



**MEMORANDUM**

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

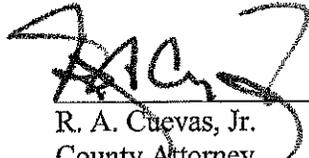
**DATE:** March 14, 2012

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

**SUBJECT:** Resolution approving Confidential  
Project #12-0046, as a Quality  
Target Industry business

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



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R. A. Cuevas, Jr.  
County Attorney

RAC/up

# Memorandum



**Date:** April 3, 2012

**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 12-00460

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## 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 12-00460 (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 75 new full-time equivalent jobs, as defined in Florida Statute Section 288.106, over a six-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 space and building a 12,000 square feet Network Operations Center (NOC), and fully integrate the functional technology of the Business to receive advanced video, internet and telephone services. The Business will make upgrades to proprietary infrastructure and technology for residential and business convergence service delivery. The Business is also considering relocating its entire operations to Dallas, TX.

## Fiscal Impact / Funding Source

Confidential Project 12-00460 has applied for a total of \$450,000 in QTI funds, of which 80 percent (\$360,000) 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 \$90,000 (or \$1,200 per new job) in matching funds from countywide general fund revenues over an 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

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

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**

Confidential Project 12-00460 would be an expanding IT/Telecom company seeking to expand its business enterprise (NAICS Code # 517110) in Miami-Dade County. The Business would employ 75 new workers at its Miami-Dade County facility paying an average annual salary of \$60,833, which is equivalent to at least 150 percent of the state average wage, while maintaining its current 16 employees. Employee benefits associated with each new job created will be \$9,857.44, according to documents submitted by The Beacon Council.

If approved, the Business plans to commit to an investment of \$25 million, of which \$9 million is allocated to construction/renovation, \$4 million to R&D equipment and \$12 million for computer and office equipment.

The Beacon Council projects that the \$25 million in direct investment by the Business and the local economic impact from operations will generate approximately \$401,243 in countywide general fund revenues to Miami-Dade County over the six years the company is eligible for QTI cash incentives.

Attachments

  
\_\_\_\_\_  
Deputy Mayor

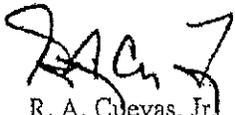


# MEMORANDUM

(Revised)

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

**DATE:** April 3, 2012

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

**SUBJECT:** Agenda Item No.

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

**PROJECT 12-00460 SUMMARY SHEET**

<b>APPLICANT:</b>	Confidential Project #12-00460
<b>HEADQUARTERS LOCATION:</b>	Miami-Dade County (proposed)
<b>PROPOSED LOCATION IN MIAMI-DADE COUNTY:</b>	Confidential
<b>OTHER LOCATIONS UNDER CONSIDERATION:</b>	Dallas, TX
<b>DATE OF QTI/TJIF APPLICATIONS:</b>	February 3, 2012
<b>OVERALL BUSINESS ACTIVITY/MISSION:</b>	To renovate and expand 12,000 square feet (approximately) office space
<b>PROPOSED LOCAL BUSINESS ACTIVITY:</b>	Software/Engineering Management
<b>PROPOSED CAPITAL INVESTMENT:</b>	\$25 million
<b>TARGETED QTI/TJIF INDUSTRIES:</b>	IT/Telecom
<b>PROPOSED LOCATION IN DESIGNATED PRIORITY AREA:</b>	No
<b>NEW BUSINESS OR EXPANDING BUSINESS:</b>	Expansion
<b>TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:</b>	75/16
<b>EFFORT IN HIRING RESIDENTS IN LOCAL AREA:</b>	unknown
<b>ESTIMATED ANNUALIZED AVERAGE WAGES FOR NEW JOBS:</b>	\$60,866
<b>ANNUAL EMPLOYEE BENEFIT PACKAGE:</b>	\$9,857.44 (not a condition of incentive award)
<b>NUMBER OF INDIRECT JOBS TO BE CREATED:</b>	30
<b>NUMBER OF YEARS TO CREATE NEW JOBS:</b>	3
<b>MAXIMUM TAX REFUND PER JOB DIRECT JOBS CREATED:</b>	\$ 6,000
<b>MAXIMUM INCENTIVE AWARD APPLIED FOR:</b>	\$450,000
<b>PROJECTED INCREMENTAL COUNTY TAX REVENUE:</b>	\$401,243
<b>COUNTY'S MAXIMUM 20% QTI AWARD:</b>	\$ 90,000
<b>STATE'S MAXIMUM 80% QTI AWARD CONTRIBUTION:</b>	\$ 360,000
<b>TYPE OF FUNDS REQUESTED IN APPLICATION:</b>	Countywide General Fund Revenues
<b>COMMENTS:</b> This summary sheet prepared by SPEE from information and data provided by the Beacon Council.	

