

RESOLUTION NUMBER 2013- 283

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, RECOMMENDING PROJECT PANTHER BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO SECTION 288.106, FLORIDA STATUTES; AFFIRMING THIS IS A MANUFACTURING PROJECT; REQUESTING A WAIVER OF THE AVERAGE WAGE REQUIREMENT OF SECTION 288.106(4)(b)1.a, FLORIDA STATUTES; PROVIDING FOR LOCAL FINANCIAL SUPPORT IN THE FORM OF CASH FOR THE QUALIFIED TARGET INDUSTRY TAX REFUND; PROVIDING FOR THE CORRECTION OF ERRORS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

RECITALS

WHEREAS, PROJECT PANTHER has expressed interest in St. Johns County for consideration to locate their U.S. corporate headquarters and aluminum products manufacturing operation; and

WHEREAS, PROJECT PANTHER is considering another state in the Southeast region for the proposed location of this operation; and

WHEREAS, PROJECT PANTHER proposes to bring over 100 new jobs to St. Johns County, including 30 new jobs to Florida, over a three-year period if the local site is ultimately selected; and

WHEREAS, PROJECT PANTHER proposes to acquire and renovate an existing vacant 145,000 square foot building in St. Johns County; and

WHEREAS, PROJECT PANTHER has been identified as a Target Industry Business; and

WHEREAS, for projects with an average annual wage of at least 100%, but less than 115% of the County's average annual wage, a waiver of the average annual wage requirement is required in order to be eligible for Florida's Qualified Target Industry Tax Refund Program; and

WHEREAS, because it is a manufacturing project, PROJECT PANTHER is eligible to receive a waiver of the average wage requirement as authorized by Section 288.106(4)(b)1.b, Florida Statutes; and

WHEREAS, PROJECT PANTHER will commit to pay an average annual wage of \$36,000, which is at least 100% of the county average wage; and

WHEREAS, the St. Johns County Board of County Commissioners acknowledges that local financial support of 20% of the total tax refund is required under the provisions of Section 288.106, Florida Statutes, governing the State's Qualified Target Industry Tax Refund Program; and

WHEREAS, the St. Johns County Board of County Commissioners has determined that the merits of PROJECT PANTHER warrant a waiver of the average wage requirement.

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

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 PANTHER be approved as a Qualified Target Industry Business pursuant to Section 288.106, Florida Statutes.

SECTION 3. Board Request for Waiver of Average Wage Requirement.

The Board requests a waiver of the average wage requirement of Section 288.106(4)(b)1.a, Florida Statutes, because this project will create 100+ new jobs in St. Johns County, acquire and renovate a vacant 145,000 square-foot existing building and invest \$7,500,000 into the local economy if the local site is selected for their operation.

SECTION 4. Board Acknowledgement of Financial Support.

The Board acknowledges that the necessary commitment of local financial support for the Qualified Target Industry Tax Refund Program exists for PROJECT PANTHER in the amount of \$18,000. 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, Florida Statutes.

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.

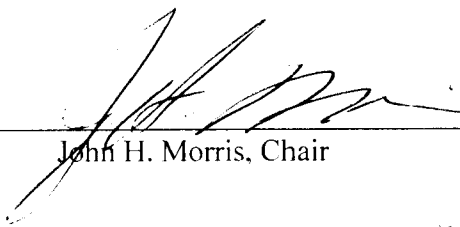
It is the intent of the Board and it is hereby provided, that if any phrases, clause, sentence, subsection, section or provision of this Resolution is held to be invalid, or unconstitutional by a court of competent jurisdiction such invalidity of unconstitutionality shall not be construed as to render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

SECTION 7. Effective Date.

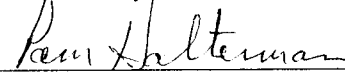
This Resolution shall be effective upon execution by the Chair of the Board of County Commissioners.

PASSED AND ADOPTED by the Board of County Commissioners of ST. JOHNS COUNTY, FLORIDA, this 17 day of December, 2013.

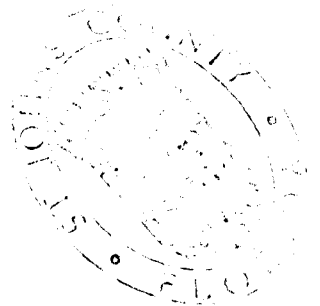
BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY, FLORIDA

By: 
John H. Morris, Chair

ATTEST: Cheryl Strickland, Clerk

By: 
Deputy Clerk

RENDITION DATE 12/19/13





**ST. JOHNS COUNTY
OFFICE OF THE COUNTY ADMINISTRATOR
ECONOMIC DEVELOPMENT**

500 San Sebastian View
St. Augustine, Florida 32084

I N T E R O F F I C E M E M O R A N D U M

To: St. Johns County Board of County Commissioners
Through: Michael D. Wanchick, County Administrator
From: Melissa S. Glasgow, Director of Economic Development
Date: December 4, 2013
Subject: St. Johns County Economic Development Public Agency Report -
Project Panther Economic Development Incentive Application

The St. Johns County Economic Development Public Agency (Public Agency) has received an application from Project Panther (aka Project Gate) (Applicant), for economic development incentives to consider locating their company in St. Johns County. The Applicant has a vacant industrial building under consideration which could serve as its new corporate headquarters and aluminum products manufacturing operation. They are also considering another state and have requested confidentiality during this due-diligence process.

