

Meeting Date
September 16, 2014



AGENDA	
Section	New Business
Item No.	V E 1

AGENDA REPORT

BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	RESOLUTION TO CONSIDER AN AD VALOREM TAX EXEMPTION - PROJECT TRANSOM.				
DEPT/OFFICE:	MANAGEMENT SERVICES & COMMUNITY SERVICES/COUNTY MANAGER'S OFFICE				
Requested Action:	The Economic Development Commission request the Board of County Commissioners adopt an Economic Development Ad Valorem Exemption Resolution qualifying Project Transom 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:	<p>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.</p> <p>Project Transom is a manufacturer of luxury yachts. They are considering locating the project at 1220 Bertram Way, Merritt Island, FL. Should the company move forward with the project, they plan to create 380 new jobs with an average wage of \$45,000 and invest \$16,200,000 in new capital expenditures.</p> <p>Fiscal Impact: FY2014-2015 – No Fiscal impact until company moves into and a facility Fiscal Impact FY2014-2015 – 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.)</p> <p>EDC Contact: JRoslin@SpaceCoastEDC.org, 321-638-2000 Staff Contact: Stockton.Whitten@brevardcounty.us, 321-633-2004</p>				
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	Deputy County Manager			Department Director / Extension	
Stockton Whitten	Assistant County Manager				



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

September 17, 2014

MEMORANDUM

TO: Stockton Whitten, County Manager

RE: Item V.E.1., Resolution to Consider Ad Valorem Tax Exemption for Project Transom

The Board of County Commissioners, in regular session on September 16, 2014, adopted Resolution No. 14-161, qualifying Project Transom as an eligible business under the County's Tax Abatement Program; and authorized a public hearing to consider adopting an exemption ordinance. Enclosed is a certified copy of the Resolution.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Etheridge

Tammy Etheridge, Deputy Clerk

Encl. (1)

RESOLUTION 2014- 161

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 2004 general election; and

WHEREAS, **Project Transom** has requested that the Brevard County Commissioners exempt ad valorem taxes for its new construction and tangible personal property at **1220 Bertram Way, Merritt Island, FL 32952 ; and**

WHEREAS, **Project Transom** 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 **Project Transom** from select County ad valorem taxes.

DONE, ORDERED AND ADOPTED in Regular Session this 16 day of September, 2014.

ATTEST:



Scott Ellis, Clerk

BOARD OF COUNTY COMMISSIONERS
OF BREVARD COUNTY, FLORIDA

By: 

Mary Bolin Lewis, Chairman

As approved by the Board on 9-16-2014

Project Transom

Ad Valorem Tax Abatement Executive Summary

Project Transom has made the decision to locate a manufacturing factory of high end Luxury yachts from 60 to 90ft in length in the US and Florida is one of the states being considered. The manufacturing method will be a culmination of best practices and new technologies including vacuum infusion of composite parts to lower VOC emissions by as much as 90% compared to hand lamination.

The first year should result in product being manufactured for the US market only and as much as 60% of all products manufactured in the chosen State will be shipped to the rest of the US. The second year the product will be offered internationally as well as serving the US market.

The company will initially build for Ocean Alexander one of the most prestigious Luxury Motor yacht and Supper Motor Yacht companies in the world. www.oceanalexander.com with the growing demand for Ocean Alexander products and their partnership with Marine Max (The USA's Largest Yacht Dealer network) www.marinemax.com we predict the only limiting factor for growth to be quality. Leaving us with an unprecedented grow potential.

The demand is far greater than current production making the need for an additional manufacturing factory a necessity.

The company has made the decision to put a factory in the East coast of the US to serve the growing needs of our customers.

150,000sq ft. of manufacturing space minimum with room to add more buildings is needed with a minimum of 80,000sq. ft. with 60ft eave height.

While a lot of the Manufacturing methods we will use are new, a base of experienced boat builders is a plus as it will shorten the training cycle and an on water location for product delivery is an absolute must.

The company will spend an estimated 16 – 18 Million dollars on Capital expenditures in the first four years. The major portion of that would be with in-state companies (if Florida is chosen as the site, those companies would be in Florida?)

The company is conservatively estimated to employ 50 full time Employees the first year through direct hiring or utilizing our outside contractors to supply employees who work in the factory full time. 50 new well-paying jobs the first year, 110 in year two, 180 in year three and 380 in year four and it won't stop there.

Florida is only one of the states being considered for this facility and Tax abatement and other incentives will play a huge role in making the final location, decision. The decision by our company to locate on The Space Coast of Florida would make a lasting positive impact in the community and the State of Florida.

We are close to making our decision and time is of the essence. The commission assistance is a huge determining factor. We are anticipating the Commissions assistance through the approval of our company for the Ad Valorem Tax Abatement Program and other available incentives to locate here.