Approved \_\_\_\_\_ Mayor Agenda Item No.  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING CONFIDENTIAL PROJECT #12-00460, AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO FLORIDA STATUTE 288.106; CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT #12-00460, EXIST; AND PROVIDING AN APPROPRIATION OF UP TO \$90,000 FROM GENERAL REVENUE FUNDS AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2013 THROUGH 2019, INCLUSIVE, OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT #12-00460; 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 75 full-time equivalent jobs, as defined in Florida Statute Section 288.106, in Miami-Dade County by December 31, 2014 with an average salary of \$60,866, 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 75 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 #12-00460,

(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 #12-00460 as required under Florida Statute 288.106, exists in an amount not to exceed \$90,000 from General Revenue Funds; and this local financial support will be available in the following increments:

Fiscal Year 2013 - 2014	\$15,000.00
Fiscal Year 2014 - 2015	\$15,000.00
Fiscal Year 2015 - 2016	\$15,000.00
Fiscal Year 2016 - 2017	\$15,000.00
Fiscal Year 2017 - 2018	\$15,000.00
Fiscal Year 2018 - 2019	\$15,000.00
<b>TOTAL</b>	<b>\$90,000.00</b>

Or payable over a time period and at annual amounts as determined by the State of Florida in its approval of CONFIDENTIAL PROJECT #12-00460 application, as long as the \$90,000 is not exceeded with the provision that any tax abatement granted to CONFIDENTIAL PROJECT #12-00460 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 #12-00460 in compliance with the QTI Program, including the requirement that the Business expand by or through additions to real and personal property, resulting in the net increase in employment of 75 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 upon CONFIDENTIAL PROJECT #12-00460 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	

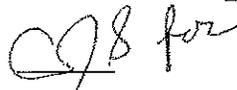
The Chairperson thereupon declared the resolution duly passed and adopted this 3<sup>rd</sup> day of April, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

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

February 3, 2012

Mr. Mario Goderich  
Assistant Director - Economic Enhancement  
Sustainability, Planning, and Economic Enhancement Department (SPEED)  
140 W Flagler Street, Suite 903  
Miami, FL 33130

Re: Confidential Project 12-00460

Dear Mr. Goderich:

Enclosed you will find an application for the State of Florida's Qualified Targeted Industry Tax Refund Program (QTI). Confidential project #12-00460 is a Miami-Dade County based IT/Telecom company that provides digital TV, high speed Internet and telephone services. The company will develop a Network Operations Center to support its planned expansion of services. Alternate location options are to relocate and expand in Dallas, TX.

The company is applying for the QTI program and will create 75 new jobs with an average salary of \$60,833 (150% of the State average wage) and is committed to a new capital investment of \$25 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 \$90,000, 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 March 2012 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 James Kohnstamm at (305) 579-1360.

Sincerely,

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

Enclosures

Cc: 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](http://www.beaconcouncil.com)

12-02-03-24  
RECEIVED OEDIT  
FEB 03 2012  
EXEC. DIR. OFFICE

# **Florida Qualified Target Industry Tax Refund (QTI)**

**Confidential Project #: 12-00460**

**Prepared by the Beacon Council  
February 2012**

## **Executive Summary for Project 12-00460**

### **Background**

Confidential project #12-00460 is a Miami-Dade County based IT/Telecom company that provides digital TV, high speed Internet and telephone services. The company will develop a Network Operations Center to support its planned expansion of services. Alternate location options are to relocate and expand in Dallas, TX.

The project will create 75 direct new jobs with an average annualized salary of \$60,866 in Miami-Dade County and make a new capital investment of \$25 million. The average salary of \$60,866 represents 150% of the State average wage. New employees will be sourced from the local community.

