

MEMORANDUM

Agenda Item No. 3(B)(5)

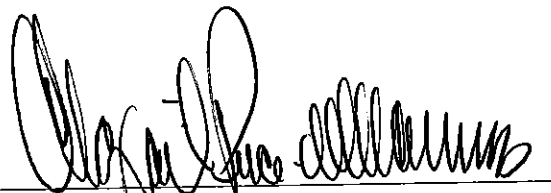
TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: September 7, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution approving Confidential Project Sol as a Qualified Target Industry business pursuant to section 288.106, Florida Statutes; confirming that the commitments of local financial support necessary for Confidential Project Sol exists; and providing that local financial support of up to \$300,000.00 from Countywide general revenue funds will be available as local participation in the State of Florida Qualified Target Industry Tax Refund Program for fiscal years 2019-2020 through 2022-2023 inclusive, or over a time period as determined by the State of Florida in its approval of Confidential Project Sol

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

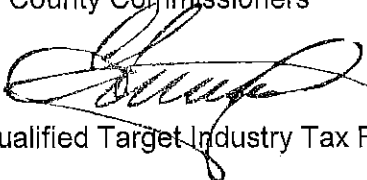


Abigail Price-Williams
County Attorney

APW/cp

Date: September 7, 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 Sol

Recommendation

The Beacon Council, on behalf of a company 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 authorize Confidential Project Sol to be recognized by the State as a Qualified Target Industry (QTI) business and entitled to the financial benefits afforded under the QTI Tax Refund Program.

Scope

Confidential Project Sol is the construction of a high-tech fulfillment center in Opa-locka, Florida, consisting of warehouse and distribution space. Its location is confidential at this time; however, it will be located in Commission District 1, which is represented by Commissioner Barbara J. Jordan. When this project is fully operational, it will create 1,000 new full-time equivalent jobs, as defined in Florida Statute Section 288.106. However, the QTI Tax Refund Program application seeks to incentivize 500 of the 1,000 new jobs that are to be created by 2019, as only those jobs meet the State's wage requirement.

Fiscal Impact / Funding Source

Confidential Project Sol has applied for a total of \$1.5 million in QTI Tax Refund Program incentives, of which 80 percent (\$1.2 million) would be provided by the State and the remaining 20 percent (\$300,000.00) is 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 \$300,000.00 in matching funds from Countywide General Fund revenues to be paid over a four-year period beginning in FY 2019-20. Based on the projected capital investment of \$198 million in new real property, the project will generate \$2,095,769.00 (over a four-year period) in countywide General Fund ad valorem revenues, which results in a net positive fiscal impact of \$1,795,769.00 to the County.

Miami-Dade County's local match is required when the State determines that the 500 new jobs have been created and have met the average salary threshold set forth by in the State's QTI Tax Refund Program according to the schedule set forth in the attached 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

QTI 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. Miami-Dade County's matching funds are distributed only if the applicant creates the 500 new jobs indicated in the

accompanying QTI Tax Refund Program application and complies with all other conditions of the incentive program.

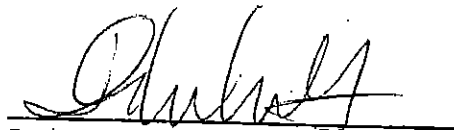
County staff requires access to the company's real estate and tangible personal property filings during the incentive period to monitor the fiscal impact to the Countywide General Fund from the QTI Tax Refund Program.

Background

Confidential Project Sol is an expansion of an existing business in addition to the new construction of a high-tech fulfillment center consisting of more than 855,000 square feet of warehouse and distribution space in Miami-Dade County (North American Industry Classification System Code #493110). Confidential Project Sol plans to commence construction during the Third Quarter of 2016/2017, with operational commencement during the Third Quarter of 2017/2018.

Confidential Project Sol would employ 500 new workers paying an average annualized salary of \$50,675.00, which is at least 115 percent of the average wage in the State. According to the documents submitted by The Beacon Council, employee benefits associated with each newly created job will be \$7,601.00. The value of employee benefits is not a requirement of the QTI Tax Refund Program agreement with the State or the County's local match.

Project details are summarized in the attached chart.

A handwritten signature in black ink, appearing to read "Jack Osterholt", written over a horizontal line.

