



# Pinellas County

## Staff Report

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File #: 23-1559A, Version: 1

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### **Subject:**

Ordinance approving Jabil, Inc. for an Economic Development Ad Valorem Tax Exemption.

### **Recommended Action:**

Adopt an ordinance approving Jabil, Inc. (Jabil) for an Economic Development Ad Valorem Tax Exemption (EDAVTE) pursuant to Section 196.1995, Florida Statutes, and Pinellas County Ordinance 2018-08.

- Jabil is one of the world's largest electronics manufacturers for computers, smart phones and printers, and their international corporate headquarters is located in St. Petersburg.
- Jabil considered relocating their current facilities to California at their North American Center of Excellence "Blue Sky" Innovation Center or considered Dallas, Texas, back in 2018.
- Pinellas County and the City of St. Petersburg offered an incentive package that included the EDAVTE program.
- Jabil decided to maintain and expand their headquarters in Pinellas County after considering the other locations, submitting an intent to apply for the EDAVTE in 2018. That resolution was approved on March 20, 2018.
- The project was planned in three phases. The Phase I Ordinance was approved on October 20, 2020. The capital investment of Phase I was estimated at \$11.7 million. Phase I was approved for 10 years at 100% for Real Property Improvements exempting in the estimated amount of \$450,951.00 over the ten-year period.
- Phase I exemptions received for 2021 and 2022 equal \$17,900.00.
- An estimate of the amount of revenue that would be lost to the County during the current fiscal year if the exemption applied for were granted is approximately \$280,000. Future revenues are expected to offset this and cannot be estimated at this time.
- The capital investment for Phase II is for Real Property only and not equipment. Real Property capital investment for Phase II is \$69,521,036.00. The ordinance is required for compliance with Federal or State law or regulation.

The economic impact of 71 new jobs with an average wage of \$110,000.00 a year represents 189% of the average wage in Pinellas County with an earnings impact of \$9,875,745.00 and 104 jobs. The economic impacts were calculated using the U.S. Bureau of Economic Analysis Regional Input Modeling System (RIMS II) Model for Pinellas County.

### **Strategic Plan:**

Prosperity and Opportunity

**Summary:**

Jabil, Inc. (Jabil) is one of the world's largest electronics manufacturers for computers, smart phones and printers, and their international headquarters is located in St. Petersburg. Pinellas County competed with sites in Minnesota, Florida, and Texas. The Phase II redevelopment project address is 10800 Roosevelt Blvd. N, St. Petersburg, FL 33716. Staff has determined that the Jabil Application meets all requirements for an Economic Development Ad Valorem Tax Exemption (EDAVTE).

The County's EDAVTE scoring criteria sets the maximum allowable abatement for this project at 85% for up to 10 years. The maximum allowable amount is based on the project projections provided by the company and equates to an approximate abatement of \$280,088.44 per annum.

**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.

Jabil, Inc. (Jabil) a Fortune 500 company, was considering the relocation of their corporate headquarters from the Gateway area of St. Petersburg. The firm considered sites in other States (California & Texas), 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 company decided to maintain and expand the headquarters in Pinellas County. This major expansion project had an estimated total capital investment of \$69.5 million in including real estate purchases, renovations, new construction and equipment. The project would be completed in three phases. Phase I, the Jabil Innovation Center, has been completed and its Ordinance (2020-31) was approved in 2020. Jabil is fully compliant with their Phase I Agreement. Phase II consists of the demolition and new building construction adding 174,071 square feet of Class A office space. The Final Phase III portion will renovate 62,000 square feet of an existing building. In all phases, the company anticipates adding 300 new full-time jobs.

Under Phase II, an estimated 71 new full-time jobs are projected to be hired in addition to the retention of 277 jobs. The average wage of the new jobs is \$110,000 representing 189% of the average wage in Pinellas County. These earnings would result in an annual economic impact of \$9,875,745 and 104 direct and indirect new jobs. The economic impact of the Phase II Capital Investment is \$90,273,065. These economic impacts were calculated using the U.S. Bureau of Economic Analysis Regional Input Modeling System (RIMS II) Model for Pinellas County.

Pursuant to requirements, the Pinellas County Property Appraiser reviewed the application and provided a report to the County that includes the following information:

- (A) The total revenue or estimate of revenue available County-wide for the current fiscal year from an ad valorem tax sources: \$525,297,086.
- (B) The amount of any revenue lost to the county for the current fiscal year by virtue of Economic Development Ad Valorem Tax Exemptions previously granted: \$11,173.
- (C) An estimate of the amount of revenue which would be lost to the County during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation: \$280,088.44.
- (D) A determination that Jabil, Inc. meets the definition of Expansion of an Existing Business, as

defined in Florida Statutes, Section 196.012.

As the City of St. Petersburg provided their maximum EDAVTE allowance and a conveyance of land and a building to Jabil for Phase I, future EDAVTE's for Phase II and Phase III of this project will not include municipal exemptions.

Using the EDAVTE scoring criteria, staff recommendation is to approve and adopt an EDAVTE Ordinance for the Phase II portion of the project with an exemption of 85% of the assessed value of the qualifying improvements to real property for a period of 10 years.

Staff has determined that the Jabil application meets all the requirements for an exemption under the EDAVTE Program. Businesses approved for an EDAVTE are required to enter into an agreement with the County that will include a requirement to submit an annual report containing documentation that the business is eligible to continue receiving the exemption.

**Fiscal Impact:**

This Ordinance will exempt only the incremental improvements to the property per the Pinellas County Property Appraiser's determination. Taxes paid to the County by Jabil in 2022 for the Phase II project location at 10800 Roosevelt Blvd. N. were \$136,506.00

The estimated capital investment to be made for Phase II is \$69,521,036 including construction and equipment. Using the Pinellas County's EDAVTE Scoring Criteria, the recommendation is for the Board to approve an EDAVTE for an 85% exemption for 10 years on the eligible improvements completed under Phase II. The exemption would go into effect for 2023 and would be applied from 2023 - 2032. The Pinellas County Property Appraiser has provided a report estimating that the amount of the tax abatement during the first year would be \$280,088.44.

**Staff Member Responsible:**

Dr. Cynthia Johnson, Director, Economic Development

**Partners:**

N/A

**Attachments:**

Ordinance

Jabil, Inc. Application with Property Appraiser Report

Resolution 2018-15

Pinellas County's EDAVTE Scoring Criteria

Notice of Public Hearing