

MEMORANDUM

Agenda Item No. 3(B)(1)

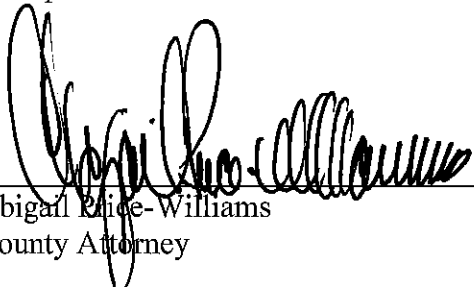
TO: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

DATE: April 10, 2018

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution approving Confidential Project Chestnut as a Qualified Target Industry Business pursuant to section 288.106, Florida Statutes; recommending to the State of Florida an extension of the job creation schedule from three to five years; confirming that the commitments of local financial support necessary for Confidential Project Chestnut exists; and providing that local support of up to \$170,000.00 from general revenue funds will be available as local participation in the State of Florida Qualified Target Industry Tax Refund Program for Fiscal Years 2019-20 through 2026-27 inclusive, or over a period as determined by the State of Florida in its approval of Confidential Project Chestnut

The accompanying resolution was prepared by Regulatory and Economic Resources Department and placed on the agenda at the request of Prime Sponsor Chairman Esteban L. Bovo, Jr.



Abigail Price-Williams
County Attorney


APW/cp

Memorandum



Date: April 10, 2018

To: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

From: Carlos A. Gimenez 
Mayor

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

Recommendation

The Beacon Council, on behalf of Confidential Project Chestnut 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 Chestnut 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. It's also recommended that the Board make available \$170,000 in matching funds from Countywide General Fund revenues. It is further recommended that the Board approve the job creation schedule over five years instead of three years as required to participate in the QTI Tax Refund Program.

Scope

Confidential Project Chestnut is a national banking association seeking to expand its headquarters in Miami-Dade County. The proposed permanent location for this project is confidential at this time, but is located in Commission District 13, which is represented by Chairman Esteban L. Bovo, Jr. When this project is fully operational, it will create 170 new full-time equivalent jobs, as defined in Section 288.106, Florida Statutes, while retaining 1,293 jobs statewide.

Fiscal Impact / Funding Source

Confidential Project Chestnut has applied for a total of \$850,000 in QTI Tax Refund Program incentives, of which 80 percent (\$680,000) would be provided by the State and 20 percent (\$170,000) is the local match to be provided by Miami-Dade County. If the accompanying resolution is approved by the Board, Miami-Dade County is committed to provide up to \$170,000 in matching funds from Countywide General Fund revenues to be paid over an eight-year period beginning in FY 2019-20. Based on the projected capital investment of \$14,400,000 in new real property, the project will generate \$217,687 (over an eight-year period) in Countywide General Fund ad valorem revenues, which results in a net positive fiscal impact of \$47,687 to the County. However, creating a net positive fiscal impact to the County's Countywide General Fund revenues is not a condition of the award.

Additionally, based on the job creation of 170 new jobs with an average salary of \$56,785, this project will generate \$82,048,689 in direct and indirect wages over the eight-year period the project is eligible for the award. This project qualifies for the high-impact job bonus of an additional \$2,000 per new job. Therefore, the incentive is based on an award of \$5,000 per new job.

The County's 20 percent local match is required when the State determines that the 170 new jobs have been created and have met the average salary threshold required 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 170 new jobs indicated in the accompanying QTI Tax Refund Program application and complies with all other conditions of the incentive program, including the 20 percent local residency requirement for new hires, pursuant to Resolution No. R-1175-16.

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 Chestnut is expanding its national headquarters in Miami-Dade County to provide a full range of banking services to individual and corporate customers nationwide, primarily serving small and medium sized businesses. This project will lease and renovate its current facility to add additional square feet to its headquarters facility (North American Industry Classification System Code #551114). The company plans to commence construction during FY 2017-18.

Confidential Project Chestnut would employ 170 new workers, paying an average annualized salary of \$56,785, which is at least 115 percent of the average annual wage in Miami-Dade County. Employee benefits associated with each newly created job will be \$19,500. The value of employee benefits is not a requirement of the tax refund agreement with the State or the County's local match. Per the attached application, Enterprise Florida supports the job creation schedule over a five-year period instead of the required three years. Therefore, it is recommended that the Board approves the Job Creation Schedule which is supported by Enterprise Florida.

