MEMORANDUM

Agenda Item No. 3(B)(3)

TO:	Honorable Chairwoman Rebeca Sosa and Members, Board of County Commissioners	**DATE:**	May 20, 2014
FROM:	R. A. Cuevas, Jr. County Attorney	**SUBJECT:**	Resolution approving Confidential Project Sunset as a Qualified Target Industry business pursuant to Florida Statute 288.106; confirming that the commitments of local financial support necessary for Confidential Project Sunset exist

The accompanying resolution was prepared by the Regulatory and Economic Resources Department and placed on the agenda at the request of Prime Sponsor Commissioner Jose "Pepe" Diaz.

R. A. Cuevas, Jr.
County Attorney

RAC/smm

Memorandum

Date: May 20, 2014

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 Sunset

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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 approves the attached resolution authorizing Confidential Project Sunset 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 fifty (50) new full-time equivalent jobs, as defined in Florida Statute Section 288.106, over a three-year period. This project is considering leasing and building out approximately 335,000 square feet of an existing building to establish its package handling and fulfillment facility. This project is considering a location in District 12 (Commissioner Diaz), however, it will have a positive impact countywide.

Fiscal Impact / Funding Source

Confidential Project Sunset has applied for a total of $150,000.00 in Qualified Target Industry tax refunds over a six-year period, of which eighty (80) percent ($120,000.00) would be provided by the State and twenty (20) percent ($30,000.00) 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 $30,000.00 (or $600.00 per new job) in matching funds from countywide general fund revenues over a six-year period beginning in FY 2015-2016. The County's twenty (20) percent local match is required when the State determines that Confidential Project Sunset has created fifty (50) new jobs and met the average salary threshold required in the State's tax refund agreement according to the schedule set forth in the *Project Overview* and the attached resolution. The projected countywide tax revenues over the six-year period of the incentives would exceed the County's local match by $44,774.00. 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. 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

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 funds awarded for job creation are provided on a matching basis upon the State invoicing the County for

its twenty percent of the financial commitment for jobs created and verified by the State. The incentive amount is determined by the new jobs created and their annual salary. Qualified Target Industry incentive payments are contingent upon the company meeting its target jobs. The company is required to provide County staff with access to the company's real estate and tangible personal property filings during the incentive period to monitor the fiscal impact to the general fund from the Qualified Target Industry Tax Refund Program.

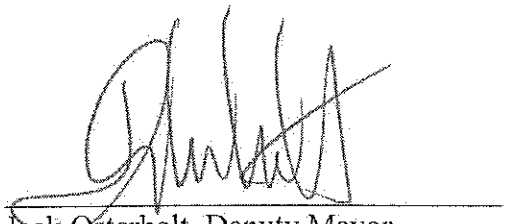
Background

Confidential Project Sunset operates a national network of fulfillment centers in the United States. This project is considering expanding its fulfillment network by leasing a 335,000 sq ft. facility to create a new package handling facility (NAICS Code#493110) in Miami-Dade County.

The company would employ fifty new workers paying an average annual salary of $48,813.00, which represents over 115% of the State average wage. Employee benefits associated with each new job created will be $13,250.00 according to the documents submitted by The Beacon Council. The value of employer provided benefits, however, are not a requirement of the tax refund agreement with the State, or the County's local match.

The company states in its application that if the incentive is approved it will make a capital investment of $5,000,000.00 of which $2,500,000.00 is allocated to the build out of leased space (leasehold improvements), and $2,500,000.00 of tangible personal property, including but not limited to computer equipment and office furniture.

