



MEMORANDUM

Agenda Item No. 14(A)(1)

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

DATE: September 20, 2011

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

SUBJECT: Resolution approving Confidential
Project No. 11-00454 as a qualified
target industry business pursuant
to Florida Statute 288.106

This substitute differs from the original item as stated on the County Mayor's memo.

The accompanying resolution was prepared by the Office of Economic Development and International Trade and placed on the agenda at the request of Prime Commissioner Rebeca Sosa.

A handwritten signature in black ink, appearing to read "RAC 7", is written over a horizontal line.

R. A. Cuevas, Jr.
County Attorney

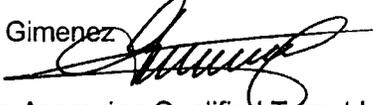
RAC/up

Memorandum



Date: September 20, 2011

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

From: Carlos A. Gimenez
Mayor 

Subject: Resolution Approving Qualified Target Industry Tax Refund for Confidential Project 11-00454

This substitute differs from the original in the following: 1) The company's current employees are 266 instead of 254 as originally reported; 2) the company is committing to create the 101 new jobs over a two-year period instead of over a three-year period; 3) the company is committing to pay an average salary \$70,000 to its new hires instead of \$73,526.17, which is 161 percent of the average wage in Miami-Dade County; and 4) the QTI Application and cover letter have been revised and submitted by the Beacon Council to reflect the changes. The incentive amount does not change as a result of these adjustments.

Recommendation

The Beacon Council, on behalf of a firm that requests confidentiality, has submitted an application for economic development incentives from the State of Florida (State) and Miami-Dade County that require approval from the Board of County Commissioners (BCC). It is recommended that the BCC approve the attached resolution authorizing Confidential Project 11-00454 (the "Business") to be recognized by the State as a Qualified Target Industry (QTI) business and entitled to the financial benefits afforded under the QTI tax refund program.

The attached documents relating to the application of a tax refund under the Florida QTI business incentive program, pursuant to Florida Statutes Section 288.106, have been prepared by The Beacon Council and reviewed by the County's Office of Economic Development and International Trade (OEDIT).

The anticipated dates for job creation and disbursement of incentive awards are set forth in the Resolution but are subject to change at the direction of the County Mayor or the County Mayor's designee.

Scope

The business operations of this project will create 101 new full-time equivalent jobs, as defined in Florida Statute Section 288.106, over a two-year period. The district location of this project has not been determined; however, the jobs will have a positive countywide impact through indirect employment and an economic multiplier effect.

This Business is considering leasing and renovating approximately 63,000 square feet of an existing building in Miami-Dade County to establish its multinational regional headquarters office. The Business is also considering Atlanta, Georgia; New York City; and various cities in Latin American as potential locations for this expansion.

Fiscal Impact / Funding Source

Confidential Project 11-00454 has applied for a total of \$404,000 in QTI funds, of which 80 percent (\$323,200) would be provided by the State. If the accompanying resolution is approved by the BCC, the County is committed to provide an award of no greater than \$80,800 (or \$800 per new job) in matching funds from countywide general fund revenues over a six-year period beginning in FY 2012-2013.

Track Record/Monitor

QTI funds awarded for job creation are provided on a matching basis upon the State 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 (see Attachment to the General Project Overview) and all other conditions of the incentive program. QTI incentive payments are contingent upon the company meeting its target of additional jobs.

Economic Impact Overview

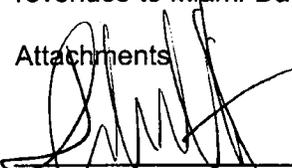
The Business was established in Broward and Miami-Dade counties in 1999 in the film, video, and entertainment media industry. It currently has operations in South Florida and numerous countries in Latin America. The Business produces high quality award-winning media content which is used to entertain audiences primarily in Latin America, and Portuguese and Spanish speaking audiences in the US and other countries. The Business is the largest single customer for regional offices of five Fortune 500 companies located in Miami-Dade and Broward counties with an annual spending of over \$172.2 million. The Business also has a network of over 210 smaller vendors with an annual spend of over \$16.6 million.

Confidential Project 11-00454 would be an expanding film, video, and entertainment media company seeking to establish its multinational regional headquarters office (NAICS Code # 5124110/512120) in Miami-Dade County. The Business would employ 101 new workers at its Miami-Dade County facility paying an average annual salary of \$70,000, which is equivalent to 161 percent of the average wage in Miami-Dade County, while maintaining its current 266 employees. Employee benefits associated with each new job created will be \$15,198, according to documents submitted by The Beacon Council.

