



MEMORANDUM

Agenda Item No. 8(N)(4)

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

DATE: November 15, 2011

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

SUBJECT: Resolution appointing Confidential
Project No. 12-0052 as a qualified
target industry business pursuant
to Florida Statute 288.106

The accompanying resolution was prepared by the Sustainability, Planning and Economic Enhancement Development Department and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.

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

R. A. Cuevas, Jr.
County Attorney

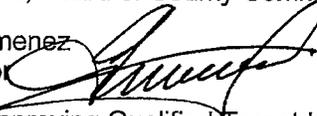
RAC/up

Memorandum

MIAMI-DADE
COUNTY

Date: November 15, 2011

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

From: Carlos A. Gimenez
County Mayor 

Subject: Resolution Approving Qualified Target Industry Tax Refund for Confidential Project 12-00052

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 12-00052 (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 Sustainability, Planning, and Economic Enhancement Department.

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 210 new full-time equivalent jobs, as defined in Florida Statute Section 288.106, over a five-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 a multiplier effect.

This Business is considering leasing and renovating approximately 65,000 square feet of an existing building in Miami-Dade County to establish its multinational business enterprise. The Business is also considering Toronto, Ontario as a potential location for this expansion.

Fiscal Impact / Funding Source

Confidential Project 12-00052 has applied for a total of \$777,000 in QTI funds, of which 80 percent (\$621,600) would be provided by the State. If the accompanying resolution is approved by the BCC, the County is committed to providing an award of no greater than \$155,400 (or \$740 per new job) in matching funds from countywide general fund revenues over an eight-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

Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
Page 2

conditions of the incentive program. QTI incentive payments are contingent upon the company meeting its target of additional jobs.

Economic Impact Overview

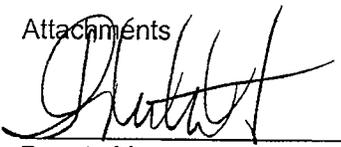
The Business was founded in the early 1990s in the Northeast in the traditional and digital global advertising and information technology industries. It currently has locations throughout the U.S., South Asia, Europe, and Canada. Due to the popularity of social networking, the Business is experiencing tremendous growth (20% per year) in the e-commerce ad agency sector. Thus, it is seeking to expand its office space, and consolidate its personnel, currently housed in three separate locations throughout Miami-Dade County, in one location. This user-friendly facility will also be conducive to customers being able to interact with the creative and technical teams to create their end product.

Confidential Project 12-00052 would be an expanding advertising agency and information technology consulting company seeking to establish its multinational business enterprise office (NAICS Code # 541810/541519) in Miami-Dade County. The Business would employ 210 new workers at its Miami-Dade County facility paying an average annual salary of \$67,000, which is equivalent to at least 150 percent of the state average wage, while maintaining its current 390 employees. Employee benefits associated with each new job created will be \$19,000, according to documents submitted by The Beacon Council.

If approved, the Business plans to commit to an investment of \$6.5 million, of which \$4.15 million is allocated to construction/renovation, and \$2.35 million to computer and office equipment.

The Beacon Council projects that the \$6.5 million in direct investment by the Business and the local economic impact from operations will generate approximately \$188,816 in countywide general fund revenues to Miami-Dade County over the eight years the company is eligible for QTI cash incentives.

Attachments



Deputy Mayor

PROJECT 12-00052 SUMMARY SHEET

APPLICANT:	Confidential Project #12-00052
HEADQUARTERS LOCATION:	Miami-Dade County (proposed)
PROPOSED LOCATION IN MIAMI-DADE COUNTY:	TBD
OTHER LOCATIONS UNDER CONSIDERATION:	Toronto, Ontario
DATE OF QTI/TJIF APPLICATIONS:	September 23, 2011
OVERALL BUSINESS ACTIVITY/MISSION:	To lease and renovate a 65,000 square feet (approximately) office space
PROPOSED LOCAL BUSINESS ACTIVITY:	Business expansion with the launch of new technologies.
PROPOSED CAPITAL INVESTMENT:	\$6.5 million
TARGETED QTI/TJIF INDUSTRIES:	Advertising and information technology consulting
PROPOSED LOCATION IN DESIGNATED PRIORITY AREA:	No
NEW BUSINESS OR EXPANDING BUSINESS:	Expansion
TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	210/ 390
EFFORT IN HIRING RESIDENTS IN LOCAL AREA:	unknown
ESTIMATED ANNUALIZED AVERAGE WAGES FOR NEW JOBS:	\$67,000
ANNUAL EMPLOYEE BENEFIT PACKAGE:	\$19,000 (not a condition of incentive award)
NUMBER OF INDIRECT JOBS TO BE CREATED:	105
NUMBER OF YEARS TO CREATE NEW JOBS:	5
MAXIMUM TAX REFUND PER JOB DIRECT JOBS CREATED:	\$3,700
MAXIMUM INCENTIVE AWARD APPLIED FOR:	\$777,000
PROJECTED INCREMENTAL COUNTY TAX REVENUE:	\$188,816
COUNTY'S MAXIMUM 20% QTI AWARD:	\$155,400
STATE'S MAXIMUM 80% QTI AWARD CONTRIBUTION:	\$621,600
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: November 15, 2011

