



AGENDA REPORT
July 24, 2018

Economic Development Tax Exemption Ordinance Re: Project Rainbow

SUBJECT:

Economic Development Tax Exemption Ordinance re: Project Rainbow

FISCAL IMPACT:

FY 2018-2019 No Fiscal Impact until company builds and moves into facility
FY 2019-2020 Fiscal Impact will be the amount of ad valorem taxes exempted.

DEPT/OFFICE:

County Manager

REQUESTED ACTION:

It is requested that the Board of County Commissioners consider adopting an Economic Development Ad Valorem Exemption Ordinance for Project Rainbow.

SUMMARY EXPLANATION and BACKGROUND:

Project Rainbow is a leading manufacturer of products used in medical settings. The company provides design and manufacturing services both inside and outside the state of Florida.

Project Rainbow is considering constructing a 20,000 SF build-to-suit facility in Palm Bay, FL. The company plans to create 30 new jobs over 3 years with an average wage of \$46,000 and invest in Brevard County approximately \$5,100,000 in new capital expenditures. The proposed job creation timeline for the project is as follows:

	# of new jobs	Date jobs will be created
	10	Year 1
	10	Year 2
	<u>10</u>	Year 3
Total	30	

The EDC has made a recommendation that Project Rainbow be provided an ad valorem tax abatement

Of 80% for eight (8) years. The Property Appraiser has conducted an analysis of the tax abatement application and has estimated that at 80% the amount of the annual tax abatement will be approximately \$18,496 and the total Tax Abatement for eight (8) years will be \$147,971.

EDC Contact: GWeiner@SpaceCoastEDC.org, 321-638-2000
Staff Contact: Frank.Abbate@brevardfl.gov, 321-633-2001

ATTACHMENTS:

- | | Description |
|---|---|
| ▫ | Project Rainbow Ordinance |
| ▫ | Project Rainbow Supplemental Application |
| ▫ | legal ad |



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

July 25, 2018

MEMORANDUM

TO: Frank Abbate, County Manager

RE: Item H.2., Economic Development Tax Exemption Ordinance for Project Rainbow

The Board of County Commissioners, in regular session on July 24, 2018, adopted Ordinance No. 18-17, Economic Development Tax Exemption for Project Rainbow. Enclosed is a certified copy of the Ordinance for your action.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe

Tammy Rowe, Deputy Clerk

/ds

Encl. (1)

cc: Finance
Budget

ORDINANCE NO. 2018- 17

AN ORDINANCE GRANTING AN ECONOMIC DEVELOPMENT AD VALOREM EXEMPTION TO PROJECT RAINBOW. SPECIFYING THE ITEMS EXEMPTED; PROVIDING THE EXPIRATION DATE OF THE EXEMPTION; FINDING THAT THE BUSINESS MEETS THE REQUIREMENTS OF CHAPTER 196.1995(16) F.S.; PROVIDING FOR PROOF OF ELIGIBILITY FOR EXEMPTION; PROJECT RAINBOW; PROVIDING AN EFFECTIVE DATE.

WHEREAS, economic development and the creation of jobs are a priority of the Brevard County Board of County Commissioners; and

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

WHEREAS, Project Rainbow, has requested that the Board of County Commissioners exempt ad valorem taxes for real property used in its new business or expansion of an existing business as well as tangible personal property at Legal Description of property: Parcel ID #29-37-09-MY-3042-6; Plat Book/Page: 0030/0060 Port Malabar Unit 56 Lot 6 Blk 3042
Tax Code- 34U0

WHEREAS, the Economic Development Commission of Florida's Space Coast has recommended approval of the exemption for Project Rainbow, and

WHEREAS, the Property Appraiser has provided the Board of County Commissioners with its report as required by Chapter 196.1995(16) F.S.; and

WHEREAS, it has been determined that Project Rainbow, meets the requirements of Chapter 196.012(14) or (15) F.S., for new business or an expansion of an existing business in Brevard County; and