If approved, the Business plans to include an investment of \$6.12 million, of which \$4.42 million is allocated to construction/renovation, and \$1.7 million to research and development equipment.

The Beacon Council projects that the \$6.12 million in direct investment by the company and the local economic impact from operations will generate approximately \$143,719 in countywide general fund revenues to Miami-Dade County over the six years the company is eligible for QTI cash incentives.

Attachments



Deputy Mayor

PROJECT 11-00454 SUMMARY SHEET

APPLICANT:	Confidential Project #11-00454
HEADQUARTERS LOCATION:	Miami-Dade County (proposed)
PROPOSED LOCATION IN MIAMI-DADE COUNTY:	TBD
OTHER LOCATIONS UNDER CONSIDERATION:	Latin America, Atlanta, GA and New York City, NY
DATE OF QTI/TJIF APPLICATIONS:	August 5, 2011
OVERALL BUSINESS ACTIVITY/MISSION:	To lease and renovate a 63,000 square feet (approximately) multinational regional headquarters.
PROPOSED LOCAL BUSINESS ACTIVITY:	Business expansion with the launch of new technologies.
PROPOSED CAPITAL INVESTMENT:	\$6.12 million
TARGETED QTI/TJIF INDUSTRIES:	Regional Headquarters/Film, video, and entertainment media
PROPOSED LOCATION IN DESIGNATED PRIORITY AREA:	No
NEW BUSINESS OR EXPANDING BUSINESS:	Expansion
TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	101/ 266
EFFORT IN HIRING RESIDENTS IN LOCAL AREA:	unknown
ESTIMATED ANNUALIZED AVERAGE WAGES FOR NEW JOBS:	\$70,000
ANNUAL EMPLOYEE BENEFIT PACKAGE:	\$15,198.60 (not a condition of incentive award)
NUMBER OF INDIRECT JOBS TO BE CREATED:	76
NUMBER OF YEARS TO CREATE NEW JOBS:	2
MAXIMUM TAX REFUND PER JOB DIRECT JOBS CREATED:	\$4,000
MAXIMUM INCENTIVE AWARD APPLIED FOR:	\$404,000
PROJECTED INCREMENTAL COUNTY TAX REVENUE:	\$143,719
COUNTY'S MAXIMUM 20% QTI AND 100% TJIF AWARDS:	\$80,800 (all QTI)
STATE'S MAXIMUM 80% QTI AWARD CONTRIBUTION:	\$323,200
TYPE OF FUNDS REQUESTED IN APPLICATION:	Countywide General Fund Revenues
COMMENTS: This summary sheet prepared by OEDIT from information and data provided by the Beacon Council.	



MEMORANDUM

(Revised)

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

DATE: September 20, 2011

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

SUBJECT: Agenda Item No. 14(A)(1)

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

Agenda Item No. 14(A)(1)

Veto _____

9-20-11

Override _____

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT NO 11-00454 AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO FLORIDA STATUTE 288.106; CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT NO. 11-00454 EXIST; AND PROVIDING AN APPROPRIATION OF UP TO \$ 80,800 FROM GENERAL REVENUE FUNDS AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2012 THROUGH 2018, INCLUSIVE, OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT NO. 11-00454 APPLICATION WITH THE PROVISION THAT ANY TAX ABATEMENT GRANTED TO CONFIDENTIAL PROJECT NO. 11-00454 UNDER FLORIDA STATUTE 196.1995 REDUCES ANY QUALIFIED TARGET INDUSTRY TAX REFUND TO CONFIDENTIAL PROJECT NO.11-00454 BY THE AMOUNT OF ANY SUCH TAX ABATEMENT GRANTED, IN COMPLIANCE WITH FLORIDA STATUTE 288.106(6)(d); AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO MAKE MODIFICATIONS INCLUDING CHANGES TO DATES FOR JOB CREATION AND DISBURSEMENT OF INCENTIVE AWARDS IF IN THE BEST INTEREST OF THE COUNTY AND 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, Economic Impact Overview, and General Project Overview (attached) copies of which are incorporated herein by reference; and

WHEREAS, this Project commits to creating an additional 101 full-time equivalent jobs, as defined in Florida Statute Section 288.106, to Miami-Dade County by December 31, 2013 with an average salary of \$70,000, which is 161 percent of the average wage in Miami-Dade County; and

WHEREAS, the tax refund may be prorated by the State of Florida pursuant to the terms of the General Project Overview in the event the Project creates fewer than 101 full-time equivalent jobs,

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 recommends that Confidential Project No. 11-00454 (the "Business") be approved as a qualified target industry business pursuant to Florida Statute 288.106, which created the Qualified Target Industry Tax Refund Program.

