.W. 8th Street, Suite 2400
Miami, FL 33130
Phone: 305-579-1300
Fax: 305-579-7580
www.beaconcouncil.com



Section 1. Targeted Jobs Incentive Fund (TJIF) Background

- 1.1 The Targeted Jobs Incentive Fund is an initiative fashioned by The Beacon Council and Miami-Dade County and patterned after the State of Florida Qualified Target Industry Tax Refund Program (QTI). The program's intent is to attract relocating out-of-area businesses and encourage expansion of existing local companies by providing cash incentive awards. As with the QTI Program, a Company is required to create a certain number of jobs and must also generate enough new revenue to Miami-Dade County to fund its TJIF benefit.
- 1.2 The TJIF is an inducement program available only to companies from outside the County (with the exception of Palm Beach, Broward, and Monroe Counties) wishing to relocate here, and to Miami-Dade companies which undertake a business expansion and which create jobs as a result of the local expansion. Nevertheless, a Palm Beach, Broward or Monroe County-located Company that is planning to relocate outside South Florida is eligible for this program. The Company must provide verifiable documentation supporting its consideration of other locales. Any Company decisions committing the Company to a location in the County prior to the Board of County Commissioners approval of the TJIF Application/Agreement will render a Company ineligible to participate in the TJIF Program.
- 1.3 Although the TJIF is available to companies countywide, it is also used to encourage investment and the creation of jobs in Designated Priority Areas (DPA) i.e. Enterprise Zones, Empowerment Zones, Targeted Urban Areas, Community Development Block Grant eligible areas, and Brownfield areas, by providing business with additional incentives if the Company locates within these specified areas.
- 1.4 The TJIF program is strictly a performance-based incentive that is only paid out to the Company after it has met all of its job creation projections, capital investment commitments.

Section 2. Criteria

- 2.1 The Targeted Jobs Incentive Fund (TJIF) is available to companies in the following industries:
- a. Advance Manufacturing;
 - b. Aviation/Aerospace;
 - c. Clean Energy including, but not limited to, Solar Photovoltaic and Solar Thermal Energy, Biofuels, Smart Grid Technologies, Energy Storage, and Ocean Energy;
 - d. Financial/Professional Services;
 - e. Homeland Security/Defense;
 - f. Information Technology;
 - g. Life Sciences;
 - h. Creative Industries including, but not limited to, Fashion and Lifestyles;
 - i. Global Logistics;
 - j. Headquarters including regional headquarters (NAICS Code 5511); and
 - k. Any industry designated as a "Target industry business" under the State of Florida's Qualified Target Industry ("QTI") program, Section 288.106(1) of the Florida Statutes.

The Board of County Commissioners, at its discretion, may waive the eligible industry requirement at the request and recommendation of The Beacon Council and the County Mayor and County Mayor's designee.

- 2.2 The Company must create at least 10 new jobs and make a minimum capital investment of at least \$3 million.
- 2.3 The County Commission, in recognition of its responsibility to set a community standard that permits full-time workers to live above the poverty line, enacted the Living Wage Ordinance, Section 2-8.9 Miami-Dade County Code. The County, through this ordinance sets an example by providing a living wage to County employees and requires living wages to be paid for County services provided by contractors and similarly by companies receiving incentives for job creation and capital investment through the TJIF program. http://www.miamidade.gov/dbd/library/Living_Wage_Brochure.pdf
- 2.4 The Company's countywide ad valorem property taxes, excluding debt service, and countywide portion of sale taxes paid must generate sufficient additional general fund tax revenue to the County in order to fund the award. The Beacon Council shall prepare its recommendation on the application, including an economic impact analysis utilizing a professionally accepted econometric model such as Department of Commerce, BEA RIMS-II; Minnesota Implan Group, IMPLAN V.3; or REMI, Inc, REMI Model PI+.
- 2.5 This Application and Agreement must be signed by the Company and Miami-Dade County stipulating the number of new jobs to be created, the projected amount of capital investment, the amount of the projected tax revenue and the time frame of when the project will be completed. Payment to the Company will only be made after it has achieved its economic benchmarks.
- 2.6 The TJIF is an inducement program that is only available to companies considering a relocation and/or expansion in Miami-Dade County and one or more other communities. The TJIF is utilized to induce "New to Market" companies to relocate to Miami-Dade County (not available for companies located within Palm Beach, Broward and Monroe Counties unless a Company is planning to relocate outside South Florida). Companies located in other Florida counties are eligible for TJIF for any net *new* jobs being created in Miami-Dade County. The Company must provide verifiable documentation supporting its consideration of other locales.

