



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#18-1315

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

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

DATE: December 18, 2018

TITLE: Resolution Authorizing Qualified Target Industry Tax Refund Incentive for
Project Sandy

Recommendation

It is recommended the City Commission adopt a resolution approving Project Sandy for the City's Local Match Program in support of a Florida Qualified Target Industry (QTI) company pursuant to Section 288.106, Florida Statutes.

Background

Project Sandy is the expansion of an international market leader in the design and manufacturing of marine equipment, including special applications for passenger and merchant ships, navy/military ships, and mega/giga-yachts. The company currently has an office on the east coast of the United States and is planning to expand their US operations by establishing a permanent a US headquarters in Fort Lauderdale.

By establishing Fort Lauderdale as their Corporate Headquarters, Project Sandy represents an opportunity to secure the expansion of an international marine equipment manufacturing operation that will aid the City of Fort Lauderdale in remaining competitive in both domestic and international markets. This relocation to Fort Lauderdale will result in 20 high-skill/high-wage jobs with an average wage of \$55,990 (115% of the private sector average wage in Broward County) over the next six (6) years with a capital investment of approximately \$9.9 million and will create a chain reaction of direct and indirect spending that will greatly benefit our local, regional and state economies. Based on the parameters of the project, Project Sandy qualifies for \$5000 per net new job created. Project Sandy 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 will not exceed \$100,000, of which the State of Florida would provide 80% (\$80,000) and the City of Fort Lauderdale would provide 20% (\$20,000). The award will be paid annually, in amounts not to exceed the values depicted in Exhibit 1. The City's share of the QTI award in the first year (FY2020/21) is estimated to be \$2,500.00.

Highlights of the incentive award:

- Project Bulldog will create a minimum of 20 high-skill/high-wage jobs with an average wage of \$55,990 (115% of the private sector average wage in Broward County).
- Secures a conservatively estimated capital investment of \$9.9 million for the purchase of a facility, tenant improvements, and the purchase of office equipment.
- Ensures the project would not be lost to a competitor state or country.
- Demonstrates that the City of Fort Lauderdale and the State of Florida are committed to facilitating employment opportunities within new and existing industries.
- Project Sandy will further enhance the City of Fort Lauderdale's reputation as a desirable destination for headquarter locations in manufacturing.

Resource Impact

There is no budgetary impact for this Fiscal Year associated with this action. Funding for Fiscal Year 2019/20 through Fiscal Year 2026/27 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 advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Prosperous*.

Attachments

Exhibit 1 – Funding Analysis

Exhibit 2 – Resolution

Prepared by: Michael Chen, Economic & Business Development Manager, Department of Sustainable Development

Department Director: Anthony Greg Fajardo, Sustainable Development