MEMORANDUM

Agenda Item No. 3(B)(1)

TO:	Honorable Chairman Jean Monestime and Members, Board of County Commissioners	**DATE:**	October 20, 2015
FROM:	Abigail Price-Williams County Attorney	**SUBJECT:**	Resolution approving Confidential Project Rhino as a Qualified Target Industry business pursuant to section 288.106, Florida Statutes; confirming that the commitment of local financial support necessary for Confidential Project Rhino exists; and providing that local financial support of up to $72,000.00 from general revenue funds will be available as local participation in the State of Florida Qualified Target Industry Tax Refund Program for Fiscal Years 2016 through 2022 inclusive, or over a time period as determined by the State of Florida in its approval of Confidential Project Rhino

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.

Abigail Price-Williams
County Attorney

APW/cp

Memorandum

Date: October 20, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

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

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Recommendation

It is recommended that the Board of County Commissioners (Board) approve the attached resolution authorizing Project Rhino to be recognized by the State of Florida as a Qualified Target Industry business and entitled to the financial benefits afforded under the Qualified Target Industry Tax Refund Program. The Beacon Council, on behalf of Confidential Project Rhino, has submitted an application for economic development incentives from the State and Miami-Dade County that require approval from the Board.

Scope

Project Rhino is an existing digital media company seeking to relocate its national headquarters from the Northeast to Miami-Dade County. The company also plans to expand its production and design operations to increase production of national and local broadcasting. The location for the business operations is confidential at this time. This project will create 60 new full-time equivalent jobs, as defined in Florida Statute section 288.106, over a three-year period, while creating countywide economic benefits from direct and indirect job creation.

Fiscal Impact / Funding Source

Project Rhino has applied for a total of $360,000.00 in Qualified Target Industry tax refunds over a six-year period, of which 80 percent ($288,000.00) would be provided by the State and 20 percent ($72,000.00) will be the local match provided by Miami-Dade County. If the accompanying resolution is approved by the Board, Miami-Dade County is committed to provide up to $72,000.00 in matching funds from countywide general fund revenues over a six-year period beginning in FY 2016-17. Based on the projected investment of $2,000,000.00 in tangible personal property, the project's tangible taxes paid to Miami-Dade County will be approximately $22,025.00 greater than the unimproved tax rate during the six (6) years the company would be eligible for the award. Therefore, this project will create a negative financial impact to the general revenue fund of approximately $49,975.00 over the six (6) years, thus generating insufficient countywide general fund revenue to offset Miami-Dade County's local match for the award. However, generating equivalent general revenue funds is not a condition of the Qualified Target Industry Tax Refund Program. The County's 20 percent local match is required when the State determines that 60 new jobs have been created and have met the average salary threshold required in the State's tax refund agreement according to the schedule set forth in the attached Florida Qualified Target Industry Tax Refund application. 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 Miami-Dade County for its 20 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. The State is responsible for verifying compliance with the terms of the award. The County's matching funds are distributed only if the applicant creates the 60 new jobs indicated in the accompanying Qualified Target Industry application and complies with all other conditions of the incentive program. County staff requires 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

Project Rhino is an existing digital media company seeking to relocate its digital national headquarters to Miami-Dade County (North American Industry Classification System Code #519130 and #551114). The company plans to expand its product and design functions in order to centralize local and national news content. The company is considering relocating their headquarters to Miami-Dade County during the Fall of 2015, but is also considering locations in New York, California and Mexico.

Project Rhino would employ 60 new workers paying an average annualized salary of $78,000.00. According to documents submitted by The Beacon Council, employee benefits associated with each newly created job will be $19,000.00. The value of employee benefits, however, is not a requirement of the tax refund agreement with the State or the County's local match.

Project details are summarized in the attached chart.