Project details are summarized in the attached chart.



Jack Osterholt
Deputy Mayor

Confidential Project Chestnut	
APPLICANT:	Project Chestnut
HEADQUARTERS LOCATION:	Confidential
PROPOSED LOCATION IN MIAMI-DADE COUNTY:	District 13
OTHER LOCATIONS UNDER CONSIDERATION:	New York
DATE OF QTI/TJIF APPLICATIONS:	September 27, 2017
OVERALL BUSINESS ACTIVITY/MISSION:	Banking
PROPOSED LOCAL BUSINESS ACTIVITY:	Renovation and buildout
PROPOSED CAPITAL INVESTMENT:	\$14,400,000 (Not a condition of the award)
TARGETED QUALIFIED INDUSTRY:	National Headquarters
LOCATION IN DESIGNATED PRIORITY AREA?	No
NEW BUSINESS OR EXPANDING BUSINESS:	Expanding
TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	170/1,293 (Statewide)
EFFORT IN HIRING RESIDENTS IN LOCAL AREA:	unknown
ANNUALIZED AVERAGE WAGES FOR NEW JOBS:	\$56,785
ANNUAL EMPLOYEE BENEFIT PACKAGE:	\$19,500 (Not a condition of incentive award)
NUMBER OF INDIRECT JOBS TO BE CREATED:	68
NUMBER OF YEARS TO CREATE NEW JOBS:	5
MAXIMUM TAX REFUND PER DIRECT JOBS:	\$5,000
MAXIMUM INCENTIVE AWARD APPLIED FOR:	\$850,000
PROJECTED INCREMENTAL COUNTY TAX REVENUE:	\$217,687
COUNTY'S MAXIMUM 20% QUALIFIED TARGET INDUSTRY AWARD:	\$170,000
STATE'S MAXIMUM 80% QUALIFIED TARGET INDUSTRY AWARD CONTRIBUTION:	\$680,000
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 Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

DATE: April 10, 2018

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)
4-10-18

RESOLUTION NO. _____

RESOLUTION APPROVING CONFIDENTIAL PROJECT CHESTNUT AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO SECTION 288.106, FLORIDA STATUTES; RECOMMENDING TO THE STATE OF FLORIDA AN EXTENSION OF THE JOB CREATION SCHEDULE FROM THREE TO FIVE YEARS; CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT CHESTNUT EXISTS; AND PROVIDING THAT LOCAL SUPPORT OF UP TO \$170,000.00 FROM GENERAL REVENUE FUNDS WILL BE AVAILABLE AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2019-20 THROUGH 2026-27 INCLUSIVE, OR OVER A PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT CHESTNUT

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 Chestnut 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 ("QTI"); and

WHEREAS, Confidential Project Chestnut commit to create 170 full-time equivalent jobs, as defined in Section 288.106, Florida Statutes, in Miami-Dade County by December 31, 2022 with an average salary of \$56,785.00, which is at least 115 percent of Miami-Dade County's average wage; and

WHEREAS, Confidential Project Chestnut has requested an extension to create the 170 new jobs over a five-year period instead of the required three-year period; and

WHEREAS, the extension is supported by Enterprise Florida and this Board also wishes to support such extension; and

WHEREAS, the County approved Resolution No. R-1175-16 requiring 20 percent of the jobs created on a project to be residents of Miami-Dade County as a condition of the Board adopting this resolution; and

WHEREAS, Confidential Project Chestnut has executed the Qualified Target Industry Local Jobs Commitment agreeing that 20 percent of its new hires are local residents of the County; and

WHEREAS, the tax refunds provided under the Florida Qualified Target Industry Tax Refund Program to Confidential Project Chestnut may be prorated by the State of Florida pursuant to the terms of the General Project Overview in the event that Confidential Project Chestnut creates fewer than 170 full-time equivalents 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 Chestnut as a Qualified Target Industry (“QTI”) business pursuant to Section 288.106, Florida Statutes, which created the Qualified Target Industry Tax Refund Program (“QTI Program”).

