

Meeting Date  
**March 20, 2018**



AGENDA	
Section	Consent
Item No.	11.0.2

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

SUBJECT:	Resolution to consider an Ad Valorem Tax Abatement – Project MG Foods, Inc.
DEPT/OFFICE:	Economic Development Commission / County Manager’s Office

**Requested Action:**  
 The Economic Development Commission requests the Board of County Commissioners adopt an Economic Development Ad Valorem Exemption Resolution qualifying Project MG Foods, Inc 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

Project MG Foods, Inc is a food production and distribution company which produces, packages and delivers fresh food products to a variety of customers, including vending operators, convenience stores, universities and hospitals. Project MG Foods, Inc is considering refurbishing an existing 30,000+ SF building in Melbourne, FL. The company plans to create 95 new jobs over 3 years with an average wage of \$29,000 and invest approximately \$2,300,000 in new capital expenditures. The proposed job creation timeline for the project is as follows:

# of New Jobs	Date jobs will be created
30	Year 1
35	Year 2
30	Year 3
<b>TOTAL</b>	<b>95</b>

Fiscal Impact: FY2017-2018 – No fiscal impact until company moves into and builds out facility.  
 Fiscal Impact: FY2018-2019 – 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](mailto:GWeiner@SpaceCoastEDC.org), 321-638-2000  
 Staff Contact: [FrankAbbate@brevardfl.gov](mailto:FrankAbbate@brevardfl.gov), 321-633-2004

Clerk to the Board instruction:  
 Exhibits Attached Letter from FDOT

<b>Contract /Agreement (If attached):</b>		<b>Reviewed by County Attorney</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	PR <input type="checkbox"/>
County Manager Frank Abbate	Interim Assistant County Manager Jim Liesenfelt		Department Director / Extension		
	Assistant County Manager John Denninghoff				



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

March 21, 2018

**MEMORANDUM**

**TO:** Frank Abbate, County Manager

**RE:** Item II.D.2., Resolution for Qualifying Project MG Foods, Inc. as an Eligible Business Under the County's Tax Abatement Program

The Board of County Commissioners, in regular session on March 20, 2018, adopted Resolution No. 18-036, qualifying Project MG Foods, Inc. 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 always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

/kp

Encl. (1)

cc: Economic Development Commission

RESOLUTION 2018- 036

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 MG Foods, Inc** has requested that the Brevard County Commissioners exempt ad valorem taxes for its construction and tangible personal property at **685 Atlantis Road, Melbourne FL; and**

WHEREAS, **Project MG Foods, Inc** 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

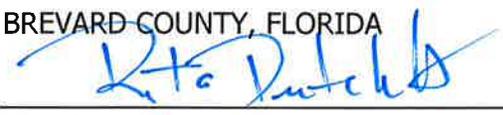
The Board of County Commissioners intends to hold a public hearing to consider adopting an ordinance exempting **Project MG Foods, Inc** from select County ad valorem taxes.

DONE, ORDERED AND ADOPTED in Regular Session this 20<sup>th</sup> day of March, 2018.

ATTEST:

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

BOARD OF COUNTY COMMISSIONERS  
OF BREVARD COUNTY, FLORIDA

By:   
\_\_\_\_\_  
Rita Pritchett, Chairman

As approved by the Board on 3/20/18



Date: March 7, 2018

To: Frank Abbate  
County Manager

From: Jennifer Hashagen  
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 MG Foods, Inc, a food production and distribution company which produces, packages and delivers fresh food products to a variety of customers, including vending operators, convenience stores, universities and hospitals. They are considering refurbishing an existing 30,000+ SF building in Melbourne, FL. The company plans to create 95 new jobs over 3 years with an average wage of \$29,000 and invest approximately \$2,300,000 in new capital expenditures. The proposed job creation timeline for the project is as follows:

# of New Jobs	Date jobs will be created
30	Year 1
35	Year 2
30	Year 3
<b>TOTAL</b>	<b>95</b>

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
- Economic impact analysis
- Resolution - AVT
- Draft Board Report

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.

## **MG FOODS FLORIDA, INC.**

The original company of MG Foods has been in business since 2007. The MG Foods facilities in Charlotte NC and Longview TX produce, package and deliver fresh food products to a variety of customers, including vending operators, convenience stores, universities and hospitals. Based on existing relationships with clients at our current facilities, we decided Central Florida would be an excellent geographic location for production and distribution of our products in Florida. Our focus for potential locations has centered on the Tampa area, eastward to the greater Orlando area over to Florida's central east coast. We currently have approximately 225 employees at our 2 locations and if business proceeds as planned, we anticipate that within the first 15 months we will hire approximately 50 employees, adding 20-30 additional during each of the next two years. The anticipated capital investment in up fit for a leased space is approximately \$1 to \$1.5 million, \$800,000 in equipment, and initial truck purchases of \$500,000.

