MEMORANDUM

Agenda Item No. 3(B)(10)

TO:	Honorable Chairwoman Rebeca Sosa and Members, Board of County Commissioners	**DATE:**	October 1, 2013
FROM:	R. A. Cuevas, Jr. County Attorney	**SUBJECT:**	Resolution approving Confidential Project Ludwig as a Qualified Target Industry business pursuant to Florida Statute 288.106

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Xavier L. Suarez.

R. A. Cuevas, Jr.
County Attorney

RAC/smm

Memorandum

Date: October 1, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Resolution Approving Qualified Target Industry Tax Refund for Confidential Project Ludwig

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Recommendation

The Beacon Council, on behalf of a firm requesting 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 (Board). It is recommended that the Board approve the attached resolution authorizing Confidential Project Ludwig to be recognized by the State as a Qualified Target Industry (QTI) business and entitled to the financial benefits afforded under the Qualified Target Industry Tax Refund Program.

Scope

The business operations of this project will create 25 new full-time equivalent jobs, as defined in Florida Statute Section 288.106, over a three-year period. This project is considering leasing and renovating approximately 5,500 square feet of an existing building in District 7 (Commissioner Suarez) to establish its financial services/hedge fund headquarters. However, the jobs will have a positive countywide impact through indirect employment and an economic multiplier effect.

Fiscal Impact / Funding Source

Confidential Project Ludwig has applied for a total of $62,500.00 in Qualified Target Industry funds, of which 80 percent ($50,000.000) would be provided by the State and 20 percent ($12,500.00) will be the local match provided by Miami-Dade County. If the accompanying resolution is approved by the Board, the County is committed to providing an award of no greater than $12,500.00 (or $500.00 per new job) in matching funds from countywide general fund revenues over a six-year period beginning in FY 2015-2016. An analysis from the Beacon Council suggests a positive cost-benefit ratio to the County of 1:1.22. Generating sufficient countywide general fund revenue to cover the County's local match for the award, however, is not a condition of the Qualified Target Industry Tax Refund Program. If the State determines that Project Ludwig has created 25 new jobs according to the schedule set forth in the attached *project overview* and resolution, the County's 20 percent local match is required. The disbursement schedule and the anticipated dates for job creation are subject to change at the discretion of the Florida Department of Economic Opportunity.

Track Record/Monitor

Qualified Target Industry funds awarded for job creation are provided on a matching basis upon the State invoicing the County for its 20 percent of the financial commitment for jobs created and verified by the State. The incentive amount is determined by the job created and their annual salary, and the State is responsible for verifying compliance with the terms of the award. 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 Qualified Target Industry application (see Attachment to the General

Project Overview) and all other conditions of the incentive program. Qualified Target Industry incentive payments are contingent upon the company meeting its target jobs.

Background

Confidential Project Ludwig is an investment/hedge fund management company seeking to relocate its international headquarters office from California to Miami-Dade County (Coconut Grove). The company is the investment advisors for a series of funds that are primarily based in Delaware and in the Cayman Islands. Confidential Project is currently registered with the U.S. Securities and Exchange Commission and the U. S. Commodity Futures Trading Commission. The company is also considering Austin and Houston, Texas for their potential relocation.

Confidential Project Ludwig would be a new business unit providing investment management services (NAICS Code #525990) in Miami-Dade County. It would employ 25 new workers paying an average annual salary of $100,000.00, which represents over 200% of the State average wage. Employee benefits associated with each new job created will be $7,200.00, according to the documents submitted by The Beacon Council.

If approved, the project plans to commit to an investment of $800,000.00, of which $500,000.00 is allocated to office renovations, and $100,000.00 to research and development equipment and $200,000.00 to office equipment.

The Beacon Council projects that the $800,000.00 in direct investment by Confidential Project Ludwig will generate approximately $15,284.00 in countywide general fund revenues to Miami-Dade County over the six years the company is eligible for Qualified Target Industry tax refund incentives. Generating additional countywide general fund revenue, however, is not a condition of the Qualified Target Industry program. Project details are summarized in the attached chart.

