

MEMORANDUM

Agenda Item No 8(M)(2)


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

DATE: October 2, 2012

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

SUBJECT: Resolution amending Resolution
No. R-992-11 under the
Qualified Target Industry Tax
Refund for Confidential Project
No. 12-00052

The accompanying resolution was prepared by the Department of Regulatory and Economic Resources and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.



R. A. Cuevas, Jr.
County Attorney

RAC/lmp

Memorandum



Date: October 2, 2012

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

From: Carlos A. Gimenez
County Mayor 

Subject: Resolution Amending Resolution No. R-992-11 under the Qualified Target Industry Tax Refund for Confidential Project No. 12-00052

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the request to amend Resolution No. R-992-11, which authorized Confidential Project No. 12-00052 to participate in the Qualified Targeted Industry Tax Refund Program (QTI). The following revisions were made: 1) the number of new jobs decreased from 210 to 112 (due to a miscommunication with the applicant on the original application supporting Resolution No. R-922-11); 2) the capital investment amount decreased from \$6,500,000 to \$6,445,000; 3) the square footage of the facility decreased from 65,000 to 54,000; and 4) the number of current employees decreased from 390 to 283; in the previous application consultant positions were inadvertently included (current full-time employee base remains the same).

Requested Revisions	R-992-11 (current)	Proposed Changes
New jobs to be created	210	112
Capital Investment	\$6,500,000	\$6,445,000
Square footage of facility	65,000	54,000
Current employees	390	283

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 Regulatory and Economic Resources 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 112 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 54,000 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 No. 12-00052 has applied for a total of \$414,000 in QTI funds, of which 80 percent (\$331,520) would be provided by the State. If the accompanying resolution is approved by the Board,

the County is committed to providing an award of no greater than \$82,880 (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 conditions of the incentive program. QTI incentive payments are contingent upon the company meeting its target of additional jobs.

Economic Impact Overview

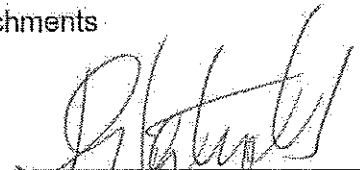
The Business was founded in the early 1990s and is a leader in the traditional and digital global advertising arena. It currently has locations throughout the U.S., South Asia, Europe, and Canada. Due to the popularity of social networking, the company has done extremely well with the growth of its e-commerce ad agency business. 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 No. 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 112 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 283 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 \$6,445,000, of which \$5,095,000 is allocated to construction/renovation, and \$1,350,000 to computer and office equipment.

The Beacon Council projects that the \$6,445,000 in direct investment by the Business and the local economic impact from operations will generate approximately \$185,663 in countywide general fund revenues to Miami-Dade County over the eight years the company is eligible for QTI cash incentives.

Attachments



Jack Osterholt, 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 7, 2012
OVERALL BUSINESS ACTIVITY/MISSION:	To lease and renovate a 54,000 square feet (approximately) office space
PROPOSED LOCAL BUSINESS ACTIVITY:	Business expansion with the launch of new technologies.
PROPOSED CAPITAL INVESTMENT:	\$6,445, 000
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:	112/ 283
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:	56
NUMBER OF YEARS TO CREATE NEW JOBS:	5
MAXIMUM TAX REFUND PER JOB DIRECT JOBS CREATED:	\$3,700
MAXIMUM INCENTIVE AWARD APPLIED FOR:	\$414,400
PROJECTED INCREMENTAL COUNTY TAX REVENUE:	\$185,663
COUNTY'S MAXIMUM 20% QTI AWARD:	\$82,880
STATE'S MAXIMUM 80% QTI AWARD CONTRIBUTION:	\$331,520
TYPE OF FUNDS REQUESTED IN APPLICATION:	Countywide General Fund Revenues
COMMENTS: This summary sheet prepared by RER from information and data provided by the Beacon Council.	