Section 2. The necessary commitment of local financial support for Confidential Project Chestnut as required under the Section 288.106, Florida Statutes, exists in an amount not

to exceed \$170,000.00 from Miami-Dade County's Countywide general funds and this local financial support will be available in the following increments:

Fiscal Year – 2019-20	\$21,250.00
Fiscal Year – 2020-21	\$21,250.00
Fiscal Year – 2021-22	\$21,250.00
Fiscal Year – 2022-23	\$21,250.00
Fiscal Year – 2023-24	\$21,250.00
Fiscal Year – 2024-25	\$21,250.00
Fiscal Year – 2025-26	\$21,250.00
Fiscal Year - 2026-27	<u>\$21,250.00</u>
	\$170,000.00

or payable over a time period and at annual amounts as determined by the State of Florida in its approval of Confidential Project Chestnut's application, as long as the \$170,000.00 is not exceeded with the provision that any tax abatement granted to Confidential Project Chestnut 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 Chestnut in compliance with the QTI Program.

The necessary commitment of the local financial support shall be contingent upon Confidential Project Chestnut maintaining the jobs during the life of the incentive, demonstrating that 20 percent of new hires are local residents of the County, 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 Chestnut as a QTI 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 \$170,000.00.

Section 3. This Board approves the Job Creation Schedule over a five-year period instead of the required three-year period.

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:

Esteban L. Bovo, Jr., Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 10th day of April, 2018. 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

297055

September 27, 2017

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

RECEIVED

SEP 28 2017

MIAMI-DADE COUNTY
OFFICE OF THE MAYOR

Miami-Dade
County's
Official
Economic
Development
Partnership

80 Southwest
Eighth Street
Suite 2400
Miami,
Florida
33130
Telephone:
305.579.1300
Facsimile:
305.375.0271
www.beacon
council.com

RE: Confidential Project: Chestnut

Dear Mr. Osterholt:

Attached you will find the application for Confidential Project: Chestnut to the State of Florida's Qualified Targeted Industry Tax Refund Program (QTI). Confidential Project: Chestnut is a national banking association headquartered in Miami-Dade, and is seeking to expand its existing operations in Miami-Dade County Commission District 13 (Commissioner Bova). The project will create 170 direct new jobs with an average annualized salary of \$56,785 (more than 115% of the Average Annual Wage in Miami-Dade County) over a five-year period and will make a new capital investment of \$14,400,000 in Miami-Dade County. Alternate locations for this project include New York.

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 \$170,000, representing Miami-Dade's 20% QTI portion, to be paid over a period of eight years. Attached is the project briefing book as well as the economic impact analysis prepared by The Miami-Dade 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: Chestnut

September 2017

**Prepared by the Miami-Dade Beacon
Council**

Executive Summary for Confidential Project: Chestnut

Background

Confidential Project: Chestnut is a national banking association headquartered in Miami-Dade, and is seeking to expand its existing operations in Miami-Dade County Commission District 13 (Commissioner Bovo). The project will create 170 direct new jobs with an average annualized salary of \$56,785, and make a new capital investment of \$14,400,000 over a 5-year period. The average salary of \$56,785 represents more than 115% of the State average wage. Alternate locations include New York.

Based on the projected capital investment of \$14,400,000 in new real property, Confidential Project: Chestnut will generate \$851,600 in new Miami-Dade County Property Taxes over an 8-year period. Of this amount, \$633,913 represents new tax generation that will be committed to Miami-Dade County Public Schools, Libraries, the Fire Department, etc. The balance of \$217,687 in new Miami-Dade County Property Taxes will be committed to the Miami-Dade County General Fund.

Based on the projected job creation of 170 new jobs with an average salary of \$56,785 in 5 years, Confidential Project: Chestnut will generate \$82,048,689 in direct and indirect wages over an 8-year period.

Recommendation

The enclosed QTI application package requests a maximum of \$170,000 (20% of total incentive) to be paid by the County over a period of eight years. The total figure of \$850,000 is based on the high impact nature of the jobs being created which allows for an award of \$5,000 per job. Additionally, these new jobs will be created over a period of five years, as the State QTI program permits and which is supported by the State.

The total of Miami-Dade County's \$170,000 contribution to the QTI can be derived from the Miami-Dade County General Fund, resulting in total cost-benefit ratio of 1:1.28.