Jack Osterholt, Deputy Mayor

CONFIDENTIAL PROJECT LUDWIG SUMMARY SHEET	
APPLICANT:	Confidential Project Ludwig
HEADQUARTERS LOCATION:	Western region of the United States
PROPOSED LOCATION IN MIAMI-DADE COUNTY:	Coconut Grove (Considering)
OTHER LOCATIONS UNDER CONSIDERATION:	Austin and Houston, Texas
DATE OF QTI/TJIF APPLICATIONS:	August 19,2013
OVERALL BUSINESS ACTIVITY/MISSION:	To lease and renovate a 5,500 square feet (approximately) office space
PROPOSED LOCAL BUSINESS ACTIVITY:	Establish an international headquarters that provide investment and hedge fund management services.
PROPOSED CAPITAL INVESTMENT:	$800,000.00
TARGETED QUALIFIED TARGET INDUSTRY:	Financial/Professional Services
LOCATION IN DESIGNATED PRIORITY AREA?	No
NEW BUSINESS OR EXPANDING BUSINESS:	New Business Unit
TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	25 by 12/31/2016
EFFORT IN HIRING RESIDENTS IN LOCAL AREA:	unknown
ANNUALIZED AVERAGE WAGES FOR NEW JOBS:	$100,000.00
ANNUAL EMPLOYEE BENEFIT PACKAGE:	$7,200.00 (not a condition of incentive award)
NUMBER OF INDIRECT JOBS TO BE CREATED:	15
NUMBER OF YEARS TO CREATE NEW JOBS:	3
MAXIMUM TAX REFUND PER DIRECT JOBS:	$2,500.00
MAXIMUM INCENTIVE AWARD APPLIED FOR:	$62,500.00
PROJECTED INCREMENTAL COUNTY TAX REVENUE:	$15,284.00
COUNTY'S MAXIMUM 20% QUALIFIED TARGET INDUSTRY AWARD:	$12,500.00
STATE'S MAXIMUM 80% QUALIFIED TARGET INDUSTRY AWARD CONTRIBUTION:	$50,000.00
TYPE OF FUNDS REQUESTED IN APPLICATION:	Countywide General Fund Revenues
COMMENTS: summary sheet prepared by RER from information and data provided by the Beacon Council.	

MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: October 1, 2013

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

SUBJECT: Agenda Item No. 3(B)(10)

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 Mayor'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. 3(B)(10)
10-1-13

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT LUDWIG AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO FLORIDA STATUTE 288.106; CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT LUDWIG EXIST; AND PROVIDING FOR AN APPROPRIATION OF UP TO $12,500.00 FROM GENERAL REVENUE FUNDS AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2015 THROUGH 2021 INCLUSIVE, OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT LUDWIG; 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, copies of which are incorporated herein by reference; and

WHEREAS, The Beacon Council has submitted an application for economic development incentives from the State of Florida and Miami-Dade County on behalf of Confidential Project Ludwig to be recognized by the State as a Qualified Target Industry business and entitled to the financial benefits afforded under the Qualified Target Industry Tax Refund Program; and

WHEREAS, Confidential Project Ludwig commits to create 25 full-time equivalent jobs, as defined in Florida Statute Section 288.106, in Miami-Dade County by December 31, 2016 with an average salary of $100,000.00, which is at least 200 percent of the state average wage; and

WHEREAS, the tax refunds provided under the Florida Qualified Target Industry Tax Refund Program to Confidential Project Ludwig may be prorated by the State of Florida pursuant to the terms of the General Project Overview in the event that Confidential Project Ludwig creates fewer than 25 full-time equivalent jobs,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves Confidential Project Ludwig 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 Ludwig as required under the Florida Statute 288.106, exists in an amount not to exceed $12,500.00 from Miami-Dade County's general funds and this local financial support will be available in the following increments:

Fiscal Year 2015-2016	$2,083.33
Fiscal Year 2016-2017	$2,083.33
Fiscal Year 2017-2018	$2,083.33
Fiscal Year 2018-2019	$2,083.33
Fiscal Year 2019-2020	$2,083.33
Fiscal Year 2020-2021	$2,083.35
Total	**$12,500.00**

or payable over a time period and at annual amounts as determined by the State of Florida in its approval of the Confidential Project Ludwig application, as long as the $12,500.000 is not exceeded with the provision that any tax abatement grant to Confidential Project Ludwig 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); and 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 Ludwig, in compliance with the QTI Program.

The necessary commitment of local financial support shall be contingent upon Confidential Project Ludwig 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 the job creation and disbursement of the incentive awards are subject to change at the discretion of the Florida Department of Economic Opportunity. However, the County's 20 percent local match will not exceed $12,500.00.