The necessary commitment of local financial support for Confidential Project No. 11-00454, as required under Florida Statute 288.106, exists in an amount not to exceed \$80,800 from General Revenue Funds; and that this local financial support will be available in the following increments:

Fiscal Year 2012 - 2013	\$13,466.67
Fiscal Year 2013 - 2014	\$13,466.67
Fiscal Year 2014 - 2015	\$13,466.67
Fiscal Year 2015 - 2016	\$13,466.67
Fiscal Year 2016 - 2017	\$13,466.67
Fiscal Year 2017 - 2018	\$13,466.65
TOTAL	\$80,800.00

Or payable over a time period and at annual amounts as determined by the State of Florida in its approval of Confidential Project No. 11-00454 application, as long as the \$80,800 is not exceeded with the provision that any tax abatement granted to Confidential Project No. 11-00454, 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(6)(d); the County's funds 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. 11-00454 in compliance with the QTI Program, including the requirement that at the Business expand by or through additions to real and personal property, resulting in the net increase in employment of 101 full-time equivalent jobs, unless prorated by the State pursuant to the General Project Overview.

The necessary commitment of local financial support shall be contingent on Confidential Project No. 11-00454 maintaining the jobs during the life of the incentive and ensuring that its hiring practices aspire to be consistent with and reflect the diversity of the Miami-Dade County community.

The anticipated dates for job creation and disbursement of incentive awards are subject to change at the direction of the County Mayor or the County Mayor's designee if in the best interest of the 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
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of September, 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.



Brenda K. Neuman



THE BEACON COUNCIL

September 2, 2011

Mr. Tony Ojeda
Executive Director
Office of Economic Development & International Trade
Stephen P Clark Center, Suite 2200
Miami, FL 33128

Miami-Dade
County's
Official
Economic
Development
Partnership

80 Southwest
Eighth Street
Suite 2400
Miami,
Florida
33130
Telephone:
305.579.1300
Facsimile:
305.375.0271
www.beacon
council.com

Dear Mr. Ojeda:

Enclosed you will find a revised application for the State of Florida's Qualified Targeted Industry Tax Refund Program (QTI). Confidential Project #11-00454 is the Latin American headquarters for a major entertainment company, which is considering expanding its operations. The company currently has 266 employees in South Florida.

The company is applying for the QTI program and will create 101 new jobs over a 2-year period with an average salary of \$70,000 and is committed to a new capital investment of \$6.12 million in Miami-Dade County.

We are referring this application to your office for review and preparation of a resolution to the Miami-Dade Board of County Commissioners requesting a maximum of \$80,800, representing Miami-Dade's 20% QTI portion, to be paid over a period of six years. Attached is the project briefing book as well as the economic impact analysis prepared by the Beacon Council's Research Department.

We are requesting that the item be placed on the next Agenda of The Economic Development and Social Services Committee (EDSS).

We look forward to working together for the benefit of the economic development of Miami-Dade County. If you have any questions, please contact me at (305) 579-1343.

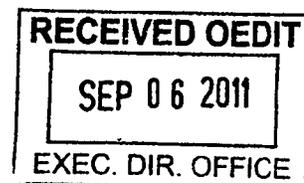
Sincerely,

Stephen Beatus
Associate Executive Vice President
Business Expansion, Retention, Recruitment and Urban Initiatives

Enclosures

Cc: Mario Morlote

11-09-06-80



INCENTIVE PROPOSAL CHECKLIST

Confidential Project

1. Enterprise Zone:	No
2. Number of New Jobs Projected:	101
3. Average Salary per Job:	\$70,000
4. New Capital Investment:	\$6,120,000
5. New Square Footage:	TBD
6. Per Job Incentive:	\$4,000

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

101 New Jobs Over 2 Years

TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	\$323,200
2. Miami-Dade County Match (20%)	\$80,800
Total QTI Tax Refund Proposal	\$404,000

RETURN ON INCENTIVE INVESTMENT (ROI)

1. Miami-Dade County Incremental Tax Revenue*	\$120,740
2. Total Miami-Dade County (20%) QTI Match	\$80,800
3. Miami-Dade County Net Revenue Benefit	\$39,940
Total ROI Gain/Loss/Breakeven	1.49