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

Section 1. Chapter 102 entitled "Taxation"; Article IV entitled "Ad Valorem Property Taxation", of the Code of Ordinances of Brevard County, Florida shall be amended to include a new section 102-2__ as follows:

(a) An Economic Development Ad Valorem Tax Exemption is hereby granted to Project Rainbow (hereafter referred to as "the Company"), for:

1. 80 percent a) of the assessed value of all improvements to real property made by or for the use of a new business as determined by the Property Appraiser for the first year after substantial completion of those improvements; and b) of the assessed value of all tangible personal property of such new business in place during that first year, or
2. 80 percent a) of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business in the first year of assessment after substantial completion of those improvements and b) of the

assessed value of the net increase in all tangible personal property acquired to facilitate such expansion of an existing business during that first year.

- (b) The total amount of revenue available to the County from ad valorem tax sources for the current fiscal year is \$ 218,681,157.58; \$ 731,175.18 is lost to the County for the current fiscal year by virtue of exemptions currently in effect from previous years.
- (c) The tax exemption hereby granted shall be for a term of eight (8) years commencing with the first year the new or expanded facility and tangible personal property are added to the assessment roll.
- (d) In accordance with the findings of the Board of County Commissioners and the Property Appraiser, the property hereby exempted from ad valorem tax exemption meets the definition of either a new business or expansion of an existing business, as defined by Chapter 196.0125(14) or (15), Florida Statutes.
- (e) The Company shall submit to the County Manager at the beginning of each year an annual report providing evidence of continued compliance with the definition of an expansion of an existing business for each of the eight (8) years during which the Company is eligible to receive ad valorem tax exemption. If the annual report is not received, or if the annual report indicates the Company, no longer meets the criteria of section 196.012(14) or (15), Florida Statutes, the County Manager shall make a report to the Board of County Commissioners for consideration of revocation of this Ordinance granting the tax exemption.
- (f) If the County Manager or designee receives written notice that the company qualifying for an ad valorem tax abatement under the authority of this ordinance has decided not to undertake or complete the new business or expansion of an existing business, including improvements to real property or acquisition of taxable tangible personal property, or has not timely provided the number of jobs qualifying the new business or expansion of an existing business for the ad valorem tax exemption granted under this section, the exemption granted shall be void, shall not take effect and shall not be implemented. If such a notice is received, the foregoing provision shall be self-executing and no further action of the Board of County Commissioners will be required to void the granted exemption. Upon the County's receipt of any such notice, the county manager or designee shall forward the notice to the Property Appraiser along with a copy of this subsection of the ordinance.
- (g) If, upon discovery of the Company's failure to qualify for the ad valorem tax exemption granted by this ordinance, the Board of County Commissioners may revoke this Ordinance, and the company shall reimburse those County ad valorem taxes abated in favor of the Company for that period of time that it was determined that the Company no longer met the criteria of section 196.012 (14) or (15), F.S., which ever was applicable to the exemption granted by this ordinance.

Section 2. Severability - If any provision of this Ordinance is held to be illegal or invalid, the other provisions shall remain in full force and effect.

Section 3. Effective Date - This Ordinance shall become effective immediately upon filing as provided by law. A certified copy of the Ordinance shall be filed with the Office of the Secretary of State, State of Florida within ten days of enactment.

DONE, ORDERED AND ADOPTED in Regular Session this 24th day of July, 2018

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF BREVARD COUNTY, FLORIDA



Scott Ellis, Clerk

By: 

Rita Pritchett, Chair

As approved by the Board on 7/24/18



FLORIDA DEPARTMENT *of* STATE

RICK SCOTT
Governor

KEN DETZNER
Secretary of State

July 25, 2018

Honorable Scott Ellis
Clerk
Board of County Commissioners
Brevard County
Post Office Box 999
Titusville, Florida 32781-0999

Attention: Ms. Deborah Thomas

Dear Mr. Ellis:

Pursuant to the provisions of Section 125.66, Florida Statutes, this will acknowledge receipt of your electronic copy of Brevard County Ordinance No. 2018-17, which was filed in this office on July 25, 2018.