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:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro	Esteban L. Bovo, Jr.
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of October, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Brenda Kuhns Neuman

255439

THE BEACON COUNCIL

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

August 19, 2013

Mr. Jack Osterholt
Deputy Mayor
Miami-Dade County
Stephen P. Clark Center
111 NW 1st Street, Suite 2910
Miami, FL 33128

RE: Confidential Project: Ludwig

Dear Mr. Osterholt:

Enclosed you will find an application for the State of Florida's Qualified Targeted Industry Tax Refund Program (QTI). Confidential Project: Ludwig is a hedge fund relocating from the West Coast.

The company is applying for the QTI program and will create 25 new jobs over a 3-year period with an average salary of $100,000 and is committed to a new capital investment of $800,000 in Miami-Dade County.

We are referring this application to your office for review and preparation of a resolution to the Miami-Dade Board of County Commissioners requesting a maximum of $12,500, representing Miami-Dade's 20% QTI portion, to be paid over a period of six years. Attached is the project briefing book as well as the economic impact analysis prepared by The Beacon Council's Research Department.

We are requesting that the item be placed on the next agenda of the Economic Development and PortMiami Committee (EDPC).

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

Sincerely,

Stephen Beatus
Executive Vice President
Economic Development

RECEIVED
AUG 20 2013
OFFICE OF MAYOR

Enclosures

Cc:
Josh Gelfman, Deputy Director, RER
Dimitrios "Jimmy" Nares, Office of Economic Development and International Trade

Florida Qualified Target Industry Tax Refund (QTI)

Confidential Project: Ludwig

August 19, 2013

Prepared by the Beacon Council

Executive Summary for Confidential Project: Ludwig

Background

The company is a hedge fund looking to relocate from the West Coast to either Texas or Florida. The company is currently evaluating Miami-Dade County (City of Miami) as their new location.

The project will create 25 direct new jobs with an average annualized salary of $100,000 in Miami-Dade County over a 3-year period and make a new capital investment of $800,000. The average salary of $100,000 represents over 200% of the State average wage.

The application of Confidential Project: Ludwig for a QTI recognizes the creation of new, high-paying jobs and the capital investment being committed by the project over the 6-year payout period. The enclosed QTI application package requests a maximum of $12,500 (20% of total incentive) to be paid by the County over a period of six years and provides a positive cost-benefit ratio to the County of 1:1.22.

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

General Funds derived from the incremental tax revenue will be used to fund the county contribution. CDBG Funds will not be used.

Basic Assumptions

- The latest Miami-Dade County millage tax rates (2012) were used.
- This latest millage rate was used for the entire 6-year period analysis.

Conclusions

Based on the projected investment of $800,000 in new real property, the project's 6-year property tax revenue from this expenditure will be: $15,284 and Miami-Dade County's net revenue benefit is: $2,784.

INCENTIVE PROPOSAL SUMMARY

Confidential Project: Ludwig

Project Summary:	
Project Name	Confidential Project: Ludwig
New Jobs	25
Average Salary	$100,000
New Capital Investment	$800,000
New Square Footage	5,500
QTI Breakdown:	
Miami-Dade County Incremental Tax Revenue	$15,284
QTI Miami-Dade County Match (20%)	$12,500
Net Revenue Benefit to Miami-Dade	$2,784
Total Cost-Benefit Ratio	1:1.22

INCENTIVE PROPOSAL CHECKLIST

Project Ludwig

1. Enterprise Zone:	No
2. Number of New Jobs Projected:	25
3. Average Salary per Job:	$100,000
4. New Capital Investment:	$800,000
5. New Square Footage:	0
6. Per Job Incentive:	$2,500

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

25 New Jobs Over **3** Years

TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	$50,000
2. Miami-Dade County Match (20%)	$12,500
Total QTI Tax Refund Proposal	$62,500

RETURN ON INCENTIVE INVESTMENT (ROII)

1. Miami-Dade County Incremental Tax Revenue*	$15,284
2. Total Miami-Dade County (20%) QTI Match	$12,500
3. Miami-Dade County Net Revenue Benefit	$2,784
Total ROII Gain/Loss/Breakeven	1.22

