



Pinellas County

Legislation Details (With Text)

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Title: Resolution expressing support of Jabil, Inc. as a qualified applicant for an Economic Development Ad Valorem Tax Exemption.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Adopted RES 18-15, 2. Resolution

Date	Ver.	Action By	Action	Result
3/20/2018	1	Board of County Commissioners	approved	Pass

Subject:

Resolution expressing support of Jabil, Inc. as a qualified applicant for an Economic Development Ad Valorem Tax Exemption.

Recommended Action

Adopt a Resolution expressing support of Jabil, Inc. as a qualified applicant for an Economic Development Ad Valorem Tax Exemption pursuant to Section 196.1995, Florida Statutes, and authorizing Jabil, Inc. to make improvements and/or tangible personal property additions before an Exemption Ordinance is adopted.

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:

Jabil, Inc. (Company) is one of the world’s largest electronics manufacturers for computers, smart phones and printers that would like to expand its headquarters in Pinellas County, with both job creation and capital investment components. The Company will be requesting an Economic Development Ad Valorem Tax Exemption.

Background Information:

The State of Florida has provided for the Economic Development Ad Valorem Tax Exemption (EDAVTE) program pursuant Section 196.1995, Florida Statutes, upon the successful passage of a referendum. On August 26, 2014 the electors of Pinellas County authorized the granting of ad valorem tax exemptions through such referendum. On December 16, 2014, the Pinellas County Board of County Commissioners (Board) adopted Ordinance 2014-56 codified in Chapter 118, Article VI of the Pinellas County Code authorizing the granting of such exemptions. On January 23, 2018, the Board adopted Ordinance 2018-08 amending Chapter 118, Article VI of the Pinellas County Code authorizing the granting of such exemptions.

Jabil, Inc. (Company) is one of the world's largest electronics manufacturers for computers, smart phones and printers. The Company's international corporate headquarters is located in St. Petersburg, and they recently decided to maintain and expand their headquarters in Pinellas County after considering other locations. This project has a total estimated capital investment of \$67.3 million including \$2.8 million in real estate purchases, \$52.2 million in renovations and new construction, and \$12.3 million in equipment. These improvements will be used to accommodate the addition of 300 new full-time jobs and the introduction of an innovation center.

The Company has notified Pinellas County Economic Development of its intent to apply for an EDAVTE and is requesting to be allowed 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 under Section 196.1995, F.S. and Pinellas County Ordinance 2018-08. 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 will be brought back to the Board for consideration of an Exemption Ordinance and written agreement. The resolution allows the Company to begin their project without losing the ability to receive an EDAVTE. The Company is also requesting an EDAVTE from the City of St. Petersburg.

Current Fiscal Impact:

The total exemption will be based on the final assessed value of real property improvements and additions to tangible personal property. An estimated fiscal impact will be determined by the Pinellas County Property Appraiser and will be included in the staff report brought to the Board during its consideration of an Exemption Ordinance.

Proposed Fiscal Impact:

The total exemption will be based on the final assessed value of real property improvements and additions to tangible personal property, and the exemption period (up to a 10 year term) and exemption percent (up to 100%) approved by the Board. An estimated fiscal impact will be determined by the Pinellas County Property Appraiser and will be included in the staff report brought to the Board during its consideration of an Exemption Ordinance.

The Company has provided an estimated construction investment of \$52.2 million for this project. Based on the County's current millage rate of 5.3590, and assuming that 80% of the investment would contribute to taxable value, the maximum annual impact of the real property portion would be approximately \$225,000.00.

The Company has also provided an estimated equipment investment of \$12.3 million for this project and would be eligible for an exemption based on the increased assessment of tangible personal property resulting from this investment. The maximum initial impact of the tangible portion would be \$66,000.00. The tangible value would be subject to depreciation in future years.

Staff Member Responsible:

Michael Meidel, Director, Economic Development Department

Partners:

City of St. Petersburg

