



TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: January 22, 2014

TITLE: Consent Resolution – Project Green – Qualified Target Industry (QTI) Tax
Refund Incentive

Recommendation

It is recommended that the City Commission adopt a resolution approving Project Green as a Qualified Target Industry (QTI) business applicant and providing local financial support, contingent upon approval from the State of Florida Office of Economic Opportunity.

Background

Project Green is corporate headquarters retention and expansion project that is being organized as a joint effort between the Greater Fort Lauderdale Alliance and the City of Fort Lauderdale. Project Green seeks financial assistance in support of a long-term real estate plan to consolidate its corporate headquarters and back-office operations in Fort Lauderdale.

The incentive award for consideration is part of a two-city package presented by Enterprise Florida that involves a share of the QTI award between Fort Lauderdale and another Florida location in support of the job creation opportunities in both locations. Capital investment associated with the project would be at least \$50 million for the retrofitting of existing spaces in both locations. . The company would commit to creating 385 net new headquarter jobs in Florida made up of 204 newly created positions in Fort Lauderdale and 181 additional jobs in the other Florida location at an average annual salary of \$100,000, while retaining 468 jobs comprised of 21 in Fort Lauderdale and 447 jobs at the other Florida location. Fort Lauderdale would benefit by getting the higher number of net new headquarter jobs between the two locations. Also, the estimated average annual salary of \$100,000 is approximately 225% above the Broward County average wage. The project is expected to be completed by December 31, 2014.

QTI Funding Award

Enterprise Florida has recommended an incentive proposal for the net new jobs for the QTI program at \$7,000 per each new job created in both Florida locations along with

cash grants from the Quick Action Closing Fund and High Impact Performance Incentive fund. The Fort Lauderdale QTI breakdown allocates \$1,428,000 for 204 net new headquarter jobs at \$7,000, with a local match of \$285,600.

City staff recommends approval of a resolution indicating the City's support for a Qualified Targeted Industry (QTI) incentive, in support of the creation of new jobs in a targeted industry for Project Green. The QTI award would be for \$285,600 to be paid annually over an eight-year period beginning in Fiscal Year 2015. The payment for the QTI award in the first year is estimated to be \$22,750.

Additionally, Project Green has requested a Direct Cash incentive in support of adding jobs to the Fort Lauderdale job market. The Direct Cash incentive would be approved to secure state cash grants from both the Quick Action Closing Fund and High Impact Performance Incentive programs. The total Direct Cash incentive requested by Project Green is \$306,000 or \$1,500 per job, to be equally split between the State of Florida and the City. The City's portion of the Direct Cash incentive will be paid over a three-year period. The company's request for the Direct Cash incentive will be considered at a future City Commission meeting. The Direct Cash award cannot be considered by the City of Fort Lauderdale until the applicant officially announces its expansion plans.

Resource Impact

No current year budgetary impact. Funding for fiscal year 2015 through fiscal year 2022 is subject to approval and appropriation of the annual operating budget.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018 initiative*, included within the *Business Development Cylinder of Excellence*, specifically advancing:

- **Goal 7:** Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, port, and rail connections.
- **Objective 1:** Define, cultivate, and attract targeted and emerging industries.
- **Initiative 1:** Evaluate and expand our portfolio of business attraction incentives.

This item also advances the *Fast Forward Fort Lauderdale 2035 vision plan: We are Prosperous*.

Attachment:
Exhibit 1 – Resolution

Prepared by: Jonathan Brown, Housing & Community Development Manager

Department Director: Greg Brewton, Sustainable Development