The Beacon Council projects that the $5,000,000.00 in direct investment by Confidential Project Sunset will generate approximately $44,774.00 in countywide net revenue benefit 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 SUNSET SUMMARY SHEET	
APPLICANT:	Confidential Project Sunset
HEADQUARTERS LOCATION:	Miami-Dade County
PROPOSED LOCATION IN MIAMI-DADE COUNTY:	TBD
OTHER LOCATIONS UNDER CONSIDERATION:	None
DATE OF QTI/TJIF APPLICATIONS:	April 1, 2014
OVERALL BUSINESS ACTIVITY/MISSION:	To renovate and operate a pack handling facility
PROPOSED LOCAL BUSINESS ACTIVITY:	Lease/renovate a facility to house their package handling operations
PROPOSED CAPITAL INVESTMENT:	$5,000,000.00 (Not a condition of the award)
TARGETED QUALIFIED INDUSTRY:	Package Handling
LOCATION IN DESIGNATED PRIORITY AREA?	No
NEW BUSINESS OR EXPANDING BUSINESS:	New location Business Unit
TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	50 by 12/31/2015
EFFORT IN HIRING RESIDENTS IN LOCAL AREA:	unknown
ANNUALIZED AVERAGE WAGES FOR NEW JOBS:	$48,813.00
ANNUAL EMPLOYEE BENEFIT PACKAGE:	$13,250.00 (Not a condition of the award)
NUMBER OF INDIRECT JOBS TO BE CREATED:	20
NUMBER OF YEARS TO CREATE NEW JOBS:	3
MAXIMUM TAX REFUND PER DIRECT JOBS:	$3,000.00
MAXIMUM INCENTIVE AWARD APPLIED FOR:	$150,000.00
PROJECTED INCREMENTAL COUNTY TAX REVENUE:	$74,774.00 (Not a condition of the award)
COUNTY'S MAXIMUM 20% QUALIFIED TARGET **INDUSTRY AWARD:**	$30,000.00
STATE'S MAXIMUM 80% QUALIFIED TARGET **INDUSTRY AWARD CONTRIBUTION:**	$120,000.00
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: May 20, 2014

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

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

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)(3)
5-20-14

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT SUNSET AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO FLORIDA STATUTE 288.106; CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT SUNSET EXIST; AND PROVIDING FOR AN APPROPRIATION OF UP TO $30,000.00 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 SUNSET; 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 Sunset 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 Sunset commits to create 50 full-time equivalent jobs, as defined in Florida Statute Section 288.106, in Miami-Dade County by December 31, 2015 with an average salary of $48,813.00, which is at least 115 percent of the state average wage; and

WHEREAS, the tax refunds provided under the Florida Qualified Target Industry Tax Refund Program to Confidential Project Sunset may be prorated by the State of Florida pursuant

to the terms of the General Project Overview in the event that Confidential Project Sunset creates fewer than 50 full-time equivalent jobs; and

WHEREAS, the County wishes to monitor the economic and fiscal impacts of the Qualified Target Industry Tax Refund Program in Miami-Dade County,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves Confidential Project Sunset 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 Sunset as required under the Florida Statute 288.106, exists in an amount not to exceed $30,000.00 from Miami-Dade County's general funds and this local financial support will be available in the following increments:

Fiscal Year 2015-2016	$5,000.00
Fiscal Year 2016-2017	$5,000.00
Fiscal Year 2017-2018	$5,000.00
Fiscal Year 2018-2019	$5,000.00
Fiscal Year 2019-2020	$5,000.00
Fiscal Year 2020-2021	$5,000.00
Total	**$30,000.00**

or payable over a time period and at annual amounts as determined by the State of Florida in its approval of the Confidential Project Sunset application, as long as the $30,000.00 is not exceeded with the provision that any tax abatement grant to Confidential Project Sunset 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 Sunset, in compliance with the QTI Program.

The necessary commitment of local financial support shall be contingent upon Confidential Project Sunset maintaining the jobs during the life of the incentive, ensuring that its hiring practices aspire to be consistent with and reflect the diversity of the Miami-Dade County community, and provides the County with access to tax information and documents necessary to monitor economic and fiscal impacts of the designation of Confidential Project Sunset as a Qualified Target Industry business.

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 $30,000.00.

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 20th day of May, 2014. 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 D. Summerset

THE BEACON COUNCIL

Miami-Dade
County's
Official
Economic
Development
Partnership

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April 1, 2014

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

RE: Confidential Project: Sunset

Dear Mr. Osterholt:

Attached you will find an application for the State of Florida's Qualified Targeted Industry Tax Refund Program (QTI). Confidential Project: Sunset is a new fulfillment center for a national company expanding in Florida.

The company is applying for the QTI program and will create 50 new jobs over a 3-year period with an average salary of $48,813 and is committed to a new capital investment of $5,000,000 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 $30,000, representing Miami-Dade's 20% QTI portion, to be paid over a period of five 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 May 6, 2014 BCC agenda.

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

Enclosures

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

Qualified Target Industry Tax Refund
Attachment to the General Project Overview

Confidential Project Sunset

Name of Business

FOR EFI USE ONLY		
Date Received	Date Revised	Date Completed
EFI Project Number		

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

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

*** * *Be sure to submit the General Project Overview and Local Support 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]? 50

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	25	12/31/2014
II	25	12/31/2015
III	0	12/31/2016
Total	**50**	

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).

