

MEMORANDUM

Agenda Item No. 7(F)

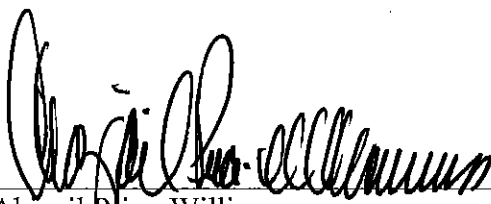
TO: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

DATE: (Second Reading 4-10-18)
February 6, 2018

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Ordinance amending sections
2-1252 and 2-1258 of the Code
relating to the Targeted Jobs
Incentive Fund (TIJF) Program;
modifying program incentives

The accompanying ordinance was prepared by the Regulatory and Economic Resources Department and placed on the agenda at the request of Prime Sponsor Economic Development and Tourism Committee.



Abigail Price-Williams
County Attorney

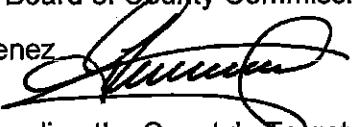
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Memorandum



Date: April 10, 2018

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

From: Carlos A. Gimenez 
Mayor

Subject: Ordinance Amending the County's Targeted Jobs Incentive Fund Program

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the attached ordinance that would amend Section 2-1258 of the Code of Miami-Dade County, which is related to the County's Targeted Jobs Incentive Fund (TJIF) Program.

The TJIF Program was initially created through Ordinance 00-98 and modified through Ordinances 02-251, 05-91 and 11-08. The proposed ordinance would modify and enhance the TJIF program, which is used to attract new-to-market businesses and support local business expansions.

Scope

The TJIF Program is available to any business that meets the criteria set forth in the TJIF Program. Additionally, under the proposed amendment, a TJIF project which creates 50 or more new jobs, as defined under Section 2-1252 of the Code, will be eligible for a higher incentive award.

Fiscal Impact/Funding Source

The TJIF Program is structured so that revenues received from the TJIF project will meet or exceed incentives paid by the County. As a result, the TJIF Program has a positive, fiscal impact on the county-wide general fund during the incentive payout period.

In no case will any TJIF project ever receive an actual award greater than the amount of countywide ad valorem revenues paid in the General Fund. In the event that there is less capital investment, the TJIF project will only be eligible to receive a payout based on the approved percentage of the actual capital investment.

Track Record/Monitor

Leland Salomon, Deputy Director of the Department of Regulatory and Economic Resources (Department), will be responsible for monitoring the Agreement.

Background

On July 6, 2000, the Board adopted Ordinance 00-98 creating the TJIF Program as a local business incentive. At that time, The Beacon Council, in its capacity as Miami-Dade County's official economic development partner, and County staff developed the self-funding TJIF business initiative. The TJIF Program is available to companies from outside of the County (with the exception of those located in Palm Beach, Broward, and Monroe Counties) wishing to relocate to Miami-Dade County and to existing Miami-Dade companies that undertake a business expansion and create jobs as a result of the local expansion. The

TJIF Program spurs business activity and is utilized to expand Miami-Dade County's economy.

The TJIF Program works by providing cash incentives to qualifying companies in selected industries that create new above-average paying jobs (at least 10 new jobs for both relocating and expanding businesses) and make a capital investment of at least \$3 million. Businesses that expand or relocate within the boundaries of the Enterprise Zone, Targeted Urban Areas, Brownfield areas, and Community Development Block Grant eligible areas are eligible for an additional incentive amount. All disbursements of incentive awards occur after jobs are created, capital investments are made, and after a qualifying company pays its taxes.

The TJIF Program is Miami-Dade County's own local business incentive program; however, from time to time, the incentives must be re-evaluated for Miami-Dade County to remain competitive in attracting new-to-market (relocating) firms, assisting existing local companies expand, and promoting job growth.