MEMORANDUM

(Revised)

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

DATE: October 2, 2012

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

SUBJECT: Agenda Item No. 8(M) (2)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☒ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No.8(M) (2)
10-2-12

RESOLUTION NO. _____

RESOLUTION AMENDING RESOLUTION NO. R-992-11 RELATED TO CONFIDENTIAL PROJECT NO. 12-00052; 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 \$82,800 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, Resolution No. R-992-11 approved confidential project as a Qualified Targeted Industry business, the applicant has requested certain changes to its application; and

WHEREAS, this project commits to creating an additional 112 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 112 full-time equivalent jobs,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby amends Resolution No. R-992-11 and 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 (QTI) 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 \$82, 800 from General Revenue Funds; and that this local financial support will be available in the following increments:

Fiscal Year 2013 - 2014	\$10,350.00
Fiscal Year 2014 - 2015	\$10,350.00
Fiscal Year 2015 - 2016	\$10,350.00
Fiscal Year 2016 - 2017	\$10,350.00
Fiscal Year 2017 - 2018	\$10,350.00
Fiscal Year 2018 - 2019	\$10,350.00
Fiscal Year 2019 - 2020	\$10,350.00
Fiscal Year 2020 - 2021	\$10,350.00
TOTAL	\$82,800.00

Or payable over a time period and at annual amounts as determined by the State of Florida in its approval of Confidential Project No. 12-00052 application, as long as the \$82,800 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 112 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 2nd day of October, 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

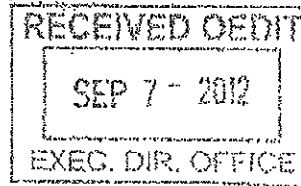
Approved by County Attorney as
to form and legal sufficiency.



Shannon Summerset-Williams



THE BEACON COUNCIL



September 7, 2012

Mr. Jack Osterholt
Deputy Mayor
Miami-Dade County
Stephen P Clark Center
Miami, FL 33128

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

Dear Mr. Osterholt:

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. 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 112 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 \$6,445,000 million.

This project previously applied and was approved earlier this fiscal year for the Qualified Targeted Industry (QTI) tax refund program by Miami-Dade County. The company was delayed in finalizing the QTI agreement with the State of Florida due to lack of available sites that were suitable for this project. The project is now ready to move ahead with a slight adjustment in the size and scope of the project.

We are referring this application to your office for review and preparation of an amendment to the previously approved resolution (R-992-11) to be presented to the Miami-Dade Board of County Commissioners requesting a maximum of \$82,880, representing Miami-Dade's 20% QTI portion, to be paid over a period of eight years. Attached is the revised application and project briefing book including the economic impact analysis prepared by the Beacon Council's Research Department.

The Qualified Target Industry (QTI) application, briefing book and impact analysis were revised to reflect the following changes.



On the Executive Summary and Impact Analysis, changes were made to the job numbers, capital investment amount and analysis calculations. It is important to note that although the new projected job numbers are lower, the return on investment to Miami-Dade County has doubled and is now 1:2.24.

On the General Project Overview State document, the changes are as follows:

Page 3 of 10 | Question 2.A.: Number was changed to 283, which reflects the current jobs in the expanding unit, in the previous application an incorrect number was inadvertently used (this number has no impact on the incentive amount the company would be eligible to receive).

Page 3 of 10 | Question 2.B.: Number changed to 283; in the previous application consultant positions were inadvertently included (this number has no impact on the incentive amount the company would be eligible to receive).

Page 4 of 10 | Question 3.A.: Number was changed to 112.

Page 4 of 10 | Question 3.B.: Number was changed to 0; current jobs are not at immediate risk (this number has no impact on the incentive amount the company would be eligible to receive).

Page 5 of 10 | Question 4.A.: Number was changed to \$6,445,000

Page 5 of 10 | Question 4.C.: Capital investment numbers by year were adjusted.

Page 5 of 10 | Question 4.F.: Number was changed to 54,000 sq. ft. (this number has no impact on the incentive amount the company would be eligible to receive).

Page 5 of 10 | Question 4.G.: Date was changed to October 31, 2012.

