MEMORANDUM

Agenda Item No.3(B)(1)

TO:	Honorable Chairman Jean Monestime and Members, Board of County Commissioners	**DATE:**	July 6, 2016
FROM:	Abigail Price-Williams County Attorney	**SUBJECT:**	Resolution approving Confidential Project Extreme as a Qualified Target Industry Business pursuant to section 288.106, Florida Statutes; recommending that the State of Florida waive the average wage requirement; confirming that the commitments of local financial support necessary for Confidential Project Extreme exists; and providing that local financial support of up to $6,600.00 from general revenue funds will be available as local participation in the State of Florida qualified target industry tax refund program for Fiscal Years 2017-2018 through 2020-2021 inclusive, or over a time period as determined by the State of Florida in its approval of Confidential Project Extreme

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

Abigail Price-Williams
County Attorney

APW/cp

Memorandum

MIAMI-DADE COUNTY

Date: July 6, 2016

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 Extreme

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Recommendation

It is recommended that the Board of County Commissioners (Board) authorize Confidential Project Extreme (Project) 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 Extreme, has submitted an application for economic development incentives from the State of Florida (State) and Miami-Dade County that require approval from the Board.

Furthermore, it is recommended that the Board approve a waiver of the Qualified Target Industry Tax Refund Program average wage requirement as illustrated in the attached letter from The Beacon Council.

Scope

Confidential Project Extreme is a large pipe fabrication facility with fourteen locations throughout the United States. The location for the business operations is confidential at this time; however, the project will be located within the City of Homestead's Community Redevelopment Area (Homestead Redevelopment Area), which is in Commission District 9 and represented by Commission Dennis C. Moss. While the Project will create 11 new full-time equivalent jobs by 2016, as defined in Florida Statute Section 288.106, it will create countywide economic benefits from direct and indirect job creation.

Fiscal Impact / Funding Source

The Project has applied for a total of $33,000.00 under the Qualified Target Industry Tax Refund Program, of which 80 percent ($26,400.00) would be provided by the State and 20 percent ($6,600.00) will be the local match provided by Miami-Dade County. The County's 20 percent local match is required when the State determines that 11 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. If the accompanying resolution is approved by the Board, Miami-Dade County is committed to provide up to $6,600.00 in matching funds from countywide general fund revenues to be paid over a four-year period beginning in FY 2017.

Based on the projected capital investment of $650,000.00 in new real property, the project will generate $5,754.00 in countywide general fund revenue over the same four-year period of the payments. However, because the Project will be located within the boundaries of the Homestead Redevelopment Area, the County will not be generating any of the additional countywide general fund revenue as a result of the capital investment. Instead, the Homestead Redevelopment Area will collect the incremental tax revenues to invest in economic development projects within its boundaries.

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 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

The Project is a large pipe fabricator in the United States. This proposed project will be the company's first facility in Miami-Dade County. The fabrication facility will include the manufacturing of finishing ductile iron pipes and will include welding, treading and flanging (North American Industry Classification System Code #3329960300). The company plans to commence construction during fiscal year 2016; however, it is also considering locations in Indianapolis, Indiana; Bessemer, Alabama; and Lynchburg, Virginia.