☒ $48,813, which is at least 115% of the average wage in the State of Florida.

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

☐ $_____, which is at least 200% of the average wage in _____.

2. LOCAL FINANCIAL SUPPORT

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

Miami-Dade County

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

March 2014

[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

3. SIGNATURES

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

Date

Address (if different)

Phone Number (if different)

Signature (Authorized Company Officer) REQUIRED

Date

Name and Title of Authorized Officer

4. KEY QTI PROGRAM INFORMATION

- The tax refund claim form will be due by January 31st each year for the number of jobs on December 31st of the previous calendar year. Tax refunds paid per state fiscal year (July 1 – June 30) may not exceed 25 percent of the total tax refund award associated with the phase(s) scheduled.
- The total award will be equal to $3,000 ($6,000 in Enterprise Zones or Rural Counties) times the number of jobs reported in item 1A. Additional per job bonuses may be available; however, the QTI award may not exceed five times the local financial support paid by the community.
  - $1,000 per job if the average annual wage is at least 150% of the area's average; or $2,000 per job if the average annual wage is at least 200%.
  - $2,000 per job if the business falls within a designated high impact sector OR if the business increases exports of its goods through a seaport of airport in the state by at least 10 percent in value or tonnage in each year of receiving a QTI refund.
  - $2,500 per job if the project locates in a designated Brownfield area (Brownfield Bonus).
  - $1,000 per job if the local financial support is equal to the base QTI award.
- If in any year the applicant does not achieve the job creation schedule outlined in item 1C, but achieves at least 80% of the required net new jobs, the company will receive a pro-rated refund less a 5% penalty of the scheduled award amount for that year. **If job creation falls below 80% of the required jobs, the company will not receive a refund and will be terminated from the program. Similarly, if the average wage falls below the wage committed to in 1C, the company will not receive a refund and will be terminated from the program.**
- For an expanding Florida business unit:
  - Existing number of full-time equivalent Florida jobs must be maintained for the duration of the QTI agreement.
  - The average wage commitment should include wages paid for only the net new to Florida jobs, as shown on the unit's UCT-6 form. The applicant will be required to establish a tracking mechanism to distinguish between existing versus new jobs and employees filling those jobs. Contact Enterprise Florida for more information.
- QTI eligible jobs are those that are physically located within the State of Florida and located at the facility listed as the proposed location address in question 2G of the General Project Overview or subsequent QTI contract with the State of Florida. If any jobs will not be physically located at the proposed location address, contact Enterprise Florida to discuss the situation. Jobs that are paid out of the proposed location address facility but are not located at that facility or in the State of Florida are not considered net new jobs for QTI purposes.
- A qualified target industry business that fraudulently claims a refund under *288.106(2), Florida Statutes*:
  - Is liable for repayment of the refund to the account, plus a mandatory penalty in the amount of 200 percent of the tax refund which shall be deposited into the General Revenue Fund.
  - Is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
- Qualified Target Industry Tax Refund: *Section 288.106, Florida Statutes*.

INCENTIVE PROPOSAL CHECKLIST

Project Sunset

1. Enterprise Zone:	No
2. Number of New Jobs Projected:	50
3. Average Salary per Job:	$48,813
4. New Capital Investment:	$5,000,000
5. New Square Footage:	335,000
6. Per Job Incentive:	$3,000

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

50 New Jobs Over **3** Years

TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	$120,000
2. Miami-Dade County Match (20%)	$30,000
Total QTI Tax Refund Proposal	$150,000

RETURN ON INCENTIVE INVESTMENT (ROII)

1. Miami-Dade County Incremental Tax Revenue*	$74,774
2. Total Miami-Dade County (20%) QTI Match	$30,000
3. Miami-Dade County Net Revenue Benefit	$44,774
Total ROII Gain/Loss/Breakeven	2.49

* See Economic Impact Model

SUMMARY OF ECONOMIC IMPACT

Project Sunset

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	50
Indirect Employment	20
Total Employment Gain	**70**
Income from Wages	
Direct Employment	$11,737,417
Indirect Employment	$2,347,483
Total Income Gain	**$14,084,901**
Revenue to Miami-Dade County	
Total Property Taxes	**$74,774**
Total Local Sales Taxes	**$0**
Total Tax Revenue Gain	**$74,774**
Total Miami-Dade County (20%) QTI Match	**$30,000**
Miami-Dade County Net Revenue Benefit	**$44,774**

