



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

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: December 18, 2012

TITLE: Consent Resolution – Project Orange – Qualified Target Industry (QTI) tax
Refund Program – Economic Development Incentive Package

Recommendation

It is recommended that the City Commission adopt a resolution approving Project Orange as a Qualified Target Industry business applicant and providing local financial support, contingent upon approvals from Broward County and the State of Florida.

Background

Project Orange is a joint effort of the State of Florida, Broward County, the Greater Fort Lauderdale Alliance and the City of Fort Lauderdale to support the expansion of an existing Fort Lauderdale business and the creation of over 200 jobs over three years at an average salary equal to or greater than \$84,678 per year, and an increase to the city's property and personal tangible tax base of \$7.5 MM.

The total QTI incentive award is \$1,400,000 of which the State of Florida would provide 80% (\$1,120,000) and the remaining 20% (\$280,000) would be a local match split equally between Broward County and the City of Fort Lauderdale.

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 the Information Technology targeted industry for Project Orange. The City of Fort Lauderdale QTI award would be for \$140,000 to be paid annually over a six-year period.

Additionally, city staff recommends providing Project Orange with a Direct Cash incentive in support of local job growth. Total Direct Cash incentive offered to Project Orange is \$200,000 equally split between Broward County and the City. The City's portion of \$100,000 will be paid over a three-year period. When combined the city's total QTI and Direct Cash commitment to Project Orange is \$240,000. The Direct Cash incentive will be considered at a future City Commission meeting for approval; the Direct Cash award cannot be awarded until the applicant officially announces its expansion plans.

Resource Impact

No current year budgetary impact. Funding for fiscal year 2014 through fiscal year 2019 is subject to approval and appropriation of the annual operating budget.

FUNDS AVAILABILITY LOCATION:

| FISCAL YEAR | FUND | SUB FUND | FUND NAME | INDEX # | INDEX NAME | SUB OBJECT # | SUBJECT NAME | AMOUNT |
|-------------|------|----------|--------------|-----------|----------------------|--------------|---------------------|------------|
| 2013/14 | 001 | 01 | General Fund | DSD050101 | Economic Development | 4299 | Other Contributions | 8,750.00 |
| 2014/15 | 001 | 01 | General Fund | DSD050101 | Economic Development | 4299 | Other Contributions | 17,500.00 |
| 2015/16 | 001 | 01 | General Fund | DSD050101 | Economic Development | 4299 | Other Contributions | 35,000.00 |
| 2016/17 | 001 | 01 | General Fund | DSD050101 | Economic Development | 4299 | Other Contributions | 35,000.00 |
| 2017/18 | 001 | 01 | General Fund | DSD050101 | Economic Development | 4299 | Other Contributions | 26,250.00 |
| 2018/19 | 001 | 01 | General Fund | DSD050101 | Economic Development | 4299 | Other Contributions | 17,500.00 |
| | | | | | | | TOTAL | 140,000.00 |

Attachment:

Exhibit 1 - Resolution

Prepared by: Karen Reese, Economic Development

Department Director: Greg Brewton, Sustainable Development