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

SUBJECT: Agenda Item No. 8(N)(4)

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. 8(N) (4)
11-15-11

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT NO. 12-00052 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. 12-00052 EXIST; AND PROVIDING AN APPROPRIATION OF UP TO \$155,400 FROM GENERAL REVENUE FUNDS AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2013 THROUGH 2021, INCLUSIVE, OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT NO. 12-00052 APPLICATION WITH THE PROVISION THAT ANY TAX ABATEMENT GRANTED TO CONFIDENTIAL PROJECT NO. 12-00052 UNDER FLORIDA STATUTE 196.1995 REDUCES ANY QUALIFIED TARGET INDUSTRY TAX REFUND TO CONFIDENTIAL PROJECT NO.12-00052 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 210 full-time equivalent jobs, as defined in Florida Statute Section 288.106, to Miami-Dade County by December 31, 2016 with an average salary of \$67,000, which is at least 150 percent of the state average wage; 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 210 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. 12-00052 (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. 12-00052 as required under Florida Statute 288.106, exists in an amount not to exceed \$155,400 from General Revenue Funds; and that this local financial support will be available in the following increments:

Fiscal Year 2013 - 2014	\$19,425.00
Fiscal Year 2014 - 2015	\$19,425.00
Fiscal Year 2015 - 2016	\$19,425.00
Fiscal Year 2016 - 2017	\$19,425.00
Fiscal Year 2017 - 2018	\$19,425.00
Fiscal Year 2018 - 2019	\$19,425.00
Fiscal Year 2019 - 2020	\$19,425.00
Fiscal Year 2020 - 2021	\$19,425.00
TOTAL	\$155,400.00

Or payable over a time period and at annual amounts as determined by the State of Florida in its approval of Confidential Project No. 12-00052 application, as long as the \$155,400 is not exceeded with the provision that any tax abatement granted to Confidential Project No. 12-00052, 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. 12-00052 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 210 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. 12-00052 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 15th day of November, 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 Kuhns Neuman



THE BEACON COUNCIL

September 23, 2011

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

Dear Mr. Ojeda:

Enclosed you will find an application for the State of Florida's Qualified Targeted Industry Tax Refund Program (QTI). Confidential project #12-00052 is a leader in the traditional and digital global advertising arena. The company has done extremely well with the growth of its e-commerce ad agency business, growing at a rate of 20% per year. To support the additional in-house personnel fueled by this growth, the company is looking to expand its office space.

The company is applying for the QTI program and will create 210 new jobs over a 5-year period with an average salary of \$ 67,000 (150% of the State average wage) and is committed to a new capital investment of \$6.5 million.

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 \$155,400, representing Miami-Dade's 20% QTI portion, to be paid over a period of eight 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 October 2011 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 or Gisela Mohring at (305) 579-1339.

Sincerely,

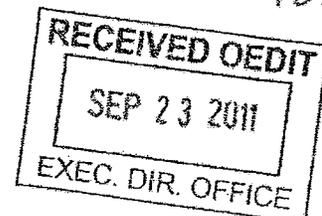
Stephen Beatus
Associate Executive Vice President
Business Expansion, Retention, Recruitment and Urban Initiatives

Enclosures

Cc: Mario Morlote
Jack Osterholt

Miami-Dade
County's
Official
Economic
Development
Partnership

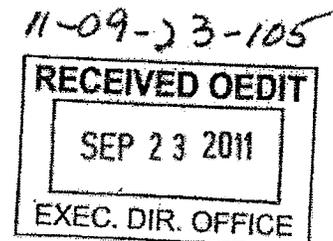
80 Southwest
Eighth Street
Suite 2400
Miami, Florida
33130
T: 305.579.1300
F: 305.375.0271
www.beaconcouncil.com