Section 3. Program Funding

- 3.1 Additional general fund tax revenue generated by the New-to-Market or expanding companies within Miami-Dade County fund the program.

Section 4. Award Amounts Provided By Miami-Dade County

- 4.1 The TJIF Program is structured so that revenues received from the TJIF project will meet or exceed incentives paid by the County. As a result, the TJIF Program has a positive, fiscal impact on the countywide general fund during the incentive payout period. More specifically, TJIF incentives paid over a six-year period, subsequent to the capital investment of the TJIF project appearing on the tax roll, may equal up to 1.7 percent of the total real property capital investment and 1.15 percent of the tangible personal property capital investment. The TJIF project is eligible for additional incentive amount, for both real property and tangible personal property capital investment, if it is:
1. A Miami-Dade County “green certified” business, as applicable (an additional 0.175 percent);
 2. Located in a DPA (an additional 0.175 percent);
 3. Located in a “green certified” building pursuant to Section 2-1258 (an additional 0.05 percent);
And/or
 4. Classified as having its principal business activity in the manufacturing, installation, and repair of Solar Thermal and Photovoltaic energy production or other clean energy project (an additional 0.05 percent).

In no case will any TJIF project ever receive an actual award greater than the amount of countywide ad valorem revenue paid in. In the event that there is less capital investment, the TJIF project will only be eligible to receive a payout based on the approved percentage of the actual capital investment.

Consideration for award within a municipality or unincorporated Miami-Dade County will be evaluated on a case-by-case basis.

- 4.2 A TJIF award maybe provided to a Company for a period of up to six (6) years when the minimum number of new jobs has been created and when new capital investment by and/or for the Company exceeds \$3 million in taxable property value. This award is not applicable to the ad valorem property taxes paid-in on the subject property’s land value nor to any improvements in place prior to the project.
- 4.3 A Company may not receive award payments of more than twenty five percent (25%) of the total awards specified in the approved application/agreement in any fiscal year even if all the New Jobs are created in one (1) year. Further, a Company may not receive more than \$1.5 million in awards in any single fiscal year or more than \$2.5 million in any single fiscal year if the project is located in a Designated Priority Area. A Company may not receive more than \$5 million in award payments in all fiscal years, or more than \$7.5 million if the project is located in a Designated Priority Area. However, the Board of County Commissioners, at its discretion, may waive the applicable \$5 million or \$7.5 million total award cap at the request and recommendation of The Beacon Council and the County Mayor or the County Mayor’s designee. However, in no event shall the total award exceed the amount of countywide general fund ad valorem property taxes paid in as a result of the project while a Company can receive both a tax refund under the State of Florida Qualified Target Industry Program and a TJIF award at the same time, it cannot receive more than an amount equal to what it has paid-in under the project at any time.

Section 5. Payment of Incentive

- 5.1 The TJIF program is a performance based incentive program; therefore, verification of the new jobs created, capital investment made by the Company, and the additional general fund tax revenue generated to Miami-Dade County must be verified by the County prior to any disbursement of funds to the Company. This procedure must be repeated each year that the Company submits a claim for the TJIF payment. To be eligible to claim any award under the TJIF Program, a Company that has entered into an approved application/agreement must annually apply to the County by May 15 for such award. An appropriation, if made by the Board, will be paid in the County fiscal year that begins on October 1 following the May 15 claims-submission date. The claim for award must include a copy of all documents that allow the County to verify compliance with all the terms and the Company's commitments set forth in the Board of County Commissioners' Resolution approving the TJIF incentive award and the accompanying approved application/agreement.
- 5.2 The TJIF incentive is paid out beginning after the first year the new jobs are created and subsequent to the capital investment appearing on the tax roll. For instance, if a Company has projected creating 400 new jobs, 100 per year during a four-year period, the incentive will be paid for the first 100 jobs in the year after the jobs have been created and the capital investment appearing on the tax roll. Disbursement shall be over four years even if all the new jobs are created in one year. Payment to the Company will only be made after it has achieved all economic benchmarks. A Company's additional general fund tax revenue paid to Miami-Dade County must be sufficient to fund the Company's award.
- 5.3 No incentive amounts shall be disbursed after the last fiscal year set forth in the TJIF application agreement and the Board approved TJIF Resolution.