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: Chestnut

Project Summary:	
Project Name	Confidential Project: Chestnut
New Jobs	170
Average Salary	\$56,785
New Capital Investment	\$14,400,000
New Square Footage	TBD
QTI Breakdown:	
Miami-Dade County Incremental Tax Revenue	\$217,687
QTI Miami-Dade County Match (20%)	\$170,000
Net Revenue Benefit to Miami-Dade	\$47,687
Total Cost-Benefit Ratio	1:1.28

THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

Project Chestnut

Employment Assumptions

New Direct Permanent Jobs

Year 1	20
Year 2	95
Year 3	120
Year 4	145
Year 5	170
Year 6	170
Year 7	170
Year 8	170

Incremental Multiplier 0.40
 * For every 100 direct jobs, 40 indirect jobs will be created. Total multiplier effect is 1.40

Annual Income Assumptions

Yearly Salary, Direct Permanent Job	\$56,785
Indirect Job Salary	\$28,393

Capital Investment

Total Cap. Inv.

Y1 Value	\$9,669,146
Y2 Value	\$8,040,466
Y3 Value	\$6,752,191
Y4 Value	\$5,734,385
Y5 Value	\$4,931,497
Y6 Value	\$4,299,405
Y7 Value	\$3,803,061
Y8 Value	\$3,414,631

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
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Inflation 103%

Realty Prop.

Equip.

Y1	\$1,632,000	\$8,037,146
Y2	\$1,656,480	\$6,383,986
Y3	\$1,681,327	\$5,070,864
Y4	\$1,706,547	\$4,027,838
Y5	\$1,732,145	\$3,199,352
Y6	\$1,758,127	\$2,541,277
Y7	\$1,784,499	\$2,018,562
Y8	\$1,811,267	\$1,603,364

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%

Investment	\$2,000,000	\$12,400,000
Depreciated		\$10,118,400

Equipment Depreciation 0.20569

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THE BEACON COUNCIL ECONOMIC IMPACT MODEL

Project Chestnut

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<u>EMPLOYMENT</u>							
Total Direct Jobs	20	95	120	145	170	170	170
Indirect Employment	8	38	48	58	68	68	68
<u>TOTAL EMPLOYMENT</u>	28	133	168	203	238	238	238
<u>INCOME (\$1,000)</u>							
WAGES & SALARY							
Total Direct Wages	\$1,135.7	\$5,556.4	\$7,229.2	\$8,997.3	\$10,865.0	\$11,191.0	\$11,526.7
Total Indirect Wages	\$227.1	\$1,111.3	\$1,445.8	\$1,799.5	\$2,173.0	\$2,238.2	\$2,305.3
TOTAL WAGES & SALARIES	\$1,362.8	\$6,667.7	\$8,675.0	\$10,796.8	\$13,038.1	\$13,429.2	\$13,832.1
<u>TOTAL INCOME</u>	\$1,362.8	\$6,667.7	\$8,675.0	\$10,796.8	\$13,038.1	\$13,429.2	\$13,832.1
<u>INCREMENTAL PROPERTY TAXES (\$1,000)</u>							
Building & Equipment Taxes							
TOTAL PROPERTY TAXES	\$176.5	\$146.8	\$123.3	\$104.7	\$90.0	\$78.5	\$69.4
MIAMI-DADE PROPERTY TAXES	\$45.1	\$37.5	\$31.5	\$26.8	\$23.0	\$20.1	\$17.7
<u>SALES TAXES (\$1,000)</u>							
Available Income	\$1,362.8	\$6,667.7	\$8,675.0	\$10,796.8	\$13,038.1	\$13,429.2	
Less Federal Income Tax	\$1,090.3	\$5,334.2	\$6,940.0	\$8,637.4	\$10,430.4	\$10,743.4	
Less Hous, Ins, Prop Tax	\$817.7	\$4,000.6	\$5,205.0	\$6,478.1	\$7,822.8	\$8,057.5	
Less Savings, Life Insur.	\$735.9	\$3,600.6	\$4,684.5	\$5,830.3	\$7,040.5	\$7,251.8	
Less Food, Drugs, Other Non-Tax	\$552.0	\$2,700.4	\$3,513.4	\$4,372.7	\$5,280.4	\$5,438.8	
Avail. Income For Sales Tax	\$552.0	\$2,700.4	\$3,513.4	\$4,372.7	\$5,280.4	\$5,438.8	
State Sales Tax Realized	\$33.1	\$162.0	\$210.8	\$262.4	\$316.8	\$326.3	
Local Sales Tax Realized	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
<u>TOTAL SALES TAXES (\$1,000)</u>	\$33.1	\$162.0	\$210.8	\$262.4	\$316.8	\$326.3	
<u>TOTAL MIAMI-DADE PROPERTY & SALES TAXES (\$1,000)</u>	\$45.1	\$37.5	\$31.5	\$26.8	\$23.0	\$20.1	
<u>TOTAL PROPERTY & SALES TAXES (\$1,000)</u>	\$209.7	\$308.8	\$334.1	\$367.1	\$406.9	\$404.8	