The Project would employ 11 new workers paying an average annualized salary of $44,065.00, which is 100 percent, instead of 115 percent, of the average wage in the State. Therefore, the Project requests a waiver of the program's average wage requirement. Employee benefits associated with each newly created job will be $12,600.00. The value of employee benefits are 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 EXTREME	
APPLICANT:	Project Extreme
HEADQUARTERS LOCATION:	Miami
PROPOSED LOCATION IN MIAMI-DADE COUNTY:	Homestead
OTHER LOCATIONS UNDER CONSIDERATION:	Indianapolis, Bessemer, Lynchburg
DATE OF QTI/TJIF APPLICATIONS:	May 10, 2016
OVERALL BUSINESS ACTIVITY/MISSION:	Industrial Manufacturing
PROPOSED LOCAL BUSINESS ACTIVITY:	Fabrication, welding, treading and flanging of large pipes
PROPOSED CAPITAL INVESTMENT:	$650,000.00 (Not a condition of the award)
TARGETED QUALIFIED INDUSTRY:	Manufacturing
LOCATION IN DESIGNATED PRIORITY AREA?	yes
NEW BUSINESS OR EXPANDING BUSINESS:	Expanding
TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	11/00
EFFORT IN HIRING RESIDENTS IN LOCAL AREA:	unknown
ANNUALIZED AVERAGE WAGES FOR NEW JOBS:	$44,065.00
ANNUAL EMPLOYEE BENEFIT PACKAGE:	$12,600.00 (Not a condition of incentive award)
NUMBER OF INDIRECT JOBS TO BE CREATED:	1
NUMBER OF YEARS TO CREATE NEW JOBS:	By 2016
MAXIMUM TAX REFUND PER DIRECT JOBS:	$3,000.00
MAXIMUM INCENTIVE AWARD APPLIED FOR:	$33,000.00
PROJECTED INCREMENTAL COUNTY TAX REVENUE:	$5,754.00 (Not a condition of the award)
COUNTY'S MAXIMUM 20% QUALIFIED TARGET **INDUSTRY AWARD:**	$6,600.00
STATE'S MAXIMUM 80% QUALIFIED TARGET **INDUSTRY AWARD CONTRIBUTION:**	$26,400.00
TYPE OF FUNDS REQUESTED IN APPLICATION:	Countywide General Fund Revenues
COMMENTS: Summary sheet prepared by RER from information and data provided byTthe Beacon Council.	

THE BEACON COUNCIL

Miami-Dade County's Official Economic Development Partnership

80 Southwest Eighth Street
Suite 2400
Miami, Florida
33130
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May 27, 2016

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

RE: Confidential Project: Extreme

Dear Mr. Osterholt:

Pursuant to The State of Florida Qualified Targeted Industry Statue 288.10 Section 4.a.11.1.b., Confidential Project Extreme requests a waiver of the program's average wage requirement to no less than $44,065 or 100 percent of the state average wage. This request for waiver is based on the following considerations:

- Confidential Project Extreme will create 11 jobs in 1 year and invest $650,000 into facility and equipment.
- Confidential Project Extreme will commit to an average wage of $44,065 (100% of the State average wage).
- Confidential Project Extreme is a manufacturer (NAICS 3329960300).
- Confidential Project Extreme's proposed location is within:
    - Homestead CRA
    - South Enterprise Zone
    - South Dade Empowerment Zone
    - South West Homestead Targeted Urban Area

Thank you for your consideration. We look forward to working together for the benefit of the economic development of Miami-Dade County. If you have any further questions, please contact me at (305) 579-1360.

Sincerely,

James Kohnstamm
Senior Vice President
Economic Development

Copy: Leland Salomon

5

MEMORANDUM

(Revised)

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

DATE: July 6, 2016

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**

_____ **Statement of social equity 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)
7-6-16

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT EXTREME AS A QUALIFED TARGET INDUSTRY BUSINESS PURSUANT TO SECTION 288.106, FLORIDA STATUTES; RECOMMENDING THAT THE STATE OF FLORIDA WAIVE THE AVERAGE WAGE REQUIREMENT; CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT EXTREME EXISTS; AND PROVIDING THAT LOCAL FINANCIAL SUPPORT OF UP TO $6,600.00 FROM GENERAL REVENUE FUNDS WILL BE AVAILABLE AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2017-2018 THROUGH 2020-2021 INCLUSIVE, OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT EXTREME

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 ("State") and Miami-Dade County on behalf of Confidential Project Extreme 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 Extreme commits to create 11 full-time equivalent jobs, as defined in section 288.106, Florida Statutes, in Miami-Dade County by December 31, 2016 with an average salary of $44,065.00, which is 100 percent, instead of 115 percent, of the State of Florida's average wage and therefore the project requests a waiver of the program's average wage requirement in the attached letter submitted from The Beacon Council; and

WHEREAS, the tax refunds provided under the Florida Qualified Target Industry Tax Refund Program to Confidential Project Extreme may be prorated by the State of Florida pursuant to the terms of the General Project Overview in the event that Confidential Project Extreme creates fewer than 11 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:

Section 1. This Board approves Confidential Project Extreme as a Qualified Target Industry business pursuant to section 288.106, Florida Statutes, which created the Qualified Target Industry Tax Refund Program and recommends that the State of Florida waive the average waive requirement.