Section 6. Application Process

- 6.1 Any Company that meets the criteria and objectives of the TJIF program must submit this Application and Agreement to The Beacon Council for review. The Beacon Council will prepare an economic impact analysis for the project, based on the information provided by the Company. The application must be signed by an office of the applying Company.

Section 7. Review and Approval Process

- 7.1 Upon Application and Agreement evaluation by the County, staff will recommend approval or denial to the County Mayor or the County Mayor's designee and prepare an agenda item for the next available Board of County Commissioners meeting where the TJIF incentive is considered for approval. The County Mayor or the County Mayor's designee will recommend Application and Agreement approval or denial to the Board of County Commissioners. Per Miami-Dade County Ordinance No. 00-98 creating this program as amended by Ordinance No. 11-08, the Board of County Commissioners shall have no obligation to approve any Application and Agreement before it.
- 7.2 The Beacon Council staff and a Company representative (when requested) will attend the Board of County Commissioners meeting to be available to answer any questions related to the project and the TJIF Application.
- 7.3 If the Board of County Commissioners approves the Application and Agreement, the Company and the County Mayor or the County Mayor's designee will execute said document(s). Upon request, a

Company's confidentiality will be protected for any information regarding a project's location and/or expansion evaluation of any site in Florida in accordance with Sections 288.075 and 288.1066 of the Florida Statutes. If confidentiality is requested, the Company name and identifying information shall be provided by the Company by the date indicated on the cover page of this Application and Agreement and shall be appended hereto. Upon said approval, as the applying Company you will be sent a letter by The Beacon Council stipulating the conditions of the approval.

- 7.4 The Company, upon BCC approval, shall submit a current employee roster and tangible personal property and/or real property tax bill(s).

Section 8. Application and Agreement Instructions

- 8.1 Please carefully review all Application and Agreement materials.
- 8.2 Contact The Beacon Council at the below address to discuss your project and application before submitting a formal proposal.
- 8.3 Any information or documentation that cannot be supplied in the provided space should be placed in a notebook or other presentation format. The material should be indexed, tabbed or labeled with the number of the relevant question from the Application and Agreement form.
- 8.4 The completed and signed Application and Agreement must be filed with:

The Beacon Council
Attn: Stephen Beatus, Associate Executive Vice President
Targeted Jobs Incentive Fund (TJIF)
80 S.W. 8th Street, Suite 2400
Miami, Florida 33130
Phone: 305-579-1343
Fax: 305-579-7580

- 8.5 **Important note: This Application and Agreement must be filed prior to making the decision to locate a new business in Miami-Dade County or to expand an existing Miami-Dade County business. However, an applying Company that has initiated such a business decision may, upon request and Beacon Council recommendation, be considered by the County Mayor or the County Mayor's designee for preserving inducement. If the County Mayor or the County Mayor's designee authorizes preserving inducement the applying company maintains TJIF program eligibility. See Miami-Dade County Code Section 2-11256 for additional information.**

Section 9. Employer Identification

9.1

Please note: The following form may not provide enough space for required answers. Please attach a separate page with tabs that refers to the question number. Please include supporting documentation or explanation with responses where appropriate.

9.2

TARGETED JOBS INCENTIVE FUND (TJIF)

a) Name of Company: Confidential Project "Vital"
Must be a business unit or reporting unit of a business that is registered with or will be registered with the Florida Department of Labor and Employment Security.

b) Mailing Address: _____

c) Primary Business contact -please include phone and fax numbers: _____
J.M. Mullis (Mike Mullis) acting as Confidential Project "Vital" outside consultant to be contacted at 901-753-0373

d) Company's federal employer identification number: _____

e) Company's unemployment compensation identification number: _____

f) Company's Florida sales tax registration number: _____

g) List NAICS codes of all activities of the Company: 424410

h) Describe the Company's primary business activities:
Wholesale Food and Related Products Distribution

i) You may request that your project information (including the information contained in this application) be confidential per F.S. 288.075, Confidentiality of Records.