* See Economic Impact Model

SUMMARY OF ECONOMIC IMPACT

Confidential Project

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	101
Indirect Employment	76
Total Employment Gain	177

Income from Wages

Direct Employment	\$34,665,590
Indirect Employment	\$12,999,596
Total Income Gain	\$47,665,186

Revenue to Miami-Dade County

Total Property Taxes	\$120,740
Total Local Sales Taxes	\$0
Total Tax Revenue Gain	\$120,740
Total Miami-Dade County (20%) QTI Match	\$80,800
Miami-Dade County Net Revenue Benefit	\$39,940

THE BEACON COUNCIL ECONOMIC IMPACT MODEL

Confidential Project

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
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EMPLOYMENT

Total Direct Jobs	60	101	101	101	101	0	
Indirect Employment	45	76	76	76	76	0	

<u>TOTAL EMPLOYMENT</u>	105	177	177	177	177	0	
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INCOME (\$1,000)

WAGES & SALARY

Total Direct Wages	\$4,200.0	\$7,282.1	\$7,500.6	\$7,725.6	\$7,957.3	\$0.0	\$34,665.6
Total Indirect Wages	\$1,575.0	\$2,730.8	\$2,812.7	\$2,897.1	\$2,984.0	\$0.0	\$12,999.6

TOTAL WAGES & SALARIES	\$5,775.0	\$10,012.9	\$10,313.3	\$10,622.7	\$10,941.4	\$0.0	\$47,665.2
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<u>TOTAL INCOME</u>	\$5,775.0	\$10,012.9	\$10,313.3	\$10,622.7	\$10,941.4	\$0.0	\$47,665.2
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INCREMENTAL PROPERTY TAXES (\$1,000)

Building & Equipment Taxes

TOTAL PROPERTY TAXES	\$96.3	\$92.8	\$90.2	\$88.5	\$87.3	\$0.0	\$455.1
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MIAMI-DADE PROPERTY TAXES	\$25.6	\$24.6	\$23.9	\$23.5	\$23.2	\$0.0	\$120.7
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SALES TAXES (\$1,000)

Available Income	\$5,775.0	\$10,012.9	\$10,313.3	\$10,622.7	\$10,941.4	\$0.0	\$47,665.2
Less Federal Income Tax	\$4,620.0	\$8,010.3	\$8,250.6	\$8,498.1	\$8,753.1	\$0.0	\$38,132.1
Less Hous, Ins, Prop Tax	\$3,465.0	\$6,007.7	\$6,188.0	\$6,373.6	\$6,564.8	\$0.0	\$28,599.1
Less Savings, Life Insur.	\$3,118.5	\$5,407.0	\$5,569.2	\$5,736.2	\$5,908.3	\$0.0	\$25,739.2
Less Food, Drugs, Other Non-Tax	\$2,338.9	\$4,055.2	\$4,176.9	\$4,302.2	\$4,431.2	\$0.0	\$19,304.4

Avail. Income For Sales Tax	\$2,338.9	\$4,055.2	\$4,176.9	\$4,302.2	\$4,431.2	\$0.0	\$19,304.4
State Sales Tax Realized	\$140.3	\$243.3	\$250.6	\$258.1	\$265.9	\$0.0	\$1,158.3
Local Sales Tax Realized	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

TOTAL							
<u>SALES TAXES (\$1,000)</u>	\$140.3	\$243.3	\$250.6	\$258.1	\$265.9	\$0.0	\$1,158.3

**TOTAL MIAMI-DADE
PROPERTY &
SALES TAXES (\$1,000)**

\$25.6	\$24.6	\$23.9	\$23.5	\$23.2	\$0.0	\$120.7
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**TOTAL
PROPERTY &
SALES TAXES (\$1,000)**

\$236.7	\$336.1	\$340.8	\$346.6	\$353.2	\$0.0	\$1,613.4
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THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

Confidential Project

Employment Assumptions

New Direct Permanent Jobs

Year 1	60
Year 2	101
Year 3	101
Year 4	101
Year 5	101
Year 6	

Incremental Multiplier 0.75
 * For every 100 direct jobs, 75 indirect jobs will be created. Total multiplier effect is 1.75

Annual Income Assumptions

Yearly Salary, Direct Permanent Job	\$70,000
Indirect Job Salary	\$35,000

Capital Investment

	Total Cap. Inv.	
Y1 Value	\$4,708,587	
Y2 Value	\$4,536,045	
Y3 Value	\$4,410,932	
Y4 Value	\$4,323,673	
Y5 Value	\$4,266,662	
Y6 Value	\$0	