Florida Qualified Target Industry Tax Refund (QTI)

Confidential Project #: 12-00052

Prepared by the Beacon Council
September 2011



Executive Summary for Project 12-00052

Background

Confidential Project #12-00052 is a leader in the traditional and digital global advertising arena. The company has done extremely well with the growth of its e-commerce ad agency business, growing at a rate of 20% per year. To support the additional in-house personnel fueled by this growth, the company is looking to expand its office space.

The proposed facility will combine the Company's creative and technical (IT) talent to create a center designed to encourage and promote collaboration between its employees, partners and customers. The project is complex due to the significant challenges inherent in combining creative and technical people with an environment that is consistent with a highly visible customer-centric environment. The center will be designed to attract and retain the Company's unique and talented workforce but also as a showcase and functional environment for its customers. The Company has several locations globally but only a select few operate as this type of facility; Miami is a finalist location along with Toronto, Ontario to become such a facility. Incentives will be used to offset the cost of new IT equipment and toward build-out requirements necessary to meet the new facility standards.

The project will create 210 direct new jobs with an average annualized salary of \$67,000 in Miami-Dade County and make a new capital investment of \$6.5 million. The average salary of \$67,000 represents over 150% of the State average wage. New employees will be sourced from the local community.

To maximize the possibility of retaining this company, the company is applying for a QTI with a 5-year job creation schedule and an 8-year payout period, which not only recognizes the number of new jobs being created, but also the significant capital being committed by the project. The enclosed QTI application package requests a maximum of \$155,400 to be paid by the County over a period of eight years and provides a positive cost-benefit ratio to the County of 1:1.22.

This is a performance-based incentive. No funds will be provided to the Company until they meet all program and job creation requirements. The incentive that is provided is not a cash grant; it is an after-the-fact, performance-based refund.

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 (2010) were used.
- This latest millage rate was used for the entire 8-year period analysis.

Conclusions

Based on the projected investment of \$6,500,000 in new real property, the project's 8-year property tax revenue from this expenditure will be: \$188,816 and Miami-Dade County's net revenue benefit is: \$33,416.

SUMMARY OF ECONOMIC IMPACT

Confidential Project # 12-00052

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	210
Indirect Employment	105
Total Employment Gain	315

Income from Wages

Direct Employment	\$103,438,876
Indirect Employment	\$25,859,719
Total Income Gain	\$129,298,594

Revenue to Miami-Dade County

Total Property Taxes	\$188,816
Total Local Sales Taxes	\$0
Total Tax Revenue Gain	\$188,816
Total Miami-Dade County (20%) QTI Match	\$155,400
Miami-Dade County Net Revenue Benefit	\$33,416

THE BEACON COUNCIL ECONOMIC IMPACT MODEL

Confidential Project # 12-00052

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	TOTAL
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EMPLOYMENT

Total Direct Jobs	63	126	154	182	210	210	210	210
Indirect Employment	32	63	77	91	105	105	105	105
TOTAL EMPLOYMENT	95	189	231	273	315	315	315	315

INCOME (\$1,000)

WAGES & SALARY

Total Direct Wages	\$4,221.0	\$8,695.3	\$10,946.4	\$13,324.7	\$15,835.9	\$16,311.0	\$16,800.3	\$17,304.3	\$103,438.9
Total Indirect Wages	\$1,055.3	\$2,173.8	\$2,736.6	\$3,331.2	\$3,959.0	\$4,077.7	\$4,200.1	\$4,326.1	\$25,859.7

TOTAL WAGES & SALARIES	\$5,276.3	\$10,869.1	\$13,683.0	\$16,655.9	\$19,794.9	\$20,388.7	\$21,000.4	\$21,630.4	\$129,298.6
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TOTAL INCOME	\$5,276.3	\$10,869.1	\$13,683.0	\$16,655.9	\$19,794.9	\$20,388.7	\$21,000.4	\$21,630.4	\$129,298.6
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INCREMENTAL PROPERTY TAXES (\$1,000)

Building & Equipment Taxes

TOTAL PROPERTY TAXES	\$100.4	\$95.1	\$91.0	\$88.1	\$85.9	\$84.5	\$83.6	\$83.1	\$711.7
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MIAMI-DADE PROPERTY TAXES

