

Meeting Date
10/4/16



AGENDA	
Section	Consent
Item No.	<i>II, D, 4</i>

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	APPROVAL OF RESOLUTION FOR PROJECT ZEUS
DEPT/OFFICE:	MANAGEMENT SERVICES & COMMUNITY SERVICES/COUNTY MANAGER'S OFFICE

Requested Action:
 The Economic Development Commission requests that the Board of County Commissioners approve AVT as the required local contribution in the state's Qualified Tax Incentive (QTI) program in order to induce the economic development project known as "Project Zeus" to go forward.

Summary Explanation & Background:

Project Zeus is a medical services and management company considering refurbishing an existing 63,000+ SF building in Cape Canaveral, FL. The company plans to create 150 new jobs over 3 years with an average wage of \$66,000 and invest \$4,500,000 in new capital expenditures.

The Brevard County AVT match would be used to enable the company to take advantage of a state program known as the Qualified Targeted Industry (QTI) incentive program, which provides - as an incentive - refunds on certain taxes for companies that create high wage jobs in targeted high value-added industries. Given the number of jobs to be created by this project, along with the anticipated average annual wage (at 150% of the current average annual wage in Brevard County), the company is eligible for participation in the tax refund program. However, a contribution to the state from the local jurisdiction – in this case, Brevard County, through the AVT program – is required. That local contribution must equal at least 20% of the total tax refund available from the state per job created. For Project Zeus, the County is contributing AVT for the local contribution.

Fiscal Impact FY2016-2017 – No fiscal impact until company moves into and builds out facility.
 Fiscal Impact FY2017-2018 – Fiscal impact will be the amount of ad valorem taxes exempted. (This is calculated by the Brevard County Property Appraiser's Office prior to the public hearing to consider adoption of an ordinance granting ad valorem tax exemption to the company.)

EDC Contact: GWeiner@SpaceCoastEDC.org, 321-638-2000
 Staff Contact: Stockton.Whitten@brevardcounty.us, 321-633-2004

V3
 Clerk to the Board instruction: Need the adopted Resolution ASAP.

Exhibits Attached: RESOLUTION

Contract /Agreement (If attached):		Reviewed by County Attorney	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager							Department Director / Extension	
Stockton Whitten								



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Tammy.Rowe@brevardclerk.us

October 5, 2016

MEMORANDUM

To: Stockton Whitten, County Manager

Re: Item II.D.4., Resolution for Project Zeus Under State's Qualified Tax Incentive (QTI) Program

The Board of County Commissioners, in regular session on October 4, 2016, adopted Resolution No. 16-184, approved the AVT as the required local contribution in the State's Qualified Tax Incentive (QTI) program in order to induce the Economic Development Project known as Project Zeus, to go forward. Enclosed is a certified copy of the Resolution.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

/cm

**QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM
WITH AD VALOREM TAX ABATEMENT**

RESOLUTION NUMBER 16-184

A RESOLUTION BY THE GOVERNING BOARD OF BREVARD COUNTY, FLORIDA, RECOMMENDING PROJECT ZEUS, BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO S.288.106, FLORIDA STATUTES; PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNING BOARD OF *BREVARD COUNTY, FLORIDA*, as follows:

WHEREAS, the business under consideration is medical services and management business, specifically, ***PROJECT ZEUS***; and

WHEREAS, *PROJECT ZEUS* has been identified as a Target Industry Business; and

WHEREAS, *PROJECT ZEUS* plans to refurbish a 63,000+ SF facility and create 150 jobs, with an average wage of \$66,000; and

WHEREAS, *BREVARD COUNTY* hereby acknowledges that local financial support of 20% of the total tax refund is required under the provisions of s.288.106, Florida Statutes, governing the State's Qualified Target Industry Tax Refund Program; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF *BREVARD COUNTY, FLORIDA*, that the Board hereby recommends ***PROJECT ZEUS*** be approved as a Qualified Target Industry Business pursuant to s.288.106, Florida Statutes.

BE IT FURTHER RESOLVED that the Governing Board of ***BREVARD COUNTY*** has determined the basis of this project's average private sector wage commitment calculation shall be 150% of Brevard County's 2014 average annual wage.

BE IT FURTHER RESOLVED that the necessary local financial support for the Qualified Target Industry Tax Refund Program exists in the amount of 20% of the total tax refund requested and will be provided in the form of ad valorem tax abatement granted to ***PROJECT ZEUS*** pursuant to s.196.1995, Florida Statutes

This resolution shall take effect immediately upon its adoption.

DULY ADOPTED BY THE GOVERNING BOARD OF *BREVARD, FLORIDA*,
this 4th day of October, 2016.