THE BEACON COUNCIL ECONOMIC IMPACT MODEL

Project Sunset

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
EMPLOYMENT						
Total Direct Jobs	25	50	50	50	50	0
Indirect Employment	10	20	20	20	20	0
TOTAL EMPLOYMENT	35	70	70	70	70	0
INCOME ($1,000)						
WAGES & SALARY						
Total Direct Wages	$1,220.3	$2,513.9	$2,589.3	$2,667.0	$2,747.0	$0.0
Total Indirect Wages	$244.1	$502.8	$517.9	$533.4	$549.4	$0.0
TOTAL WAGES & SALARIES	$1,464.4	$3,016.6	$3,107.1	$3,200.4	$3,296.4	$0.0
TOTAL INCOME	$1,464.4	$3,016.6	$3,107.1	$3,200.4	$3,296.4	$0.0
INCREMENTAL PROPERTY TAXES ($1,000)						
Building & Equipment Taxes						
TOTAL PROPERTY TAXES	$67.8	$62.2	$57.8	$54.5	$52.0	$0.0
MIAMI-DADE PROPERTY TAXES	$17.2	$15.8	$14.7	$13.9	$13.2	$0.0
SALES TAXES ($1,000)						
Available Income	$1,464.4	$3,016.6	$3,107.1	$3,200.4	$3,296.4	$0.0
Less Federal Income Tax	$1,171.5	$2,413.3	$2,485.7	$2,560.3	$2,637.1	$0.0
Less Hous, Ins, Prop Tax	$878.6	$1,810.0	$1,864.3	$1,920.2	$1,977.8	$0.0
Less Savings, Life Insur.	$790.8	$1,629.0	$1,677.9	$1,728.2	$1,780.0	$0.0
Less Food, Drugs, Other Non-Tax	$593.1	$1,221.7	$1,258.4	$1,296.1	$1,335.0	$0.0
Avail. Income For Sales Tax	$593.1	$1,221.7	$1,258.4	$1,296.1	$1,335.0	$0.0
State Sales Tax Realized	$35.6	$73.3	$75.5	$77.8	$80.1	$0.0
Local Sales Tax Realized	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
TOTAL SALES TAXES ($1,000)	$35.6	$73.3	$75.5	$77.8	$80.1	$0.0
TOTAL MIAMI-DADE PROPERTY & SALES TAXES ($1,000)	$17.2	$15.8	$14.7	$13.9	$13.2	$0.0
TOTAL PROPERTY & SALES TAXES ($1,000)	$103.4	$135.5	$133.3	$132.3	$132.1	$0.0

TOTAL
$11,737.4
$2,347.5
$14,084.9
$14,084.9
$294.3
$74.8
$14,084.9
$11,267.9
$8,450.9
$7,605.8
$5,704.4
$5,704.4
$342.3
$0.0
$342.3
$74.8
$636.6

THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

Project Sunset

Employment Assumptions

New Direct Permanent Jobs

Year 1	25
Year 2	50
Year 3	50
Year 4	50
Year 5	50
Year 6	

Incremental Multiplier 0.40

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

Annual Income Assumptions

Yearly Salary, Direct Permanent Job	$48,813
Indirect Job Salary	$24,407

Inflation 103%

Capital Investment

	Total Cap. Inv.
Y1 Value	$3,660,392
Y2 Value	$3,357,694
Y3 Value	$3,124,011
Y4 Value	$2,945,248
Y5 Value	$2,810,212
Y6 Value	

	Realty Prop.	Equip.
Y1	$2,040,000	$1,620,392
Y2	$2,070,600	$1,287,094
Y3	$2,101,659	$1,022,352
Y4	$2,133,184	$812,064
Y5	$2,165,182	$645,031
Y6	$2,197,659	$512,354

Investment	$2,500,000	$2,500,000
Depreciated		$2,040,000

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%

Florida Qualified Target Industry Tax Refund (QTI)

Confidential Project: Sunset

April 1, 2014

Prepared by the Beacon Council

Executive Summary for Confidential Project: Sunset

Background

Confidential Project: Sunset is a new fulfillment center for a national company expanding in Florida. The company is currently evaluating Miami-Dade County as a new location.

