

Meeting Date
May 12, 2015



AGENDA	
Section	CONSENT
Item No.	II.D.1

**AGENDA REPORT**  
*BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS*

SUBJECT:	RESOLUTION TO CONSIDER AN AD VALOREM TAX ABATEMENT – PARAGON PLASTICS
DEPT/OFFICE:	MANAGEMENT SERVICES & COMMUNITY SERVICES/COUNTY MANAGER'S OFFICE; <b>North Brevard Economic Development Zone</b>

Requested Action:

The Economic Development Commission request the Board of County Commissioners adopt an Economic Development Ad Valorem Exemption Resolution qualifying Paragon Plastics as an eligible business under the County's Tax Abatement program and authorize a public hearing to consider adopting an exemption ordinance.

Summary Explanation & Background:

This resolution requests that the Brevard County Property Appraiser conduct the required analysis and provide the Board with a report as required by Chapter 196.1995(8) F.S.; and Economic Development Commission of Florida's Space Coast conduct an economic impact analysis of the Company and provide the Board with its recommendation as to extent and length of tax abatement

Paragon Plastics is a custom thermoforming manufacturer and is considering building a new 66,000 SF building at Spaceport Commerce Park in Titusville, FL. The company plans to create 10 new jobs within the first year with an average wage of \$37,000 and invest \$3,300,000 in new capital expenditures.

Fiscal Impact FY2014-2015 – No fiscal impact until company moves into and builds out facility.  
 Fiscal Impact FY2015-2016 – 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: [ABonner@SpaceCoastEDC.org](mailto:ABonner@SpaceCoastEDC.org), 321-638-2000  
 Staff Contact: [Stockton.Whitten@brevardcounty.us](mailto:Stockton.Whitten@brevardcounty.us), 321-633-2004

Clerk to the Board instruction:

Exhibits Attached

Contract /Agreement (If attached): Reviewed by County Attorney Yes  No  PR

County Manager Assistant County Manager, Mel Scott Department Director / Extension

Stockton Whitten Assistant County Manager, Venetta Valdengo



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

Telephone: (321) 637-2001  
Fax: (321) 264-6972

May 13, 2015

**M E M O R A N D U M**

**TO:** Stockton Whitten, County Manager

**RE:** Item II.D.1., Resolution to Consider Ad Valorem Tax Abatement for Paragon Plastics

The Board of County Commissioners, in regular session on May 12, 2015, adopted Resolution No. 15-067, qualifying Paragon Plastics as an eligible business under the County's Tax Abatement Program; and authorized a public hearing to consider adopting an exemption ordinance. Enclosed are two certified copies of the Resolution.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

*Tammy Etheridge*

Tammy Etheridge, Deputy Clerk

Encls. (2)

RESOLUTION 2015- 067

WHEREAS, economic development and the creation and retention of value added jobs is a priority of the Brevard County Board of County Commissioners; and

WHEREAS, the citizens of Brevard County voted to provide economic incentives to qualified new and expanding businesses in the November 2014 general election; and

WHEREAS, **Paragon Plastics** has requested that the Brevard County Commissioners exempt ad valorem taxes for its new construction and tangible personal property at **Spaceport Commerce Park, Titusville, FL ; and**

WHEREAS, **Paragon Plastics** meets the requirements of Chapter 196.012 F.S. as a business planning to expand in Brevard County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA as follows:

The Board of County Commissioners requests that the Brevard County Property Appraiser conduct the required analysis and provide the Board with a report as required by Chapter 196.1995(8) F.S.; and

The Board of County Commissioners requests that the Economic Development Commission of Florida's Space Coast conduct an economic impact analysis of the Company and provide the Board with its recommendation as to extent and length of tax abatement; and

The Board of County Commissioners intends to hold a public hearing to consider adopting an ordinance exempting **Paragon Plastics** from select County ad valorem taxes.

DONE, ORDERED AND ADOPTED in Regular Session this 12 day of May, 2015.

ATTEST:

  
\_\_\_\_\_  
Scott Ellis, Clerk

BOARD OF COUNTY COMMISSIONERS  
OF BREVARD COUNTY, FLORIDA

By:   
\_\_\_\_\_  
Robin Fisher, Chairman

As approved by the Board on May 12, 2015

## **Paragon Plastics Ad Valorem Tax Abatement Executive Summary**

Paragon Plastics is a custom thermoforming manufacturer which was founded in 1993. The company began in a small garage making vacuum formed flanges and transition boxes for marine a/c units. Through years of customer dedication and commitment to quality and on time delivery Paragon Plastics has become a strong force in the thermoforming field.