	\$26.6	\$25.2	\$24.2	\$23.4	\$22.8	\$22.4	\$22.2	\$22.0	\$188.8
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SALES TAXES (\$1,000)

Available Income	\$5,276.3	\$10,869.1	\$13,683.0	\$16,655.9	\$19,794.9	\$20,388.7			\$86,667.8
Less Federal Income Tax	\$4,221.0	\$8,695.3	\$10,946.4	\$13,324.7	\$15,835.9	\$16,311.0			\$69,334.2
Less Hous, Ins, Prop Tax	\$3,165.8	\$6,521.4	\$8,209.8	\$9,993.5	\$11,876.9	\$12,233.2			\$52,000.7
Less Savings, Life Insur.	\$2,849.2	\$5,869.3	\$7,388.8	\$8,994.2	\$10,689.2	\$11,009.9			\$46,800.6
Less Food, Drugs, Other Non-Tax	\$2,136.9	\$4,402.0	\$5,541.6	\$6,745.6	\$8,016.9	\$8,257.4			\$35,100.5

Avail. Income For Sales Tax	\$2,136.9	\$4,402.0	\$5,541.6	\$6,745.6	\$8,016.9	\$8,257.4			\$35,100.5
State Sales Tax Realized	\$128.2	\$264.1	\$332.5	\$404.7	\$481.0	\$495.4			\$2,106.0
Local Sales Tax Realized	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0			\$0.0

TOTAL SALES TAXES (\$1,000)	\$128.2	\$264.1	\$332.5	\$404.7	\$481.0	\$495.4			\$2,106.0
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TOTAL MIAMI-DADE PROPERTY & SALES TAXES (\$1,000)

	\$26.6	\$25.2	\$24.2	\$23.4	\$22.8	\$22.4			\$188.8
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TOTAL PROPERTY & SALES TAXES (\$1,000)

	\$228.6	\$359.2	\$423.5	\$492.8	\$566.9	\$579.9			\$2,817.7
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15

THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

Confidential Project # 12-00052

Employment Assumptions

New Direct Permanent Jobs

Year 1	63
Year 2	126
Year 3	154
Year 4	182
Year 5	210
Year 6	210
Year 7	210
Year 8	210

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	\$67,000
Indirect Job Salary	\$33,500

Capital Investment

	Total Cap. Inv.
Y1 Value	\$4,909,569
Y2 Value	\$4,647,064
Y3 Value	\$4,449,764
Y4 Value	\$4,304,425
Y5 Value	\$4,200,530
Y6 Value	\$4,129,728
Y7 Value	\$4,085,386
Y8 Value	\$4,062,242

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	\$3,386,400	\$1,523,169
Y2	\$3,437,196	\$1,209,868
Y3	\$3,488,754	\$961,010
Y4	\$3,541,085	\$763,340
Y5	\$3,594,202	\$606,329
Y6	\$3,648,115	\$481,613
Y7	\$3,702,836	\$382,550
Y8	\$3,758,379	\$303,863

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	\$4,150,000	\$2,350,000	Florida Sales Tax	6.00%
Depreciated		\$1,917,600	Miami-Dade County Sales Tax	0.00%
			Total Sales Tax	6.00%

Equipment Depreciation 0.20569

16

GENERAL PROJECT OVERVIEW

1. BUSINESS INFORMATION

A. Legal Name of Applicant:

This should be the entity that will be party to the QTI agreement with the State of Florida. If multiple affiliates are involved in job creation and/or paying taxes, include an attachment listing affiliate name(s), Federal Employer Identification Number(s), Unemployment Compensation Number(s) and relationship to applicant.

B. Mailing Address:

Street Address

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:

(Please complete either the substitute W-9 Form at the end of this application or attach a completed IRS Form W-9.)

F. Business Unit's Unemployment Compensation Number¹:

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

H. Will the business unit or its parent company have Federal Corporate Income Tax liability attributable to this project?

If yes, will there also be State Corporate Income Tax Liability

Yes No

attributable to this project?