Section 2. The necessary commitment of local financial support for Confidential Project Extreme, as required under section 288.106, Florida Statutes, exists in an amount not to exceed $6,600.00 from Miami-Dade County's Countywide general funds and this local financial support will be available in the following increments:

Fiscal Year 2017-2018	$1,650.00
Fiscal Year 2018-2019	$1,650.00
Fiscal Year 2019-2020	$1,650.00
Fiscal Year 2020-2021	$1,650.00
	$6,600.00

or payable over a time period and at annual amounts as determined by the State of Florida in its approval of Confidential Project Extreme's application, as long as the $6,600.00 is not exceeded with the provision that any tax abatement grant to Confidential Project Extreme 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 Extreme, in compliance with the Qualified Target Industry Program.

The necessary commitment of local financial support shall be contingent upon Confidential Project Extreme 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 Extreme 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 $6,600.00.

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 6th day of July, 2016. 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

THE BEACON COUNCIL

Miami-Dade County's Official Economic Development Partnership

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Miami, Florida
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May 10, 2016

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

RE: Confidential Project: Extreme

Dear Mr. Osterholt:

Attached you will find the application for Confidential Project: Extreme to the State of Florida's Qualified Targeted Industry Tax Refund Program (QTI). Confidential Project: Extreme is a national industrial manufacturer of commercial products with multiple locations across the Unites States. The project will create 11 direct new jobs with an average annualized salary of $44,065, and make a new capital investment of $650,000 in the SW Homestead TUA which is located within the City of Homestead's CRA over a 1-year period. Alternate locations include: Indianapolis, Indiana, Bessemer, Alabama, and Lynchburg, Virginia.

Confidential Project Extreme requests a waiver of the program's average wage requirement to no less than $44,065 or 100 percent of the state average wage. Please see the enclosed wage waiver request.

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 $6,600, representing Miami-Dade's 20% QTI portion, to be paid over a period of four 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 possible 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) 579-1360.

Sincerely,

James Kohnstamm
Senior Vice President
Economic Development

Enclosures

Copy: Leland Salomon

Florida Qualified Target Industry Tax Refund (QTI)

Confidential Project: Extreme

May, 2016

Prepared by the Beacon Council

Executive Summary for Confidential Project: Extreme

Background

Confidential Project: Extreme is a national industrial manufacturer of commercial products with multiple locations across the Unites States that is locating a new facility in the SW Homestead TUA which is located within the City of Homestead's CRA. The project will create 11 direct new jobs with an average annualized salary of $44,065, and make a new capital investment of $650,000 over a 1-year period. The average salary of $44,065 represents 100% of the State average wage. Alternate locations include: Indianapolis, Indiana, Bessemer, Alabama, and Lynchburg, Virginia.

Based on the projected capital investment of $650,000 in new real property, Confidential Project: Extreme will generate $22,510 in new Miami-Dade County Property Taxes over 4 year period. Of this amount, $16,756 represents new tax generation that will be committed to Miami-Dade County Public Schools, Libraries, the Fire Department, etc. The balance of $5,754 in new Miami-Dade County Property Taxes will be committed to the Miami-Dade County General Fund.

Based on the projected job creation of 11 new jobs with an average salary of $44,065 in 1 years, Confidential Project: Extreme will generate $2,129,300 in direct and indirect wages over a 4 year period.

Recommendation

The enclosed QTI application package requests a maximum of $6,600 (20% of total incentive) to be paid by the County over a period of four years. This award recognizes the creation of new jobs in the Homestead CRA.

Of Miami-Dade County's $6,600 contribution to the QTI, a total of $5,754 can be derived from the Miami-Dade County General Fund, resulting in total cost-benefit ratio of 1:0.87. Therefore, Miami-Dade County must commit to contribute an additional $846.

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.