The project will create 50 direct new jobs with an average annualized salary of $48,813 in Miami-Dade County over a 3-year period and make a new capital investment of $5,000,000. The average salary of $48,813 represents 115% of the State average wage.

The application of Confidential Project: Sunset for a QTI recognizes the creation of new, high-paying jobs and the capital investment being committed by the project over the 5-year payout period. The enclosed QTI application package requests a maximum of $30,000 (20% of total incentive) to be paid by the County over a period of five years and provides a positive cost-benefit ratio to the County of 1:2.49.

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 (2013) were used.
- This latest millage rate was used for the entire 5-year period analysis.

Conclusions

Based on the projected investment of $5,000,000 in new real property, the project's 5-year property tax revenue from this expenditure will be: $74,774 and Miami-Dade County's net revenue benefit is: $44,774.

INCENTIVE PROPOSAL SUMMARY

Confidential Project: Sunset

Project Summary:	
Project Name	Confidential Project: Sunset
New Jobs	50
Average Salary	$48,813
New Capital Investment	$5,000,000
New Square Footage	335,000
QTI Breakdown:	
Miami-Dade County Incremental Tax Revenue	$74,774
QTI Miami-Dade County Match (20%)	$30,000
Net Revenue Benefit to Miami-Dade	$44,774
Total Cost-Benefit Ratio	1:2.49

APPLICATION*
Public Companies

1. BUSINESS INFORMATION

A. Legal name of the Applicant:

B. Name of Ultimate Parent Company (if applicable):

C. Applicant's or Ultimate Parent Company's (if applicable) ticker symbol:

D. Applicant'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.)

E. Applicant's Reemployment Assistance Number:

F. Applicant's Florida Sales Tax Registration Number (if applicable):

G. Total number of employees (on a Full-Time Equivalent Job Basis) who are currently employed by the Ultimate Parent Company and its Subsidiaries (including the Applicant) in Florida: 0

H. Total number of employees (on a Full-Time Equivalent Job Basis) who are currently employed by the Ultimate Parent Company and its Subsidiaries (including the Applicant) worldwide: ~100,000

I. Is it presently anticipated that the Applicant will have corporate income tax liability in Florida?

Yes ☒ No ☐

2. PROJECT OVERVIEW

A. Which of the following best describes the Applicant:

☒ New business to Florida
☐ Existing Florida business creating and/or retaining jobs[1]

B. How many employees of the Applicant, the Ultimate Parent Company and its Subsidiaries (other than the Applicant) will be transferred from other Florida locations in connection with this Project (on a Full-Time Equivalent Job Basis)? 0

C. Please describe the Project, including the specific business activity(ies) of the Project:
Project Sunset operates a national network of fulfillment centers in the United States. Project Sunset is considering expanding its fulfillment network by leasing a 335,000 SF facility to create a new package handling facility in Miami-Dade County.

* For an explanation of certain capitalized terms used in this Application, please see Appendix 1.
[1] A QTI Tax Refund award cannot be granted for existing Florida jobs.

D. What is the anticipated commencement date of the Project? Q4 2014

E. Break down of the Project's primary business activity(ies) and the corresponding wages:

Applicant's Activities	6 Digit NAICS Code(s)	Project Function (total = 100%)	Average Annualized Wage ($)
Package Handling	493110	100%	$48,813
		%	$
		%	$

F. Please provide the address of the proposed permanent location of the Project:

Street Address

City *State* *Zip Code*

G. Will the Project be located in a current or proposed Brownfield Area Eligible for Bonus Refunds?
Yes ☐ No ☒
Will the Project be located in an Enterprise Zone?
Yes ☐ No ☒ If yes, which zone?
Will the Project be located in a designated Rural Area of Critical Economic Concern?
Yes ☐ No ☒ If yes, which area?
Will the Project be located in a Rural Community?
Yes ☐ No ☒ If yes, which area?
Will the Project be located in an Urban area[2]?
Yes ☐ No ☒ If yes, describe?

H. Which of the following best describes the location of the Project:

☐	Regional headquarters	If it is a regional headquarters, what region?
☐	National headquarters	
☐	International headquarters	
☒	Not applicable	

I. Please provide an estimate of the percentage of goods or services from this Project that will be sold or delivered to customers outside of Florida:
TBD% Explain, if necessary:

3. JOB AND WAGE OVERVIEW

A. How many new-to-Florida Full-Time Equivalent Jobs are projected to be created as part of this Project? 50 FT jobs and several PT jobs

B. If the Applicant operates in Florida, how many of the Applicant's Full-Time Equivalent Jobs in Florida that would have otherwise moved to another state are projected to be retained as part of this Project? N/A

[2] An Urban area may include a Community Redevelopment Area (CRA), Urban Job Tax Credit eligible area, Urban Enterprise Zone, Federal Empowerment Zone, and an Urban Revitalization Area.