* See Economic Impact Model

SUMMARY OF ECONOMIC IMPACT

Project Ludwig

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	25
Indirect Employment	15
Total Employment Gain	**40**
Income from Wages	
Direct Employment	$13,844,025
Indirect Employment	$4,153,207
Total Income Gain	**$17,997,232**
Revenue to Miami-Dade County	
Total Property Taxes	**$15,284**
Total Local Sales Taxes	**$0**
Total Tax Revenue Gain	**$15,284**
Total Miami-Dade County (20%) QTI Match	**$12,500**
Miami-Dade County Net Revenue Benefit	**$2,784**

THE BEACON COUNCIL ECONOMIC IMPACT MODEL

Project Ludwig

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
EMPLOYMENT							
Total Direct Jobs	11	16	25	25	25	25	
Indirect Employment	7	10	15	15	15	15	
TOTAL EMPLOYMENT	18	26	40	40	40	40	
INCOME ($1,000)							
WAGES & SALARY							
Total Direct Wages	$1,100.0	$1,648.0	$2,652.3	$2,731.8	$2,813.8	$2,898.2	$13,844.0
Total Indirect Wages	$330.0	$494.4	$795.7	$819.5	$844.1	$869.5	$4,153.2
TOTAL WAGES & SALARIES	$1,430.0	$2,142.4	$3,447.9	$3,551.4	$3,657.9	$3,767.6	$17,997.2
TOTAL INCOME	$1,430.0	$2,142.4	$3,447.9	$3,551.4	$3,657.9	$3,767.6	$17,997.2
INCREMENTAL PROPERTY TAXES ($1,000)							
Building & Equipment Taxes							
TOTAL PROPERTY TAXES	$11.2	$10.5	$10.1	$9.7	$9.4	$9.3	$60.2
MIAMI-DADE PROPERTY TAXES	$2.8	$2.7	$2.6	$2.5	$2.4	$2.4	$15.3
SALES TAXES ($1,000)							
Available Income	$1,430.0	$2,142.4	$3,447.9	$3,551.4	$3,657.9	$3,767.6	$17,997.2
Less Federal Income Tax	$1,144.0	$1,713.9	$2,758.3	$2,841.1	$2,926.3	$3,014.1	$14,397.8
Less Hous, Ins, Prop Tax	$858.0	$1,285.4	$2,068.8	$2,130.8	$2,194.7	$2,260.6	$10,798.3
Less Savings, Life Insur.	$772.2	$1,156.9	$1,861.9	$1,917.7	$1,975.3	$2,034.5	$9,718.5
Less Food, Drugs, Other Non-Tax	$579.2	$867.7	$1,396.4	$1,438.3	$1,481.5	$1,525.9	$7,288.9
Avail. Income For Sales Tax	$579.2	$867.7	$1,396.4	$1,438.3	$1,481.5	$1,525.9	$7,288.9
State Sales Tax Realized	$34.7	$52.1	$83.8	$86.3	$88.9	$91.6	$437.3
Local Sales Tax Realized	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
TOTAL SALES TAXES ($1,000)	$34.7	$52.1	$83.8	$86.3	$88.9	$91.6	$437.3
TOTAL MIAMI-DADE PROPERTY & SALES TAXES ($1,000)	$2.8	$2.7	$2.6	$2.5	$2.4	$2.4	$15.3
TOTAL PROPERTY & SALES TAXES ($1,000)	$45.9	$62.6	$93.8	$96.0	$98.3	$100.8	$497.5

THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

Project Ludwig

Employment Assumptions

New Direct Permanent Jobs

Year 1	11
Year 2	16
Year 3	25
Year 4	25
Year 5	25
Year 6	25

Incremental Multiplier 0.60

* For every 100 direct jobs, 60 indirect jobs will be created. Total multiplier effect is 1.60

Annual Income Assumptions

Yearly Salary, Direct Permanent Job	$100,000
Indirect Job Salary	$50,000

Inflation 103%

Capital Investment

	Total Cap. Inv.
Y1 Value	$602,447
Y2 Value	$568,571
Y3 Value	$543,014
Y4 Value	$524,084
Y5 Value	$510,440
Y6 Value	$501,014

	Realty Prop.	Equip.
Y1	$408,000	$194,447
Y2	$414,120	$154,451
Y3	$420,332	$122,682
Y4	$426,637	$97,448
Y5	$433,036	$77,404
Y6	$439,532	$61,483

Investment	$500,000	$300,000
Depreciated		$244,800

Equipment Depreciation 0.20569

Property/Real Estate Taxes

Mill Rate, Less Dade's Revenue	0.01381
Miami-Dade's Revenue Mill Rate	0.00470
Miami-Dade's Total Mill Rate	0.01851
Assessment Value of Real Property (81.6%)	0.816

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

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

GENERAL PROJECT OVERVIEW

CONFIDENTIAL PROJECT: LUDWIG

Name of Business

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[1]:

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?