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Year 8	TOTAL
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170
68

238

\$11,872.5 \$68,373.9
\$2,374.5 \$13,674.8

\$14,247.0 \$82,048.7

\$14,247.0 \$82,048.7

\$62.3 \$851.6

\$15.9 \$217.7

\$53,969.6
\$43,175.7
\$32,381.8
\$29,143.6
\$21,857.7

\$21,857.7
\$1,311.5
\$0.0

\$1,311.5

\$217.7

\$2,163.1

SUMMARY OF ECONOMIC IMPACT

Project Chestnut

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	170
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Indirect Employment	68
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Total Employment Gain	238
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Income from Wages

Direct Employment	\$68,373,907
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Indirect Employment	\$13,674,781
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Total Income Gain	\$82,048,689
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Revenue to Miami-Dade County

Total Property Taxes	\$217,687
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Total Local Sales Taxes	\$0
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Total Tax Revenue Gain	\$217,687
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Total Miami-Dade County (20%)

QTI Match	\$170,000
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Miami-Dade County Net Revenue Benefit	\$47,687
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INCENTIVE PROPOSAL CHECKLIST

Project Chestnut

1. Enterprise Zone:	No
2. Number of New Jobs Projected:	170
3. Average Salary per Job:	\$56,785
4. New Capital Investment:	\$14,400,000
5. New Square Footage:	TBD
6. Per Job Incentive:	\$5,000

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

170 New Jobs Over **5** Years

TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	\$680,000
2. Miami-Dade County Match (20%)	\$170,000
Total QTI Tax Refund Proposal	\$850,000

RETURN ON INCENTIVE INVESTMENT (ROI)

1. Miami-Dade County Incremental Tax Revenue*	\$217,687	
2. Total Miami-Dade County (20%) QTI Match	\$170,000	\$21,250
3. Miami-Dade County Net Revenue Benefit	\$47,687	
Total ROI Gain/Loss/Breakeven	1.28	

**QUALIFIED TARGET INDUSTRY LOCAL JOBS
COMMITMENT**

This Qualified Target Industry Local Jobs Commitment (the "Commitment") is made this ____ day of _____, 2017 ("Effective Date"), by : _____, a _____, the address of which is _____ ("Business"); and given as a material inducement to Miami-Dade County, a political subdivision of the State of Florida the address of which is 111 NW First Street, Miami, Florida 33128, Attn: Deputy Mayor ("County").

WITNESSETH

WHEREAS, the County approved Resolution R-1175-16 set forth policy requiring QTI businesses to fill not less than 20 percent on the jobs created on a project with residents of Miami-Dade County ("local residency requirement") as a condition of the Miami-Dade County Board of County Commissioners adopting a resolution recommending that the project be approved as a Qualified Target Industry business; and

WHEREAS, the Board finds that attracting, retaining and providing favorable conditions for the growth of target industries provides high quality employment opportunities for residents of this county and enhances the county's economic foundations; and

WHEREAS, the State requires an applicant requesting certification as a qualified target industry business to include with its application, among other things, a resolution adopted by the board of county commissioners of the county in which the project will be located that recommends that the target industry business be approved as a qualified target industry business exist ("Resolution of Support"); and

WHEREAS, such board of county commissioners may condition its support and recommendation; and

WHEREAS, the State also requires funding from local sources, public or private, ("Local Financial Support") to be paid to the Economic Development Trust Fund equal to 20 percent of the annual tax refund for a qualified target industry business; and

WHEREAS, in each application of a business seeking to be certified as a qualified target industry business, the Board has provided the Local Financial Support from Miami-Dade County's General Fund revenue; and

WHEREAS, although Miami-Dade County has provided the Local Financial Support, there has been no guarantee or requirement that the business would hire or employ any residents of Miami-Dade County; and

WHEREAS, it is in the best interest of Miami-Dade County and its residents to ensure that residents of Miami-Dade County have the opportunity to be employed in the high wage jobs created by the qualified target industry businesses, especially when Miami-Dade County funds are being used to finance 20 percent of the tax refunds to those businesses through the Local Financial Support.