Sincerely,

Ernest L. Reddick
Program Administrator

ELR/lb

SUPPLEMENTAL APPLICATION

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

APPLICANT NAME: Project Rainbow

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 business 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. Proposed Property Address (legal description & street address):
Parcel ID #29-37-09-MY-3042-6 Legal Description: Plat Book/Page: 0030/0060 Port Malabar Unit 56 Lot 6 Blk 3042

3. Property Owner Name: Mriglobal
Address: 425 Volker Blvd. Kansas City MO 64110
Telephone No. () _____ FAX No. () _____
4. Authorized Agent: _____
Address: _____
Telephone Number: () _____ Fax No. () _____
5. Type of Industry or business: Design and Manufacturing Services
6. NAICS Code(s) 541990
7. Brief description of product and expansion plans (The applicant is to provide an executive summary of its business plan):

Project Rainbow is a leading manufacturer of products used in medical settings. The company provides design and manufacturing services both inside and outside the state of Florida.

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):

Project Year	Number of net new full-time equivalent Brevard County jobs created in the business unit
I	10
II	10
III	10
Total	30

8. As of the date of this application, what is your total current Brevard County Employment? 28
9. Expected number of new employees who will reside in Brevard County: 30
10. Percentage of existing employees who have resided in the County for more than two years: 50%
11. Anticipated average wage of employees (excluding employee benefits, but including overtime): \$46,000
12. Estimated new capital investment as a result of expansion or relocation of business:
Estimated new construction value: \$3,000,000
Estimated new personal property value: \$2,100,000
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): Standard water, sewer and storm water

14. Anticipated volume of business or production (estimated gross revenue): Estimated volume of business in excess of \$3M

15. Would the relocation or expansion occur without the exemption: Yes No

16. Estimated source of supplies (local or otherwise):

Estimated % source of supplies County: 0%

Estimated % source of supplies Florida: 20%

Estimated % source of supplies out-of-state: 80%

17. Business is/will be located in a community redevelopment area: Yes () No (X)

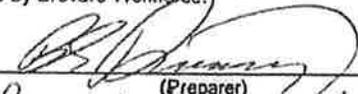
Name of area: _____

18. Do you desire exemption as a "Relocation" (), "Expansion of Existing Business Function" (X) or as an "Expansion of New Business Function" ()

SIGNATURES:

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

DATE: _____

SIGNED:  _____
(Preparer)

SIGNED: _____
(Applicant)

2425 Pineapple Ave #105 Melbourne, FL 32935
(Preparer's Address)

TITLE: _____

321-663-3540
(Preparer's Telephone Number)

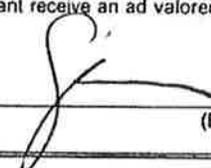
ECONOMIC DEVELOPMENT COMMISSION (EDC) USE ONLY

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 80 percent of its eligible taxes and for a period of 8 years.

DATE: 7/17/2018

SIGNED:  Sr. Dir. Bus. Dev.
(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 Rainbow
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:
Parcel ID #29-37-09-MY-3042-6 Legal Description: Plat Book/Page: 0030/0060 Port Malabar Unit 56 Lot 6 Blk 3042

4. Date business opened at this facility: TBD
5. a. Description of the improvements to real property for which this exemption is requested:
\$3,000,000 in new construction
- b. Date of commencement of construction of improvements: TBD Estimated 2nd Quarter 2019
6. a. Description of the tangible personal property for which this exemption is requested and date when property was purchased:

Class or Item	Age	Date of Purchase	Original Cost	Taxpayer's Estimate of Condition		Taxpayer's Estimate of Fair Market Value	APPRAISER USE ONLY
Misc Manufacturing Equipment TBD anticipated \$2,100,000							1,890,000

