

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, RECOMMENDING *PROJECT LIQUID*, BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO SECTION 288.106, FLORIDA STATUTES; PROVIDING FOR LOCAL FINANCIAL SUPPORT IN THE FORM OF CASH FOR THE QUALIFIED TARGET INDUSTRY TAX REFUND WITH HIGH-IMPACT SECTOR BONUS; DIRECTING THE COUNTY ATTORNEY TO DRAFT AN ECONOMIC DEVELOPMENT GRANT AGREEMENT; PROVIDING FOR THE CORRECTION OF ERRORS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

**RECITALS**

WHEREAS, Project Liquid is a business that designs mobile software applications for iPhone, iPad, Blackberry and Android devices; and

WHEREAS, Project Liquid has expressed interest in St. Johns County as their single Florida site for consideration to locate their U.S. corporate headquarters and software design center; and

WHEREAS, Project Liquid is considering other states in the Northeast region for the proposed location of this operation; and

WHEREAS, Project Liquid proposes to bring 40 new jobs to St. Johns County over a two-year period at an average wage greater than 150% of the St. Johns County average wage if the local site is ultimately selected; and

WHEREAS, Project Liquid represents a targeted industry for both St. Johns County and the State of Florida and has applied for a Qualified Target Industry Tax Refund for job creation estimated to be \$240,000, of which St. Johns County will provide a local match of 20%; and

WHEREAS, Project Liquid has been identified as a Target Industry Business and, moreover, falls within one of the high-impact sectors designated under Florida Statute 288.108, specifically Information Technology and is eligible to apply for the Qualified Target Industry Tax Refund with a High-Impact Sector Bonus, pursuant to s.288.106; and

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, THAT:**

**SECTION 1.           Incorporation of Recitals.**

The Recitals expressed above are incorporated by reference into the body of this Resolution, and such Recitals are hereby adopted as findings of fact.

**SECTION 2. Board Recommendation.**

The Board of County Commissioners of St. Johns County, Florida hereby recommends to the State of Florida that Project Liquid be approved as a Qualified Target Industry Business.

**SECTION 3. Board Acknowledgement of Financial Support.**

The Board acknowledges that the necessary commitment of local financial support for Project Liquid for the Qualified Target Industry Tax Refund with High-Impact Sector Bonus exists in the amount of \$48,000, which includes \$32,000 for the Qualified Target Industry Tax Refund and \$16,000 for the High-Impact Sector Refund spread over five (5) County fiscal years. This amount will be made available in accordance with the guidelines set forth by the Department of Economic Opportunity with the stipulation that these funds are intended to represent local financial support pursuant to section 288.106 of the Florida Statutes.

**SECTION 4. Draft Economic Development Grant Agreement.**

The Board hereby directs the County Attorney to prepare a draft Economic Development Grant Agreement in the amount of \$5,396 for later Board consideration upon St. Johns County being selected as the Project Liquid site.

**SECTION 5. Correction of Errors.**

To the extent that there are typographical and/or administrative errors that do not change the tone, tenor, or concept of this Resolution, then this Resolution may be revised without subsequent approval by the Board of County Commissioners.

**SECTION 6. Severability.**

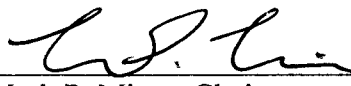
It is the intent of the Board, and it is hereby provided, that if any phrases, clause, sentence, subsection, section or provision of this Resolution is held to be invalid, or unconstitutional by a court of competent jurisdiction such invalidity of unconstitutionality shall not be construed as to render invalid or unconstitutional the remaining phrases, clauses, subsection or provisions of this Resolution.

**SECTION 7. Effective Date.**

This Resolution shall be effective upon execution by the Chair of the Board of County Commissioners.

PASSED AND ADOPTED by the Board of Board of County Commissioners of St. Johns County, Florida this 17<sup>th</sup> day of April 2012.

BOARD OF COUNTY COMMISSIONERS OF ST.  
JOHNS COUNTY, FLORIDA

By:   
Mark P. Miner, Chair

ATTEST: Cheryl Strickland, Clerk

By:   
Deputy Clerk

RENDITION DATE 4/19/12



**ESTIMATE OF ECONOMIC DEVELOPMENT  
GRANT CALCULATION  
PROJECT LIQUID**

Calculations based on County Ordinance 2006-99 and millage rates effective on October 1, 2011

**Category:** **New Industry**

**POINTS AWARDED**

Target Industry - Information	
Technology/Corp HQ	2
Job Creation - 40	1
Wages - \$70,000 average	2
<b>Total Points</b>	<b>5</b>

The applicant scored 5 points under the New Industry Category. Therefore, this project is eligible for Expedited Permitting and an Economic Development Grant equal to two (2) year's tangible personal property tax (general county portion) on equipment and tangible assets.