The Applicant proposes to have 85 employees by January 1, 2015, paying an average wage of \$40,000. It is expected that some existing employees may not relocate so there would be an opportunity for local residents to apply for open positions. The Applicant also intends to hire 30 new employees to accommodate projected growth.

The application scored 4.5 points under the 'New Industry' category of the County's Business Incentive Program, which falls below the minimum criteria of 5.0 points for economic development incentives. In accordance with Ordinance 2006-99, the Board may use the program as a guideline to select which businesses, if any, that will be awarded economic development grants. At the Board of County Commissioners meeting on December 3, 2013, the Board directed the Public Agency to bring the application forward for consideration of incentives based on the positive merits of the project, which include: creation of 100+ new jobs, acquisition and renovation of a vacant 145,000 square-foot existing building and investment of \$7,500,000 into the local economy.

The application will be considered for expedited permitting and an economic development grant for two years of ad valorem taxes paid by the applicant (general County portion) on tangible personal property valued at \$2,000,000, which is estimated to be \$21,560. The Applicant has also applied for a State of Florida Qualified Target Industry (QTI) \$90,000 tax refund for job creation, of which St. Johns County would consider providing a local match of 20%, estimated to be \$18,000. Total consideration of incentives for Project Panther is estimated to be \$39,560, with a payout over a six (6) year period due to phased hiring.

If St. Johns County is selected, Project Panther would occupy the building by January 1, 2015. With this schedule, it is anticipated that the first annual grant payment would be made to the Applicant during FY 16.

The following items are attached, and represent the Agency Report:

- Project Panther Estimated Economic Development Grant Calculation
- Project Panther Cost-Benefit Analysis
- Project Panther Sample QTI Payout Schedule

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

Calculations are based on County Ordinance 2006-99 and millage rates effective on October 1, 2013

Category:	New Industry	
Estimated Added Values:	Real Property	-
	Capital Improvements	1,000,000
	Tangible New Business Personal Property	2,000,000
	Total Added Value	3,000,000
Total Estimated Taxes:		
	Total New Real Property Taxes Annually	15,518
	Total New Real Property Taxes over 20 years	310,368
	Total Tangible Personal Property Tax Annually	31,037
	Total Tangible Personal Property Tax over 20 years	620,736
Total Estimated Taxes Paid:		
	Annually	46,555
	Over 20 years	931,104
Total Estimated General County Portion Taxes:		
	New Real Property Taxes (general county portion) Annually	5,390
	New Real Property Taxes (general county portion) over 20 years	107,800
	Total Tangible Personal Property Tax (general county portion) Annually	10,780
	Total Tangible Personal Property Tax (general county portion) over 20 years	215,600
Estimated General County Portion Paid:		
	Annually	16,170
	Over 20 years	323,400
	Estimated Value of Economic Development Grant	21,560
	Estimated Value of State Qualified Tax Incentive (20% County Participation)	18,000
	Total Estimated Value of Incentives	39,560
	Net Benefit to St. Johns County (General County portion) over 20 years	283,840

as of 12.04.13

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

Calculations based on County Ordinance 2006-99 and millage rates effective on October 1, 2013

Category: New Industry

POINTS AWARDED

Target Industry - Manufacturing	2
Job Creation - 115	2
Wages - \$40,000 average	0.5
Total Points	4.5

The applicant scored 4.5 points under the New Industry Category. Through Board direction, 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	2,000,000
Multiplied by County Millage rate	0.53900%
Annual new tangible business personal property tax (general county portion)	10,780
Multiplied by # Eligible Years	2
Total tangible business personal property tax (general county portion)	21,560

TOTAL ESTIMATED INCENTIVE **21,560**

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:

Total Maximum Possible Incentive:	21,560
Payout will consist of annual installments of:	10,780

* 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.

Project Panther

Sample QTI Payout Schedule

Input
Calculation

30
\$ 3,000
\$ 90,000

Number of Jobs
 QTI Award Amount
 Total QTI Refund

	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	Total
Jobs	10	10	10							30

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Phase I		\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500					\$ 30,000
Phase II			\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500				\$ 30,000
Phase III				\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500			\$ 30,000
Phase IV					\$ -	\$ -	\$ -	\$ -		\$ -
Phase V						\$ -	\$ -	\$ -	\$ -	\$ -
Total Refund Payment	\$ -	\$ 7,500	\$ 15,000	\$ 22,500	\$ 22,500	\$ 15,000	\$ 7,500	\$ -	\$ -	\$ 90,000

State Contribution (80%) \$ - \$ 6,000 \$ 12,000 \$ 18,000 \$ 18,000 \$ 12,000 \$ 6,000 \$ - \$ - \$ 72,000
 Local Contribution (20%) \$ 1,500 \$ 3,000 \$ 4,500 \$ 4,500 \$ 3,000 \$ 1,500 \$ - \$ - \$ - \$ 18,000

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 12/31/15, the refund payment would be made in July 2016.