The proposed changes to the existing ordinance are designed to enhance the TJIF Program and encourage heightened business activity from specific industries.

Section 2-1258 - TJIF Incentives Changes

- Continues the requirement that a TJIF company must agree to create at least 10 jobs and make a significant amount of capital investment to receive the incentive. The number of jobs to be created will vary depending on each TJIF application/agreement.
- Adjusts the way incentives are calculated. Under the present TJIF program, the incentive amount is calculated based on the amount of total capital investment. The TJIF award, cannot exceed more than the incremental revenues generated by the TJIF project over the same ten-year payout period. The change to the TJIF program would allow for the payout period to be extended to ten-years (from the current six-years). This extension is recommended to provide lower annual incentive payments.
- Increases the TJIF incentive over the ten-year period subsequent to the taxable value of the Capital Investment appearing on the tax roll, and in each year that the application/agreement is in effect, to no more than 2.140 percent (up from 1.70 percent) of all real property capital investments and no more than 1.440 (up from 1.15 percent) percent of all tangible personal property capital improvements.
- Adds a new bonus for which a Project may qualify:
- An additional 0.150 percent of the total amount of Project's Capital Investment in taxable real property and tangible personal property for every 50 New Jobs created (New Jobs Bonus).
- Increases bonus to 0.220 percent (up from 0.175) if the Project is a Miami-Dade County "green certified" business.
- Increases bonus to 0.220 percent (up from 0.175) if the TJIF project is located within a Designated Priority Area (DPA).
- Increases bonus to 0.063 percent (up from 0.050) if the Project is located in a "green certified" building under one of the following certification systems: a) U. S. Green Building Council Silver-level certified building under the New Construction, Core and shell, Healthcare, Retail, Commercial Interior, Retail Interior, Existing Building or equivalent applicable LEED rating, or comparable third party certification; or b) Green Globes three globes-level certified building under the New Construction or Continual Improvement of Existing Building rating.

- Increases bonus to 0.063 percent (up from 0.050) if the TJIF Project's principal business activity is in the manufacturing, installation, and repair of Solar Thermal and Photovoltaic energy production or other clean energy products.
- Continues the following requirements under the existing TJIF Program:
 1. A company may not receive award payments of more than 25 percent of the total awards specified in the approved application/agreement in any fiscal year even if all the new jobs are created in one year.
 2. The 25 percent limit on annual award payment shall not apply to the final payment of a company that receives the New Jobs Bonus.
 3. A company may not receive more than \$1.5 million in awards in any single fiscal year or more than \$2.5 million in any single fiscal year if the project is located in a DPA.
 4. A company may not receive more than \$5 million in award payments in all fiscal years, or more than \$7.5 million if the project is located in a DPA.
 5. The Board, at its discretion, may waive the applicable total award cap mentioned immediately above at the request and recommendation of The Beacon Council and the County Mayor or the County Mayor's designee. However, in no event shall the total award exceed the amount of countywide ad valorem property taxes paid in as a result of the project.
 6. A company must always generate at least as much revenue as it receives in combined County incentive funds from the QTI and TJIF programs.
 7. The December 31, 2015 sunset of the Florida Enterprise Zone Program removes the limitation that the County's total incentive award under all three programs cap at the maximum TJIF award.



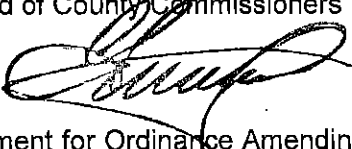
Jack Osterholt
Deputy Mayor

Memorandum



Date: April 10, 2018

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

From: Carlos A. Gimenez
Mayor 

Subject: Social Equity Statement for Ordinance Amending Sections 2-1252 and 2-1258 of the Code of Miami-Dade County, Florida Relating to the Targeted Jobs Incentive Fund (TJIF) Program

The proposed ordinance amends Section 2-1258 of the Code of Miami-Dade County, which is related to the County's Targeted Jobs Incentive Fund (TJIF) Program. The TJIF Program is Miami-Dade County's own local business incentive program that works by providing cash incentives to qualifying companies in selected industries that create new above-average paying jobs and make a capital investment of at least \$3 million.

