



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#19-0303

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: April 16, 2019

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

Recommendation

It is recommended the City Commission adopt a resolution approving Project Barkley for the City's Local Match Program in support of a Florida Qualified Target Industry (QTI) company, pursuant to Section 288.106, Florida Statutes, and providing funds are available as local financial support through the QTI program.

Background

Project Barkley represents an opportunity to secure the expansion of a local Professional Services operation that will aid the City of Fort Lauderdale to remain competitive in both domestic and international markets.

The direct economic impact created by the retention of 20 high wage jobs and the addition of ten new high wage jobs over the next year, with an average wage of \$57,908 (115% of the private sector average wage in Broward County) and a capital investment of approximately \$65,550, will create a chain reaction of direct and indirect spending that will greatly benefit our local, regional, and state economies. With Project Barkley's expansion, Fort Lauderdale will experience new and sustained job growth in parallel. With these parameters in-mind, Project Barkley was aggressively pursued to establish their operation in Fort Lauderdale/Broward County/Florida.

Company officials have noted the considerable costs of the expansion and the important role incentives will play in decision analysis. The proposed QTI incentive is a "Performance Based" program, with several factors the project must meet to qualify for the QTI incentive, including: industry classification, number of net new jobs created, and average wage. Based on these parameters, Project Barkley qualifies for \$3,000 per net new job created. The incentive for Project Barkley 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 \$30,000, of which the State of Florida would provide 80% (\$24,000) and the City of Fort Lauderdale would provide 20% (\$6,000). 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 (FY2019/20) is estimated to be \$1,500.00.

Highlights of the Project Barkley incentive award are:

- Will create a minimum of ten high-wage jobs with an average wage of \$57,908 (115% of the private sector average wage in Broward County).
- Will retain 20 high-wage jobs.
- Secures an estimated capital investment of \$65,550 for tenant improvements.
- Ensures the project would not be lost to a competitor state, such as California, New York, or Virginia.
- Demonstrates the City of Fort Lauderdale and the State of Florida are committed to facilitating employment opportunities within new and existing industries.
- Project Barkley will further enhance the City of Fort Lauderdale's reputation as a desirable destination for Headquarter operations.

Resource Impact

There is no budgetary impact for this Fiscal Year associated with this action. Funding for Fiscal Year 2020 through Fiscal Year 2023 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, Department of Sustainable Development

Department Director: Anthony Greg Fajardo, Department of Sustainable Development