**SUPPLEMENTAL APPLICATION**

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

APPLICANT NAME: MG Foods, 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 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): 685 Atlantis Rd  
Melbourne, FL
3. Property Owner Name: Henderson Discovery Inc.  
Address: 112 Chesley Dr Media, PA 19063  
Telephone No. (610) 627-3617 FAX No. (610) 627-3610
4. Authorized Agent: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone Number: ( ) \_\_\_\_\_ Fax No. ( ) \_\_\_\_\_
5. Type of industry or business: Food Production
6. NAICS Code(s) 311991
7. Brief description of product and expansion plans (The applicant is to provide an executive summary of its business plan):  
See Attached
8. 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	<u>30</u>
II	<u>35</u>
III	<u>30</u>
Total	<u>95</u>

9. As of the date of this application, what is your total current Brevard County Employment? 0
10. Expected number of new employees who will reside in Brevard County: assume 100%
11. Percentage of existing employees who have resided in the County for more than two years: 0
12. Anticipated average wage of employees (excluding employee benefits, but including overtime): \$ 29,000<sup>00</sup>
13. Estimated new capital investment as a result of expansion or relocation of business:  
Estimated new construction value: \$ 1,000,000  
Estimated new personal property value: \$ 1,300,000
14. 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): Minimal Impact - food prep packaging + distribution. Cooking component of process will create some grease waste and dishwashing and cleaning some wastewater.
15. Anticipated volume of business or production (estimated gross revenue): year one - \$2 million; yr. two - \$4 million
16. Would the relocation or expansion occur without the exemption: Yes [ ] No [X] yr three - \$6 million
17. Estimated source of supplies (local or otherwise):  
Estimated % source of supplies County: 50%  
Estimated % source of supplies Florida: 50%  
Estimated % source of supplies out-of-state: 0%





# AD VALOREM TAX ABATEMENT

Job Creation Distribution Worksheet

JOB TITLE / DESCRIPTION	NUMBER OF JOBS	WAGE	ANTICIPATED HIRE TIMELINE (YEARS 1-3)
operations mgr	1	\$90,000	1
Supervisors	5	\$45,000	1-3
Driver	6	\$17/hr	1-3
Production	83	\$12/hr	1-3

**M.G. Foods, Inc.**

**Brevard County, FL**

**03/07/18**

**Overview:**

New Job Commitment:	95	Capital Investment:	\$2,300,000
Average Annual Wage:	\$29,000		

**Economic impact from job creation:**

<u>Jobs</u>	<u>Net New Wage</u>	<u>Contribution to GDP</u>
95 (Direct)	\$2,755,000 (Direct)	\$3,512,047 (Direct)
45 (Indirect)	\$2,432,790 (Indirect)	\$3,806,994 (Indirect)
29 (Induced)	\$1,077,859 (Induced)	\$1,913,847 (Induced)
<b>169 TOTAL</b>	<b>\$6,265,649 TOTAL</b>	<b>\$9,232,889 TOTAL</b>

- For every employment position created by M.G. Foods, Inc. approximately 0.78 additional jobs will be developed to support the operation of the facility.
- For every payroll dollar paid to M.G. Foods, Inc. approximately \$1.27 will be generated for consumer spending.

**County Tax Impact**

**Years 1-10**

	Annual Taxes on Construction	
Projected Tax Assessed	\$	10,553.60
Potential Abatement (at 100%)	\$	4,317.44
Net New Revenue to County	\$	6,236.16
	Annual Taxes on Personal Property	
Projected Tax Assessed	\$	13,719.68
Potential Abatement (at 100%)	\$	5,612.67
Net New Revenue to County	\$	8,107.01
<b>Total New Revenue to County</b>	<b>\$</b>	<b>14,343.17</b>

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

Tax Millage Code – 53K0      NAICS – 311991      IMPLAN Sector – 105

*Analysis based on information supplied by M.G. Foods, Inc. - March 2018*

*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 April 10, 2018 at 5:00 p.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. 18- \_\_\_\_\_

AN ORDINANCE GRANTING AN ECONOMIC DEVELOPMENT AD VALOREM EXEMPTION TO MG FOODS, INC.; 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 MG FOODS, INC.; PROVIDING AN EFFECTIVE DATE.

**Interested parties may appear at the April 10, 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  
South Mainland Library, Micco, Florida

A copy of the ordinance may also be viewed online at: <http://www.brevardfl.gov/CountyManager/DraftOrdinances>.

Pursuant to Section 286.0105 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 a record of the proceedings, and that, for such purpose, 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) 633-2001, 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.brevardfl.gov>