ATTEST:

BOARD OF COUNTY COMMISSIONERS OF
BREVARD COUNTY, FLORIDA



[Signature]
Clerk

[Signature]
Chairman

STAMP AND SIGNATURE OF NOTARY

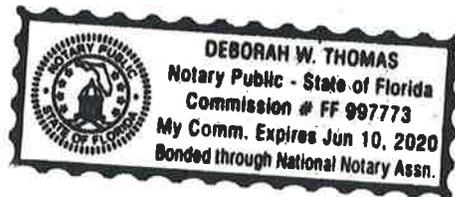
STATE OF FLORIDA
COUNTY OF BREVARD

Sworn to or affirmed and signed before me on October 4, 2016
by Jim Barfield who is personally known to me.

[Signature]
NOTARY PUBLIC

DEBORAH THOMAS

Print, type or stamp name





Date: September 13, 2016

To: Stockton Whitten
County Manager

From: Julie Roslin
Senior Manager, Business Development

Re: Company Considering Expansion in Brevard County

The Economic Development Commission of Florida's Space Coast is managing a business expansion project for Project Zeus, a medical services and management company considering refurbishing an existing 63,000+ SF building in Cape Canaveral, FL. The company plans to create 150 new jobs over 3 years with an average wage of \$66,000 and invest \$4,500,000 in new capital expenditures. The proposed job creation timeline for the project is as follows:

# of New Jobs	Date jobs will be created
70	12/31/2017
30	12/31/2018
50	12/31/2019
TOTAL	150

The EDC is seeking to leverage the Brevard County Ad Valorem Tax Abatement program to help the client offset the cost of building improvements and equipment.

Enclosed please find the following:

- Executive summary
- Completed AVT application & Supplemental application
- Pass Through Letter from Building Owner
- Economic impact analysis
- Resolution – AVT
- Draft Board Report
- Resolution – QTI

If you should have any questions regarding any of the enclosed documentation or on the company's business expansion, please feel free to contact me.

SUPPLEMENTAL APPLICATION

**BREVARD COUNTY ECONOMIC DEVELOPMENT
AD VALOREM TAX EXEMPTION PROGRAM**

APPLICANT NAME: Project Zeus

NOTICE: This supplement is to be used by the applicant to provide additional information required by Economic Development Ad Valorem Tax Abatement Ordinance, Chapter 102, Division 3, Sections 181-191, Brevard County Code; and to provide other information requested by the Board of County Commissioners and the entities who will review the application.

Any business seeking an exemption shall file an application with the County before the business has made the decision to locate a new business in the County or before the business has made the decision to expand an existing in the County. Any business decisions, such as announcements, leasing of space or hiring of employees, made prior to final County Economic Development Tax Abatement approval (and not made contingent upon County approval) may constitute grounds for disapproval. Projects, which clearly do not require inducement, will not be approved.

1. Length of exemption requested is total of 10 years (length of exemption approved is sole discretion of County Commission and commences on the adoption date of the ordinance granting the exemption).
2. Property Owner Name: Astronaut Properties LLC
Address: 2210 South Atlantic Ave. Cocoa Beach, Fla. 32931
Telephone No. (321) 784-2318 FAX No. (321) 868-0038
3. Authorized Agent: _____
Address: _____
Telephone Number: () _____ Fax No. () _____
4. Type of industry or business: Medical Management Company and Medical Services
5. Brief description of product and expansion plans (The applicant is to provide an executive summary of its business plan):
The Company is evaluating consolidation of operations in Florida or Virginia. See attached Executive Summary.
6. Anticipated number of new employees (The applicant is to provide a breakdown of jobs to be created by category and planned salary to be paid by position): approximately 150
7. Percent Increase in overall employment: over 21%
8. Expected number of new employees who will reside in Brevard County: over 90%
9. Percentage of existing employees who have resided in the County for more than two years: estimated at over 90%
10. Anticipated average wage of employees: \$66,000
11. Anticipated average annual payroll: \$9.9 million for 150 new jobs
12. Anticipated new capital investment as a result of expansion or relocation of business:
New construction value: \$4,000,000
New personal property value: approximately \$500,000
13. Environmental impact of business. (Identify the number and type of environmental permits required as a result of this project: e.g. air, soil and water pollution, water and sewer, dredge and fill, storm water, industrial wastewater; provide a brief narrative statement of the company's environmental impacts): No environmental impact anticipated. The Company does not generate hazardous waste or bio waste

14. Anticipated volume of business or production: Company expects to grow 30% from 2015 to 2016 and expects double digit growth in the next five years. The Company has a compound annual growth rate of 15% over the past ten years.
15. The relocation or expansion would not occur without the exemption: Yes [] No [X]
16. Source of supplies (local or otherwise):
% source of supplies County: less than 15% (Brevard County)
% source of supplies Florida: less than 20%
% source of supplies out-of-state: greater than 80%
17. Business is/will be located in a community redevelopment area: Yes [X] No []