Jack Osterholt
Deputy Mayor

CONFIDENTIAL PROJECT SOL	
APPLICANT:	Project Sol
HEADQUARTERS LOCATION:	Miami
PROPOSED LOCATION IN MIAMI-DADE COUNTY:	Opa Locka
OTHER LOCATIONS UNDER CONSIDERATION:	Applicant did not disclose
DATE OF QTI/TJIF APPLICATIONS:	July 12, 2016
OVERALL BUSINESS ACTIVITY/MISSION:	High-tech warehouse and distribution center
PROPOSED LOCAL BUSINESS ACTIVITY:	Construction and buildout
PROPOSED CAPITAL INVESTMENT:	\$198,000,000.00 (Not a condition of the award)
TARGETED QUALIFIED INDUSTRY:	Warehousing and storage
LOCATION IN DESIGNATED PRIORITY AREA?	Yes
NEW BUSINESS OR EXPANDING BUSINESS:	Expanding
TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	500
EFFORT IN HIRING RESIDENTS IN LOCAL AREA:	unknown
ANNUALIZED AVERAGE WAGES FOR NEW JOBS:	\$50,675.00
ANNUAL EMPLOYEE BENEFIT PACKAGE:	\$7,601.00 (Not a condition of incentive award)
NUMBER OF INDIRECT JOBS TO BE CREATED:	150
NUMBER OF YEARS TO CREATE NEW JOBS:	By 2019
MAXIMUM TAX REFUND PER DIRECT JOBS:	\$3,000.00
MAXIMUM INCENTIVE AWARD APPLIED FOR:	\$1,500,000.00
PROJECTED INCREMENTAL COUNTY TAX REVENUE:	\$2,095,769.00 (Not a condition of the award)
COUNTY'S MAXIMUM 20% QUALIFIED TARGET INDUSTRY AWARD:	\$300,000.00
STATE'S MAXIMUM 80% QUALIFIED TARGET INDUSTRY AWARD CONTRIBUTION:	\$1,200,000.00
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: September 7, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 3(B)(5)

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)(5)
9-7-16

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT SOL AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO SECTION 288.106, FLORIDA STATUTES; CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT SOL EXISTS; AND PROVIDING THAT LOCAL FINANCIAL SUPPORT OF UP TO \$300,000.00 FROM COUNTYWIDE GENERAL REVENUE FUNDS WILL BE AVAILABLE AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2019-2020 THROUGH 2022-2023 INCLUSIVE, OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT SOL

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 Sol 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 Sol commits to create 500 full-time equivalent jobs, as defined in section 288.106, Florida Statutes, in Miami-Dade County by December 31, 2019 with an average salary of \$50,675.00, which is at least 115 percent of the State's average wage; and

WHEREAS, the tax refunds provided under the Florida Qualified Target Industry Tax Refund Program to Confidential Project Sol may be prorated by the State of Florida pursuant to the terms of the General Project Overview in the event that Confidential Project Sol creates fewer than 500 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 Sol 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 Sol as required under the section 288.106, Florida Statutes, exists in an amount not to exceed \$300,000.00 from Miami-Dade County's Countywide general funds and this local financial support will be available in the following increments:

Fiscal Year 2019-2020	\$75,000.00
Fiscal Year 2020-2021	\$75,000.00
Fiscal Year 2021-2022	\$75,000.00
Fiscal Year 2022-2023	<u>\$75,000.00</u>
	\$300,000.00

or payable over a time period and at annual amounts as determined by the State of Florida in its approval of Confidential Project Sol's application, as long as the \$300,000.00 is not exceeded with the provision that any tax abatement grant to Confidential Project Sol under section 196.1995, Florida Statutes, reduces any QTI 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 Sol, in compliance with the QTI Program.

The necessary commitment of local financial support shall be contingent upon Confidential Project Sol 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 Sol 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 \$300,000.00.

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	

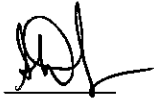
The Chairperson thereupon declared the resolution duly passed and adopted this 7th day of September, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override 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

July 12, 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 Sol

Dear Mr. Osterholt:

Enclosed you will find the revised application package for the State of Florida's Qualified Targeted Industry Tax Refund Program (QTI) initially submitted to you in April 2016. Confidential Project Sol is the construction of a high-tech fulfillment center in North Miami-Dade County (District 1) consisting of 855,000+ square feet of warehouse and distribution space. The project will create 1,000 new jobs and is committed to a new capital investment of \$198,000,000 in Miami-Dade County. Please note that this QTI application package supports the project's request to incentivize only 500 new jobs at an average salary of \$50,675, which meets the QTI program's eligibility requirements.