The company is applying for a QTI with a 3-year job creation schedule and an 6-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 \$90,000 to be paid by the County over a period of six years and provides a total ROI Gain/Loss/Breakeven to the County of 4.46.

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 (2011) were used.
- This latest millage rate was used for the entire 6-year period analysis.

### **Conclusions**

Based on the projected investment of \$25,000,000 in new real property, the project's 6-year property tax revenue from this expenditure will be: \$401,243 and Miami-Dade County's net revenue benefit is: \$311,243.

**INCENTIVE PROPOSAL SUMMARY:**  
**CONFIDENTIAL PROJECT 12-00460**

<b>Project Summary</b>	
Project Name	#12-00460
New Jobs	75
Average Salary	\$60,866
New Capital Investment	\$25,000,000
New Square Footage	12,000
<b>QTI Breakdown</b>	
Miami-Dade County Incremental Tax Revenue	\$401,243
QTI Miami-Dade County Match (20%)	\$90,000
<b>Net Revenue Benefit to Miami-Dade</b>	
	\$311,243
<b>Total Cost-Benefit Ratio</b>	1:4.46

## INCENTIVE PROPOSAL CHECKLIST

Confidential Project 12-00460

1. Enterprise Zone:	No
2. Number of New Jobs Projected:	75
3. Average Salary per Job:	\$60,688
4. New Capital Investment:	\$25,000,000
5. New Square Footage:	12,000
6. Per Job Incentive:	\$6,000

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

75 New Jobs Over 3 Years

#### TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	\$360,000
2. Miami-Dade County Match (20%)	\$90,000
Total QTI Tax Refund Proposal	\$450,000

#### RETURN ON INCENTIVE INVESTMENT (ROI)

1. Miami-Dade County Incremental Tax Revenue*	\$401,243
2. Total Miami-Dade County (20%) QTI Match	\$90,000
3. Miami-Dade County Net Revenue Benefit	\$311,243
Total ROI Gain/Loss/Breakeven	4.46

\* See Economic Impact Model

**SUMMARY OF ECONOMIC IMPACT**

**Confidential Project 12-00460**

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	75
Indirect Employment	30
<b>Total Employment Gain</b>	<b>105</b>

***Income from Wages***

Direct Employment	\$24,541,058
Indirect Employment	\$4,908,212
<b>Total Income Gain</b>	<b>\$29,449,270</b>

***Revenue to Miami-Dade County***

<b>Total Property Taxes</b>	<b>\$401,243</b>
<b>Total Local Sales Taxes</b>	<b>\$0</b>
<b>Total Tax Revenue Gain</b>	<b>\$401,243</b>
<b>Total Miami-Dade County (20%) QTI Match</b>	<b>\$90,000</b>
<b>Miami-Dade County Net Revenue Benefit</b>	<b>\$311,243</b>

**THE BEACON COUNCIL ECONOMIC IMPACT MODEL**

Confidential Project 12-00460

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

Total Direct Jobs	20	50	75	75	75	75
Indirect Employment	8	20	30	30	30	30
<b>TOTAL EMPLOYMENT</b>	<b>28</b>	<b>70</b>	<b>105</b>	<b>105</b>	<b>105</b>	<b>105</b>

**INCOME (\$1,000)**

<b>WAGES &amp; SALARY</b>							
Total Direct Wages	\$1,213.8	\$3,125.4	\$4,823.8	\$4,973.7	\$5,122.9	\$5,276.6	\$24,541.1
Total Indirect Wages	\$242.8	\$625.1	\$965.8	\$994.7	\$1,024.6	\$1,055.3	\$4,908.2
<b>TOTAL WAGES &amp; SALARIES</b>	<b>\$1,456.5</b>	<b>\$3,750.5</b>	<b>\$5,794.6</b>	<b>\$5,968.4</b>	<b>\$6,147.4</b>	<b>\$6,331.9</b>	<b>\$29,449.3</b>
<b>TOTAL INCOME</b>	<b>\$1,456.5</b>	<b>\$3,750.5</b>	<b>\$5,794.6</b>	<b>\$5,968.4</b>	<b>\$6,147.4</b>	<b>\$6,331.9</b>	<b>\$29,449.3</b>