Yes No

I. Is the business unit minority owned?

Yes No If yes, explain:

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

K. Has this business unit, or any related entities, applied for and/or been approved for State incentives in the past?

Yes No If yes, explain:

2. PROJECT OVERVIEW

A. Which of the following best describes this business unit²:

New business unit to Florida

¹ If multiple unemployment compensation reporting units or multiple worksites are involved, contact Enterprise Florida to discuss this structure or include an attachment listing the additional units and their relationship to the applicant. Business entities not disclosed here may not be party to or count toward the requirements of the contract with the State of Florida.

² 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.

GENERAL PROJECT OVERVIEW

Existing Florida business creating and / or retaining jobs³.
210 If an expansion, how many jobs are currently in the expanding business unit?

B. How many individuals are employed at all Florida locations? 390

C. Are any jobs being transferred from other Florida locations⁴?
 Yes No 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)? _____

D. Give a full description of this project, including a company overview, the primary activities / functions of this business unit and project, and the reasons for contemplating an expansion in / relocation to Florida:
 The Company is a leader in the traditional and digital global advertising arena. The company has done extremely well to grow its e-commerce ad agency business with the rise in Social Networking. It is a growing organization (20% per year) and to support the additional in-house personnel, the company is looking to expand its office space. The proposed facility will combine the Company's creative and technical (IT) talent to create a center designed to encourage and promote collaboration between its employees, partners and customers. The project is complex due to the significant challenges inherent in combining creative and technical people with an environment that is consistent with a highly visible customer-centric environment. The center will be designed to attract and retain the Company's unique and talented workforce but also as a showcase and functional environment for its customers. The Company has several locations globally but only a select few operate as this type of facility; Miami is a finalist location along with Toronto, Ontario to become such a facility.

E. In what Targeted Industry(ies) does the proposed project operate?⁵ Infotech

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

Business Unit Activities	5 Digit NAICS Code(s)	Project Function (total = 100%)	Annualized Wage (\$)
Advertising Agency	541810	50%	\$67,000
IT Consulting	541519	50%	\$67,000
		%	\$

G. What is the project's proposed location address:
TBD
 Street Address
TBD
 City State Zip Code

What is the project's current location address (if different):
TBD
 Street Address
TBD
 City State Zip Code

³ A QTI Tax Refund award cannot be granted for existing Florida jobs.
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.
⁵ Refer to the QTI Target Industry list.

GENERAL PROJECT OVERVIEW

- 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? _____
- Is the project location in a designated Rural area?**
 Yes No If yes, which Rural area? _____
- Is the project location in an Urban area⁶?**
 Yes No If yes, describe? _____
- 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):**
95% Explain, if necessary: Currently 5% of our gross US sales are made in Florida

3. JOB AND WAGE OVERVIEW

- A. How many Florida jobs⁷ are expected to be created as part of this project?** 210
- B. If an existing business unit, how many Florida 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)** 390
- 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.)** \$67,000
- D. What is the annualized average value of benefits associated with each new job created as part of this project?** \$19,000
- E. What benefits are included in this value? (health insurance, 401(k) contributions, vacation and sick leave, etc.)**
Health insurance, 401k, vacation, sick leave, etc

4. CAPITAL INVESTMENT OVERVIEW

⁶ An Urban area may include a Community Redevelopment Area (CRA), Urban Job Tax Credit eligible area, Urban Enterprise Zone, Federal Empowerment Zone, an Urban revitalization area, etc.
⁷ A "full time equivalent job" means at least 35 hours of paid work per week.

GENERAL PROJECT 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.):
\$6,500,000

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:

Calendar Year :	2012	2013	2014	2015	2016	Total
Land or Building Purchase	\$	\$	\$	\$	\$	\$
Construction / Renovations	\$4,150,000	\$	\$	\$	\$	\$4,150,000
Manufacturing Equipment	\$	\$	\$	\$	\$	\$
R&D Equipment	\$	\$	\$	\$	\$	\$
Other Equipment (computer equipment, office furniture, etc.)	\$1,000,000	\$337,500	\$337,500	\$337,500	\$337,500	\$2,350,000
Total Capital Investment	\$5,150,000	\$337,500	\$337,500	\$337,500	\$337,500	\$6,500,000

D. What is the estimated cost of machinery and equipment or other resources for this project expected to be purchased outside of Florida? N/A

E. Describe the type(s) of machinery and / or other resources to be purchased outside of Florida.

N/A

F. What is the estimated square footage of the new or expanded facility?

65,000

G. When is the final location decision anticipated (date)?

November 1, 2011

H. What is the anticipated date construction will begin?

December 15, 2011

I. What is the anticipated date operations will commence?

March 1, 2012

5. COMPETITIVE LANDSCAPE

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

The Company is considering many factors, operationally and in terms of corporate financial management. The process of ultimately choosing the right location for this specific type of facility comes down to its ability to attract and retain a highly skilled and talented workforce, finding a facility that meets all of its requirements and financially, which site is the most cost effective. Because Miami is a finalist site, it means that it meets many of the important criteria necessary to create and operate this facility; however, financially it must demonstrate that it can compete – that's where the availability of an aggressive incentive package can make a significant difference.