INCENTIVE PROPOSAL SUMMARY

Confidential Project: Extreme

Project Summary:	
Project Name	Confidential Project: Extreme
New Jobs	11
Average Salary	$44,065
New Capital Investment	$650,000
New Square Footage	28,000
QTI Breakdown:	
Miami-Dade County Incremental Tax Revenue	$5,754
QTI Miami-Dade County Match (20%)	$6,600
Net Revenue Benefit to Miami-Dade	-$846
Total Cost-Benefit Ratio	1:0.87

INCENTIVE PROPOSAL CHECKLIST

Project Extreme

1. Enterprise Zone:	Yes
2. Number of New Jobs Projected:	11
3. Average Salary per Job:	$44,065
4. New Capital Investment:	$650,000
5. New Square Footage:	28,000
6. Per Job Incentive:	$3,000

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

11 New Jobs Over 1 Years

TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	$26,400
2. Miami-Dade County Match (20%)	$6,600
Total QTI Tax Refund Proposal	$33,000

RETURN ON INCENTIVE INVESTMENT (ROII)

1. Miami-Dade County Incremental General Tax Revenue*	$5,754	
2. Total Miami-Dade County (20%) QTI Match	$6,600	$1,650
3. Miami-Dade County Net Revenue Benefit	($846)	
Total ROII Gain/Loss/Breakeven	1: 0.87	

1. Miami-Dade County Total Property Tax Revenue	$22,510	
2. Total Miami-Dade County (20%) QTI Match	$6,600	$1,650
3. Miami-Dade County Total Net Revenue Benefit	$15,910	
Total ROII Gain/Loss/Breakeven	1: 3.41	

* See Economic Impact Model

SUMMARY OF ECONOMIC IMPACT

Project Extreme

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	11
Indirect Employment	1
Total Employment Gain	**12**
Income from Wages	
Direct Employment	$2,027,867
Indirect Employment	$101,393
Total Income Gain	**$2,129,260**
Revenue to Miami-Dade County	
Total Property Taxes	**$5,754**
Total Local Sales Taxes	**$0**
Total Tax Revenue Gain	**$5,754**
Total Miami-Dade County (20%) QTI Match	**$6,600**
Miami-Dade County Net Revenue Benefit	**($846)**

THE BEACON COUNCIL ECONOMIC IMPACT MODEL

Project Extreme

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
EMPLOYMENT							
Total Direct Jobs	11	11	11	11	0	0	
Indirect Employment	1	1	1	1	0	0	
TOTAL EMPLOYMENT	12	12	12	12	0	0	
INCOME ($1,000)							
WAGES & SALARY							
Total Direct Wages	$484.7	$499.3	$514.2	$529.7	$0.0	$0.0	$2,027.9
Total Indirect Wages	$24.2	$25.0	$25.7	$26.5	$0.0	$0.0	$101.4
TOTAL WAGES & SALARIES	$509.0	$524.2	$539.9	$556.1	$0.0	$0.0	$2,129.3
TOTAL INCOME	$509.0	$524.2	$539.9	$556.1	$0.0	$0.0	$2,129.3
INCREMENTAL PROPERTY TAXES ($1,000)							
Building & Equipment Taxes							
TOTAL PROPERTY TAXES	$7.7	$6.1	$4.9	$3.9	$0.0	$0.0	$22.5
MIAMI-DADE PROPERTY TAXES	$2.0	$1.6	$1.2	$1.0	$0.0	$0.0	$5.8
SALES TAXES ($1,000)							
Available Income	$509.0	$524.2	$539.9	$556.1	$0.0	$0.0	$2,129.3
Less Federal Income Tax	$407.2	$419.4	$432.0	$444.9	$0.0	$0.0	$1,703.4
Less Hous, Ins, Prop Tax	$305.4	$314.5	$324.0	$333.7	$0.0	$0.0	$1,277.6
Less Savings, Life Insur.	$274.8	$283.1	$291.6	$300.3	$0.0	$0.0	$1,149.8
Less Food, Drugs, Other Non-Tax	$206.1	$212.3	$218.7	$225.2	$0.0	$0.0	$862.4
Avail. Income For Sales Tax	$206.1	$212.3	$218.7	$225.2	$0.0	$0.0	$862.4
State Sales Tax Realized	$12.4	$12.7	$13.1	$13.5	$0.0	$0.0	$61.7
Local Sales Tax Realized	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
TOTAL SALES TAXES ($1,000)	$12.4	$12.7	$13.1	$13.5	$0.0	$0.0	$51.7
TOTAL MIAMI-DADE PROPERTY & SALES TAXES ($1,000)	$2.0	$1.6	$1.2	$1.0	$0.0	$0.0	$5.8
TOTAL PROPERTY & SALES TAXES ($1,000)	$20.1	$18.8	$18.0	$17.4	$0.0	$0.0	$74.3

THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

Project Extreme

Employment Assumptions

New Direct Permanent Jobs

Year 1	11
Year 2	11
Year 3	11
Year 4	11
Year 5	0
Year 6	0

Incremental Multiplier 0.10

* For every 100 direct jobs, 10 indirect jobs will be created. Total multiplier effect is 1.10

Annual Income Assumptions

Yearly Salary, Direct Permanent Job	$44,065
Indirect Job Salary	$22,033
Inflation	103%

Capital Investment

	Total Cap. Inv.
Y1 Value	$421,302
Y2 Value	$334,644
Y3 Value	$265,811
Y4 Value	$211,137
Y5 Value	$0
Y6 Value	$0

	Realty Prop.	Equip.
Y1	$0	$421,302
Y2	$0	$334,644
Y3	$0	$265,811
Y4	$0	$211,137
Y5	$0	$0
Y6	$0	$0

Investment	$0	$650,000
Depreciated		$630,400

Equipment Depreciation 0.20569

Property/Real Estate Taxes

Mill Rate, Less Dade's Revenue	0.01359
Miami-Dade's Revenue Mill Rate	0.00467
Miami-Dade's Total Mill Rate	0.01826
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%

APPLICATION*
Private Companies

1. BUSINESS INFORMATION

A. Legal name of the Applicant: Confidential Project Extreme

B. Name of Ultimate Parent Company (if applicable):
City Birmingham State/Province Alabama Country U.S.A.

C. List each Principal Executive Officer, director (or any person who performs a similar function regardless of title) of the Applicant and the Ultimate Parent Company (if applicable), and any person or entity that Controls the Applicant. Attach additional sheets if necessary.

Name	Title or Position[1]	Percent of Ownership if Greater than 50%[2]

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: 105

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: 1,700

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

Yes X No ☐

* For an explanation of certain capitalized terms used in this Application, please see Appendix 1.
[1] For example, chief executive officer, director, stockholders that directly or indirectly own more than 50% of the capital stock or other equity interests of the Applicant or the Ultimate Parent Company, etc.
[2] This should only be included if the individual directly or indirectly owns more than 50% of the capital stock or other equity interests of the Applicant or the Ultimate Parent Company.

J. Is the applicant a small business (i.e., is the aggregate net worth of the Applicant, the Ultimate Parent Company and its Subsidiaries (other than the Applicant) less than $5,000,000 or does the Applicant have a Small Business Administration 8(a) certification)?

Yes ☐ No X

2. PROJECT OVERVIEW

A. Which of the following best describes the Applicant:

☐ New business to Florida
☒ Existing Florida business creating and/or retaining jobs[3]

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)? None

C. Please describe the Project, including the specific business activity(ies) of the Project:
With fourteen locations, Confidential Project Extreme is a large pipe fabricator in the United States. This proposed project will be Confidential Project Extreme's first facility in South Florida. The fabrication facility will include the finishing of ductile iron pipe and will include welding, treading and flanging. Growth projections are conservative and the organization anticipates future growth.

D. What is the anticipated commencement date of the Project? **2016**

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 ($)
Fabrication, welding, treading and flanging	3329960300	100%	$44,065
		%	$
		%	$

F. Please provide the address of the proposed permanent location of the Project:
1200 NW 4th Street
Street Address
Homestead — *City*
Florida — *State*
33030 — *Zip Code*

G. Will the Project be located in a current or proposed Brownfield Area Eligible for Bonus Refunds?
Yes X No ☐ Name: **Homestead CRA**
Will the Project be located in an Enterprise Zone?
Yes X No ☐ If yes, which zone? **South**
Will the Project be located in a designated Rural Area of Critical Economic Concern?
Yes X No ☐ If yes, which area? **South Dade Empowerment Zone**
Will the Project be located in a Rural Community?

