



Pinellas County

Staff Report

File #: 16-215A, Version: 1

Subject:

Resolution approving A1050849631 as a Qualified Applicant for the Qualified Target Industry Tax Refund Program.

Recommended Action

Approve Project A1050849631 as a qualified applicant pursuant to Section 288.106, Florida Statutes, and identify sources of local county financial support for local participation in the Qualified Target Industry Tax Refund Program.

Project A1050849631 is a defense manufacturer wishing to expand its headquarters within Pinellas County. The economic impact of the project's capital investment is \$159,703. An estimated 12 employees are projected to be hired with annual pay scales at least 115% of the average annual wage for the state. These earnings would result in an economic impact of \$759,906 and a total of 16 direct and indirect new jobs. The company is also considering a site in North Carolina.

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 A1050849631 is a defense manufacturer that would like to expand its headquarters, with both job creation and capital investment components.

Background Information:

Project A1050849631 is a defense manufacturer that wishes to expand its headquarters within Pinellas County. The economic impact of the project's capital investment is \$159,703. An estimated 12 employees are projected to be hired with annual pay scales of at least 115% of the average annual wage for the State of Florida, which is \$42,904. These earnings would result in an economic impact of \$759,906 and a total of 16 direct and indirect new jobs. An additional site the company is considering is in North Carolina.

The economic impacts were calculated using the U.S. Bureau of Economic Analysis Regional Input Modeling System (RIMS II) Model for Pinellas County.

Fiscal Impact:

The total tax refund is \$60,000 which is calculated at \$5,000 per job with a total of 12 new jobs. The \$5,000 per job calculation is based on pay scales of at least 115% of the State of Florida's average annual wage, and a high impact sector bonus. This incentive returns a portion of taxes paid by the business after the company meets its job creation and wage commitments. Additionally, no more

than 25 percent of the total refund approved may be taken in any single fiscal year.

Florida Statute requires 20% local financial participation as tax refunds become due. Project A1050849631 is requesting the Board to provide 50% of the local match necessary to facilitate the State approval process, with the City of Clearwater providing the additional 50%. The total local financial support requested is \$12,000 of which \$6,000 (50% of the local match) is being requested through Pinellas County Government and will be budgeted within the Department of Economic Development through the general fund. The tax refund will be paid over a series of fiscal years as determined by the State

Staff Member Responsible:

Michael Meidel, Director, Economic Development

Partners:

City of Clearwater