B. How will the incentive dollars be used by the business?

Incentives have the ability to significantly impact the Return on Investment (ROI) -

GENERAL PROJECT OVERVIEW

reducing the cost of capital. The funds would be used to offset the cost of new IT equipment and toward build-out requirements necessary to meet the new facility standards.

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

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

Financial (quantitative) and talent availability (qualitative). The Toronto workforce is highly skilled and productive. Further Toronto has the availability of creative and technical talent and has available real estate that meets the Company's specific requirements. Toronto offers lucrative "refundable" tax credits, wage subsidies, advanced training programs and its overall labor costs is also an advantage.

- E. **What advantages or disadvantages offered by the proposed Florida location do you consider important in your decision?**

Advantages:

- Existing presence along with a strong workforce.
- Miami is a desirable location – important with respect to attracting and retaining talent.
- Location is also attractive when considering a location to host the Company's customers.

Disadvantages:

- Real estate options that meet the Company's criteria.
- Labor availability (scalability). Creative and technical talent exists and there is a decent base of talent, but when compared to other markets it does not have the depth and potential scalability of certain competing markets.
- Timing – ability to move quickly is a potential disadvantage.
- Overall cost.

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

Internally each of the finalist locations is vying for the facility as it creates stature and a place of high visibility not only for corporate management but from the customer perspective as well. The site chosen will most certainly grow and become the priority for growth in the future. Corporate resources will flow more easily into this facility whereas other locations will become secondary operations. This type of facility is an important designation internally and to its customer base; therefore the internal competition is fierce – a strong case must be made both operationally and financially.

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. These are 600 jobs (both new and existing) at an average base salary of \$67,000 plus average fringe benefits of \$19,000 per job. These are high profile white-collar jobs which will stimulate the economy of Miami and Florida with its high earning, high education and high tax payers. The office is likely to be used as a center to bring our clients, which will bring tourism revenue to Miami.

GENERAL PROJECT OVERVIEW

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

GENERAL PROJECT OVERVIEW

8. SIGNATURES

Application Completed By:

To the best of my knowledge, the information included in this application is accurate.

Signature _____

Date _____

Name _____

Title _____

Company _____

Address, if different than mailing address _____

Phone Number _____

Fax Number _____

Email Address _____

Name of contact person, if different than above _____

Phone Number _____

Address _____

Email Address _____

Signature (Authorized Company Officer) REQUIRED _____

Date _____

Name _____

Title _____

Company _____

Address, if different than mailing address _____

Phone Number _____

Fax Number _____

Email Address _____



STATE OF FLORIDA
Department of Financial Services – Chief Financial Officer
 Bureau of Accounting, 200 East Gaines Street, Tallahassee, FL 32399-0354
 Telephone (850) 413-5519 Fax (850) 413-5550

Substitute Form-W-9

In order to comply with IRS regulations, we are requesting Taxpayer Identification information that will be used to determine whether you will receive a Form 1099 for payment(s) made to you by an agency of the State of Florida. For questions regarding this form, please use the address or telephone number provided above. In order to comply with the IRS rules, please provide us with your social security (SSN) or federal employer identification number (FEIN). This is **not** a request for state sales tax exemption.

In the event this information is not provided, or should the IRS notify us that the provided information is incorrect, all payments made to you may become subject to a 28% Backup Withholding Tax Rate. Please print clearly or type.

PART 1 – Please provide the correct Tax Identification Number (TIN), be it FEIN ~~or~~ SSN, and the applicable name and address as shown on your income tax return.

