



Pinellas County

Staff Report

File #: 18-1767A, **Version:** 1

Subject:

Resolution approving B7121437441 as a qualified applicant for the Qualified Target Industry Tax Refund program.

Recommended Action:

Adopt a resolution approving B7121437441 as a qualified applicant pursuant to Section 288.106, Florida Statutes, and identify sources of local County financial support of Project B7121437441 as local participation in the Qualified Target Industry Tax Refund program.

- Project B7121437441 is a business services firm that is considering expanding their existing national headquarters within Pinellas County. An estimated 60 employees are projected to be hired with annual pay scales of at least 115% of the average annual wage for the State of Florida. These earnings would result in an annual economic impact of \$14.3 million and a total of 92 direct and indirect new jobs. Additional sites the company is considering are in Costa Rica and Dominican Republic.
- The total tax refund is \$180,000.00, which is calculated at \$3,000.00 per job based on the 115% wage level. This incentive returns a portion of taxes paid by the business after the company meets its job creation and wage commitments. No more than 25% 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. Pinellas County would provide 50% of the local match necessary to facilitate the State approval process with the City of Pinellas Park providing the additional 50%. Pinellas County's portion of \$18,000.00 would 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.

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:

Foster Continual Economic Growth and Vitality

4.1 Proactively attract and retain businesses with targeted jobs to the county and the region

Background Information:

Project B7121437441 is a business services firm that is expanding their national, headquarters within Pinellas County. The economic impact of the project's capital investment is \$2.2 million. An estimated 60 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 \$46,346.00. These earnings would result in an economic impact of \$14.3 million and a total of 92 direct and indirect new jobs. Additional sites the company is considering are in Costa Rica and Dominican Republic.

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 \$180,000.00 which is calculated at \$3,000.00 per job with a total of 60 new jobs. The \$3,000.00 per job calculation is based on pay scales of at least 115% of the State of Florida's average annual wage. 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% 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 B7121437441 is requesting the Board of County Commissioners to provide 50% of the local match necessary to facilitate the State approval process with the City of Pinellas Park providing the additional 50%. The total local financial support requested is \$36,000.00, of which \$18,000.00 (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:

Mike Meidel, Director, Economic Development

Partners:

City of Pinellas Park

Attachments:

Resolution