- b. Average value of inventory on hand: \$500,000
- 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" [X]
8. Describe the type or nature of your business: Design and manufacturing services
9. Trade level (check as many as apply):
Wholesale [] Manufacturing [X] Professional [] Service [X] Office [] Other []
10. a. Number of full time employees employed in Florida: 35
- b. If an expansion of an existing business:
 - (1) Net increase in employment 30 or 100 %
 - (2) Increase in productive output resulting from this expansion 50-100 %

11. Sales factor for the facility requesting exemption:

Total sales in Florida from this facility - one (1) location only \$1,200,000 divided by
Total sales everywhere from this facility - one (1) location only \$3,000,000 = 40%

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

a. Date of incorporation in Florida: N/A

b. Number of full-time employees at this location 28

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: _____

Signed: [Signature]
(Preparer)

SIGNED: _____
(Taxpayer)

205 Pineapple Ave #108 Melbourne, FL 32905
(Preparer's Address)

TITLE: _____

321 - 663-5546
(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:

218,681,157.58

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

731,175.18

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 property for which the exemption is requested otherwise been subject to taxation:

23,120.41

IV. Estimate of the taxable value lost to the County or municipality if the exemption applied for were granted:

Improvements to real property 2,550,000 Personal Property 1,890,000

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: Dependent upon the number of years granted by the BOCC.

DATE: 7-16-18

SIGNED: [Signature]
(Property Appraiser)

RETURN TO BE FILED NOT LATER THAN MARCH 1



Classified Ad Receipt
(For Info Only - NOT A BILL)

Customer: B.O.C.C. COUNTY MANAGER'S OFF
Address: 2725 JUDGE FRAN JAMIESON WAY
MELBOURNE FL 32940
USA

Ad No.: 0003019923
Pymt Method Invoice
Net Amt: \$227.32

Run Times: 1

No. of Affidavits: 1

Run Dates: 07/12/18

Text of Ad:

AD#3019923, 7/12/2018

NOTICE OF PUBLIC HEARING
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS
ORDINANCE NO. 2018-

AN ORDINANCE GRANTING AN ECONOMIC DEVELOPMENT AD VALOREM EXEMPTION TO PROJECT RAINBOW, SPECIFYING THE ITEMS EXEMPTED; PROVIDING THE EXPIRATION DATE OF THE EXEMPTION; FINDING THAT THE BUSINESS MEETS THE REQUIREMENTS OF CHAPTER 196.1995(16) F.S.; PROVIDING FOR PROOF OF ELIGIBILITY FOR EXEMPTION; PROJECT RAINBOW; PROVIDING AN EFFECTIVE DATE.

Interested parties may appear at the July 24, 2018 meeting and be heard with respect to the proposed ordinance.

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

- Office of Clerk to the Board of County Commissioners, Titusville, Florida
North Brevard Library, Titusville, Florida
Central Brevard Library, Cocoa, Florida
Melbourne Library, Melbourne, Florida
Micco Library, Micco, Florida

A copy of the ordinance may also be viewed online at: http://www.brevardcounty.us/CountyManager/DraftOrdinances.

Pursuant to Section 285.0105 Florida Statutes, if a person decides to appeal any decision made by the board, agency, or commission with respect to any matter considered at such meeting or hearing, he or she will need to ensure that a verbatim record of the proceedings is made, at his or her own expense, which record includes the testimony and evidence upon which any such appeal is to be based. Such person may provide a court reporter, stenographer, or a tape recorder for such verbatim record.

In accordance with the Americans Disabilities Act, persons needing a special accommodation or an interpreter to participate in the proceedings, please notify the department sponsoring the meeting/hearing, or the County Manager's Office, (321) 633-2000, at least 48 hours in advance. TDD: 1-800-955-8771. Assisted Listening System receivers are available for the hearing impaired, & can be obtained from the Sound Technician at the meeting.

This meeting will be broadcast live on Space Coast Government Television (SCGTV) on Bright House Networks channel 499, Comcast Cable Communications channel 51 in North Brevard and channel 13 in South Brevard, and AT&T U-verse channel 99. SCGTV will also replay this meeting during the coming month. Check the SCGTV website for daily program updates http://www.scqtv.org.