Page 5 of 10 | Question 4.H.: Date was changed to January 1, 2013.

Page 5 of 10 | Question 4.I.: Date was changed to December 1, 2013.

Page 6 of 10 | Question 6.A.: Answer was revised to reflect the new job numbers.

On the Qualified Target Industry Tax Refund Attachment to the General Project Overview, the changes are as follows:

Page 1 of 2 | Question 1.A.: Number was changed to 112.

Mr. Jack Osterholt
September 7, 2012
Page 3



Page 1 of 2 | Question 1.B.: Job creation phasing was revised to reflect the new job creation numbers.

Page 2 of 2 | Question 2.B.: Date was changed to September 2012.

We are requesting that the item be placed on the October 2, 2012 Agenda of The Miami-Dade Board of County Commissioners (BCC).

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 Jennifer Hernandez at (305) 579-1387.

Sincerely,

Stephen Beatus
Associate Executive Vice President
Economic Development

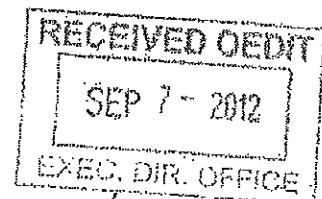
Enclosures

Cc: Dimitrios "Jimmy" Nares, Office of Economic Development and International Trade

Florida Qualified Target Industry Tax Refund (QTI)

Confidential Project #: 12-00052

**Prepared by the Beacon Council
September 2012**



9/7-68

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. To support the additional in-house personnel fueled by this growth, the company is looking to expand its office space.

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 112 direct new jobs with an average annualized salary of \$67,000 in Miami-Dade County and make a new capital investment of \$6,445,000 million. The average salary of \$67,000 represents over 150% of the State average wage. The plan is to source new employees 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 \$82,880 to be paid by the County over a period of eight years and provides a positive cost-benefit ratio to the County of 1:2.24.

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 8-year period analysis.

Conclusions

Based on the projected investment of \$6,445,000 in new real property, the project's 8-year property tax revenue from this expenditure will be: \$185,663 and Miami-Dade County's net revenue benefit is: \$102,783.

INCENTIVE PROPOSAL SUMMARY:
CONFIDENTIAL PROJECT 12-00052

Project Summary:	
Project Name	#12-00052
New Jobs	112
Average Salary	\$67,000
New Capital Investment	\$6,445,000
New Square Footage	54,000
QTI Breakdown:	
Miami-Dade County Incremental Tax Revenue	\$185,663
QTI Miami-Dade County Match (20%)	\$82,880
Net Revenue Benefit to Miami-Dade	\$102,783
Total Cost-Benefit Ratio	1:2.24

INCENTIVE PROPOSAL CHECKLIST

Confidential Project 12-00052

1. Enterprise Zone:	No
2. Number of New Jobs Projected:	112
3. Average Salary per Job:	\$67,000
4. New Capital Investment:	\$6,445,000
5. New Square Footage:	54,000
6. Per Job Incentive:	\$3,700

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

112 New Jobs Over 5 Years

TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	\$331,520
2. Miami-Dade County Match (20%)	\$82,880
Total QTI Tax Refund Proposal	\$414,400

RETURN ON INCENTIVE INVESTMENT (ROI)

1. Miami-Dade County Incremental Tax Revenue*	\$185,663
2. Total Miami-Dade County (20%) QTI Match	\$82,880
3. Miami-Dade County Net Revenue Benefit	\$102,783
Total ROI Gain/Loss/Breakeven	.2.24

* See Economic Impact Model

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	112
Indirect Employment	56
Total Employment Gain	168

Income from Wages

Direct Employment	\$50,741,735
Indirect Employment	\$12,685,434
Total Income Gain	\$63,427,168

Revenue to Miami-Dade County

Total Property Taxes	\$185,663
Total Local Sales Taxes	\$0
Total Tax Revenue Gain	\$185,663
Total Miami-Dade County (20%) QTI Match	\$82,880
Miami-Dade County Net Revenue Benefit	\$102,783