X YES, we request confidentiality
_____ NO, we do not request confidentiality

9.3

a) Is the Company 51% or more minority owned? _____ YES _____ X NO

b) If YES, please explain: _____ N/A

c) Is the Company business certified as a Black Business Enterprise (BBE), Women Business Enterprise (WBE), Hispanic Business Enterprise (HBE), Community Small Business Enterprise (CSBE), Community Business Enterprise (CBE) and/or Disadvantaged Business Enterprise (DBE) pursuant to Miami-Dade County Code?
_____ YES _____ X NO

9.4

a) Has the Company ever been subjected to criminal or civil fines and penalties?
_____ YES _____ X NO

b) If YES, please explain: _____ N/A

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Section 10. Project Identification / Information

10.1 Description of the type of business activity or product covered by the project:

a) Is the business unit a (please choose one):

- New business to Miami-Dade County
- An expansion of an existing Miami-Dade County business

b) If an expanding business, how many Miami-Dade County-located employees are there currently in the expanding business unit: 0

c) Full project description: The project includes the addition of approximately 66,741 square feet of dry storage located in a separate contiguous facility for a term up to five years and the addition of racking to such facility. In addition, we anticipate a refrigeration expansion subject to market conditions.

10.2 Check the appropriate box and complete the line item:

Project's current location, if applicable: North Enterprise Zone /Unincorporated Miami-Dade County

Project's proposed location, if different from above: _____

Miami-Dade County Commission District: District 2

10.3 Check the boxes that best define your project:

- | | |
|--|--|
| 1 <input type="checkbox"/> regional headquarters office | 5 <input type="checkbox"/> manufacturer |
| 2 <input type="checkbox"/> national headquarters office | 6 <input type="checkbox"/> office |
| 3 <input type="checkbox"/> world headquarters office | 7 <input type="checkbox"/> sales & marketing |
| 4 <input type="checkbox"/> Latin America headquarters office | 8 <input checked="" type="checkbox"/> warehouse / distribution |

10.4 If the project is not a headquarters, or if it includes other target industries, indicate the major industry groups(s) and the four-digit NAICS code of each target industry or industries included in this project:

| Business Activities | 4-digit NAICS Code |
|---------------------------------|--------------------|
| <u>Foodservice Distribution</u> | <u>4244</u> |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

10.5 Project employment and wages:

- a) Existing jobs in Miami-Dade County 127
- b) Total number of new jobs projected to be created by the project at the business indicated in item 9.2.c): 60
- c) If new jobs are to be phased in, provide the date when each phase of employment will be fully implemented (please limit the job creation phases to three):

| Phase | Total New Jobs | Date |
|-------|----------------|------------|
| I | 15 | 12/31/2011 |
| II | 20 | 12/31/2012 |
| III | 25 | 12/31/2013 |

- d) Annualized average wage (not including benefits) of all the new combined jobs created by the project at the business indicated in item 9.2.a): \$50,500
- e) Annualized average value of benefits associated with each new job created by the project at the business unit: \$6,400
- f) Square footage: EXISTING: 162,544 NEW: 66,741

- 10.6 a) Anticipated commencement date of project: 2011
- b) Anticipated timeframe when the project will be completed:
 (2 – 6 months): Phase one – Move in to a separate contiguous dry facility.
 (12 – 24 months): Phase two – Expand an additional square feet of refrigeration storage.

10.7 Amount of cash incentive award requested from Miami-Dade County \$52,869

This operation is one of several Project “Vital” related operations that are vying for capital for expansions for year 2011. This expansion project needs the maximum local incentives in order to be considered for corporate approval. See Section 11.2

Section 11. Project Impact Information

11.1 Miami-Dade County Ordinance 00-98 as amended by Ordinance 11-08 requires that Miami-Dade County review and evaluate the Application based on the following issues. Therefore, thorough and concise responses to the items below are very important.