Yes ☐ No ☒ If yes, will there also be State Corporate Income Tax Liability 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 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[2]:

☒ New business unit to Florida

[1] If multiple unemployment compensation reporting units or multiple worksites are involved, contact Enterprise Florida to discuss this structure or include an attachment listing the additional units and their relationship to the applicant. Business entities not disclosed here may not be party to or count toward the requirements of the contract with the State of Florida.
[2] Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

GENERAL PROJECT OVERVIEW

☐ Existing Florida business creating and / or retaining jobs[3].

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

B. How many individuals are employed at all Florida locations? 0

C. Are any jobs being transferred from other Florida locations[4]?

Yes ☐ No X 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:

Company Overview

The confidential company is an investment management firm. The Company has leadership with over a decade of implementation and cumulative, incremental development of its focused investment approach. The Company is currently registered with the U.S. Securities and Exchange Commission and the U.S. Commodity Futures Trading Commission.

Reasons for a Relocation

The current business climate and tax structure in California has grown increasingly unfriendly, and recent municipal bankruptcies serve as reminder that the state of California always has the potential of following suit. We have extremely high taxes in California in addition to a generally challenging business climate. We would benefit from a move to a friendlier tax environment with fewer potential state liabilities than California, which could, in the future, turn to businesses to make up a shortfall. Both Florida and Texas have some of the most business/tax friendly environments of any state.

Texas vs. Florida

Texas offers several advantages for us from a business perspective. Our operating expenses would be lower and the overall standard of living for our employees in terms of real estate would generally be higher in both Austin and Houston. We have been given very friendly treatment by Texas to date regarding a potential move which sways things further, and there seem to be a larger number of newer companies that have made such a transition we can follow.

Miami does offer closer proximity to our general investor base for flights and meetings. We also would benefit from the hours (East Coast vs. Central). However, there is a much higher overall operating cost that we will have to deal with in addition to the ties to Texas.

There thus is a large financial gap currently between moving our operation to Texas vs. moving it to Florida.

[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.

GENERAL PROJECT OVERVIEW

E. **In what Targeted Industry(ies) does the proposed project operate?**[5]: Financial Services/Investment/Hedge Fund Headquarters

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 ($)
Sr. Investment Professionals/Other Key Non Investment Personnel		60%	$1M+
Other Key Non Investment Personnel		40%	$100k

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

Street Address

Coconut Grove — Florida — 33133

City — *State* — *Zip Code*

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

Street Address

West Coast

City — *State* — *Zip Code*

H. **Is the project location within a current or proposed Brownfield site / area?**
Yes ☐ No X If yes, attach a copy of the official document designating the Brownfield area.

Is the project location in an Enterprise Zone?
Yes ☐ No X If yes, which zone? _____

Is the project location in a designated Rural area?
Yes ☐ No X If yes, which Rural area? _____

Is the project location in an Urban area[6]**?**
Yes ☐ No X If yes, describe? _____

I. **Which of the following describes the applicant's operations** (select all that apply):
X Multi-state business enterprise
X 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):
_____% Explain, if necessary: The Company is the Investment advisor for a

[5] Refer to the QTI Target Industry list.
[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.

series of funds that are primarily based in Delaware or in the Cayman Islands and receives management and incentive fees from these entities for performing their operations in the State of Florida (or Texas)

3. JOB AND WAGE OVERVIEW

A. **How many Florida jobs[7] are expected to be created as part of this project?** 25

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.) $100k. All Senior Personnel Make $1M+per year over 5yr period

D. **What is the annualized average value of benefits associated with each new job created as part of this project?** See above. Function of both jobs and extreme high end of key personnel

E. **What benefits are included in this value?** (health insurance, 401(k) contributions, vacation and sick leave, etc.)
Gross pay plus vacations/sick leave.