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
EMPLOYMENT									
Total Direct Jobs	14	42	67	93	112	112	112	112	
Indirect Employment	7	21	34	47	56	56	56	56	
TOTAL EMPLOYMENT	21	63	101	140	168	168	168	168	
INCOME (\$1,000)									
WAGES & SALARY									
Total Direct Wages	\$938.0	\$2,898.4	\$4,762.4	\$6,808.8	\$8,445.8	\$8,699.2	\$8,960.2	\$9,229.0	\$50,741.7
Total Indirect Wages	\$234.5	\$724.6	\$1,190.6	\$1,702.2	\$2,111.5	\$2,174.8	\$2,240.0	\$2,307.2	\$12,685.4
TOTAL WAGES & SALARIES	\$1,172.5	\$3,623.0	\$5,953.0	\$8,511.0	\$10,557.3	\$10,874.0	\$11,200.2	\$11,536.2	\$63,427.2
TOTAL INCOME	\$1,172.5	\$3,623.0	\$5,953.0	\$8,511.0	\$10,557.3	\$10,874.0	\$11,200.2	\$11,536.2	\$63,427.2
INCREMENTAL PROPERTY TAXES (\$1,000)									
Building & Equipment Taxes									
TOTAL PROPERTY TAXES	\$103.0	\$100.5	\$98.9	\$97.9	\$97.4	\$97.3	\$97.5	\$96.0	\$790.5
MIAMI-DADE PROPERTY TAXES	\$24.2	\$23.6	\$23.2	\$23.0	\$22.9	\$22.9	\$22.9	\$23.0	\$185.7
SALES TAXES (\$1,000)									
Available Income	\$1,172.5	\$3,623.0	\$5,953.0	\$8,511.0	\$10,557.3	\$10,874.0			
Less Federal Income Tax	\$938.0	\$2,898.4	\$4,762.4	\$6,808.8	\$8,445.8	\$8,699.2			\$40,690.7
Less Hous. Ins. Prop Tax	\$703.5	\$2,173.8	\$3,571.8	\$5,106.6	\$6,334.4	\$6,524.4			\$32,552.6
Less Savings, Life Insur.	\$633.2	\$1,956.4	\$3,214.6	\$4,595.9	\$5,706.9	\$5,872.0			\$24,414.4
Less Food, Drugs, Other Non-Tax	\$474.9	\$1,467.3	\$2,411.0	\$3,446.9	\$4,275.7	\$4,404.0			\$21,973.0
Avail. Income For Sales Tax	\$474.9	\$1,467.3	\$2,411.0	\$3,446.9	\$4,275.7	\$4,404.0			\$16,479.8
State Sales Tax Realized	\$28.5	\$88.0	\$144.7	\$206.8	\$256.5	\$264.2			\$16,479.8
Local Sales Tax Realized	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0			\$988.8
TOTAL									\$0.0
SALES TAXES (\$1,000)	\$28.5	\$88.0	\$144.7	\$206.8	\$256.5	\$264.2			\$988.8
TOTAL MIAMI-DADE									
PROPERTY & SALES TAXES (\$1,000)	\$24.2	\$23.6	\$23.2	\$23.0	\$22.9	\$22.9			\$185.7
TOTAL									
PROPERTY & SALES TAXES (\$1,000)	\$131.4	\$188.6	\$243.6	\$304.7	\$353.9	\$361.5			\$1,779.2

THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

Confidential Project 12-00052

Employment Assumptions

New Direct Permanent Jobs

Year 1	14
Year 2	42
Year 3	67
Year 4	93
Year 5	112
Year 6	112
Year 7	112
Year 8	112

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

Inflation 103%

Capital Investment

Total Cap. Inv.

Y1 Value	\$5,032,532
Y2 Value	\$4,914,913
Y3 Value	\$4,835,251
Y4 Value	\$4,785,943
Y5 Value	\$4,760,957
Y6 Value	\$4,755,501
Y7 Value	\$4,765,775
Y8 Value	\$4,788,762

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

Realty Prop.

