



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

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: April 15, 2014

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

Recommendation

It is recommended that the City Commission adopt a resolution approving the local financial incentives through the Qualified Targeted Industry (QTI) Program for Project Compact.

Background

Project Compact is an opportunity for the City of Fort Lauderdale to provide a QTI incentive for the expansion and relocation of a local corporate headquarters. Currently the company occupies 40,000 square feet of office space which are the corporate offices for an existing 188 full-time employees. The executive team for Project Compact has initiated an aggressive growth strategy over the last 12 months that has included the creation of 30 full-time positions with an average annual salary of \$60,000 per year. The company also anticipates additional expansion of the workforce and as a result would like to move into a larger facility.

The total QTI payout is \$954,000, with the state providing \$763,200 and the City of Fort Lauderdale local match of \$190,800.

Highlights of Incentive:

- The company's relocation to a larger facility in Fort Lauderdale would help create 159 net new full-time positions. The QTI current hiring schedule for the 159 net new employees totals 89 new hires in years one through three, and 70 new hires in years four and five.

- Average employee wages are in excess of 115% of the Broward County average annual wage of \$50,484.
- Total capital investment of approximately \$1.3M. The capital investment would consist of tenant improvement renovations of approximately \$600,000 (i.e., information technology infrastructure and furniture, fixtures and equipment) and approximately \$700,000 on working capital.

The company has already received significantly higher incentive offers from Louisiana and North Carolina, part of which is due to the ability of those two states to incentivize the entire current and new full-time equivalents while Florida cannot provide retention incentives for the current employees.

Resource Impact

No current year budgetary impact. Funding for fiscal year 2015 through fiscal year 2019 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.

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

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