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 \$300,000 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 available agenda of the Board of County Commissioners.

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

Cc. Leland Salomon, Director, Office of Economic Development

Miami-Dade
County's
Official
Economic
Development
Partnership

80 Southwest
Eighth Street
Suite 2400
Miami, Florida
33130
T: 305.579.1300
F: 305.375.0271
www.beaconcouncil.com

Florida Qualified Target Industry Tax Refund (QTI)

Confidential Project: Sol

July 12, 2016

Prepared by the Beacon Council

Executive Summary for Confidential Project: Sol

Background

Project Sol is the construction of a high-tech fulfillment center North Miami-Dade County (District 1) consisting of 855,000+ square feet of warehouse and distribution space. There are many alternate location options being considered for Confidential Project Sol as they company continues to build out their fulfillment network infrastructure. The project will create 1,000 new jobs and is committed to a new capital investment of \$198,000,000 in Miami-Dade County. This application package supports the project's request to incentivize only 500 new jobs at an average salary of \$50,675, which meets the QTI program's eligibility requirements. The average salary of \$50,675 represents 115% of the State average wage.

Taking into account total property taxes generated in Miami-Dade County based on the company's projected capital investment of \$198,000,000, Project Sol will generate \$8,198,956 in new Miami-Dade County Property Taxes over a 4-year period. Of that amount, \$6,103,187 represents new tax generation that will be committed to Miami-Dade County Public Schools, Libraries, the Fire Department, etc. The balance of \$2,095,769 in new Miami-Dade County Property Taxes will be committed to the Miami-Dade County General Fund.

Based on the projected job creation of 500 new jobs with an average salary of \$50,675, Project Sol will generate \$121,903,046 in direct and indirect wages over a 4-year period.

Recommendation

The enclosed QTI application package requests a maximum of \$300,000 (20% of total incentive) to be paid by the County over a period of four years. This award recognizes the creation of new, high-paying jobs in a targeted industry.

Miami-Dade County's \$300,000 contribution to the QTI can be derived from the Miami-Dade County General Fund with a net revenue benefit of 1:6.99.

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: Sol

Project Summary:	
Project Name	Confidential Project Sol
New Jobs	500
Average Salary	\$50,675
New Capital Investment	\$198,000,000
New Square Footage	855,000
QTI Breakdown (General Fund):	
Miami-Dade County Incremental Tax Revenue	\$2,095,769
QTI Miami-Dade County Match (20%)	\$300,000
Net General Fund Revenue Benefit to Miami-Dade	\$1,795,769
Total Cost-Benefit Ratio	1:6.99

THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

Project Sol

Employment Assumptions

New Direct Permanent Jobs

Year 1	500
Year 2	500
Year 3	500
Year 4	500
Year 5	0
Year 6	0

Incremental Multiplier 0.30

* For every 100 direct jobs, 30 indirect jobs will be created. Total multiplier effect is 1.30

Annual Income Assumptions

Yearly Salary, Direct Permanent Job	\$50,675
Indirect Job Salary	\$25,338

Inflation 103%

Capital Investment

Total Cap. Inv.

Y1 Value	\$136,895,073
Y2 Value	\$117,921,361
Y3 Value	\$102,988,114
Y4 Value	\$91,266,318
Y5 Value	\$0
Y6 Value	\$0

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

Realty Prop.

Equip.

Y1	\$41,616,000	\$95,279,073
Y2	\$42,240,240	\$75,681,121
Y3	\$42,873,844	\$60,114,271
Y4	\$43,516,951	\$47,749,367
Y5	\$0	\$0
Y6	\$0	\$0

Sales Tax Rates

Calculation: Income Available For Sales Tax

Income Devoted to:	
Federal Income Tax Liability, 20%	0.80
Housing, Insurance, Real Estate Taxes, 25%	0.75
Savings, Life Insurance, 10%	0.90
Food, Drugs, Other Non-Tax Items, 25 %	0.75

Sales Tax Rates

Investment	\$51,000,000	\$147,000,000	Florida Sales Tax	6.00%
Depreciated		\$119,952,000	Miami-Dade County Sales Tax	0.00%
			Total Sales Tax	6.00%

Equipment Depreciation 0.20569

14

THE BEACON COUNCIL ECONOMIC IMPACT MODEL

Project Sol

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
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EMPLOYMENT