11.2 **Incentive Rationale:**

Provide a statement indicating why the incentive award is needed to further the project. What role will the incentive award play in the decision of the applicant to locate or expand in Miami-Dade County? Indicate whether or not there are other communities competing for this project, and if so, which communities, and what incentives are being offered by these communities. Also, specifically address the role the incentive will play in creating Miami-Dade County jobs. This statement should include an analysis of the impact of any incentive awards granted on the viability of the project and the probability that the project will occur in Miami-Dade County if such incentive awards are granted to the applicant, taking into account the expected long-term commitment of the applicant to economic growth and employment in Miami-Dade County.

Each fiscal year, the Company only has a certain amount of capital available for capital expansion projects. The Company evaluates its capital expansion projects on a variety of factors, including the increased sales and performance which would result from such projects as well as the Company's financial returns on its investment, which are obviously linked to sales and performance criteria. In seeking to maximize its return on investment, the company also ranks each potential capital expansion project against other potential capital investment projects for each fiscal year. In order for the Miami-Dade County expansion project of the Company to compare favorably with the other projects which are currently being considered, and ultimately be in a position to obtain the approval of the Company's Board of Directors, it is critical that the maximum available amount of local incentives for such expansion be obtained.

Relative to the Company's consideration for the expansion of its existing operations in unincorporated Miami-Dade County, the application process, and related incentive funding requests, is required to assist in a portion of the cost offset for this project. These funds would be used to install an enclosed corridor connecting the tow facilities in question, and also for the retrofitting of the additional dry warehouse space to support the Company's distribution needs and any needed additional designs, and related costs, associated with hurricane design standards in the Miami area. This requested funding from the County would allow the Miami Dade County location to be reasonably competitive with the Company's other existing locations in Orlando and Tamps where the same expansion project could take place.

11.3 **Project Impact:**

Provide a brief synopsis on the impacts the project is expected to stimulate in the community, the state or regional economy, focusing on economic conditions in the area, including the unemployment rate in the community where the project will be located.

The Miami-Dade County unemployment rate is 12.3% in May, 2010. This proposed project will bring additional revenues from other operating companies, which are outside the county (i.e. Orlando and Tampa). These incremental revenues will help us to provide 60 additional jobs with a strong benefits package, including major medical.

11.4 **Environmental and Growth Management:**

Submit a brief review of the applicant's past activities in Miami-Dade County, Florida and in other states, particularly as they relate to environmental and growth management impacts and how these have been handled. Have any criminal or civil fines or penalties been assessed? Have any awards been recommended or received? (Basically, what kind of corporate citizen has the applicant been?)

The Company and its affiliates operate throughout the continental United States. Compliance by all of the Company's affiliates' operations with all applicable environmental regulations is a continuing top priority, along with ensuring that the Company and its affiliates work collaboratively with the communities within which they are located. To the undersigned's knowledge, the Company has not been assessed any material civil fines or penalties with respect to its environmental compliance.

11.5 **Capital Investment:**

a) Describe the capital investment in real and personal property (examples: construction of new facility; remodeling of facility; upgrading, replacing or buying new equipment):

Expansion of existing operations into a contiguous adjacent warehouse along with the expansion of refrigeration capacity (see 11.5b).

b) List the amount and type (purchase of machinery/equipment, construction of buildings, etc.) of major capital investment to be made by the applicant in connection with this Miami-Dade County project:

| | | |
|----------------------------|--------------------------|--|
| Amount \$ <u>2,325,000</u> | Construction/Renovations | <u>Additional refrigeration, lighting and sprinkler.</u> |
| Amount \$ _____ | Manufacturing Equipment | _____ |
| Amount \$ <u>700,000</u> | Other Equipment | <u>Racking, machinery and equipment</u> |

