



Pinellas County

Staff Report

File #: 22-1663A, Version: 1

Subject:

Resolution expressing support of Project C2030349259 as a qualified applicant for an Economic Development Ad Valorem Tax Exemption.

Recommended Action:

Adopt a resolution expressing support of Project C2030349259 (Company) as a qualified applicant for an Economic Development Ad Valorem Tax Exemption (EDAVTE) pursuant to Section 196.1995, Florida Statutes, and authorizing Project C2030349259 to make improvements before an EDAVTE ordinance is adopted. This resolution does not bind the Board to adopting an exemption ordinance.

- The Company is a medical device manufacturer currently headquartered in California.
- The Company is considering expanding their operations at a site in the City of Pinellas Park.
- The Company will invest \$46,325,000.00 in tangible property for the new facility. The economic impact of this capital investment is \$9.3 million.
- The Company will create at least 496 new jobs in Pinellas County at an average wage of \$54,926.00 per year, which meets the wage threshold for a manufacturing business.
- The economic impact of 496 new jobs with an average wage of \$54,926.00 a year is \$36.9 million and a total of 716 jobs. The economic impacts were calculated using the U.S. Bureau of Economic Analysis Regional Input Modeling System (RIMS II) Model for Pinellas County.
- This maximum allowable amount is based on the project projections provided by the company and equates to an approximate abatement of no more than \$178,235.00 per annum.

Strategic Plan:

Foster continual economic growth and vitality

4.1 Proactively attract and retain businesses with targeted jobs to the county and the region

Summary:

Project C2030349259 is a medical device manufacturing company that is considering expanding their operations into Pinellas County. The proposed project would include both job creation and capital investment components. The Company will be requesting an Economic Development Ad Valorem Tax Exemption. Pinellas County is competing with sites in Minnesota, Florida, and Texas for this project.

Background Information:

The State of Florida has provided for the Economic Development Ad Valorem Tax Exemption (EDAVTE) program pursuant Section 196.1995, Florida Statutes. Pinellas County Ordinance 2018-08 amending Chapter 118, Article VII of the Pinellas County Code authorizes the granting of such

exemptions.

Project C2030349259 is a medical device manufacturer. The company is headquartered in California. The County is competing with other sites in Florida along with communities in Minnesota and Texas for this project. The Company plans to invest an estimated \$46.3 million in equipment at their new facility. The new tax revenue arising out of an increase in tangible property associated with expansion are the only taxes that could be abated.

The Company has notified Pinellas County Economic Development of its intent to apply for an EDAVTE and is requesting to move forward with the permitting process. The EDAVTE program provides for the approval of a resolution allowing a company to commence its project prior to adoption of an Exemption Ordinance.

Based on representations made by the Company, the project meets the requirements of the EDAVTE program. This resolution does not bind the Board to adopting an Exemption Ordinance. The Project's Exemption Ordinance and written agreement will be brought back to the Board for consideration and the company name will be disclosed at that time. This resolution allows the Company to begin their project without losing the ability to receive an EDAVTE in the future. The final amount and duration of the exemption will be determined when the ordinance is brought to the Board of County Commissioners for consideration.

Fiscal Impact:

The County's EDAVTE scoring criteria sets the maximum allowable abatement for this project at 75% of new tangible taxes for up to 7 years. This maximum allowable amount is based on the project projections provided by the company and equates to an approximate abatement of no more than \$178,235.00 per annum. This figure will automatically reduce each year as the assessed value of the tangible assets decrease. However, the total tax exemption amount will be based on the actual additions to tangible personal property, the exemption period and exemption percentage approved by the Board after the project has been completed.

The Pinellas County Property Appraiser will determine an estimated fiscal impact and it will be included in the staff report brought to the Board during its consideration of the Exemption Ordinance for this project. The overview of the project's total fiscal impact will also be provided to the Board by the Economic Development Department showing the full impact of the recommended exemption timeframe and percentage.

The proposed amount and term of the EDAVTE outlined in the final ordinance will be determined based upon the EDAVTE scoring criteria as well as the findings of the fiscal impact study. This study will consider the number of jobs created by the Company, the average wages of these new jobs, and the overall capital investment.

Staff Member Responsible:

Dr. Cynthia Johnson, Director, Economic Development

Partners:

City of Pinellas Park

Attachments:

Resolution

Project Scoring Worksheet