[3] A QTI Tax Refund award cannot be granted for existing Florida jobs.

Yes ☐ No X If yes, which area?

Will the Project be located in an Urban area?[4]

Yes X No ☐ If yes, describe? SW Homestead

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

X 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: 88%

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? 11

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? None

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?[5] 44,065

D. What is the projected annualized average cost to the Applicant of benefits for each new-to-Florida Full-Time Equivalent created as part of this Project? $12,600

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.)?

Health insurance, 401(k) contributions, paid vacation and sick leave

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.):

New Machinery and Equipment

B. Identify whether the Project be located in a/an:

X 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)

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[4] 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.

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

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

Calendar Year :	2016	2017	2018	2019	2020	Total
Land or Building Purchase	$	$	$	$	$	$
Construction / Renovations	$	$	$	$	$	$
Manufacturing Equipment	$200,000	$150,000	$100,000	$100,000	$100,000	$650,000
R&D Equipment	$	$	$	$	$	$
Other Equipment (computer equipment, office furniture, etc.)	$	$	$	$	$	$
Total Capital Investment	$200,000	$150,000	$100,000	$100,000	$100,000	$650,000

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? 28,000 SF

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.)?
Incentives assist in the reduction of the cost of doing business. As such, incentives will play an important role and are critical in determining the final location for an investment by Confidential Project Extreme.

B. What other states or countries (including cities) is the Applicant considering for this Project?
(1) Indianapolis, Indiana; (2) Bessemer, Alabama, (3) Lynchburg, Virginia

C. What advantages or incentives offered by these locations does the Applicant consider important in its decision?
Qualified Target Industry Tax Refund

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

E. Indicate any additional internal or external competitive issues impacting your decision regarding the Project's location?
The Homestead, Florida location is competing for internal funds with pre-existing Confidential Project Extreme sites in Bessemer, Alabama and Lynchburg, Virginia where business is deemed to be more cost efficient.

6. DISCLOSURE

A. In the past 10 years, has (1) the Applicant, the Ultimate Parent Company or any of its Subsidiaries, (2) any Principal Executive Officer of the Applicant or the Ultimate Parent Company or (3) any entity that any Principal Executive Officer of the Applicant or the Ultimate Parent Company Controls or Controlled been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign or military court to any Felony or Misdemeanor involving fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery or a conspiracy to commit any of these offenses?

Yes ☐ No X If yes, explain?

B. Is (1) the Applicant, the Ultimate Parent Company or any of its Subsidiaries, or (2) any Principal Executive Officer of the Applicant or the Ultimate Parent Company or (3) any entity that any Principal Executive Officer of the Applicant or the Ultimate Parent Company Controls (a) the subject of a pending criminal prosecution or governmental enforcement action in any jurisdiction or (b) subject to any unsatisfied tax liens in Florida or judgment liens in any jurisdiction in the U.S.?

Yes ☐ No X If yes, explain?

C. In the past 5 years, has (1) the Applicant, the Ultimate Parent Company or any of its Subsidiaries, (2) any Principal Executive Officer of the Applicant or the Ultimate Parent Company or (3) any entity that any Principal Executive Officer of the Applicant or the Ultimate Parent Company Controls or Controlled (a) been named as a DEFENDANT in any civil litigation or arbitration in any jurisdiction, (b) had an application for license, or a license or its equivalent, to practice any profession or occupation denied, suspended or revoked in any jurisdiction, or (c) been subject to a bankruptcy or insolvency petition in any jurisdiction?

Yes ☐ No X If yes, explain?

7. 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.)

X Yes ☐ No

8. SIGNATURES

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 35 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.

Qualified Target Industry Tax Refund
Attachment to the General Project Overview

Confidential Project Extreme
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]?** 11

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	12/31/2016
II	0	12/31/2017
III	0	12/31/2018
Total	11	

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).

X $44,065, which is at least 100% of the average wage in 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, Florida

B. **Indicate the date(s) the QTI support resolution(s) is / are anticipated to be passed by the local government:**
June 2016

[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*.