Inflation 103%

Property/Real Estate Taxes

Mill Rate, Less Dade's Revenue	0.01503
Miami-Dade's Revenue Mill Rate	0.00543
Miami-Dade's Total Mill Rate	0.02046

Assessment Value of Real Property (81.6%) 0.816

	Realty Prop.	Equip.	
Y1	\$3,606,720	\$1,101,867	
Y2	\$3,660,821	\$875,224	
Y3	\$3,715,733	\$695,199	
Y4	\$3,771,469	\$552,204	
Y5	\$3,828,041	\$438,621	
Y6			

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

Investment	\$4,420,000	\$1,700,000
Depreciated		\$1,387,200

Florida Sales Tax	6.00%
Miami-Dade County Sales Tax	0.00%
Total Sales Tax	6.00%

Equipment Depreciation 0.20569

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.

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 Resolution¹ 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 unit²?** 101 (from
11/1/2011-
12/31/13)
- 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	60	12/31/2012
II	41	12/31/2013
III		12/31/
Total	101	

- 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).
- \$_____, which is at least 115% of the average wage in _____.
- \$70,000.00, which is at least 150% of the average wage in State of Florida.
- \$_____, 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 support³:**
- _____
- B. Indicate the date(s) the QTI support resolution(s) is / are anticipated to be passed by the local government:**
- _____

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)	_____ August 5, 2011 Date
_____ Address (if different)	_____ Phone Number (if different)
_____ Signature (Authorized Company Officer) REQUIRED SVP & CFO	_____ August 5, 2011 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*.

GENERAL PROJECT OVERVIEW

Name of Business

Confidential Project 11-00454
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:



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

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: _____
- B. Mailing Address: _____
Street Address
- _____ FL _____
City State Zip Code
- C. Name of Parent Company: n/a
- D. Primary Business Unit Contact: _____
Title: SVP & CFO
Mailing Address: _____
Street Address
- _____ FL _____
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 No If yes, explain: _____
- I. What is the business unit's tax year (ex: Jan 1 to Dec 31): Jan 1 – Dec 31

2. PROJECT OVERVIEW

- A. Which of the following best describes this business unit¹:
- New business unit to Florida
- Existing Florida business creating and / or retaining jobs^{2,3}
If an expansion, how many jobs are currently in the expanding
_____ business unit? 266 (as of 7/31/2011)
- B. How many individuals are employed at all Florida locations? 266 (as of 7/31/2011)
- C. Are any jobs being transferred from other Florida locations⁴?
Yes No If yes, how many jobs and from where? 94
Why are these jobs moving and why is it justified in light of the statutory language governing the applicable incentive program(s)?
These jobs are being moved because there is not sufficient space to house them in

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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their current location and with the intention to merge all the non-technical employees under the same roof to achieve greater efficiencies and improve processes and communication. These positions have not been included for purposes of the incentive(s).

D. Give a full description of this project, including the primary business activities / functions:

Potential business expansion with launch of new technologies

E. What is the project's Targeted Industry(ies)⁵: Film, Video & Entertainment Media

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

Business Unit Activities	NAICS Code	Project Function (total = 100%)	Annualized Wage (\$)
Business Expansion	512110/512120/ 512191/515210	100%	\$70,000.00
		%	\$
		%	\$

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

TBD

Street Address

City

State

Zip Code

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

Street Address

City

State

Zip Code

H. Is the project location within a current or proposed Brownfield site / area?

Yes No If yes, attach a copy of the official document designating the Brownfield area.

Is the project location in an Enterprise Zone?

Yes No If yes, which zone? TBD

Is the project location in a designated Rural area?

Yes No If yes, which Rural area? _____

I. Which of the following describes the applicant's operations (select all that apply):

- Multi-state business enterprise
- 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
- 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):

93% Explain, if necessary: _____

⁵ Refer to the QTI Target Industry list.