Name of area: Cape Canaveral, Florida redevelopment area

SIGNATURES:

I hereby confirm the information provided by Project Zeus to the Economic Development Commission of Florida's Space Coast and the Board of County Commissioners for the purpose of calculating the economic impact and benefit of the proposed tax abatement is true, accurate and complete. I further confirm that Project Zeus is not in violation of any federal, state or local law, or regulation governing environmental matters. I hereby acknowledge and agree upon approval of the Economic Development Ad Valorem Tax Abatement Ordinance by the Brevard County Board of County Commissioners that Project Zeus will provide CareerSource Brevard its job openings to be posted on www.employflorida.com and agrees to consider for employment candidates referred by Brevard Workforce.

DATE: September 9, 2016 _____

SIGNED: jkd _____
(Applicant)

TITLE: Chief Financial Officer _____

SIGNED: _____

jkd
(Preparer)

(Preparer's Address)

(Preparer's Telephone Number)

ECONOMIC DEVELOPMENT COMMISSION (EDC) USE ONLY

EDC Economic Impact Analysis:

EDC's Recommendation:

The Economic Development Commission of Florida's Space Coast hereby certifies that it has proof, to the satisfaction of the EDC, that the applicant meets the criteria of a new business or for an expansion of an existing business as defined in Section 184, Chapter 102, Brevard County Code. Furthermore, the EDC has conducted an economic impact analysis, applying acceptable multipliers as defined by the State Department of Commerce, which concludes that the applicant does hereby meet the economic benefit test; and, therefore, the EDC recommends to the Brevard County Commission that the applicant receive an ad valorem tax exemption for _____ percent of its eligible taxes and for a period of _____ years.

DATE: _____

SIGNED: _____
(EDC President)

COUNTY USE ONLY

County Manager's Recommendation:

DATE: _____

SIGNED: _____
(County Manager)

Wholesale [] Manufacturing [] Professional [X] Service [X] Office [] Other []

10. a. Number of full time employees employed in Florida: 250

(DR 418)

b. If an expansion of an existing business:

- (1) Net increase in employment 150 or 50% _____ %
- (2) Increase in productive output resulting from this expansion not applicable _____ %

11. Sales factor for the facility requesting exemption:

Total sales in Florida from this facility - one (1) location only \$35 Million (CY 2016 estimate) divided by
Total sales everywhere from this facility - one (1) location only \$180 million CY2016 estimate = 19.4%

12. For office space owned and used by a corporation newly domiciled in Florida:

- a. Date of incorporation in Florida _____
- b. Number of full-time employees at this location _____

13. If requesting an exemption due to location in a slum or blighted area, please furnish such additional information as required by the County Commission, City Commission, or Property Appraiser.

I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners, the governing authority of the municipality, or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)

DATE: September 9, 2016

Signed: [Signature]
(Preparer)

SIGNED: [Signature]
(Taxpayer)

(Preparer's Address)

TITLE: Chief Financial Officer

(Preparer's Telephone Number)

PROPERTY APPRAISER'S USE ONLY

I. Total revenue available to the County or municipality for the current fiscal year from ad valorem tax sources: _____

II. Revenue lost to the County or municipality for the current fiscal year by virtue of exemptions previously granted under this section: _____

III. Estimate of the revenue which will be lost to the County during the current fiscal year if the exemption applied for were granted had the property for which the exemption is requested otherwise been subject to taxation: _____

IV. Estimate of the taxable value lost to the County or municipality if the exemption applied for were granted:
Improvements to real property _____ Personal Property _____

V. I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as a New Business [], an Expansion of an Existing Business [], or Neither [].

VI. Last year for which exemption may be applied: _____

DATE: _____

SIGNED: _____
(Property Appraiser)

RETURN TO BE FILED NOT LATER THAN MARCH 1

Project Zeus

Ad Valorem Tax Abatement Executive Summary

Project Zeus is a unique Medical Management Company that has been in business since the 1970s. Project Zeus opened their Florida office in the 90s starting with only 3 employees in a 500 sq. ft. office. Today the company has over 1,000 employees operating in multiple locations around the world.

Project Zeus has grown its business from less than \$1 million in revenue to over \$140 million in revenue in 2015, and from less than 10 customers to over 100 customers serviced today. The demand of these customers, in addition to the anticipated business from new customers, has created the need for the company to expand its operation and hire new employees.

Project Zeus is considering consolidating their VA and FL operations in either location. Should the company move forward with a Cape Canaveral location, they would add 150 new employees to the Space Coast which would include relocating 70 positions from their VA. location. Project Zeus's current FL facility does not have room to accommodate the company's growth. As such, the company is considering relocating to 8600 Astronaut Blvd, a 63,000+ SF facility and investing up to \$4.5M in capital improvements.