Today the company has expanded in various markets to include aerospace, industrial and automotive. Some of the current products being produced are airport screening components, after market car parts Ford and Chevy, manhole inflow dishes for municipality and I-beam protectors for Daytona Speedway.

Currently the company occupies 35,000 sq. ft. of manufacturing and warehouse space in Cocoa Florida. The company leases an additional 3000 sq. ft. of space to help with the overflow of their existing work. With the increase demand from their current customer base they have determined that they will need to expand their current operation and are looking at the possibility in the Spaceport Commerce Park area in Titusville on an approximately 6 acre parcel with a 66,000 sq. ft. building. Paragon Plastics is also considering an east Orlando location that would put them more centrally located to their largest customer base within the state of Florida.

If the company chooses to expand in Brevard County the intent is to increase its employee base by 10 people by 2016. Additionally the company is proposing to invest 3 million in new construction and 300,000 in new equipment purchases. The county and city incentives would be a great benefit to Paragon Plastics growth and expansion efforts by allowing the company to better leverage its capital to increase efficiency and competitiveness in their production.

Paragon Plastics is currently projecting annual sales of 8 million with employment of 40 employees by the year 2018.

Name of area: N. Brevard Economic Development Zone

**SIGNATURES:**

I hereby confirm the information provided by Paragon Plastics Inc. 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 Paragon Plastics Inc. 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 Paragon Plastics Inc. will provide the Brevard Workforce its job openings to be posted on www.employflorida.com and agrees to consider for employment candidates referred by Brevard Workforce.

DATE: 4-23-15  
SIGNED: [Signature]  
TITLE: President (Applicant)

SIGNED: \_\_\_\_\_ (Preparer)  
\_\_\_\_\_  
\_\_\_\_\_  
(Preparer's Address)  
\_\_\_\_\_  
(Preparer's Telephone Number)

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**ECONOMIC DEVELOPMENT COMMISSION (EDC) USE ONLY**

**EDC Economic Impact Analysis:**

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**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)

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**COUNTY USE ONLY**

**County Manager's Recommendation:**

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DATE: 5/13/15 SIGNED: [Signature] (County Manager)

**BREVARD COUNTY  
ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION  
Chapter 196, Florida Statutes**

To be filed with the Board of County Commissioners, the governing board of the municipality, or both, no later than March 1 of the year the exemption is desired to take effect.

1. Business name: Paragon Plastics, Inc.  
Mailing address: 520 St. Johns St., Cocoa, FL 32922
2. Name of person in charge of business: David Trout  
Telephone No.: (321)-631-6212 FAX No.: (321)-631-5457
3. Location of business (legal description and street address) of property for which this report is filed:  
Parcel ID: 23-35-03-NN-0000E.7-0000.00
4. Date business opened at this facility: 2016
5. a. Description of the improvements to real property for which this exemption is requested:  
Build a 66,000 sq. ft. facility and \$300,000 of personal property.  
b. Date of commencement of construction of improvements: 2016
6. a. Description of the tangible personal property for which this exemption is requested and date when property was purchased:

APPRAISER'S ONLY	Class or Item	Age	Date of Purchase	Original Cost	Taxpayer's Estimate of			USE
					Condition	Estimate of Fair Market Value		
	4-station thermoformer		TBD	150,000				
	Plant Air System		TBD	20,000				
	Pallet Racks		TBD	10,000				
	Horizontal Saw		TBD	75,000				
	5-axis router		TBD	150,000				

- b. Average value of inventory on hand: \$500,000<sup>00</sup>
- c. Any additional personal property not listed above for which an exemption is claimed must be returned on form DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.
7. Do you desire exemption as a "New Business" [ ] or as an "Expansion of an Existing Business"
8. Describe the type or nature of your business: thermoforming - fabrication of plastic products.
9. Trade level (check as many as apply):

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

10. a. Number of full time employees employed in Florida: 30

(DR 418)

b. If an expansion of an existing business:

(1) Net increase in employment 10 or 33 %  
(2) Increase in productive output resulting from this expansion 40 %

11. Sales factor for the facility requesting exemption:

Total sales in Florida from this facility - one (1) location only 3,600,000  
Total sales everywhere from this facility - one (1) location only 4,600,000 = 79% divided by

12. For office space owned and used by a corporation newly domiciled in Florida: Not yet incorporated

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: 4-27-15  
SIGNED: [Signature]  
(Taxpayer)  
TITLE: President

Signed: \_\_\_\_\_  
(Preparer)  
\_\_\_\_\_  
(Preparer's Address)  
\_\_\_\_\_  
(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