NOW THEREFORE, effective as of the Effective Date, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Business agrees as follows:

1. Recitals: The foregoing recitals are true and correct and are incorporated into this Agreement;
2. Business shall ensure that twenty (20) percent of new hires created on the Project (as that term is defined and set forth in the Business' application to the State of Florida for the qualified industry business tax refund) are residents of Miami-Dade County.
3. Business shall allow County staff to conduct annual site visits, and such other site visits as the County deems necessary, to ensure compliance with local residency requirement.
4. Business shall, upon request of County, provide County with such documentation as requested by County to evidence that the Business is in compliance with the requirement that twenty percent of new hires are County residents. Any such documentation requested by the County shall be provided to the County not more than five business days after the request is made.
5. Business understands and agrees that County shall have no obligation to pay the Local Financial Support until such time as the Business has met the local residency requirement contained herein and proven such compliance to the satisfaction of County.
6. Business understands and agrees that in the event County is required by the State of Florida to pay the Local Financial Support before the Business has complied with the local residency requirement contained herein or notwithstanding Business' failure to comply with the local residency requirement, Business shall refund directly to County all amounts expended by County for the Local Financial Support within ten business days of the County making such payment to the State of Florida.
7. Business understands and agrees that in the event Business fails to comply with the local residency requirement and provide documentation or such other proof satisfactory to County to evidence such compliance, Business shall pay to the County, within ten business days of demand an amount equal to the total Local Financial Support contained and set forth in the Resolution of Support for the Business, without regard to whether the County has actually paid such amounts.
8. Business acknowledges and agrees that the representations, warranties, covenants and agreements contained in this Commitment constitute a material inducement to the County to adopt the Resolution of Support and provide the Local Financial Support and that without the

Local Jobs Commitment contained herein the County would not adopt the Resolution of Support and provided the Local Financial Support. Business further acknowledges and agrees that without the County's Resolution of Support and the Local Financial Support, Business would not be eligible to receive any tax refund as set forth in Florida Statutes Chapter 288, including not only the twenty percent Local Financial Support, but the eighty percent funded by the State of Florida.

9. Successors and Assigns: This Commitment shall bind Business and its legal representatives, successors and assigns.

10. Attorneys' Fees: In the event of any litigation concerning the enforcement of this Commitment, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, through the appellate level, from the non-prevailing party.

WAIVER OF JURY TRIAL: BUSINESS WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION, WHETHER ARISING IN CONTRACT OR TORT, BY STATUTE OR OTHERWISE, IN ANY WAY RELATED TO THIS THIS COMMITMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR COUNTY'S RESOLUTION OF SUPPORT AND LOCAL FINANCIAL SUPPORT

IN WITNESS WHEREOF, the Business has executed this Agreement, as of the day and year first written above.

BUSINESS:

_____, a

By: _____

Name: _____

Title: _____

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:

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.): December 31
- 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: 1293
- 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: 1680
- K. What type of legal entity is the applicant?
- | | | | |
|---------------------------|-------------------------------------|---------------|--------------------------|
| C-Corporation | <input checked="" type="checkbox"/> | S-Corporation | <input type="checkbox"/> |
| Limited Liability Company | <input type="checkbox"/> | Partnership | <input type="checkbox"/> |
- 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?
- N/A

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.

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

The project is a national banking association headquartered in Miami-Dade County, Florida. It provides a full range of banking services to individual and corporate customers nationwide, primarily serving small and medium sized businesses. The company also has support center in the northeastern and western United States.

In order to maintain its current operations as well as position itself for future growth, the company anticipates making significant investments over the next 5 years. The company will create 170 net new full-time positions by 2021. Growth is anticipated across its business support decisions, with a greater proportion in Information Systems, Credit Administration, and Risk Management. The company proposes to invest approximately \$14M in new IT infrastructure, software/hardware, and building improvements.

- D. What is the anticipated commencement date of the Project? October 2017
 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 (\$)
Corporate headquarters	551114	100%	\$56,785
		%	\$
		%	\$

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

Street Address

Miami-Dade

FL

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?