Total Direct Jobs	500	500	500	500	0	0
Indirect Employment	150	150	150	150	0	0

<u>TOTAL EMPLOYMENT</u>	650	650	650	650	0	0
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INCOME (\$1,000)

WAGES & SALARY

Total Direct Wages	\$25,337.5	\$26,097.6	\$26,880.6	\$27,687.0	\$0.0	\$0.0	\$106,002.6
Total Indirect Wages	\$3,800.6	\$3,914.6	\$4,032.1	\$4,153.0	\$0.0	\$0.0	\$15,900.4

TOTAL WAGES & SALARIES	\$29,138.1	\$30,012.3	\$30,912.6	\$31,840.0	\$0.0	\$0.0	\$121,903.0
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<u>TOTAL INCOME</u>	\$29,138.1	\$30,012.3	\$30,912.6	\$31,840.0	\$0.0	\$0.0	\$121,903.0
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INCREMENTAL PROPERTY TAXES (\$1,000)

Building & Equipment Taxes

TOTAL PROPERTY TAXES	\$2,499.4	\$2,153.0	\$1,880.3	\$1,666.3	\$0.0	\$0.0	\$8,199.0
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MIAMI-DADE PROPERTY TAXES	\$638.9	\$550.3	\$480.6	\$425.9	\$0.0	\$0.0	\$2,095.8
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SALES TAXES (\$1,000)

Available Income	\$29,138.1	\$30,012.3	\$30,912.6	\$31,840.0	\$0.0	\$0.0	\$121,903.0
Less Federal Income Tax	\$23,310.5	\$24,009.8	\$24,730.1	\$25,472.0	\$0.0	\$0.0	\$97,522.4
Less Hous, Ins, Prop Tax	\$17,482.9	\$18,007.4	\$18,547.6	\$19,104.0	\$0.0	\$0.0	\$73,141.8
Less Savings, Life Insur.	\$15,734.6	\$16,206.6	\$16,692.8	\$17,193.6	\$0.0	\$0.0	\$65,827.6
Less Food, Drugs, Other Non-Tax	\$11,800.9	\$12,155.0	\$12,519.6	\$12,895.2	\$0.0	\$0.0	\$49,370.7

Avall. Income For Sales Tax	\$11,800.9	\$12,155.0	\$12,519.6	\$12,895.2	\$0.0	\$0.0	\$49,370.7
State Sales Tax Realized	\$708.1	\$729.3	\$751.2	\$773.7	\$0.0	\$0.0	\$2,962.2
Local Sales Tax Realized	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

<u>TOTAL</u>							
<u>SALES TAXES (\$1,000)</u>	\$708.1	\$729.3	\$751.2	\$773.7	\$0.0	\$0.0	\$2,962.2

<u>TOTAL MIAMI-DADE</u>							
<u>PROPERTY &</u>							
<u>SALES TAXES (\$1,000)</u>	\$638.9	\$550.3	\$480.6	\$425.9	\$0.0	\$0.0	\$2,095.8

<u>TOTAL</u>							
<u>PROPERTY &</u>							
<u>SALES TAXES (\$1,000)</u>	\$3,207.4	\$2,882.3	\$2,631.5	\$2,440.0	\$0.0	\$0.0	\$11,161.2

SUMMARY OF ECONOMIC IMPACT

Project Sol

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	500
Indirect Employment	150
Total Employment Gain	650

Income from Wages

Direct Employment	\$106,002,649
Indirect Employment	\$15,900,397
Total Income Gain	\$121,903,046

Revenue to Miami-Dade County

Total Property Taxes	\$2,095,769
Total Local Sales Taxes	\$0
Total Tax Revenue Gain	\$2,095,769
Total Miami-Dade County (20%) QTI Match	\$300,000
Miami-Dade County Net Revenue Benefit	\$1,795,769

INCENTIVE PROPOSAL CHECKLIST

Project Sol

1. Enterprise Zone:	Yes
2. Number of New Jobs Projected:	500
3. Average Salary per Job:	\$50,675
4. New Capital Investment:	\$198,000,000
5. New Square Footage:	855,000
6. Per Job Incentive:	\$3,000

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

500 New Jobs Over 1 Years

TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	\$1,200,000
2. Miami-Dade County Match (20%)	\$300,000
Total QTI Tax Refund Proposal	\$1,500,000