**SUPPLEMENTAL APPLICATION**

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

APPLICANT NAME: Paragon Plastics Inc

**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: David Trout  
Address: 520 St. Johns St., Cocoa, FL 32922  
Telephone No. 321 631-6212 FAX No. (631) 631-5457
3. Authorized Agent: N/A  
Address: \_\_\_\_\_  
Telephone Number: ( ) \_\_\_\_\_ Fax No. ( ) \_\_\_\_\_
4. Type of industry or business: Thermoforming
5. Brief description of product and expansion plans (The applicant is to provide an executive summary of its business plan):  
plastic thermoformed parts  
construction of new manufacturing facility.
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): 10
7. Percent Increase in overall employment: 33%
8. Expected number of new employees who will reside in Brevard County: 100%
9. Percentage of existing employees who have resided in the County for more than two years: 97%
10. Anticipated average wage of employees: \$37,000.00
11. Anticipated average annual payroll: \$1,087,052.00
12. Anticipated new capital investment as a result of expansion or relocation of business:  
New construction value: \$3M  
New personal property value: \$300,000.00
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, stormwater, industrial wastewater; provide a brief narrative statement of the company's environmental impacts): N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
14. Anticipated volume of business or production: 40%
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: 5  
% source of supplies Florida: 15  
% source of supplies out-of-state: 80
17. Business is/will be located in a community redevelopment area: Yes [M] No [ ]



**ECONOMIC DEVELOPMENT COMMISSION**  
OF FLORIDA'S SPACE COAST

**Economic Impact Analysis**  
**Paragon Plastics**  
**Brevard County**  
**04/27/15**

<b>Overview:</b>			
New Job Commitment:	10	Capital Investment:	\$3,300,000
Average Annual Wage:	\$37,000		

**Economic impact from job creation:**

<u>Jobs</u>	<u>Net New Wage</u>	<u>Contribution to GDP</u>
10 (Direct)	\$370,000 (Direct)	\$536,507 (Direct)
3 (Indirect)	\$123,093 (Indirect)	\$207,452 (Indirect)
3 (Induced)	\$95,828 (Induced)	\$178,716 (Induced)
<b>16 TOTAL</b>	<b>\$588,921 TOTAL</b>	<b>\$922,675 TOTAL</b>

- For every employment position created by Paragon Plastics approximately 0.54 additional jobs will be developed to support the operation of the facility.
- For every payroll dollar paid to Paragon Plastics approximately \$0.59 will be generated for consumer spending.

**County Tax Impact**

<b>Years 1-10</b>	<b>Annual Taxes on Construction</b>	
Projected Tax Assessed	\$	35,544.00
Potential Abatement	\$	14,889.12
Net New Revenue to County	\$	20,654.88
	<b>Annual Taxes on Personal Property</b>	
Projected Tax Assessed	\$	3,554.40
Potential Abatement	\$	1,488.91
Net New Revenue to County	\$	2,065.49
<b>Total New Revenue to County</b>	<b>\$</b>	<b>22,720.37</b>

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

Tax Millage Code – 14A0      NAICS – 326199      IMPLAN Sector – 195

*Analysis based on information supplied by Paragon Plastics – April 2015*

*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.*

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Brevard County, Florida, on May 26, 2015 at 9:00 a.m., in the Commission Room at 2725 Judge Fran Jamieson Way, Building C, First Floor, Viera, FL, 32940, will hold a public hearing on the following ordinance:

### **ORDINANCE NO.: 2013-**

AN ORDINANCE GRANTING AN ECONOMIC DEVELOPMENT AD VALOREM EXEMPTION TO PARAGON PLASTIC; SPECIFYING THE ITEMS EXEMPTED; PROVIDING THE EXPIRATION DATE OF THE EXEMPTION; FINDING THAT THE BUSINESS MEETS THE REQUIREMENTS OF CHAPTER 196.012 F.S.; PROVIDING FOR PROOF OF ELIGIBILITY FOR EXEMPTION; PROVIDING FOR AN ANNUAL REPORT BY PARAGON PLASTICS; PROVIDING AN EFFECTIVE DATE

All persons for or against said ordinance can be heard at said time and place. If a person decides to appeal any decision made by the Board with respect to such hearing or meeting, he will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is based.

The needs of hearing or visually impaired persons shall be met if the department sponsoring the hearing is contacted at least 48 hours prior to the public meeting hearing by any person wishing assistance. The sponsoring department is the Economic and Financial Programs Office, Telephone Number: (321)633-2001

A copy of the ordinance may be inspected at the following locations:

Brevard County Government Center, Building C Clerk to the Board of County Commissioners  
Central Brevard Library Law Library North Brevard Government Complex, Tax Collector  
Merritt Island Service Complex, Supervisor of Elections  
South Brevard Service Complex, Supervisor of Elections

By order of the Board of County Commissioners of Brevard County, Florida