Total Estimated Value of New Tangible Assets	510,000
Multiplied by County Millage rate	0.52900%
Annual new tangible business personal property tax (general county portion)	2,698
Multiplied by # Eligible Years	2
<b>Total tangible business personal property tax (general county portion)</b>	<b>5,396</b>

**TOTAL ESTIMATED INCENTIVE** **5,396**

Payout will begin when capital improvements are recognized on the tax roll. Annual installments will not exceed the annual general county portion of the ad valorem tax paid each year and are limited to a maximum of 10 years.

**PAYOUT SCHEDULE:**

<b>Total Maximum Possible Incentive:</b>	<b>5,396</b>
<b>Payout will consist of annual installments of:</b>	<b>2,698</b>

\* The annual payment is based on the general county portion of the ad valorem taxes paid each year which could fluctuate with increasing property values. The total payout will not exceed the total incentive granted.

as of 04.11.12

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as of 04.11.12

**FINANCIAL CONTRIBUTIONS  
PROJECT LIQUID  
COST-BENEFIT ANALYSIS**

Calculations are based on County Ordinance 2006-99 and millage rates effective on October 1, 2011

<b>Category:</b>	<b>New Industry</b>	
<b>Estimated Added Values:</b>	<b>Real Property</b>	-
	<b>Capital Improvements</b>	-
	<b>Tangible New Business Personal Property</b>	<b>510,000</b>
	<b>Total Added Value</b>	<b>510,000</b>
<b>Total Estimated Taxes:</b>		
Total Real Property Taxes Annually		-
Total Real Property Taxes over 20 years		-
Total Tangible Personal Property Tax Annually		8,065
Total Tangible Personal Property Tax over 20 years		161,307
<b>Total Estimated Taxes Paid:</b>		
<b>Annually</b>		<b>8,065</b>
<b>Over 20 years</b>		<b>161,307</b>
<b>Total Estimated General County Portion Taxes:</b>		
Real Property Taxes (general county portion) Annually		-
Real Property Taxes (general county portion) over 20 years		-
Total Tangible Personal Property Tax (general county portion) Annually		2,698
Total Tangible Personal Property Tax (general county portion) over 20 years		53,958
<b>Estimated General County Portion Paid:</b>		
<b>Annually</b>		<b>2,698</b>
<b>Over 20 years</b>		<b>53,958</b>
Estimated Assessment for Impact Fees		-
Estimated Assessment for Water Unit Connection Fee		-
Estimated Assessment for Sewer Unit Connection Fee		-
<b>Total Fees:</b>	<b>(These figures are not included in Total Taxes Paid)</b>	<b>-</b>
<b>Estimated Value of Economic Development Grant</b>		<b>5,396</b>
<b>Estimated Value of State Qualified Tax Incentive (20% County Participation)</b>		<b>48,000</b>
<b>Total Estimated Value of Incentives</b>		<b>53,396</b>
<b>Net Benefit to St. Johns County (General County portion) over 20 years</b>		<b>562</b>
<b>Estimated Return on Investment (years)</b>		<b>-</b>

as of 04.11.12

### Sample QTI Payout Schedule

Input
Calculation

40
\$ 6,000
\$ 240,000

Number of Jobs  
 QTI Award Amount  
 Total QTI Refund

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	Total
Jobs	20	20								40

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Phase I		\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000					\$ 120,000
Phase II			\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000				\$ 120,000
Phase III				\$ -	\$ -	\$ -	\$ -			\$ -
Phase IV				\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Phase V				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Refund Payment	\$ -	\$ 30,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 30,000	\$ -	\$ -	\$ -	\$ 240,000

State Contribution (80%) \$ - \$ 24,000 \$ 48,000 \$ 48,000 \$ 48,000 \$ 24,000 \$ - \$ - \$ - \$ 192,000  
 Local Contribution (20%) \$ 6,000 \$ 12,000 \$ 12,000 \$ 12,000 \$ 6,000 \$ - \$ - \$ - \$ - \$ 48,000

Note: Refund payments are offset from the job creation by one year because the refund payment is made to the company after July 1 (the beginning of the state's fiscal year), the year following the job creation. For example, for jobs created 12/31/12, the refund payment would be made in July 2013.