**INCREMENTAL PROPERTY TAXES (\$1,000)**

**Building & Equipment Taxes**

<b>TOTAL PROPERTY TAXES</b>	<b>\$362.4</b>	<b>\$321.0</b>	<b>\$288.6</b>	<b>\$263.4</b>	<b>\$243.9</b>	<b>\$228.9</b>	<b>\$1,708.3</b>
<b>MIAMI-DADE PROPERTY TAXES</b>	<b>\$85.1</b>	<b>\$75.4</b>	<b>\$67.8</b>	<b>\$61.9</b>	<b>\$57.3</b>	<b>\$53.8</b>	<b>\$401.2</b>

**SALES TAXES (\$1,000)**

Available Income	\$1,456.5	\$3,750.5	\$5,794.6	\$5,968.4	\$6,147.4	\$6,331.9	\$29,449.3
Less Federal Income Tax	\$1,165.2	\$3,000.4	\$4,635.6	\$4,774.7	\$4,918.0	\$5,065.5	\$23,559.4
Less Hous, Ins, Prop Tax	\$873.9	\$2,250.3	\$3,476.7	\$3,581.0	\$3,688.5	\$3,799.1	\$17,689.8
Less Savings, Life Insur.	\$786.5	\$2,025.3	\$3,129.1	\$3,222.9	\$3,319.6	\$3,419.2	\$15,902.6
Less Food, Drugs, Other Non-Tax	\$589.9	\$1,519.0	\$2,348.8	\$2,417.2	\$2,489.7	\$2,564.4	\$11,927.0
<b>Avail. Income For Sales Tax</b>	<b>\$589.9</b>	<b>\$1,519.0</b>	<b>\$2,348.8</b>	<b>\$2,417.2</b>	<b>\$2,489.7</b>	<b>\$2,564.4</b>	<b>\$11,927.0</b>
State Sales Tax Realized	\$35.4	\$91.1	\$140.8	\$145.0	\$149.4	\$153.9	\$715.6
Local Sales Tax Realized	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>TOTAL SALES TAXES (\$1,000)</b>	<b>\$35.4</b>	<b>\$91.1</b>	<b>\$140.8</b>	<b>\$145.0</b>	<b>\$149.4</b>	<b>\$153.9</b>	<b>\$715.6</b>

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

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

<b>\$85.1</b>	<b>\$75.4</b>	<b>\$67.8</b>	<b>\$61.9</b>	<b>\$57.3</b>	<b>\$53.8</b>	<b>\$401.2</b>
<b>\$397.8</b>	<b>\$412.1</b>	<b>\$429.4</b>	<b>\$408.5</b>	<b>\$393.3</b>	<b>\$382.8</b>	<b>\$2,423.9</b>

**THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS**

**Confidential Project 12-00460**

**Employment Assumptions**

*New Direct Permanent Jobs*

Year 1	20
Year 2	50
Year 3	75
Year 4	75
Year 5	75
Year 6	75

*Incremental Multiplier* 0.40

\* For every 100 direct jobs, 40 indirect jobs will be created. Total multiplier effect is 1.40

**Annual Income Assumptions**

Yearly Salary, Direct Permanent Job	\$60,688
Indirect Job Salary	\$30,344

**Capital Investment**

	<b>Total Cap. Inv.</b>
Y1 Value	\$17,714,511
Y2 Value	\$15,691,561
Y3 Value	\$14,109,022
Y4 Value	\$12,876,672
Y5 Value	\$11,922,850
Y6 Value	\$11,190,641

**Inflation** 103%

**Property/Real Estate Taxes**

Mill Rate, Less Dade's Revenue	0.01565
Miami-Dade's Revenue Mill Rate	0.00481
Miami-Dade's Total Mill Rate	0.02046

Assessment Value of Real Property (81.6%) 0.816

	<b>Really Prop.</b>	<b>Equip.</b>
Y1	\$7,344,000	\$10,370,511
Y2	\$7,454,160	\$8,237,401
Y3	\$7,565,972	\$8,543,050
Y4	\$7,679,462	\$5,197,210
Y5	\$7,794,654	\$4,128,196
Y6	\$7,911,574	\$3,278,067

**Sales Tax Rates**

**Calculation: Income Available For Sales Tax**

<b>Income Devoted to:</b>	
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	\$9,000,000	\$16,000,000	Florida Sales Tax	6.00%
Depreciated		\$13,066,000	Miami-Dade County Sales Tax	0.00%
			Total Sales Tax	6.00%