11.6 **Indicate other incentive programs the Company will be applying for:**

- | | |
|---|---|
| <input checked="" type="checkbox"/> Enterprise Zone Program | <input checked="" type="checkbox"/> Sales Tax Refunds |
| <input type="checkbox"/> Refund of Impact Fees | <input type="checkbox"/> Transportation "Road Fund" |
| <input checked="" type="checkbox"/> Jobs Tax Credit | <input type="checkbox"/> Quick Response Training |
| <input type="checkbox"/> Qualified Target Industry | |
| <input checked="" type="checkbox"/> Other <u>Inducement Incentive</u> | |

Section 12. Please initial below indicating your agreement:

12.1 X that Miami-Dade County may review and verify the financial and personnel records of the Company and/or perform on site visits to verify employment relating to the new jobs, review said financial and personnel records, and ascertain whether the Company is in compliance with the terms of the Application/Agreement and the TJIF program requirements;

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- 12.2 X that compliance with the terms and conditions of the approved Application/Agreement and with the TJIF program requirements is a condition precedent for the receipt of any TJIF award in a fiscal year and that the Company's failure to comply with the terms and conditions of the approved Application/Agreement results in the loss of eligibility for receipt of TJIF awards and the revocation by the County Mayor or the County Mayor's designee of the certification of the Company as a TJIF business;
- 12.3 X that the payment of TJIF awards are conditioned on and subject to specific annual appropriations by the Board sufficient to pay amounts under the approved Application/Agreement;
- 12.4 X that Miami-Dade County shall be notified in writing, within 60 days, of any development that impacts the implementation or operation of this Agreement or the project that this Agreement covers. Such developments will include, but not be limited to: commencement of and full implementation of the project; significant project delays; cancellation of the project; and all material changes of the project; and
- 12.5 X that the Company will maintain personnel and financial records related to jobs, wages, and taxes paid which are the subject of this Agreement and submit summary reports of said records to Miami-Dade County as part of each annual claims-submission. The Company will retain said personnel and financial records for a period of three (3) years after payment of the last cash incentive award.
- 12.6 X that the Company must apply by May 15 in each fiscal year to be considered to receive a TJIF award in the following County fiscal year.
- 12.7 X that no incentive amounts shall be disbursed after the last fiscal year set forth in the TJIF Application/Agreement and the Board-approved TJIF Resolution.

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THIS INFORMATION TO BE COMPLETED BY THE BEACON COUNCIL

Section 13. Projected New Revenue to Miami-Dade County

List the amount and type of projected taxes this project will provide in the form of new revenue to Miami-Dade County:

| | |
|------------------------|---|
| Amount \$230,000 _____ | Sales Taxes _____ |
| Amount \$50,000 _____ | Property Taxes _____ |
| Amount \$20,000 _____ | Other Taxes _____ State Income Tax _____ (List) |

Section 14. If Project will be locating or expanding in a Designated Priority Area

| | |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Enterprise Zone |
| <input checked="" type="checkbox"/> | Unincorporated Miami-Dade County |
| <input type="checkbox"/> | City of Florida City |
| <input type="checkbox"/> | City of Hialeah |
| <input type="checkbox"/> | City of Homestead |
| <input type="checkbox"/> | City of Miami |
| <input type="checkbox"/> | City of Miami Gardens |
| <input type="checkbox"/> | City of North Miami |
| <input type="checkbox"/> | City of Opa-locka |
| <input type="checkbox"/> | City of Miami Beach |
| <input type="checkbox"/> | Perrine-Cutler Ridge |
| <input type="checkbox"/> | Satellite (Dolphin Stadium) |
| <input type="checkbox"/> | Target Urban Area (TUA) |
| <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | Community Development Block Grant area |
| <input type="checkbox"/> | Brownfields |

Section 15. Application Confirmation

- 15.1 Company Telephone Contact Number _____
- 15.2 Date Application Received by The Beacon Council _____
- 15.3 Date Application Completed/Finalized _____
- 15.4 Date Application presented to Miami-Dade County _____

Section 16. Maximum Award and Agreement End Date

(To be completed by The Beacon Council and/or Miami-Dade County.)

