



MEMORANDUM

Agenda Item No. 8(N)(2)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: January 24, 2012

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution amending Resolution
R-105-08 Centurion Air Cargo,
Inc., as a Targeted Jobs Incentive
Fund Program business

Resolution No. 43-12

The accompanying resolution was prepared by the Sustainability, Planning and Economic Enhancement Development Department and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.

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

R. A. Cuevas, Jr.
County Attorney

RAC/up

Date: January 24, 2012

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Carlos A. Gimenez
County Mayor 

Subject: Resolution Amending the Disbursement Dates Authorized for Centurion Air Cargo, Inc. under the County's Targeted Jobs Incentive Fund Program

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the requests to amend Resolution R-105-08, which authorized Centurion Air Cargo, Inc. ("Centurion" or the "Business") to participate in the County's Targeted Jobs Incentive Fund (TJIF) Program, to establish new disbursement dates as detailed below:

| Disbursement | Original Net New Jobs | Original Job Creation Deadline | Original Disbursement Date | Revised Net New Jobs | Revised Job Creation Deadline | Revised Disbursement Date | Payout |
|--------------|-----------------------|--------------------------------|----------------------------|----------------------|-------------------------------|---------------------------|--------------------|
| #1 | 50 | 12/31/2009 | FY 2011 | 50 | 12/31/2010 | FY 2013 | \$166,668.00 |
| #2 | 100 | 12/31/2010 | FY 2012 | 100 | 12/31/2011 | FY 2014 | \$166,668.00 |
| #3 | 50 | 12/31/2011 | FY 2013 | 50 | 12/31/2012 | FY 2015 | \$166,666.00 |
| #4 | 0 | n/a | FY 2014 | 0 | n/a | FY 2016 | \$166,666.00 |
| #5 | 0 | n/a | FY 2015 | 0 | n/a | FY 2017 | \$166,666.00 |
| #6 | 0 | n/a | FY 2016 | 0 | n/a | FY 2018 | \$166,666.00 |
| Total | 200 | | | 200 | | | \$1,000,000 |

The total number of jobs to be created, the total incentive amount, and the terms and conditions of the original TJIF application will not change with approval of this item. The new disbursement dates are set forth in this resolution but are subject to change at the direction of the County Mayor or the County Mayor's designee.

Scope

The business operations of the project will create 200 new jobs that will primarily impact Commission District 6; however, the overall economic impacts will benefit the entire County through economic multiplier effects.

Fiscal Impact / Funding Source

Based on the conditions set forth in the TJIF Ordinance, and as approved through R-105-08, Centurion is eligible for \$1,000,000 in TJIF assistance to be paid over a six-year period based on the capital investment stated in its application. However, County staff is also projecting approximately \$4,276,400 in additional general fund revenues to the County from the capital investment commitment as stated in the company's TJIF application. Based on these projections, this incentive would yield a 4.28 return on investment to the County.

The County uses general fund revenue to support the TJIF Program pursuant to the Code of Miami-Dade County, Florida, Chapter 2, Article LXXXVI, as modified by Ordinance No. 11-08, (the "TJIF Ordinance").

Track Record/Monitor

The TJIF program specifies that a Board-approved TJIF New-to-Market or Expanding business, as defined in the TJIF Ordinance, such as Centurion must make at least a \$3 million capital investment and create at least ten (10) new jobs within three (3) years of starting operations or completing their capital investment commitment in Miami-Dade County, whichever is later, and maintain those new jobs for an additional three (3) years. Centurion is promising to make a capital investment of \$123 million and create 200 new jobs.

Staff from the Sustainability, Planning, and Economic Enhancement Department, upon the company's request for incentive payment, will verify that it has met the required number of new jobs created, at the required wage

rate and in accordance with the TJIF agreement. The disbursement of the TJIF award is capped at the incremental general fund County taxes actually generated and paid by the Business. Staff will also confirm that the ad valorem and/or the tangible personal property taxes are sufficient to cover the TJIF payment.

Background

On February 5, 2008, the Board approved Resolution R-105-08, which authorized the participation of Confidential Project 07-00253 in the County's TJIF Program. The Business made a public decision to expand its operations in Miami-Dade County and the confidentiality of the project expired. Resolution R-105-08 authorized the County to use countywide general funds to be paid out over a six-year period.

