



Pinellas County

Staff Report

File #: 18-1628A, Version: 1

Subject:

Resolution expressing support of A7010327720 as a qualified applicant for an Economic Development Ad Valorem Tax Exemption.

Recommended Action

Adopt a Resolution expressing support of A7010327720 as a qualified applicant for an Economic Development Ad Valorem Tax Exemption pursuant to Section 196.1995, Florida Statutes, and authorizing A7010327720 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:

A7010327720 is a defense manufacturing and engineering company that is expanding with both job creation and capital investment components. The company has requested 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. Pinellas County Ordinance 2018-08 amending Chapter 118, Article VI of the Pinellas County Code authorizes the granting of such exemptions.

A7010327720 is a defense manufacturing and engineering facility that is expanding within unincorporated Pinellas County. This project has a total estimated capital investment of \$33.5 million including renovations and equipment. These improvements will be used to accommodate the addition of 147 new full-time jobs.

The company 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, with the company name being fully disclosed. The resolution allows the company to begin their project without losing the ability to receive an EDAVTE.

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 10 years) 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 \$10.8 million for this project. The project is located in unincorporated Pinellas County. Based on the County's current millage rate including MSTU of 7.4447, and assuming that 80% of the investment would contribute to taxable value, the maximum annual impact of the real property portion would be about \$64,000.

The company has also provided an estimated equipment investment of \$22.7 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 about \$169,000. The tangible value would be subject to depreciation in future years.

Staff Member Responsible:

Michael Meidel, Director, Economic Development Department

Partners:

N/A