C. What is the projected annualized average wage (excluding benefits) of the new Full-Time Equivalent Jobs Florida jobs created as part of this Project?[3] $48,813

D. What is the projected annualized average cost to the Applicant of benefits for each new Full-Time Equivalent Florida Job created as part of this Project? $13,250

E. Please indicate the benefits that are included in the above calculation (*e.g.*, health insurance, 401(k) contributions, paid vacation and sick leave, etc.)?
Medical, dental, and vision insurance (employer paid premiums), employer made 401(k) contributions, disability, life, and AD&D insurance (employer paid premiums).

4. CAPITAL INVESTMENT OVERVIEW

A. Describe the capital investment in connection with the Project in real and personal property (Examples: construction of new facility; remodeling of facility; upgrading, replacing, or buying new equipment.):
While the specific capital investment will depend upon the final site chosen, an existing 300,000+ square foot building will be renovated and improved for use as a package handling facility. The capital investment will be comprised primarily of leasehold improvements and material handling equipment.

B. Identify whether the Project be located in a/an:
- ☒ Leased space with renovations or build out
- ☐ Newly constructed building(s) on newly acquired land
- ☐ Newly constructed building(s) on previously acquired land
- ☐ Newly acquired existing building(s) with renovations
- ☐ Addition to previously acquired existing building(s)
- ☐ Other (please describe in 4A above)

C. List the projected capital investment to be made **in** Florida in connection with this Project (by type and year):

Calendar Year :	2014					Total
Land or Building Purchase	$	$	$	$	$	$
Construction / Renovations	$2,500,000	$	$	$	$	$2,500,000
Manufacturing Equipment	$	$	$	$	$	$
R&D Equipment	$	$	$	$	$	$
Other Equipment (computer equipment, office furniture, etc.)	$2,500,000	$	$	$	$	$2,500,000
Total Capital Investment	$5,000,000	$	$	$	$	$5,000,000

[3] All cash payments to the employees (other than reimbursements of business expenses) should be included.

D. List the projected capital investment to be made **outside** of Florida in connection with this Project (by type and year):

Calendar Year :						Total
Land or Building Purchase	$	$	$	$	$	$
Construction / Renovations	$	$	$	$	$	$
Manufacturing Equipment	$	$	$	$	$	$
R&D Equipment	$	$	$	$	$	$
Other Equipment (computer equipment, office furniture, etc.)	$	$	$	$	$	$
Total Capital Investment	$	$	$	$	$	$

E. What is the estimated square footage of the new or expanded facility? 335,000 Square Feet

5. COMPETITIVE LANDSCAPE

A. What role will the incentive(s) play in the Applicant's decision to locate the Project in Florida (e.g., important, critical, etc.)?

Project Sunset operates a national network of fulfillment operations in a growing number of states. The network's size and capacity needs are driven by customer demand and orders are fulfilled on a nationwide basis. Costs play an important role in the company's determination of where new facilities and capacity are located within the national fulfillment network, thus, the availability of incentives is an important consideration.

B. What other states or countries is the Applicant considering for this Project?

The Company strives to maintain positive relationships in all state and local jurisdictions where it does business as well as where our customers are located. To achieve these goals, it is preferred not to disclose jurisdictions that did not successfully compete for new job and investment projects such as the one contemplated in this application.

C. What advantages or incentives offered by these locations does the Applicant consider important in its decision?

Each site has its own unique advantages, including incentives, and the company makes a final location decision based upon the totality of the circumstances in each location. Economic development programs that reduce up front construction costs, property/sales/income taxes, recruiting and training costs, and investing in new/upgraded machinery and equipment are given priority as they factor into the overall cost of doing business. In addition to taxes, incentives and labor quality availability, adequate infrastructure and transportation systems, the ability to expedite permit approvals and meet an aggressive construction schedule are also important considerations.

D. What advantages or disadvantages offered by the proposed Florida location does the Applicant consider important in its decision?

Advantages of potential sites include ease of access to transportation infrastructure and transportation costs, an abundance of nearby qualified and available workforce, the availability of incentives, and other factors.