JJH

SUPPLEMENTAL APPLICATION

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

APPLICANT NAME: **Project Transom**

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:** Jeff Gray

Address: 1220 Bertram Way, Merritt Island 32952

Telephone No. () _____ **FAX No.** () _____
3. **Authorized Agent:** Jay J Hood

Address: 201 S Canary – Po box 218 Commerce Oklahoma 74339

Telephone Number: (918) 919 2255 **Fax No.** () _____
4. **Type of industry or business:** Luxury Yacht Manufacturing
5. **Brief description of product and expansion plans (The applicant is to provide an executive summary of its business plan):**
See 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):** 380 Manufacturing in 2018
7. **Percent Increase in overall employment:** _____
8. **Expected number of new employees who will reside in Brevard County:** all
9. **Percentage of existing employees who have resided in the County for more than two years:** 0
10. **Anticipated average wage of employees:** \$45,000.00 annually
11. **Anticipated average annual payroll:** \$17,100,000.00 by 2018 year end
12. **Anticipated new capital investment as a result of expansion or relocation of business:**
New construction value: _____
New personal property value: \$16,200,000.00 first four years
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):**
If existing site is used no permits will be necessary
14. **Anticipated volume of business or production:** TBD
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: TBD

% source of supplies Florida: 60%

% source of supplies out-of-state: 40%

17. Business is/will be located in a community redevelopment area: Yes [] No []

Name of area: _____

I hereby confirm the information provided by **Project Transom** 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 Transom** 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 Transom** 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.

SIGNATURES:

DATE: August 25, 2014

SIGNED: Jay J. Wood
(Applicant)

TITLE: President

SIGNED: Jay J. Wood
(Preparer)

201 South Canary Po Box Commerce OK
(Preparer's Address)

74339
(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)

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: Project Transom
 Mailing address: _____
2. Name of person in charge of business: _____
 Telephone No.: () _____ FAX No.: () _____
3. Location of business (legal description and street address) of property for which this report is filed:
1220 Bertram Way< Merritt Island FL, 32952
4. Date business opened at this facility: Fourth QTR 2014
5. a. Description of the improvements to real property for which this exemption is requested:
None
- b. Date of commencement of construction of improvements: NA
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 Condition			Taxpayer's Estimate of Fair Market Value		USE
	Manufacturing Equipment		TBD	\$16,100,000.						
	FF&E		TBD	\$100,000						

- b. Average value of inventory on hand: TBD
- 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: Yacht Manufacturing
9. Trade level (check as many as apply):

10. a. Number of full time employees employed in Florida: 0

(DR 418)

b. If an expansion of an existing business:

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

11. Sales factor for the facility requesting exemption:

Total sales in Florida from this facility - one (1) location only **anticipate majority of sale outside of Florida** divided
by
Total sales everywhere from this facility - one (1) location only _____ = _____

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: 8-25-2014

SIGNED: Jay J. Wood
(Taxpayer)

TITLE: PRESIDENT

Signed: Jay J. Wood
(Preparer)
Po Box 218 COMMERCIAL
(Preparer's Address) 74999
918-919-2255
(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



Ad Valorem Tax Abatement
Job Creation
Distribution Worksheet

Job Title / Description	Number of Jobs	Wage	Anticipated Hire Timeline (by year)
Executive Staff	9	\$120,000.00 annual average	By yearend 2014
Manufacturing	20	\$45,000.00 Annual Average	By yearend 2014
Manufacturing	80	\$45,000.00	By Yearend 2015
Manufacturing	150	\$45,000.00	By Yearend 2016
Manufacturing	290	\$45,000.00	By Yearend 2017
Total	380	\$45,000.00	By Yearend 2018



ECONOMIC DEVELOPMENT COMMISSION
OF FLORIDA'S SPACE COAST

Economic Impact Analysis
Project Transom
Brevard County
08/22/14

Overview:

New Job Commitment:	380	Capital Investment:	\$16,200,000
Average Annual Wage:	\$45,000		

Economic impact from job creation:

<u>Jobs</u>	<u>Net New Wage</u>	<u>Contribution to GDP</u>
380 (Direct)	\$17,100,000 (Direct)	\$17,082,070 (Direct)
165 (Indirect)	\$6,678,802 (Indirect)	\$11,650,574 (Indirect)
125 (Induced)	\$4,676,744 (Induced)	\$8,937,130 (Induced)
670 TOTAL	\$28,455,546 TOTAL	\$37,669,774 TOTAL

• For every employment position created by Project Transom approximately 0.76 additional jobs will be developed to support the operation of the facility.

• For every payroll dollar paid to Project Transom approximately \$0.66 will be generated for consumer spending.

County Tax Impact

Years 1-10	Annual Taxes on Construction	
Projected Tax Assessed	\$	-
Potential Abatement	\$	-
Net New Revenue to County	\$	-
	Annual Taxes on Personal Property	
Projected Tax Assessed	\$	230,413.25
Potential Abatement	\$	115,690.03
Net New Revenue to County	\$	114,723.22
Total New Revenue to County	\$	114,723.22

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

Tax Millage Code – 2200 NAICS – 336612 IMPLAN Sector – 291

Analysis based on information supplied by Project Transom -- August 2014

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 October 7, 2014 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.: 14-_____

AN ORDINANCE GRANTING AN ECONOMIC DEVELOPMENT AD VALOREM EXEMPTION TO PROJECT TRANSOM; 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 BONADENT DENTAL LABORATORIES; 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 meeting/hearing is contacted at least 48 hours prior to the public meeting/hearing by any person wishing assistance. The sponsoring department is the County Manager's Office, Management & Community Services Group, 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