

Meeting Date
May 3, 2016



AGENDA	
Section	CONSENT
Item No.	<i>II.D.6</i>

AGENDA REPORT
 BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	RESOLUTION TO CONSIDER AN AD VALOREM TAX ABATEMENT – WAL-MART STORES EAST, LP
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 Wal-Mart Stores East, LP 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

Wal-Mart Stores East, LP is considering developing a 460,000+ SF refrigerated warehouse and distribution facility in Cocoa, FL. The company plans to create 239 new jobs over 4 years with an average wage of \$42,421 and invest \$96,200,000 in new capital expenditures. The proposed job creation timeline for the project is as follows:

# of New Jobs	Date jobs will be created
100	12/31/2018
50	12/31/2019
89	12/31/2020

TOTAL 239

Fiscal Impact FY2016-2017 – No fiscal impact until company constructs a 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

Clerk to the Board instruction:

Exhibits Attached

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



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

May 4, 2016

MEMORANDUM

TO: Stockton Whitten, County Manager

RE: Item II.D.6., Resolution for Ad Valorem Tax Abatement – Wal-Mart Stores East, LP

The Board of County Commissioners, in regular session on May 3, 2016, adopted Resolution No. 16-068, qualifying Wal-Mart Stores East, LP 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 for your action.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK


Tammy Rowe, Deputy Clerk

/ds

Encl. (1)

cc: Budget
Finance

RESOLUTION 2016-068

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, **Wal-Mart Stores East, LP** has requested that the Brevard County Commissioners exempt ad valorem taxes for its new construction and tangible personal property at **Parcel 24-35-23-00-13 Cocoa, FL ; and**

WHEREAS, **Wal-Mart Stores East, LP** 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 **Wal-Mart Stores East, LP** from select County ad valorem taxes.

DONE, ORDERED AND ADOPTED in Regular Session this 3rd day of May, 2016.

ATTEST:



Scott Ellis, Clerk

BOARD OF COUNTY COMMISSIONERS
OF BREVARD COUNTY, FLORIDA

By: 

Jim Barfield, Chairman

As approved by the Board on 5/3/16

SUPPLEMENTAL APPLICATION

BREVARD COUNTY ECONOMIC DEVELOPMENT
AD VALOREM TAX EXEMPTION PROGRAM

APPLICANT NAME: Wal-Mart Stores East, LP

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: Wal-Mart Stores East, LP
Address 702 S.W. 8th Street, Bentonville, AR 72716
Telephone No. (479) 273-4000 FAX No. ()
- 3 Authorized Agent: J. M. Mullis, Inc.
Address: 3753 Tyndale Dr., Ste 101, Memphis, TN 38125
Telephone Number: (901)-734-6994 (Mullis) Fax No. (407)-920-4626 (Denise Mott)
- 4 Type of industry or business: Refrigerated warehouse and distribution
- 5 Brief description of product and expansion plans (The applicant is to provide an executive summary of its business plan):
EXECUTIVE SUMMARY ATTACHED
- 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): 239 (BREAKDOWN ATTACHED)
- 7 Percent Increase in overall employment: N/A
- 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: N/A
- 10 Anticipated average wage of employees: \$42,421/YR
- 11 Anticipated average annual payroll: \$10M
- 12 Anticipated new capital investment as a result of expansion or relocation of business
New construction value: \$84,200,000
New personal property value: \$12,000,000
- 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, stormwater, industrial wastewater, provide a brief narrative statement of the company's environmental impacts):

A portion of the subject property is proposed to be developed into a perishable distribution center. The Company will develop in accordance with applicable regulations. As such, the Company will be applying for permits through City, County, State, and US government agencies. Applications will be submitted for water and sewer permits through FDEP, a state Environmental Resource Permit through SJRWMD, a dewatering permit through SJRWMD, and a 404 permit through the US Army Corps of Engineers.
- 14 Anticipated volume of business or production: N/A
- 15 The relocation or expansion would not occur without the exemption: Yes [X] No []
- 16 Source of supplies (local or otherwise):
% source of supplies County: TBD
% source of supplies Florida: TBD
% source of supplies out-of-state: TBD
- 17 Business is/will be located in a community redevelopment area: Yes [] No [X]
Name of area: _____