Equip.

Y1	\$4,157,520	\$875,012
Y2	\$4,219,883	\$695,031
Y3	\$4,283,181	\$552,070
Y4	\$4,347,429	\$438,515
Y5	\$4,412,640	\$348,317
Y6	\$4,478,830	\$276,671
Y7	\$4,546,012	\$219,763
Y8	\$4,614,202	\$174,560

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	\$5,095,000	\$1,350,000	Florida Sales Tax	6.00%
Depreciated		\$1,101,600	Miami-Dade County Sales Tax	0.00%
			Total Sales Tax	6.00%

Equipment Depreciation 0.20569

GENERAL PROJECT OVERVIEW

Confidential Project # 12-00052

Name of Business

Project India

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

FOR EFI USE ONLY

Date Received

Date Revised

Date Completed

EFI Project Number

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



Enterprise Florida

The Atrium Building, Suite 201 • 325 John Knox Road
Tallahassee, Florida 32303
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<http://www.eflora.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 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: _____

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.

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2. PROJECT OVERVIEW

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

- ☐ New business unit to Florida
☒ Existing Florida business creating and / or retaining jobs³.

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

B. How many individuals are employed at all Florida locations? 283

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 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 _____

FL

City _____

State _____

Zip Code _____

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

Street Address _____

City _____

State _____

Zip Code _____

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.

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.

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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?

112

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)

0

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.

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- A. Describe the capital investment in real and personal property** (Examples: construction of new facility; remodeling of facility; upgrading, replacing, or buying new equipment.):

\$6,445,000

- 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	Total
Land or Building Purchase	\$	\$	\$	\$	\$
Construction / Renovations	\$950,000	\$1,611,944	\$2,533,056	\$	\$5,095,000
Manufacturing Equipment	\$	\$	\$	\$	\$
R&D Equipment	\$	\$	\$	\$	\$
Other Equipment (computer equipment, office furniture, etc.)	\$	\$525,000	\$825,000	\$	\$1,350,000
Total Capital Investment	\$950,000	\$2,136,944	\$3,358,056	\$	\$6,445,000

- 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?**

54,000

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

October 31, 2012

- H. What is the anticipated date construction will begin?**

January 1, 2013

- I. What is the anticipated date operations will commence?**

December 1, 2013

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) -

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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 395 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.

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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. The Company has been a great corporate citizen. The company has been in Miami for many years and has been named as top company to work for in Florida. The company also regularly participates in philanthropic activities.

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.

DNB report shows a few outstanding liens. The Company has looked into it and found out that all liens have been paid. The Company will provide supporting documentation as soon as available and will be working with DNB to update its records.

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

The Company was founded in the early 1990s and expanded to Florida in the mid-2000s. The Miami facility is part of a business unit that has been rated highly by top industry magazines.

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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) ***

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8. SIGNATURES

Application Completed By:

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

Signature

Signature (Authorized Company Officer)
REQUIRED

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



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 -- 99999999

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 _____

e-mail (optional) _____

Qualified Target Industry Tax Refund Attachment to the General Project Overview

Confidential Project # 12-00052

Name of Business _____

FOR EFI USE ONLY		
Date Received _____	Date Revised _____	Date Completed _____
<div style="border-bottom: 1px solid black; margin: 5px 0;"></div> 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? _____

112

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	14	12/31/2012
II	28	12/31/2013
III	25	12/31/2014
IV	26	12/31/2015
V	19	12/31/2016
Total	112	

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:

September 2012

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:
 - o \$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%.
 - o \$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 or airport in the state by at least 10 percent in value or tonnage in each year of receiving a QTI refund.
 - o \$2,500 per job if the project locates in a designated Brownfield area (Brownfield Bonus).
 - o \$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:
 - o Existing number of full-time equivalent Florida jobs must be maintained for the duration of the QTI agreement.
 - o 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:
 - o 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.
 - o 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.