

RESOLUTION NO. 2018 - 437

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, RECOMMENDING PROJECT DAY STAR BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO SECTION 288.106, FLORIDA STATUTES; PROVIDING FOR LOCAL FINANCIAL SUPPORT IN THE FORM OF CASH; AND PROVIDING FOR AN EFFECTIVE DATE.

RECITALS

WHEREAS, PROJECT DAY STAR has been identified as a Target Industry Business and is eligible to apply for the Qualified Target Industry Tax Refund, pursuant to s.288.106, F.S.

WHEREAS, PROJECT DAY STAR has expressed interest in St. Johns County for consideration to expand their logistics facility; and

WHEREAS, PROJECT DAY STAR proposes to create at least 10 new jobs in St. Johns County at an average wage of at least 115% of the St. Johns County average wage; and

WHEREAS, PROJECT DAY STAR represents a targeted industry for St. Johns County and the State of Florida and has applied for a Qualified Target Industry Tax Refund for job creation estimated to be \$30,000, of which St. Johns County will provide a local match of 20%; and

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, THAT:

SECTION 1. Incorporation of Recitals.

The Recitals expressed above are incorporated by reference into the body of this Resolution, and such Recitals are hereby adopted as findings of fact.

SECTION 2. Board Recommendation.

The Board of County Commissioners of St. Johns County, Florida hereby recommends to the State of Florida that PROJECT DAY STAR be approved as a Qualified Target Industry Business.

SECTION 3. Board Acknowledgement of Financial Support.

The Board acknowledges that the necessary commitment of local financial support for PROJECT DAY STAR for the Qualified Target Industry Tax Refund exists in the amount of \$6,000, spread over four (4) County fiscal years. This amount will be made available in accordance with the guidelines set forth by the Department of Economic Opportunity with the stipulation that these funds are intended to represent local financial support pursuant to section 288.106 of the Florida Statutes.

SECTION 4. Board Request of Letter Preserving Inducement.

The Board authorizes the County Administrator or designee to issue a request for a Letter Preserving Inducement (LPI) to Enterprise Florida in connection with PROJECT DAY STAR substantially in the form that is attached.

SECTION 5. Correction of Errors.

To the extent that there are typographical and/or administrative errors and/or omissions that do not change the tone, tenor, or context of this Resolution, then this Resolution may be revised without subsequent approval of the Board of County Commissioners.

SECTION 6. Severability.

It is the intent of the Board, and it is hereby provided, that if any phrases, clause, sentence, subsection, section or provision of this Resolution is held to be invalid, or unconstitutional by a court of competent jurisdiction such invalidity of unconstitutionality shall not be construed as to render invalid or unconstitutional the remaining phrases, clauses, subsection or provisions of this Resolution.

SECTION 7. Effective Date.

This Resolution shall be effective upon execution by the Chair of the Board of County Commissioners.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County, Florida this 18 day of December 2018.

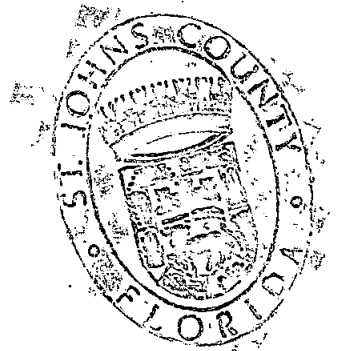
BOARD OF COUNTY COMMISSIONERS OF ST.
JOHNS COUNTY, FLORIDA

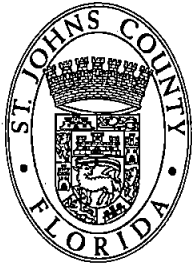
By: Paul M. Waldron
Paul M. Waldron, Chair

ATTEST: Hunter S. Conrad, Clerk

By: Sam Halterman
Deputy Clerk

RENDITION DATE 12/20/18





**ST. JOHNS COUNTY
OFFICE OF THE COUNTY ADMINISTRATOR
ECONOMIC DEVELOPMENT**

500 San Sebastian View
St. Augustine, Florida 32084

I N T E R O F F I C E M E M O R A N D U M

To: St. Johns County Board of County Commissioners
Through: Michael D. Wanchick, County Administrator
From: Melissa S. Glasgow, Director of Economic Development
Date: November 29, 2018
Subject: St. Johns County Economic Development Agency Report -
Project Day Star Economic Development Incentive Request

The St. Johns County Economic Development Agency (Agency) has received an application from Project Day Star (Applicant), requesting a State of Florida Qualified Target Industry (QTI) \$30,000 tax refund for job creation to consider expanding their existing logistics facility and create 10 new jobs. The Applicant represents a national company that is evaluating another existing facility out of state for this potential expansion, and has requested confidentiality during this due-diligence process.