16.1 \$52,869: The maximum amount of TJIF cash incentive awards which the Company is eligible to receive on the project.

| <u>Maximum Award in Fiscal Year</u> | <u>Maximum Amount</u> |
|-------------------------------------|-----------------------|
| FY <u>2012-13</u> | \$ <u>8,812</u> |
| FY <u>2013-14</u> | \$ <u>8,812</u> |
| FY <u>2014-15</u> | \$ <u>8,812</u> |
| FY <u>2015-16</u> | \$ <u>8,812</u> |
| FY <u>2016-17</u> | \$ <u>8,812</u> |
| FY <u>2017-18</u> | \$ <u>8,809</u> |

16.3 The term of this Agreement shall commence upon full execution of this Agreement and continue through _____, unless terminated earlier in accordance with the Code of Miami-Dade County, Chapter 2, Article LXXXVI, and as further modified by Ordinance No. 11-08, as may be amended.

Section 17. Parties

The parties designate the following offices and addresses:

County:

Director, Office of Economic Development and International Trade
 Miami-Dade County
 111 NW 1st Street – 22nd Floor
 Miami, FL 33128

Company: Project “Vital”

Attention C/O Mike Mullis, Outside Consultant

J.M. Mullins, Inc.

Memphis, TN 38125

901-753-0373

ee

Section 18. Termination

- 18.1 This Agreement may be terminated by Miami-Dade County upon failure of the Company to comply with any material term or condition of this Agreement or a decision by the Company not to proceed with the project. A termination will result in the loss of eligibility for receipt of all cash incentive awards previously approved and scheduled, but not paid, as well as the revocation of the certification as a TJIF business. The foregoing notwithstanding, in the event that Miami-Dade County fails to pay the Company a cash incentive award to which the Company is eligible under Agreement as a result of insufficient County funds or for any reason whatsoever, the Company shall have the right to terminate this Agreement and shall be entitled to retain any cash incentive award or credits previously paid or awarded to the Company by Miami-Dade County under this Agreement. Compliance with the terms and conditions of the Agreement, and with all requirements of the TJIF Program as set forth in Miami-Dade County Code Sections 2-1251-1260, is a condition precedent for receipt of cash incentive awards each year. The failure to comply with the terms and conditions of this Agreement and the requirements of the TJIF Program shall result in the loss of eligibility for receipt of all cash incentive awards previously authorized pursuant to this section, and the revocation of the certification as a qualified applicant by the County Mayor or the County Mayor designee.
- 18.2 This Agreement may be terminated by Miami-Dade County if it finds that the Company has provided false or misleading information in any part of this Application and Agreement or if the Company attempts to meet any of its obligations under this TJIF Program through fraud, misrepresentation or material misstatement. If Miami-Dade County terminates this Agreement for breach of this Section 18.2, the Company shall within 90 days refund to the County all cash incentives awards paid to the Company as a result of the false information.

Section 19. Legal Requirements

- 19.1 This Agreement is executed and entered into in the State of Florida, and will be construed, performed and enforced in all respects in accordance with the laws and rules of the State of Florida. Each party will perform its obligations in accordance with the terms and conditions of this Agreement. Any and all litigation arising under this Agreement shall be brought in the appropriate court in Miami-Dade County, Florida. If any term or provision of the Agreement is found to be illegal and unenforceable, the remainder of the Agreement will remain in full force and effect and such term or provision will be deemed stricken.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their duly authorized representatives on this _____ day of _____, 2_____.

ATTEST: (SEAL)

MIAMI-DADE COUNTY, FLORIDA

By: _____
Print: _____
Title: _____

By: _____
Print: _____
Title: _____

Approved as to form and legal sufficiency:

By: _____
Assistant County Attorney

State of Florida)
County of Miami-Dade)

The foregoing instrument was acknowledged before me by _____,
County Mayor or Mayor's designee, and _____, Deputy Clerk, respectively,
on behalf of Miami-Dade County, Florida, this _____ day of _____.

Notary Public – State of Florida
Print Name: _____
Commission expires: _____

ATTEST: (SEAL)

Company name: _____

By: _____
Print: _____
Title: _____

By: _____
Print: _____
Title: _____

State of Florida)
County of Miami-Dade)

The foregoing instrument was acknowledged before me by _____,
_____(Title), on behalf of _____(Company), this _____ day
of _____.

Notary Public – State of Florida
Print Name: _____
Commission expires: _____

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