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.

- ☒ National headquarters
☐ International headquarters
☐ Not applicable

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:

66% Explain, if necessary:

4. JOB AND WAGE OVERVIEW

- A. How many new-to-Florida Full-Time Equivalent Jobs are projected to be created 170 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 0 are 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 \$56,785 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? \$19,500
- F. Please list the benefits that are included in the above calculation (e.g., health insurance, matching 401(k) contributions, etc.)?
 Health, Dental, and Vision Insurance, 401(k) Retirement Savings Program, Tuition Reimbursement Program, Employee Assistance Program, Flexible Spending Account, Short & Long Term Disability, Paid Vacation and Sick Time, Paid Holidays
- 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.):
 The company will be investing in new IT infrastructure, software/hardware, and building improvements.
- 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 :	2017	2018	2019			Total
Land or Building Purchase	\$	\$	\$	\$	\$	\$
Construction / Renovations	\$250,000	\$1,000,000	\$750,000	\$	\$	\$2,000,000
Manufacturing Equipment	\$	\$	\$	\$	\$	\$
R&D Equipment	\$	\$	\$	\$	\$	\$
Other Equipment (computer equipment, office furniture, etc.)	\$1,400,000	\$6,900,000	\$4,100,000	\$	\$	\$12,400,000
Total Capital Investment	\$1,650,000	\$7,900,000	\$4,850,000	\$	\$	\$14,400,000

- 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?

6. COMPETITIVE LANDSCAPE

- A. What role will the incentive(s) play in the Applicant's decision to locate the Project in Florida? Incentives will play a pivotal role in the project's decision to locate in Florida. The projected 170 positions would support nationwide operations and have a greater proportion in Information Systems, Credit Administration, and Risk Management. The nature of these back-office positions affords the company the flexibility to locate them in either Florida or continue its growth with their existing support operations in New York.
- B. What other states or countries (including the cities) is the Applicant considering for the Project?
New York

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

The company's growth strategy is to generate revenue equally from three market segments: Florida, New York, and nationally. The projected 170 new jobs are for back-office positions to support operations in growing markets. Due to the company's history in Florida and New York, which impacts its current culture and operational footprint, management has ongoing discussions as to where to concentrate operational support positions: in Florida, where the company originated and is headquartered, or in New York, where the company grew its footprint via acquisition and where it plans to grow further.

It would be advantageous to locate these positions in New York, where they can support the business on-site, rather than remotely from South Florida. In addition, the concentration of financial services companies within New York provides an ideal location for attracting qualified candidates within the banking industry.

Prior to a 2015 law change, Florida provided a significant structural income tax savings advantage over New York due to how the states apportion federal income tax. Effective January 1, 2016, this advantage has been removed after the implementation of New York's tax reform initiatives. The company had previously considered a relocation of a portion of its Miami-Dade headquarters to New York. The negative tax consequences associated with a relocation was a major factor in the decision not to relocate to New York at that time. However, as mentioned above, New York's recent structural tax changes have now largely minimized any Florida tax advantage. In addition, New York offers attractive incentives that offer refundable tax credits based upon new payroll and investments for 10 years. These incentives are designed to reduce the cost of a relocation such as the one the company is considering.

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

The company experiences its early growth in Florida, where it is headquartered. Going forward, the company anticipates that Florida will continue to contribute one-third to its revenue goals. As such, the company sees benefits to concentrating operations in Florida, where it can take advantage of existing synergies, and a relatively lower wage market.

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

Understanding that the company's operations cannot remain stagnant, it is considering strategic locations to continue its growth in Florida and New York. While the company is headquartered in Florida, New York offers significant financial service infrastructure. In addition, New York has a large talent pool from which the company can recruit.

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.?

Yes ☐ No ☒ If yes, explain?

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.

Qualified Target Industry Tax Refund Attachment to the General Project Overview

Project Chestnut

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?

170

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	20	12/31/2017
II	75	12/31/2018
III	25	12/31/2019
IV	25	12/31/2020
V	25	12/31/2021
Total	170	

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).

☒ \$56,785, which is at least 115% of the average wage in Miami-Dade County.

☐ \$____, 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

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

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

TBD

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.

Qualified Target Industry Tax Refund Attachment to the General Project Overview