The Applicant currently employs 88 people in St. Johns County and proposes to create 10 new jobs at an average wage of \$46,348, which is at least 115% of the average county wage in St. Johns County. They also propose to invest \$6.8 million over a four-year period to expand their facility by 5,000 square feet and add new equipment.

The Applicant has requested that St. Johns County consider providing the required QTI local match of 20%, estimated to be \$6,000. With this schedule, the first annual QTI payment is anticipated during FY 22, with payments made through FY 25, upon satisfying annual state performance measures.

Additionally, the Applicant has also requested a Letter Preserving Inducement (LPI) from Enterprise Florida and the Florida Department of Economic Opportunity (DEO) as they undergo this due-diligence process.

In accordance with Program requirements, the Agency is required to review the application and make a written report to the Board of County Commissioners. Staff recommends support of this incentive request.

The following items are attached, and represent the Agency Report:

- Project Day Star – Sample QTI Payout Schedule
- Project Day Star - Cost Benefit Analysis
- Project Day Star – Request for Letter Preserving Inducement

Sample QTI Payout Schedule

Number of Jobs
 QTI Award Amount
 Total QTI Refund

10
\$ 3,000
\$ 30,000

Input
Calculation

	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	Total
Jobs	10	-	-							10

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Phase I		\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500					\$ 30,000
Phase II			\$ -	\$ -	\$ -	\$ -				\$ -
Phase III				\$ -	\$ -	\$ -	\$ -			\$ -
Phase IV					\$ -	\$ -	\$ -	\$ -		\$ -
Phase V						\$ -	\$ -	\$ -	\$ -	\$ -
Total Refund Payment	\$ -	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 30,000

State Contribution (80%)	\$ -	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 24,000
Local Contribution (20%)	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000

Note: Refund payments are offset from the job creation by one year because the refund payment is made to the company after July 1 (the beginning of the state's fiscal year), the year following the job creation. For example, for jobs created 12/31/21, the refund payment would be made in July 2022.

**FINANCIAL CONTRIBUTIONS
COST-BENEFIT ANALYSIS
PROJECT DAY STAR**

Calculations are based on County Ordinance 2014-30 and millage rates effective on October 1, 2018

Category: Existing Industry: Logistics

Estimated Added Values:	Real Property	1,422,000
	Taxable Improvements	1,132,000
	Tangible Personal Property	4,265,000
	Total Added Value	<u>6,819,000</u>

Total Estimated Countywide Property Taxes:	Annually	Over 20 Years
Real Property Taxes	36,071	721,418
Tangible Personal Property	60,236	1,204,717
Total Estimated Property Taxes Paid:	96,307	1,926,136

Total Estimated General County Portion Taxes:	Annually	Over 20 Years
Real Property Taxes	13,025	260,508
Tangible Personal Property	21,752	435,030
Estimated General County Portion Taxes Paid:	34,777	695,538

Total Estimated Value of QTI Local Financial Support **6,000**

Net Benefit to St. Johns County (General County portion) over 20 years **689,538**



St. Johns County Board of County Commissioners

Office of the County Administrator | Economic Development

November 27, 2018

William R. Parsons
Manager, Business Development
Enterprise Florida
800 N. Magnolia Ave., Suite 1100
Orlando, FL 32803

RE: Request for LPI for St. Johns County Project Day Star

St. Johns County is hereby requesting a letter preserving inducement concerning the Qualified Target Industry (QTI) Tax Refund application that has been submitted by Project Day Star. The company's plans would create at least 10 new jobs in our state with wages averaging 115% of St. Johns County's average wage (\$46,348).

St. Johns County's Economic Development Department, serving as the County's Public Economic Development Agency, has submitted this project to the St. Johns County Board of County Commissioners for consideration and approval of a resolution committing the County's local match of up to \$6,000 at the BCC meeting on December 18, 2018. Any assistance that you are able to provide in securing this letter preserving inducement to remove the "but for" contingency for this QTI application will be of great help in securing this project for St. Johns County.

The request by the County for the issuance of a letter preserving inducement, and the granting of such by the State, is independent of any action requested of and/or taken by the BCC to consider any incentives associated with this project. Therefore, we respectfully request that Enterprise Florida and the Department of Economic Opportunity's Division of Strategic Business Development consider offering the company a letter preserving inducement.

Please feel free to contact me at 904-209-0552 if you have any questions. We appreciate your consideration and all of your assistance in our state and community's economic development efforts.

Sincerely,

A handwritten signature in black ink that reads "Melissa S. Glasgow".

Melissa S. Glasgow
Director of Economic Development