The TIN is (check one) FEIN _____ SSN

Federal Employer Identification Number (FEIN) - or -

Example 99 -- 9999999

Social Security Number (SSN)

Example 999 -- 99 -- 9999

NAME (as shown on your income tax return) Confidential Project 12-00052

Business name if sole proprietor _____

ADDRESS _____

CITY, STATE, ZIP _____

PART 2 - Below, circle one number that accurately describes the business or the individual:

- 1 - CORPORATION, PROFESSIONAL ASSOCIATION OR PROFESSIONAL CORPORATION
(A corporation formed under the laws of any state within the United States.)
- 2 - NOT FOR PROFIT CORPORATION (Section 501(c) (3) Internal Revenue Code)
- 3 - PARTNERSHIP, JOINT VENTURE, ESTATE, TRUST OR MULTIPLE MEMBER LLC
- 4 - INDIVIDUAL, SOLE PROPRIETOR, SELF EMPLOYED OR SINGLE MEMBER LLC
(Circle #4 if you are an individual that benefited from a student loan forgiveness payment)
- 5 - NONCORPORATE RENTAL AGENT
- 6 - GOVERNMENTAL ENTITY (City, County, State or U.S. Government)
- 7 - FOREIGN CORPORATION OR ENTITY (A foreign entity formed under the laws of a country other than the United States.) If YES is marked below, complete and attach Form W-8ECI.
Is income effectively connected with business in the United States? _____ YES _____ NO
- 8 - NONRESIDENT ALIEN (An individual temporarily in the U. S. who is not a U.S. citizen or resident.)

Under the penalties of perjury, I certify that I have examined this request and to the best of my knowledge and belief, it is true, correct and complete.

Signature _____

Date _____

Telephone Number _____

Title _____

email (optional) _____

25

Qualified Target Industry Tax Refund Attachment to the General Project Overview

Confidential Project # 12-00052

Name of Business _____

FOR EFI USE ONLY ⁴		
Date Received	Date Revised	Date Completed

EFI Project Number		

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? 210

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	63	12/31/2012
II	63	12/31/2013
III	28	12/31/2014
IV	28	12/31/2015
V	28	12/31/2016
Total	210	

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 _____.
- \$67,000, which is at least 150% of the average wage in 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:
Miami-Dade County

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

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

October/November 2011

3. SIGNATURES

Signature of Individual Completing this Attachment
(if different from General Project Overview)

Date

Address (if different)

Phone Number (if different)

Signature (Authorized Company Officer) **REQUIRED**

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. Additional per job bonuses may be available; however, the QTI award may not exceed five times the local financial support paid by the community.
 - \$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%.
 - \$2,000 per job if the business falls within a designated high impact sector OR if the business increases exports of its goods through a seaport in the state by at least 10 percent in value or tonnage in each year of receiving a QTI refund.
 - \$2,500 per job if the project locates in a designated Brownfield area (Brownfield Bonus).
 - \$1,000 per job if the local financial support is equal to the base QTI award.
- 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. Similarly, if the average wage falls below the wage committed to in 1C, 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 Florida jobs must be maintained for the duration of the QTI agreement.
 - The average wage commitment should include wages paid for only the net new to Florida jobs, as shown on the unit's UCT-6 form. The applicant will be required to establish a tracking mechanism to distinguish between existing versus new jobs and employees filling those jobs. Contact Enterprise Florida for more information.
- QTI eligible jobs are those that are physically located within the State of Florida and located at the facility listed as the proposed location address in question 2G of the General Project Overview or subsequent QTI contract with the State of Florida. If any jobs will not be physically located at the proposed location address, contact Enterprise Florida to discuss the situation. Jobs that are paid out of the proposed location address facility but are not located at that facility or in the State of Florida are not considered net new jobs for QTI purposes.
- 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.

**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 8N4
File Number: 112070
Date of Analysis: October 21, 2011

Summary

This resolution authorizes Confidential Project 12-00052 (Project) 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 business operations of this Project will create 210 new full-time equivalent jobs, paying an annual average salary of \$67,000, over a five year period. The business is in the advertising and information technology consulting industry and is considering leasing and renovating approximately 65,000 square feet of an existing building in Miami-Dade County to establish its multinational headquarters office.

According to the Mayor's memorandum for this item, the district location of this Project has not been determined; however, the jobs will have a positive countywide impact through indirect employment and a multiplier effect.

Current Business Incentive Programs Provided by the County and State:

According to the Office of Economic Development and International Trade (OEDIT), companies interested in relocating to or expanding in Miami-Dade County may qualify for the Targeted Jobs Incentives Fund (TJIF) program, and the Qualified Targeted Industry (QTI) program, through Miami-Dade County and the State of Florida.

