



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#16-0831

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

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

DATE: September 7, 2016

TITLE: Qualified Target Industry (QTI) Tax Refund Incentive for Project Sego

Recommendation

It is recommended that the City Commission adopt a resolution confirming the City of Fort Lauderdale's continued support of Project Sego.

Background

On February 2, 2016, the Fort Lauderdale City Commission approved the City's 20% local match for the Project Sego QTI incentive award (CAM #16-0127). Based on the project application and the City's approval of the local match, the Florida Department of Economic Opportunity (DEO) approved Project Sego for the Qualified Target Industry Tax Refund Program.

Project Sego is the relocation of a professional services company to Fort Lauderdale and Broward County. Project Sego is one of the leading providers of healthcare staffing in the country with a highly regarded and trusted brand within the healthcare industry. This project represents a great opportunity to support the relocation of a successful healthcare staffing company to Fort Lauderdale. Establishing this project would further allow the City to compete with larger markets both domestic and international, and serve as a validation to the area's economic development strategy.

Project Sego is a joint effort between the State of Florida, The Greater Fort Lauderdale Alliance, and the City of Fort Lauderdale. The total QTI incentive award is \$450,000 of which the State of Florida will provide 80% (\$360,000). The remaining 20% (\$90,000) will be paid by the City of Fort Lauderdale in annual payments over a period of eight years. The payment for the QTI award in the first year is estimated to be \$1,500.00.

Project Sego has notified DEO that their initial annual job creation schedule will be delayed by one year. All other terms, conditions, wage levels, and amounts of support remain the same. The City's local match contributions become due once DEO verifies that Project Sego has actually created the jobs per the schedule of their application. Therefore, the City's local match contributions will be pushed out by one year to correspond with Project Sego's revised job creation schedule.

Highlights of the incentive award:

- Project Sego will create 150 high skill/high wage jobs with an average annual wage of \$51,266 (115% of the private sector average wage in Broward County).
- Validates the City of Fort Lauderdale and the State of Florida's commitment to facilitating employment opportunities within new and existing industries in the Professional Services sector.
- Secures a conservatively estimated capital investment of approximately \$3.9 million for applicable renovations/office equipment purchases of a leased 35,000 sq. ft. facility on North Federal Highway.

Resource Impact

There is no current year budgetary impact for this Fiscal Year associated with this action. Funding for Fiscal Year 2018 through Fiscal Year 2025 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*.

Attachments

Exhibit 1 – QTI Local Match Payment Schedule

Exhibit 2 – Resolution

Prepared by: Michael Chen, Citywide Economic & Business Development Manager

Department Director: Anthony Greg Fajardo, Sustainable Development