GENERAL PROJECT OVERVIEW

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3. JOB AND WAGE OVERVIEW

- A. How many jobs⁶ are expected to be created as part of this project?** 101 (from
2011 – 2014)
- 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) 266
- 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.) \$70,000.00
- D. What is the annualized average value of benefits associated with each new job created as part of this project?** \$14,079.93
- E. What benefits are included in this value?** (health insurance, 401(k) contributions, vacation and sick leave, etc.)
Social security; workers compensation/seniority & dismissal; cable benefit; medical, dental & vision insurance; 401(k); company match non-qualified deferred compensation; life, accidental death & dismemberment, short term disability & long term disability insurance; business travel accident program; employee assistance program; wellness incentive; worldwide medical coverage; 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):
Building/tenant improvement, buying & install generators & UPS, purchase office furniture & PCs, purchase & install audio suites & origination equipment
- B. Will this facility be:**
- Leased space with renovations or build out
 - 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	\$0	\$0	\$0
Construction / Renovations	\$4.42M	\$0	\$0
Manufacturing Equipment	\$0	\$0	\$0
R&D Equipment	\$1.7M	\$0	\$0
Other Equipment (computer equipment, office furniture, etc.)	\$0	\$0	\$0

⁶ A "full time equivalent job" means at least 35 hours of paid work per week.

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Total Capital Investment	\$6.12M	\$0	\$0
---------------------------------	----------------	------------	------------

- D. **What is the estimated square footage of the new or expanded facility?** 63.8K-65.9K
- E. **When is the final location decision anticipated (date)?** TBD
- F. **What is the anticipated date construction will begin?** TBD
- G. **What is the anticipated date operations will commence?** TBD

5. COMPETITIVE LANDSCAPE

- A. What role will the incentive(s) play in the business unit's decision to locate, expand, or remain in Florida?**

This Business can be conducted in a number of locations. It currently has operations in South Florida and numerous countries in Latin America. The operations in South Florida for the most part, may function in the Latin American locations operated by the Business or existing locations operated by the majority partner.

The Business is labor intensive and therefore is sensitive to the unit cost of labor. The United States has a higher cost of labor than the locations in Latin America. A stable environment, skilled workforce and Business friendly environment to a certain extent, counter this. One of the owners of the venture operates significant operations which are capable of providing space, and a workforce that will allow the Business to thrive. South Florida provides access to a skilled and multilingual workforce with good communication links to Latin America. There is the potential that economies of scale available by moving operations will offset any advantages provided by a South Florida location.

The Business has a clear preference to minimize disruption and remain in South Florida. Economic incentives offered, will help to ensure that the benefits of remaining in South Florida offset any potential efficiencies obtained by consolidating operations with other Business units of one partner.

- B. What other cities, states, or countries are being considered for this project?**

We are investigating consolidation of operations in one of the various Latin American cities where we currently have operations as well as US cities where the partners reside.

- C. What advantages or incentives offered by these locations do you consider important in your decision?**

The other locations will permit the Business to use existing infrastructure, equipment and skilled workforce creating certain economies of scale.

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

It is important that the Business retains employees that understand and can relate to Latin American culture and Business and can attract and retain talent from Latin America to work in its location to provide service to our Latin American customers.

6. ECONOMIC IMPACT AND CORPORATE RESPONSIBILITY

- A. Provide a brief synopsis of the special impacts the project is expected to**

GENERAL PROJECT OVERVIEW

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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. The Business uses services from local companies including but not limited to creative, dubbing, subtitling, post production and graphic design companies and marketing and public relations agencies. The Business is the largest single customer for regional offices of five Fortune 500 companies located in Miami-Dade and Broward counties with an annual spend of over \$172.2 Million. The company also conducts Business with over 210 smaller vendors with operations in Broward and Miami-Dade counties with an annual spend over \$16.6 Million. The Business provides significant services to four media companies located in Miami-Dade County.

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. The Business was established in Broward and Miami-Dade counties in 1999 and is an Equal Opportunity Employer. The Business actively participates in community oriented events including the Miami Mercedes-Benz Corporate Run, annual Toys for Tots drive, multiple "Community Blood Services" drives each year, discretionary disaster relief efforts (e.g. Haiti, hurricanes, etc.) and annual Thanksgiving food donation to Camillus House. The Business has memberships in the Chamber of Commerce, has an ongoing relationships with the University of Miami and Florida International University School of Business Internship Programs, and is a sponsor of the Miami International Film Festival, Miami Gay & Lesbian Film Festival and American Black Film Festival. The Business is not active in other states.

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.
None

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.
The Business produces high quality media content which is used to entertain audiences primarily in Latin America and Spanish and Portuguese speaking audiences in the USA and other countries. Many of these have been nominated for prestigious international and USA awards.

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)

Yes
 No

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

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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

SVP & 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

August 5, 2011
Date

Date

Name of contact person, if different than above

Phone Number

Address

Email Address