Jack Osterholt, Deputy Mayor

CONFIDENTIAL PROJECT RHINO	
APPLICANT:	Project Rhino
HEADQUARTERS LOCATION:	Northeast United States
PROPOSED LOCATION IN MIAMI-DADE COUNTY:	TBD
OTHER LOCATIONS UNDER CONSIDERATION:	New York, California and Mexico
DATE OF QTI/TJIF APPLICATIONS:	August 28, 2015
OVERALL BUSINESS ACTIVITY/MISSION:	National Headquarters
PROPOSED LOCAL BUSINESS ACTIVITY:	Lease office space for digital media national headquarters
PROPOSED CAPITAL INVESTMENT:	$2,000,000.00 (Not a condition of the award)
TARGETED QUALIFIED INDUSTRY:	National Headquarters
LOCATION IN DESIGNATED PRIORITY AREA?	No
NEW BUSINESS OR EXPANDING BUSINESS:	Expanding
TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	60
EFFORT IN HIRING RESIDENTS IN LOCAL AREA:	unknown
ANNUALIZED AVERAGE WAGES FOR NEW JOBS:	$78,000.00
ANNUAL EMPLOYEE BENEFIT PACKAGE:	$19,000.00 (Not a condition of incentive award)
NUMBER OF INDIRECT JOBS TO BE CREATED:	18
NUMBER OF YEARS TO CREATE NEW JOBS:	3
MAXIMUM TAX REFUND PER DIRECT JOBS:	$6,000.00
MAXIMUM INCENTIVE AWARD APPLIED FOR:	$360,000.00
PROJECTED INCREMENTAL COUNTY TAX REVENUE:	$22,025.00 (Not a condition of the award)
COUNTY'S MAXIMUM 20% QUALIFIED TARGET INDUSTRY AWARD:	$72,000.00
STATE'S MAXIMUM 80% QUALIFIED TARGET INDUSTRY AWARD CONTRIBUTION:	$288,000.00
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 Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: October 20, 2015

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 3(B)(1)

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)(1)
10-20-15

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT RHINO AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO SECTION 288.106, FLORIDA STATUTES; CONFIRMING THAT THE COMMITMENT OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT RHINO EXISTS; AND PROVIDING THAT LOCAL FINANCIAL SUPPORT OF UP TO $72,000.00 FROM GENERAL REVENUE FUNDS WILL BE AVAILABLE AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2016 THROUGH 2022 INCLUSIVE, OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT RHINO

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum and the attached Florida Qualified Target Industry Tax Refund application by Confidential Project Rhino, 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 ("State") and Miami-Dade County on behalf of Confidential Project Rhino 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 Rhino commits to create 60 full-time equivalent jobs, as defined in section 288.106, Florida Statutes, in Miami-Dade County by December 31, 2018 with an average salary of $78,000.00; and

WHEREAS, the tax refunds provided under the Florida Qualified Target Industry Tax Refund Program to Confidential Project Rhino may be prorated by the State of Florida pursuant to the terms of the General Project Overview in the event that Confidential Project Rhino creates fewer than 60 full-time equivalent jobs; and

WHEREAS, Miami-Dade 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:

Section 1. This Board approves Confidential Project Rhino as a Qualified Target Industry business pursuant to section 288.106, Florida Statutes, which created the Qualified Target Industry Tax Refund Program.

Section 2. The necessary commitment of local financial support for Confidential Project Rhino as required under section 288.106, Florida Statutes, exists in an amount not to exceed $72,000.00 from Miami-Dade County's countywide general funds and this local financial support will be available in the following increments:

Fiscal Year 2016-2017	$12,000.00
Fiscal Year 2017-2018	$12,000.00
Fiscal Year 2018-2019	$12,000.00
Fiscal Year 2019-2020	$12,000.00
Fiscal Year 2020-2021	$12,000.00
Fiscal Year 2021-2022	$12,000.00
Total	**$72,000.00**

or payable over a time period and at annual amounts as determined by the State of Florida in its approval of Confidential Project Rhino's application, as long as the $72,000.00 is not exceeded with the provision that any tax abatement grant to Confidential Project Rhino under section 196.1995, Florida Statutes, reduces any Qualified Target Industry tax refund by the amount of

any such abatement granted, in compliance with section 288.106(6)(d), Florida Statutes; 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 section 288.106, Florida Statutes, for Confidential Project Rhino, in compliance with the Qualified Target Industry Program.

The necessary commitment of local financial support shall be contingent upon Confidential Project Rhino 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 providing the County with access to tax information and documents necessary to monitor economic and fiscal impacts of the designation of Confidential Project Rhino 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 $72,000.00.

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:

Jean Monestime, Chairman
Esteban L. Bovo, Jr., Vice Chairman

Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of October, 2015. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this resolution and the filing of this approval with the Clerk of the 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-Williams