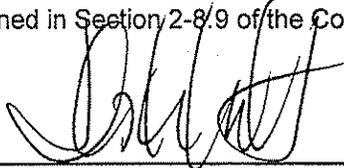
As a condition of the TJIF award, the Business and its related companies, with the same ownership, located in the same facility, agree to hire 200 new full-time employees while maintaining the 190 existing employees and make a capital investment of \$123 million. According to information provided by the Business, the Business and its related companies have created 228 net new jobs as of October 2011. The below table shows their job creation schedule:

| Company | Date Acquired/Established | Employees as of February 2008 | Current Employees as of October 2011 | Net New Employees |
|---------------------|---------------------------|-------------------------------|--------------------------------------|-------------------|
| Aerolog | July 2010 | 0 | 67 | 0 |
| Record Air | July 2000 | 29 | 29 | 0 |
| Sky Lease | September 2008 | 0 | 131 | 131 |
| Lynx | January 2005 | 3 | 271 | 0 |
| AMC | March 2004 | 0 | 17 | 17 |
| Purchase One | March 2009 | 0 | 13 | 13 |
| Bonus Technology | April 2011 | 0 | 62 | 62 |
| Centurion Air Cargo | Parent Company | 190 | 195 | 5 |
| TOTAL | | 222 | 785 | 228 |

Due to delays in construction, the economic downturn in the United States' economy, and site specific environmental issues, the Business has not met the capital investment criteria deadline in the original resolution. However, the project has now commenced construction. As a result, the Business submitted a written request to the County on July 22, 2011 to amend the disbursement dates timeline as proposed in this item. Since the net new jobs have already been created, the job creation criteria will not change with the approval of this item.

The Business is seeking to expand its air cargo warehouse operations which is currently under construction and is due to be completed by December of 2012. The expansion will increase its current warehouse storage capacity from 200,000 to 632,000 square feet and consolidate its administrative offices.

Centurion is an air cargo warehouse hub operation, currently located in the northeast sector of Miami International Airport. The Business and its related companies currently employ 785 workers at its Miami-Dade facility and is committing to retaining the required 200 net new jobs for the duration of the TJIF incentive. The Business also agrees, as a condition of the TJIF award, to pay average annualized wages of \$37,000 for the 200 new jobs, pursuant to Resolution R-105-08, and not to pay any of their employees less than the Living Wage Rate as defined in Section 2-8/9 of the Code of Miami-Dade County to remain eligible for the TJIF Program.



Deputy Mayor

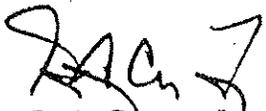


MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: January 24, 2012

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(N) (2)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Ordinance creating a new board requires detailed County Manager'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. 8(N)(2)

1-24-12

RESOLUTION NO. R-43-12

RESOLUTION AMENDING RESOLUTION R-105-08
CENTURION AIR CARGO, INC. AS A TARGETED JOBS
INCENTIVE FUND PROGRAM BUSINESS PURSUANT TO THE
CODE OF MIAMI-DADE COUNTY, FLORIDA, CHAPTER 2,
ARTICLE LXXXVI, AS MODIFIED BY ORDINANCE NO. 11-08,
TO EXTEND THE JOB CREATION AND DISBURSEMENT
DATES

WHEREAS, Centurion Air Cargo, Inc., submitted a written request to the County dated July 22, 2011, to amend the disbursement dates of their Targeted Job Incentive Fund (TJIF) award pursuant to Resolution R-105-08; and

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board amends Resolution R-105-08 to extend the disbursement dates timeline in accordance with the below table. The commitment of this incentive award for Centurion Air Cargo, Inc. exists in an amount not to exceed \$1,000,000 from General Revenue Funds, and is conditioned on and subject to specific annual appropriations by the Board from fiscal years 2013 to 2018.

| Disbursement | Original Net New Jobs | Original Job Creation Date | Original Disbursement Date | Revised Net New Jobs | Revised Job Creation Date | Revised Disbursement Date | Payout |
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| #6 | 0 | n/a | FY 2016 | 0 | n/a | FY 2018 | \$166,666.00 |
| Total | 200 | | | 200 | | | \$1,000,000 |

The commitment of incentive awards shall be contingent on Centurion Air Cargo, Inc. creating and maintaining the required two hundred (200) full-time jobs at an average annual salary of \$37,000 during the life of the incentive. Centurion Air Cargo also agrees to aspire to have hiring practices that are consistent with and reflect the diversity of the Miami-Dade County community.

The Business shall comply with the requirements set forth in Chapter 2, Article LXXXVI of the Miami-Dade County Code, which is incorporated herein by reference. An adjustment in the taxable value of the Business' Capital Investment subsequent to the submission of an application and disbursement of a TJIF award may reduce the Business' allowable incentive below the amount specified in this resolution. When such an event occurs, the Business will reimburse the County any difference between the amount of TJIF Incentive disbursed and the allowable TJIF award based on the adjusted taxable value. The anticipated dates for job creation and disbursement of incentive awards are subject to change at the direction of the County Mayor or the County Mayor's designee if in the best interest of the County.

The foregoing resolution was offered by Commissioner **Dennis C. Moss**, who moved its adoption. The motion was seconded by Commissioner **Jean Monestime** and upon being put to a vote, the vote was as follows:

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

The Chairperson thereupon declared the resolution duly passed and adopted this 24th day of January, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK



By: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Brenda Kuhns Neuman