Miami-Dade County Targeted Jobs Incentive Fund (TJIF)

The TJIF is designed to attract new-to-market businesses and support local business expansions. The TJIF Program works by providing cash incentives to qualifying companies in selected industries that create new above-average paying jobs and make a capital investment of at least \$3 million.

State of Florida Qualified Target Industry (QTI) Tax Refund

This incentive is available for companies that create high wage jobs in targeted high value-added industries and may provide the company a tax refund of up to \$3,000 per new job created. The QTI program is funded by the State of Florida (80%) and Miami-Dade County (20%).

The QTI program requires the creation of at least 10 new fulltime jobs at salary levels equal to or exceeding 115% of the State annual average wage, or \$41,516. For businesses paying 150% of the State average annual wage, the incentive is increased by a \$1,000 per job; and for business paying 200% of the State average annual wage, the incentive is increased by \$2,000 per job. Companies that locate or expand within any of Miami-Dade County's Enterprise Zones, the tax incentive refund is increased up to \$6,000 per new job created, and the minimum salary requirement may be waived.

Budgetary Impact

This Project has applied for a total of \$404,000 in QTI funds, of which eighty (80) percent (\$323,200) would be provided by the State. If the accompanying resolution is approved, the County is committed to provide an award of no greater than \$80,800 (\$800 per new job) in matching funds from countywide general fund revenues over a six-year period beginning in FY2012-2013.

The Project would employ 210 new workers at its Miami-Dade Facility paying an average annual salary of \$67,000, which is equivalent to 150 percent of the state average wage, while maintaining its current 390 employees. The Project plans to include an investment of \$6.5 million, of which \$4.15 million is allocated to construction/renovation, and \$2.35 million to computer and office equipment.

The Beacon Council projects that \$6.5 million in direct investment by the Project and the local economic impact from operations will generate approximately \$188,816 in countywide general fund revenues to Miami-Dade County over the eight years the company is eligible for QTI cash incentives.

Additional Information

Below is a QTI/TJIF Incentive Project Summary from FY 2008 through FY 2011:

Project ID	Date of Approval	QTI Resolution Number	TJIF Resolution Number	Comm. District (If Known)	Proposed Capital Investment	Total 6 Year Job Commitment	Total QTI Award	QTI County 20%	TJIF County Amount	Total County Incentive Amount
08-00207	4/8/2008	R-338-08		12	\$14,836,770	245	\$980,000	\$196,000	\$0	\$196,000
05-00315	7/21/2009	R-1019-09		1	\$7,800,000	123	\$369,000	\$73,800	\$0	\$73,800
08-00300	7/21/2009	R-1020-09	R-1021-09	12	\$8,090,000	25	\$75,000	\$15,000	\$87,500	\$102,500
10-00013	10/8/2009	R-1197-09	R-1198-09	6	\$3,900,000	366	\$475,800	\$95,160	\$20,000	\$115,160
10-00053	1/21/2010	R-29-10	-	12	\$800,000	125	\$162,500	\$32,500	\$0	\$32,500
10-00065	4/6/2010	R-350-10	R-351-10	13 or 1	\$230,000,000	150	\$900,000	\$180,000	\$3,929,119	\$4,109,119
10-00080	5/4/2010	R-490-10	R-491-10	6	\$42,000,000	35	\$320,000	\$64,000	\$777,167	\$841,167
10-00228	7/20/2010	R-837-10		6	\$4,600,000	180	\$900,000	\$90,000	\$0	\$90,000
11-00094	3/1/2011	R-161-11		12	\$9,675,000	45	\$270,000	\$54,000		\$54,000
Project Vital	4/4/2011		R-248-11	2	\$3,025,000	60		\$0	\$52,869	\$52,869
11-00375	6/7/2011	R-458-11		12	\$1,400,000	16	\$96,000	\$19,200	\$0	\$19,200
Bioaxone	7/7/2011	R-553-11		3	\$1,274,000	11	\$82,000	\$16,500	\$0	\$16,500
11-00494	9/20/2011	R-744-11		TBD	\$6,120,000	101	\$404,000	\$80,800	\$0	\$80,800
Summary					\$333,520,770	1,482	\$5,034,800	\$916,960	\$4,866,655	\$5,783,615

Source: OEDIT

Prepared by: Mia B. Marin