RETURN ON INCENTIVE INVESTMENT (ROI)

1. Miami-Dade County Incremental General Tax Revenue*	\$2,095,769	
2. Total Miami-Dade County (20%) QTI Match	\$300,000	\$50,000
3. Miami-Dade County Net Revenue Benefit	\$1,795,769	
Total ROI Gain/Loss/Breakeven	1: 6.99	

1. Miami-Dade County Total Property Tax Revenue	\$8,198,956	
2. Total Miami-Dade County (20%) QTI Match	\$300,000	\$50,000
3. Miami-Dade County Total Net Revenue Benefit	\$7,898,956	
Total ROI Gain/Loss/Breakeven	1: 27.33	

* See Economic Impact Model

APPLICATION*
Public Companies

1. 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 will 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, shall be complete and accurate and shall contain no misstatements, misrepresentations, or omissions of material facts, to the best of his or her knowledge and belief.

Signature

Date

Name

Title

Company

2. BUSINESS INFORMATION

A. Legal name of the Applicant: Project Sol

B. Please provide contact information for the primary contact at the Applicant.

Name

Title

Telephone No.

Email Address

Street Address

City

State

Zip Code

Country

* For an explanation of certain capitalized terms used in this Application, please see Appendix 1.

- C. Name of Ultimate Parent Company (if applicable):
- D. Applicant's or Ultimate Parent Company's (if applicable) ticker symbol:
- E. Applicant's Federal Employer Identification Number:
- F. Applicant's Reemployment Assistance Number (Formerly Unemployment #):
- G. Applicant's Florida Sales Tax Registration Number (if applicable):
- H. Last day of Applicant's fiscal year (e.g., December 31, September 30, etc.):
- I. 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: 4,488 Full-Time as of 3/29/16
- J. 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: ~226,000 (full-time)
- K. What type of legal entity is the applicant?
- | | | | |
|---------------------------|-------------------------------------|---------------|--------------------------|
| C-Corporation | ☐ | S-Corporation | ☐ |
| Limited Liability Company | ☒ | Partnership | ☐ |
- L. Is it presently anticipated that the Applicant will have corporate income tax liability in Florida?¹
- Yes ☒ No ☐

3. PROJECT OVERVIEW

- A. Which of the following best describes the Applicant:
- ☐ New business to Florida
- ☒ Existing Florida business creating and/or retaining jobs²
- 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 the Project (on a Full-Time Equivalent Job Basis), please indicate the number of employees being transferred and from which Florida county?
- TBD

¹ In most cases, limited liability companies, S corporations, and partnerships will not have corporate income tax liability.

² A QTI Tax Refund award cannot be granted for existing Florida jobs.

- C. Please describe the Project, including the specific business activity(ies) and functions of the Project:

Company operates a North American fulfillment network and is comprised of multiple facilities that are responsible for fulfilling orders. In order to continue to delight and exceed the expectations of customers, it is imperative that meaningful investments are made in the company's network infrastructure. The project involves the construction of a fulfillment center in Miami, FL consisting of 855,000+ square feet of warehouse and distribution space.

- D. What is the anticipated commencement date of the Project?

Construction commencement 3rd Quarter 2016/7 with operational commencement third quarter 2017/8.

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

Applicant's Activities	6 Digit NAICS Code(s)	Project Function (total = 100%)	Average Annualized Wage (\$)
General warehousing and storage	493110	100%	\$26,000
		%	\$
		%	\$

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

14200 Le Jeune Rd.

Street Address

Opa-Locka (Miami)

FL

33054

City

State

Zip Code

- G. Will the Project be located in a current or proposed Brownfield Area?

Yes ☐ No ☒

If Yes, does the proposed site have a Brownfield Site Rehabilitation Agreement in place or are you pursuing one?

Yes ☐ No ☐ If yes, identify the site number?

Will the Project be located in a designated Rural Area of Opportunity?

Yes ☐ No ☒ If yes, which area?

Will the Project be located in an Urban area³?

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

³ An Urban area may include a Community Redevelopment Area (CRA), Urban Job Tax Credit eligible area, Federal Empowerment Zone, and an Urban Revitalization Area.