However, from time to time, the incentives must be re-evaluated for Miami-Dade County to remain competitive in attracting new-to-market firms, assisting existing local companies and promoting job growth. The Ordinance was last updated in February 2011. The proposed changes to the existing ordinance adjust the way incentives are calculated to reflect the increase in cost of living and provide an additional incentive award for projects that create 50 or more new jobs. It is designed to enhance the TJIF Program and encourage heightened business activity from specific industries.



Jack Osterholt
Deputy Mayor

180141



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. 7(F)

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. 7(F)
4-10-18

ORDINANCE NO. _____

ORDINANCE AMENDING SECTIONS 2-1252 AND 2-1258 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA RELATING TO THE TARGETED JOBS INCENTIVE FUND (TJIF) PROGRAM; MODIFYING PROGRAM INCENTIVES; AND PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

WHEREAS, this Board recognizes the need to stimulate economic development in Miami-Dade County and particularly in certain economically depressed areas; and

WHEREAS, this Board desires to encourage economic growth and development, the creation of above average paying jobs, the alleviation of economic disinvestment and unemployment, and the creation of an enhanced business climate particularly in distressed targeted areas; and

WHEREAS, this Board finds that the modifications to the Targeted Jobs Incentive Fund Program would further enhance the existing Program and stimulate economic development and revitalization in Miami-Dade County; and

WHEREAS, this Board finds that the modification to the Targeted Jobs Incentive Fund Program are appropriate and consistent with the public purposes to promote a healthy and sustainable economy and eliminate distressed economic conditions,

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. Section 2-1252 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:¹

¹ Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

Sec. 2-1252. – Definitions.

* * *

- e. *Designated Priority Area or Designated Priority Areas* means the >>area previously designated and known as the<< Empowerment Zone area as designated by the Board of County Commissioners by Resolution No. R-1028-98 ~~[[as may be amended]]~~, >>the area previously designated and known as the<< Enterprise Zone areas as designated by the Board of County Commissioners by Ordinances Nos. 0-88-27 and 0-96-74 as well as Resolutions No. R-492-95 and No. R-913-08, ~~[[as may be amended]]~~, Targeted Urban Areas designated by the Board of County Commissioners by Ordinance No. 97-33 as may be amended, Brownfields areas as designated by the Board of County Commissioners by Resolution R-767-99 as may be amended, and Community Development Block Grant eligible areas as designated by the Board of County Commissioners by Resolution No. 618-02 as may be amended.

Section 2. Section 2-1258 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:¹

Sec. 2-1258. - TJIF incentives.

The amount of the TJIF award is tentatively ascertained, pending Board approval, during application processing and is based on the commitment of Capital Investment in the TJIF project and the commitment of new job creation as specified in the TJIF application/agreement. The actual TJIF award will be determined after the Company has completed its Capital Investment, hires the number of new jobs as specified in the Board of County Commissioners approved TJIF application/agreement, and all other obligations set forth in the application/agreement and the Resolution approving the TJIF award.

The maximum TJIF award is based on the Project's Capital Investment. For Capital Investment in real property, the incentive over >>the<<[~~[-six year]]~~ >>ten-year<< period subsequent to the Project's Capital Investment appearing on the tax roll may not exceed[~~[-1.70]]~~ >>2.140<< percent of the value of the Project's Capital Investment made by the Company, unless the TJIF Project is eligible for the following bonuses:

- a. An additional ~~[[0.175]]~~>>.220<< percent of the Project's Capital Investment in taxable real property

if the project is a Miami-Dade County "green certified" business, as applicable, before the first disbursement.