E. Indicate any additional internal or external competitive issues impacting the Applicant's decision regarding the Project's location?

None noted.

6. CONFIDENTIALITY

In accordance with Section 288.075 of the Florida Statutes, the Applicant may request that Enterprise Florida, Inc. and the Department of Economic Opportunity maintain the confidentiality of all information regarding this project (including information contained in this application) for the lesser of a 12 month period after the date of this application (which may be extended for an additional 12 months upon request), 6 months after the issuance of the final project order approving the project or until the information is otherwise disclosed.

Please indicate whether the Applicant is requesting confidential treatment of this project in accordance with Section 288.075 of the Florida Statutes. (Does not apply to SDST sales tax exemption applicants.)

☒ Yes ☐ No

7. SIGNATURE

The undersigned person hereby affirms that he or she has been duly authorized and empowered to verify, execute and deliver this Application, that he or she has read this Application (including all attachments hereto) and he or she has knowledge of all of the facts stated herein, and that this Application, and all information submitted in connection herewith, is complete and accurate and contains no misstatements, misrepresentations, or omissions of material facts, to the best of his or her knowledge and belief.

Signature		Date
Name		
Title		
Company		

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

APPENDIX 1

EXPLANATION OF TERMS

The following terms used in this Application have the meanings set forth below:

AFFILIATE – An entity that is controlled, directly or indirectly, by the ultimate parent entity of such person.

APPLICANT – The entity(ies) that will satisfy all job creation and capital investment requirements under the incentive agreement with the Department and which are applying on or amending this Application.

BROWNFIELD AREA ELIGIBLE FOR BONUS REFUNDS – Has the meaning ascribed to such term in Section 288.107 of the Florida Statutes.

CONTROL – The power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. Any person or entity that (i) is a director, general partner or officer exercising executive responsibility (or having similar status or functions); (ii) directly or indirectly has the right to vote 50% or more of a class of a voting security or has the power to sell or direct the sale of 50% or more of a class of voting securities; or (iii) in the case of a partnership, has the right to receive upon dissolution, or has contributed, 50% or more of the capital, is presumed to control that company.

DEPARTMENT – The Department of Economic Opportunity.

ENTERPRISE ZONE – Has the meaning ascribed to such term in Section 288.106 of the Florida Statutes.

FELONY – For jurisdictions that do not differentiate between a felony and a misdemeanor, a felony is an offense punishable by a sentence of at least one year imprisonment and/or a fine of at least $1,000. The term also includes a general court martial.

FOUND – Includes adverse final actions, including consent decrees in which the respondent has neither admitted nor denied the findings, but does not include agreements, deficiency letters, examination reports, memoranda of understanding, letters of caution, admonishments, and similar informal resolutions of matters.

FULL-TIME EQUIVALENT JOB – One employee or two or more employees (without duplication) who perform at least 40 hours of paid work per week.

JOBS – Has the meaning ascribed to such term in Section 288.106 of the Florida Statutes.

MISDEMEANOR – For jurisdictions that do not differentiate between a felony and a misdemeanor, a misdemeanor is an offense punishable by a sentence of less than one year imprisonment and/or a fine of less than $1,000. The term also includes a special court martial.

NAICS – Those classifications contained in the North American Industry Classification System, as published in 2007 by the Office of Management and Budget, Executive Office of the President, and updated from time to time.

ORDER – A written directive issued pursuant to statutory authority and procedures, including orders of denial, suspension, or revocation; does not include special stipulations, undertakings or agreements relating to payments, limitations on activity or other restrictions unless they are included in an order.

PRINCIPAL EXECUTIVE OFFICER – With respect to any entity, such entity's chief executive officer, chief financial officer, chief operations officer or any person who performs similar functions regardless of title.

PROJECT – Has the meaning ascribed to such term in Section 288.106 of the Florida Statutes.

RURAL AREA OF CRITICAL ECONOMIC CONCERN – Has the meaning ascribed to such term in Section 288.0656 of the Florida Statutes.

RURAL COMMUNITY – Has the meaning ascribed to such term in Section 288.0656 of the Florida Statutes.

SUBSIDIARY – An entity that is directly or indirectly controlled by the Applicant or the Ultimate Parent.

ULTIMATE PARENT – An entity that directly or indirectly controls the Applicant, which is not directly or indirectly controlled by any other entity.