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

4. JOB AND WAGE OVERVIEW

- A. How many new-to-Florida Full-Time Equivalent Jobs are projected to be created **1000** as part of the Project?
- 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 **N/A** projected to be retained as part of the Project?
- C. What is the projected annualized average wage (excluding benefits) of the retained Full-Time Equivalent Jobs in Florida listed in Section 4(B) above (if any)?⁴ **N/A**
- D. What is the projected annualized average wage (excluding benefits) of the new **\$26,000** Full-Time Equivalent Jobs Florida jobs created as part of the Project?⁵
- E. What is the projected annualized average cost to the Applicant of benefits for each Full-Time Equivalent Florida Job created and retained as part of the Project? **30% of wages**
- F. Please list the benefits that are included in the above calculation (e.g., health insurance, matching 401(k) contributions, etc.)?
Medical, dental, and vision insurance (employer paid premiums), employer made 401(k) contributions, disability, life, and AD&D insurance (employer paid premiums).
- G. Does the applicant contract with a third-party company to provide payroll services? Yes ☒ No ☐

5. 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.):
Project involves the construction of a fulfillment center in Opa-Locka / Miami, Florida consisting of 855,000+ square feet of warehouse and distribution space. Developer purchased Land, Developer investment and company Real Property valued at \$51M, company Personal Property, ~\$147M
- B. Identify whether the Project will 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 5A above)

⁴ All cash payments to the employees (other than reimbursements of business expenses) should be included.

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 the Project (by type and year):

Calendar Year :	2016/7					Total
Land or Building Purchase	\$	\$	\$	\$	\$	\$
Construction / Renovations	\$51M	\$	\$	\$	\$	\$51M
Manufacturing Equipment	\$	\$	\$	\$	\$	\$
R&D Equipment	\$	\$	\$	\$	\$	\$
Other Equipment (computer equipment, office furniture, etc.)	\$147M	\$	\$	\$	\$	\$147M
Total Capital Investment	\$198.3M	\$	\$	\$	\$	\$198M

- D. List the projected capital investment to be made outside of Florida, for equipment that will be located at the Project location in connection with the Project (by type and year):

Calendar Year :						Total
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?

855,000

6. COMPETITIVE LANDSCAPE

- A. What role will the Incentive(s) play in the Applicant's decision to locate the Project in Florida?
Company operates a national network of fulfillment centers in a growing number of states across the United States. The network's size and capacity needs are driven by national, rather than regional, demand, and orders are fulfilled on a nation-wide basis. Costs play an important role in the company's determination of where new facilities and capacity are located within the nation-wide network, and the availability of incentives are a material factor in determining the most cost-efficient sites for customer fulfillment network expansion.
- B. What other states or countries (including the cities) is the Applicant considering for the Project?
While other states are under consideration 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.

7. DISCLOSURE

- A. 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; (b) to the best of the Applicant's knowledge after due inquiry, the subject of any criminal, civil, or regulatory investigation by any law enforcement authority in the State of Florida, or any regulatory body in the State of Florida; or (c) subject to any unsatisfied tax liens in Florida or judgment liens in any jurisdiction in the U.S.?

Except as set forth on Appendix 2 to this Application, neither the Applicant nor the Principal Executive Officer of the Applicant is (a) the subject of a pending criminal prosecution or governmental enforcement action in any jurisdiction; (b) the subject of any criminal, civil, or regulatory investigation by any law enforcement authority in the State of Florida, or any regulatory body in the State of Florida; or (c) subject to any unsatisfied tax liens or judgment liens in Florida.

8. 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 the 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 the Project in accordance with Section 288.075 of the Florida Statutes. (Does not apply to SDST sales tax exemption applicants.)

☒ Yes ☐ No

*** 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 Site with a Brownfield Site Rehabilitation Agreement – 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.

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 2012 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 OPPORTUNITY – 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.

APPENDIX 2

None, except for individual complaints filed with the EEOC or NLRB, or equivalent state agencies, and under review by such agencies in the ordinary course.

Qualified Target Industry Tax Refund Attachment to the General Project Overview

Project Sol

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 Resolution¹ following passage by the City / County

1. PROJECT EMPLOYMENT AND WAGE COMMITMENTS

- A. What is the total number of net new full-time equivalent Florida jobs created by the project at the business unit²? 500
- 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	500	12/31/19
II		
III		
Total		

- 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).

- ☒ \$50,675, which is at least 115% of the average wage in Miami-Dade.
- ☐ \$_____, 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 support³:
Miami-Dade County
- B. Indicate the date(s) the QTI support resolution(s) is / are anticipated to be passed by the local government:
TBD - ASAP

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.

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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 or 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.