SIGNATURES

I hereby confirm the information provided by Wai-Mart Stores East, LP 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 Wai-Mart Stores East, LP 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 Wai-Mart Stores East, LP 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 4/18/2016
SIGNED [Signature]
(Applicant)
TITLE Vice President - Real Estate

SIGNED _____
(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 5/13/16 SIGNED [Signature]
(County Manager)

Walmart Ad Valorem Tax Abatement Executive Summary

Walmart helps people around the world save money and live better – anytime and anywhere -- in retail stores, online, and through their mobile devices. Each week, more than 250 million customers and members visit our 11,500 stores in 28 countries and e-commerce sites in 11 countries. Walmart employs more than 2.2 million associates worldwide with 1.4 million in the U.S. Walmart continues to be a leader in sustainability, corporate philanthropy and employment opportunity. Additional information about Walmart can be found by visiting <http://corporate.walmart.com>.

The Port Canaveral Logistics Park located in the City of Cocoa, Brevard County, was selected out of a pool of other potential sites throughout Florida and South Georgia due to its skilled labor pool, central location, and access to a growing market.

Walmart is reviewing the feasibility of the construction of approximately 460,000+/- sq. ft. refrigerated warehouse and distribution facility at the southeast corner of Interstate 95 and SR 524 on an approximate 132-acre site located within the Port Canaveral Logistics Park. The Company could potentially employ 100 employees within 12 months, increasing to 239 within 3 years. The Company could invest \$84.2 in building construction costs and invest at least \$12M+ in new equipment.

The Company has existing distribution facilities in 6 locations throughout Florida. The Ad Valorem Tax Abatement program would be of great benefit due to three significant financial issues-

1. Inbound logistics costs for product movements.
2. Very expensive site development costs (estimated \$28M) due to wetlands and subsurface soil conditions.
3. Significant costs from all required offsite road improvements.

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

(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 _____ 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: _____

Signed _____
(Preparer)

SIGNED _____
(Taxpayer)

(Preparer's Address)

TITLE: _____

(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 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

Wal-Mart Stores East, LP

Brevard County, FL

04/20/16

Overview:

New Job Commitment:	239	Capital Investment:	\$96,200,000
Average Annual Wage:	\$42,421		

Economic impact from job creation:

<u>Jobs</u>	<u>Net New Wage</u>	<u>Contribution to GDP</u>
239 (Direct)	\$10,138,619 (Direct)	\$10,284,977 (Direct)
57 (Indirect)	\$2,285,175 (Indirect)	\$3,755,294 (Indirect)
66 (Induced)	\$2,413,520 (Induced)	\$4,501,176 (Induced)
362 TOTAL	\$14,837,315 TOTAL	\$18,541,447 TOTAL

- For every employment position created by Wal-Mart Stores East, LP approximately 0.51 additional jobs will be developed to support the operation of the facility.
- For every payroll dollar paid to Wal-Mart Stores East, LP approximately \$0.46 will be generated for consumer spending.

County Tax Impact

Years 1-10	Annual Taxes on Construction	
Projected Tax Assessed	\$	923,276.58
Potential Abatement (at 100%)	\$	403,291.06
Net New Revenue to County	\$	519,985.52
	Annual Taxes on Personal Property	
Projected Tax Assessed	\$	131,583.36
Potential Abatement (at 100%)	\$	57,476.16
Net New Revenue to County	\$	74,107.20
Total New Revenue to County	\$	594,092.72

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

Tax Millage Code – 13D0 NAICS – 541614 IMPLAN Sector – 454

Analysis based on information supplied by Wal-Mart Stores East, LP - April 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.

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Brevard County, Florida, on May 17, 2016 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.: 2016-

AN ORDINANCE GRANTING AN ECONOMIC DEVELOPMENT AD VALOREM EXEMPTION TO WAL-MART STORES EAST, LP SPECIFYING THE ITEMS EXEMPTED; PROVIDING THE EXPIRATION DATE OF THE EXEMPTION; FINDING THAT THE BUSINESS MEETS THE REQUIREMENTS OF CHAPTER 196.1995(8) F.S.; PROVIDING FOR PROOF OF ELIGIBILITY FOR EXEMPTION; WAL-MART STORES EAST, LP; 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 Administrative Services Office, Telephone Number: (321)633-2001

A copy of the ordinance may be inspected at:

www.brevardcounty.us/business/publichearings

Brevard County Government Center, Building C County Managers Office

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