



# Pinellas County

## Staff Report

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File #: 20-2082A, Version: 1

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### **Subject:**

Ad Valorem Tax Exemption Performance Agreement between Pinellas County Board of County Commissioners and Jabil, Inc.

### **Recommended Action:**

Approval of an Ad Valorem Tax Exemption Performance Agreement between Pinellas County Board of County Commissioners and Jabil, Inc.

- Jabil is one of the world's largest electronics manufacturers for computers, smart phones and printers, and their international corporate headquarters is in St. Petersburg.
- Jabil determined that they needed additional space in their headquarters and started looking at options, which included relocating or expanding their current facilities. Pinellas County and the City of St. Petersburg offered an incentive package that included the Economic Development Ad Valorem Tax Exemption (EDAVTE) program.
- The new project will be completed in three phases. This agreement refers only to Phase One. The estimated capital investment to be made for phase one is \$11,727,141.00, including construction and equipment.
- On October 20, 2020, the Board of County Commissioners adopted Ordinance 2020-31 approving a ten-year 100% EDAVTE for Phase One of the project.
- As a condition of Ordinance 2020-31, Jabil is required to enter into a written agreement with the County ensuring it has and will continue to satisfy and comply with all terms, conditions and/or requirements of the EDAVTE program, and will submit an annual report on or before February 1st of each year.

### **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. (Jabil) is one of the world's largest electronics manufacturers for computers, smart phones and printers, and their international corporate headquarters is in St. Petersburg. After considering other locations, Jabil decided to maintain and expand their headquarters in Pinellas County, partially based on an incentive package offered by the County. This expansion project will be completed in three phases. The agreement applies to Phase One only, which is the renovation of a 39,900-square foot building at 10900 Roosevelt Blvd. in St. Petersburg (former Tampa Bay Research Institute) into a "State of the Art" Innovation Laboratory. The Board of County Commissioners adopted Ordinance 2020-31 providing for a 100% Ad Valorem Tax Exemption for ten years on the eligible improvements completed under Phase One.

### **Background Information:**

Jabil, Inc. (Jabil) a Fortune 500 company, was considering the relocation of their corporate headquarters from the Gateway Area of St. Petersburg. The firm looked at sites in other states, in the greater Tampa Bay area, and in downtown St. Petersburg. Pinellas County presented a package of potential incentives, including the EDAVTE, in order to keep the campus in Pinellas County. As a result, the firm decided to maintain and expand their headquarters in Pinellas County. This major expansion project has a total estimated capital investment of \$67.3 million including real estate purchases, renovations, new construction and equipment. The project will be completed in three phases. Phase One is the renovation of a 39,900-square foot building (former Tampa Bay Research Institute) into a "State of the Art" Innovation Laboratory. Phase Two will demolish an existing building and add 160,000 square feet of new construction, and Phase Three will renovate 62,000 square feet of an existing building. These improvements will be used to accommodate the addition of an estimated 300 new full-time jobs.

On October 20, 2020, the Board of County Commissioners adopted Ordinance 2020-31 for the Phase One project with an exemption of 100% of the assessed value of qualifying improvements to real property and qualifying tangible personal property for a period of ten years. Jabil is expected to apply for an EDAVTE for the remaining two phases of the expansion project. Jabil is required to enter into an agreement with the County that includes a requirement to submit an annual report containing documentation that the business is eligible to continue receiving the exemption.

**Fiscal Impact:**

This EDAVTE will exempt only the incremental improvements to the property. The baseline assessed value of the land and the former Tampa Bay Research Institute building is \$2,875,000.00. Based on the millage rate for unincorporated Pinellas County of 5.3590, Jabil paid \$15,407.00 in taxes to Pinellas County in 2019. This baseline assessed value will not be exempted under this Ordinance so the County will continue to receive this level of taxes over the ten-year period. Note that this is new revenue to the County, since the property was previously owned by the City and was tax-exempt.

The estimated capital investment to be made for Phase One is \$11,727,141.00, including construction and equipment. Ordinance 2020-31 provided for a 100% exemption for ten years on the eligible improvements completed under Phase One. The exemption would go into effect in 2021 and would be applied from 2021 to 2030. The Pinellas County Property Appraiser has provided a report estimating that the amount of the tax abatement during the first year would be \$53,419.00.

**Staff Member Responsible:**

Mike Meidel, Director, Economic Development

**Partners:**

City of St. Petersburg

**Attachments:**

Ad Valorem Tax Exemption Performance Agreement  
Ordinance 2020-31