Equipment Depreciation 0.20569

# GENERAL PROJECT OVERVIEW

Confidential Project 12-00460

Name of Business

Confidential Project 12-00460

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  
Phone: 850.298.6620 • Fax: 850.298.6659  
<http://www.eflorida.com/>

# 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 Number<sup>1</sup>:**

**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 attributable to this project?

Yes  No

Yes  No

**I. Is the business unit minority owned?**

Yes  No  If yes, explain:

51% equity, Hispanic

**J. What is the business unit's tax year (ex: Jan 1 to Dec 31):** Jan 1-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 unit<sup>2</sup>:**

New business unit to Florida

<sup>1</sup> 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.

<sup>2</sup> 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 jobs<sup>3</sup>  
 If an expansion, how many jobs are currently in the expanding business unit? 16

**B. How many individuals are employed at all Florida locations?** 16

**C. Are any jobs being transferred from other Florida locations<sup>4</sup>?**

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:**

As more and more communities and businesses utilize the Internet not only to surf the web, but for video and to conduct business workflow, the convergence of new technology from existing legacy systems is quite necessary to accomplish this goal. Our mission is to facilitate this convergence through a capital expenditure of \$25 million over 24-36 months. The Company currently provides Video, Internet, Phone Services and Cloud Surveillance Services to both communities and businesses through new proprietary technology that competes directly with ILECs like AT&T and Comcast. This process will be conducted in two phases:

**Phase I:** Upgrade our own proprietary infrastructure and technology to deliver the services needed for the residential and business convergence. In addition, we will build a Network Operations Center (NOC) that will support The Company's technology. Thus the premise behind the \$25 million capital investment.

**Phase II:** Integrate The Company's fully functional technology to receive advanced video, Internet and telephone services.

**E. In what Targeted Industry(ies) does the proposed project operate<sup>5</sup>:** IT/Telecom (NAICS 517110)

**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 (\$)
Software Engineering	517110	30%	\$70,000
Management	551114	30%	\$105,000
Administrative/Technical	551114	40%	\$30,000

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

Street Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip Code \_\_\_\_\_

<sup>3</sup> A QTJ Tax Refund award cannot be granted for existing Florida jobs.

<sup>4</sup> 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.

<sup>5</sup> Refer to the QTJ Target Industry list.

## GENERAL PROJECT OVERVIEW

**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? \_\_\_\_\_

**Is the project location in a designated Rural area?**

Yes  No  If yes, which Rural area? \_\_\_\_\_

**Is the project location in an Urban area<sup>6</sup>?**

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):**

90% Explain, if necessary: Due to the overwhelming success of our operational model, relocation would be a transplant to generate immediate ramp-up in the Southwest region and gradual transition of national and international clients to us in TX.

### 3. JOB AND WAGE OVERVIEW

**A. How many Florida jobs<sup>7</sup> are expected to be created as part of this project?**

75

**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)**

16

**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.)**

\$60,833

<sup>6</sup> 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.

<sup>7</sup> A "full time equivalent job" means at least 35 hours of paid work per week.

## GENERAL PROJECT OVERVIEW

- D. What is the annualized average value of benefits associated with each new job created as part of this project?** \$9857.44
- E. What benefits are included in this value?** (health insurance, 401(k) contributions, vacation and sick leave, etc.)  
All above & stock options, 401K match 50/50 up to 4%

### 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.):  
Upgrading, replacing and buying new technology
- 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	Total	
Land or Building Purchase	\$	\$	\$	\$	\$
Construction / Renovations	\$9m	\$6m	\$1m	\$	\$9m
Manufacturing Equipment	\$	\$	\$	\$	\$
R&D Equipment	\$1.5m	\$1.6m	\$1m	\$	\$4m
Other Equipment (computer equipment, office furniture, etc.)	\$4m	\$6m	\$2m	\$	\$12m
<b>Total Capital Investment</b>	<b>\$8.5m</b>	<b>\$12.5m</b>	<b>\$4m</b>	<b>\$</b>	<b>\$25m</b>

- D. What is the estimated cost of machinery and equipment or other resources for this project expected to be purchased outside of Florida?** \$0
- 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?** 12,000
- G. When is the final location decision anticipated (date)?** April 2012
- H. What is the anticipated date construction will begin?** April 2012
- I. What is the anticipated date operations will commence?** April 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?**  
Economic Incentives will play a crucial role in the company's overall strategic growth and its decision to remain in Miami-Dade County. As one of only a few Premiere

## GENERAL PROJECT OVERVIEW

Partners nationwide, the content provider is looking to replicate our model – operations and marketing/sales – to the Southwest region specifically Dallas and Texas. In this capacity, The Company would transplant its entire operations applying its successful model.