The Ad Valorem Tax Abatement program would be of great benefit to the company's growth and expansion efforts by allowing Project Zeus to better leverage its capital to increase efficiency, improve our cost structure and enhance our competitive posture. It will enable us to keep Florida business in Florida, as well as expand our presence in Florida.

Beyond this proposed expansion the company expects to continue on its current growth curve. Current projections are for annual sales to be greater than \$200 Million and employment reaching 850 permanent full-time employees by the end of 2018. Our current and future growth will continue to provide a positive and lasting impact on the Space Coast economy. We are eagerly anticipating the Commission's assistance with our expansion efforts through the approval of the Ad Valorem Tax Abatement Program.



Job Title / Description	Number of Jobs	Wage (excludes Fringe Benefits should we add?)	Anticipated Hire Timeline (by year)
HQ Staff Program Management (PM/APM) functions	10	\$75,000 per year	2017-2018
HQ Staff: Compliance, Internal Audit, Accounting, Payroll, HR	10	\$60,000 per year	2017-2018
Medical Professionals (Doctors, Nurses, EMTP's etc.	30	\$102,500 per year	2017-2019
Client Service Administrators (CSA)	50	\$33,500 per year	2017-2019
Licensed Clinical Care Specialists	25	\$85,000 per year	2018-2019
Information Technology, Applications Development and Informatics/Data Scientists	10	\$90,000 per year	2018-2019
Provider and Medical Staffing Recruiting	10	\$55,000 per year	2017 - 2018
International deployment support staff (Vetting / MRPT Clearance processing)	5	\$45,000 per year	2018 - 2019
Total	150	Estimated Avg Annual Salary ~ \$66,000 per year. \$9.9M estimated Economic Benefit (excluding multiplier)	2017-2019

Project Zeus
Brevard County, FL
09/12/16

Overview:

New Job Commitment:	150	Capital Investment:	\$4,500,000
Average Annual Wage:	\$66,000		

Economic impact from job creation:

<u>Jobs</u>	<u>Net New Wage</u>	<u>Contribution to GDP</u>
150 (Direct)	\$9,900,000 (Direct)	\$10,244,343 (Direct)
61 (Indirect)	\$2,366,862 (Indirect)	\$3,302,477 (Indirect)
68 (Induced)	\$2,459,483 (Induced)	\$4,447,277 (Induced)
279 TOTAL	\$14,726,345 TOTAL	\$17,994,097 TOTAL

- For every employment position created by Project Zeus approximately 0.86 additional jobs will be developed to support the operation of the facility.
- For every payroll dollar paid to Project Zeus approximately \$0.49 will be generated for consumer spending.

County Tax Impact

Years 1-10	Annual Taxes on Construction	
Projected Tax Assessed	\$	41,851.20
Potential Abatement (at 100%)	\$	17,148.80
Net New Revenue to County	\$	24,702.40
	Annual Taxes on Personal Property	
Projected Tax Assessed	\$	5,231.40
Potential Abatement (at 100%)	\$	2,143.60
Net New Revenue to County	\$	3,087.80
Total New Revenue to County	\$	27,790.20

Years 11+ : Company will be assessed for 100% of tax liability

Tax Millage Code – 26G0 NAICS – 541612 IMPLAN Sector – 454

Analysis based on information supplied by Project Zeus- September 2016

Economic impact calculations furnished by EDC Research Office, using IMPLAN Professional 3.1 (www.IMPLAN.com).

Abatement & millage numbers are estimates; all final numbers determined solely by the Brevard County Property Appraiser's Office.

01D

**QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM
WITH AD VALOREM TAX ABATEMENT**

RESOLUTION NUMBER _____

A RESOLUTION BY THE GOVERNING BOARD OF BREVARD COUNTY, FLORIDA, RECOMMENDING PROJECT ZEUS, BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO S.288.106, FLORIDA STATUTES; PROVIDING FOR AN EFFECTIVE DATE.

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BE IT FURTHER RESOLVED that the Governing Board of ***BREVARD COUNTY*** has determined the basis of this project's average private sector wage commitment calculation shall be 150% of the *state of Florida's 2014* average annual wage.

BE IT FURTHER RESOLVED that the necessary local financial support for the Qualified Target Industry Tax Refund Program exists in the amount of 20% of the total tax refund requested and will be provided in the form of ad valorem tax abatement granted to ***PROJECT ZEUS*** pursuant to s.196.1995, Florida Statutes

This resolution shall take effect immediately upon its adoption.

DULY ADOPTED BY THE GOVERNING BOARD OF *BREVARD, FLORIDA*, this 4th day of October, 2016.