- b. An additional ~~[[0.175]]~~ >>.220<< percent of the Project's Capital Investment in taxable real property if the Project is located within a Designated Priority Area.
- c. An additional ~~[[0.05]]~~ >>.063<< percent of the Project's Capital Investment in taxable real property if the Project is located in a "green certified" building under one of the following certification systems:
 - (1) U.S. Green Building Council Silver-level certified building under the New Construction, Core and shell, Healthcare, Retail, Commercial Interior, Retail Interior, Existing Building or equivalent applicable LEED rating, or comparable third party certification;
 - (2) Green Globes 3 globes-level certified building under the New Construction or Continual Improvement of Existing Building rating.
- d. An additional ~~[[0.05]]~~ >>.063<< percent of the Project's Capital Investment in taxable real property if the Project's principal business activity is in the manufacturing, installation, and repair of Solar Thermal and Photovoltaic energy production or other clean energy products.

For Capital Investment in tangible personal property, the incentive over the ~~[[six-year]]~~ >>ten-year<< period subsequent to the Project's Capital Investment appearing on the tax roll, may not exceed ~~[[1.15-]]~~ >>1.440<< percent of the Project's Capital Investment made by the Company, unless the TJIF Project is eligible for the following bonuses:

- a. An additional ~~[[0.175]]~~ >>.220<< percent of the Project's Capital Investment in tangible personal property if the project is a Miami-Dade County "green certified" business, as applicable, before the first disbursement.

- b. An additional ~~[[0.175]]~~ >>.220<< percent of the Project's Capital Investment in tangible personal property if the Project is located within a Designated Priority Area.

- c. An additional ~~[[0.05]]~~ >>.063<< percent of the Project's Capital Investment in tangible personal property if the Project is located in a "green certified" building under one of the following certification systems:
 - (1) U.S. Green Building Council Silver-level certified building under the New Construction, Core and shell, Healthcare, Retail, Commercial Interior, Retail Interior, Existing Building or equivalent applicable LEED rating, or comparable third party certification;

 - (2) Green Globes 3 globes-level certified building under the New Construction or Continual Improvement of Existing Building rating.

- d. An additional ~~[[0.05]]~~ >>.063<< percent of the Project's Capital Investment in tangible personal property if the Project's principal business activity is in the manufacturing, installation, and repair of Solar Thermal and Photovoltaic energy production or other clean energy products.

>>An additional 0.150 percent of the total amount of Project's Capital Investment in taxable real property and tangible personal property for every 50 New Jobs created. ("New Jobs Bonus")<<

A Company may not receive award payments of more than twenty-five (25) percent of the total awards specified in the approved application/agreement in any fiscal year even if all the New Jobs are created in one (1) year. Further, a Company may not receive more than \$1.5 million in awards in any single fiscal year, or more than \$2.5 million in any single fiscal year if the project is

located in a Designated Priority Area. A Company may not receive more than \$5 million in award payments in all fiscal years, or more than \$7.5 million if the project is located in a Designated Priority Area. >>Notwithstanding the foregoing, to the extent that the TJIF Project is eligible for the New Jobs Bonus, the twenty-five percent limitation on annual payments shall be waived for the final payment.<< The Board of County Commissioners, at its discretion, may waive the applicable \$5 million or \$7.5 million total award cap at the request and recommendation of The Beacon Council and the County Mayor or the County Mayor's designee. However, in no event shall the total award exceed the amount of countywide general fund ad valorem property taxes paid in as a result of the Project. While a Company can receive funds under ~~[[the County's Enterprise Zone Program under Section 29-81, et al. of the County Code,]]~~ the State of Florida Qualified Target Industry Program and the County's TJIF Program in the same year, the County's total incentive award under ~~[[all three (3)]]~~ >>the two (2)<< programs is capped at the maximum TJIF award as specified in Section 2-1258.

Section 3. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 4. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 5. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as
to form and legal sufficiency:

APW

Prepared by:

SD

Shannon D. Summerset-Williams