We are also quite aware of the costs associated with relocation to Texas. However, current competitive advantages are playing a major part for the company to relocate to the Dallas, TX area as part of its partnership with its content provider. Economic incentives will play a major role in retaining the projected amount of jobs, taxes, capital investment and costs the company plans to deploy in both the short term (2-5 years) and long term.

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

Incentives funds obtained by the company will help support ongoing capital investments and job creation.

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

Dallas, TX

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

Texas is offering state and local Economic Incentives.

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

Recruitment of engineers

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

Identification and recruitment of personnel with advanced degrees and experience in the areas of engineering is a constant challenge. The Company will need training and support to identify capable personnel for its projected growth.

### **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.**

As Florida's unemployment rates continue to rise, it is crucial to diversify its current economy to redefine job allocation. Retaining The Company, in South Florida will have a dramatic impact on the local community. Overall projections target 250 employees/technicians in Florida (5 yr. Projections). Capital investment and human capital will substantially be increased thus producing a domino effect on local businesses, community participation/contributions, etc.

**B. Provide a summary of past activities in Florida and in other states. For example, what kind of corporate citizen has the applicant been? Also list awards or commendations.**

None

## GENERAL PROJECT OVERVIEW

- C. List and explain any criminal or civil fines or penalties, recent or ongoing investigations and lawsuits, federal, state and/or local tax liens, and environmental issues that have been imposed upon the company, its executives, or its affiliates and any recent bankruptcy proceedings of the applicant or its parent company. Failure to disclose relevant information may mean automatic disqualification. If there are no issues to be identified, answer "None". Do not leave this question blank.

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.

Florida's unemployment numbers are at unprecedented levels with more than 1.1 million people out of work representing a rate of 10.3%. In order for Florida to truly be competitive, we must enforce and deploy a more diversified economic model.

The Company represents this diversification. Florida needs to truly embrace the company to remain in this state.

### 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.

If you wish to request confidentiality for information contained within the General Project Overview to be held confidential pursuant to section 288.075, Florida Statutes, please submit to Enterprise Florida, Inc. a request on company letterhead and signed by an authorized company officer including the following statement:

*"On behalf of (Legal Name of Applicant), please accept this letter as a request for all documents, records, reports, correspondence, conversations, applications, data and other sources of information concerning our business plans, interests, or intention to evaluate or locate in Florida as well as other trade secrets, identification, account, and registration numbers, and proprietary confidential business information be held confidential pursuant to section 288.075, Florida Statutes for a period of 12 months after the date of receipt of this request for confidentiality or until the information is otherwise disclosed, whichever occurs first."*

\*\*\* 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

Signature (Authorized Company Officer)  
REQUIRED

Date

Date

Name

Name

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

Name of contact person, if different than above

Phone Number

Address

Email Address

## 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.*

**Confidential Project 12-00460**

Name of Business

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

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

\*\*\*Be sure to submit the General Project Overview and Local Support Resolution<sup>1</sup> following passage by the City / County\*\*\*

### 1. PROJECT EMPLOYMENT AND WAGE COMMITMENTS

- A. What is the total number of net new full-time equivalent Florida jobs created by the project at the business unit? 75
- 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	20	12/31/12
II	30	12/31/13
III	25	12/31/14
<b>Total</b>	<b>75</b>	

- 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 \_\_\_\_\_.
- \$60,833, 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 support<sup>2</sup>:  
Miami-Dade County
- B. Indicate the date(s) the QTI support resolution(s) is / are anticipated to be passed by the local government:  
April 2012

<sup>1</sup> 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.

<sup>2</sup> Must be a minimum of 10 new jobs and a 10 percent increase in current business unit employment (if an existing Florida business).

<sup>3</sup> 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)

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 31<sup>st</sup> each year for the number of jobs on December 31<sup>st</sup> 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.