4. CAPITAL INVESTMENT OVERVIEW

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

B. **Will this facility be:**

- [X] 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 :	2012-13	2018	2023			Total
Land or Building Purchase	$	$5M-50M	$	$	$	$
Construction / Renovations	$500K	$TBD	$	$	$	$

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

GENERAL PROJECT OVERVIEW

Manufacturing Equipment	$	$TBD	$	$	$	$
R&D Equipment	$100K	$TBD	$	$	$	$
Other Equipment (computer equipment, office furniture, etc.)	$200K	$TBD	$	$	$	$
Total Capital Investment	$800K	$TBD	$	$	$	$

**2018 assumes we purchase a building in 5 years.

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.

0

F. What is the estimated square footage of the new or expanded facility? 5,500 sqft

G. When is the final location decision anticipated (date)**?** 2013

H. What is the anticipated date construction will begin? ASAP

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

Incentives will play a primary role in our decision to re-locate to Florida versus Texas. At the end of the day, our long term objectives for our business are entirely driven by our cost benefit analysis between the two incentive plans.

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

Incentive dollars will be spent in improving/expanding the business to bring as much potential revenue as possible to the city of Miami and to the state of Florida. Our objectives are to grow our business by many multiples in the next 5 years to be well over $10B in AUM. Additionally, we hope to contribute to making both Florida and Miami viable options for large financial firms considering such a move.

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

Austin and Houston Texas are the other primary cities being considered.

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

The incentives that are important to us are entirely financial, which we factor in addition to the ongoing cost of doing business.

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

The financial/tax benefit incentive package will be our primary driver affecting our decision. While both Texas and Florida offer great opportunities for our business relative to California, the ultimate decision between the two will be determined by where we can do business the cheapest (and make the most).

F. **Indicate any additional internal or external competitive issues impacting this project's location decision?**
There are no real competitive issues other than the competing potential from the aforementioned cities.

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.

The Confidential Company is the industry leader within the hedge fund community, with well-known leadership. Our stature in the industry should lend substantial credibility to hedge funds or financial institutions shifting their base of operations to more business friendly climates. This externality shouldn't be underestimated, as any material impact we have could be exponentially larger if we help other hedge funds to follow suit.

Along with the 25 jobs we plan to create during the first three years of operation we expect to double that number in the years beyond.We have soft commitments to nearly double our AUM and will be expanding our operation to accommodate this investor base. We have big marketing push starting in Asia and Europe that could cause the same effect (and associated expansion). We also expect to significantly expand our ETF presence and this should likely cause a significant growth in this area in the coming year and potentially a much greater expansion in personnel.

All of our employees should be significantly well paid relative to the average Florida salary.

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 Confidential Company's Investments has been on the West Coast since inception. Our firm, staff, and principals have been featured in several high end publications including the WSJ, FT, Bloomberg, CNBC, CNN, Forbes, etc.

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.**

NA

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:

Signature

Date

Name

Title

Company

Address, if different than mailing address

Phone Number

Fax Number

Email Address

Name of contact person, if different than above

Phone Number

Address

Email Address

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

Signature (Authorized Company Officer) REQUIRED

Date

Name

Title

Company

Address, if different than mailing address

Phone Number

Fax Number

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: Ludwig
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[1] 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[2]? 25

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	11	12/31/2014
II	5	12/31/2015
III	9	12/31/2016
Total	**25**	

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 _____.

☐ $_____, which is at least 150% of the average wage in _____.

☒ $100000, which is at least 200% of the average wage in 2014.

2. LOCAL FINANCIAL SUPPORT

A. Identify the local government(s) anticipated to provide local financial support[3]:
Miami-Dade County

B. Indicate the date(s) the QTI support resolution(s) is / are anticipated to be passed by the local government:
September[h], 2013

[1] Submit the resolution adopted by the local governing body recommending the applicant be approved as a QTI Business unit and indicating the amount of local financial support that has been committed. Resolution should clearly indicate waivers requested and justification for such waivers.
[2] Must be a minimum of 10 new jobs and a 10 percent increase in current business unit employment (if an existing Florida business).
[3] The total QTI award may not exceed five times the local financial support provided by the community. If the community has requested a local financial support waiver or the support is provided in the form of ad valorem tax abatement, the QTI award will be reduced by this amount.

Qualified Target Industry Tax Refund
Attachment to the General Project Overview

To add text outside of the gray fields or click the statutory reference link, de-select the "Protect Form" (lock) button on the Forms toolbar.

3. SIGNATURES

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

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, 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*.