

Meeting Date
7/07/15



AGENDA	
Section	<b>CONSENT</b>
Item No.	II D.10

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

SUBJECT:	RESOLUTION TO CONSIDER AN AD VALOREM TAX ABATEMENT – PROJECT CHARGE2 - OAKRIDGE GLOBAL ENERGY SOLUTIONS
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 Oakridge Global Energy Solutions 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

Oakridge Global Energy Solutions is a lithium battery manufacturer considering modifying and improving a manufacturing facility at 2755 Kirby Circle NE, Palm Bay, FL. The company plans to create 1000 new jobs with an average wage of \$50,075 and invest \$270,000,000 in new capital expenditures.

Fiscal Impact: FY2015-2016 – No Fiscal impact until company modifies and moves into facility.  
Fiscal Impact FY2016-2017 – Fiscal impact will be the amount of ad valorem taxes exempted, which depends on the actual amount invested, the length of abatement and the percentage of taxes abated. A projected economic impact analysis is attached. (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: [Stockton.Whitten@brevardcounty.us](mailto:Stockton.Whitten@brevardcounty.us), 321-633-2004

Clerk to the Board instruction: Need the adopted Resolution ASAP.

Exhibits Attached: RESOLUTION

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

County Manager		Department Director / Extension
Stockton Whitten		



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

July 8, 2015

MEMORANDUM

TO: Stockton Whitten, County Manager

RE: Item II.D.10., Resolution for Ad Valorem Tax Abatement for Oakridge Global Energy Solutions – Project Charge 2

The Board of County Commissioners, in regular session on July 7, 2015, adopted Resolution No. 15-098, for Ad Valorem Tax exemption for the Economic Development Commission qualifying Oakridge Global Energy Solutions 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 Etheridge, Deputy Clerk

/af

Encl. (1)

RESOLUTION 2015- 098

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, Oakridge Global Energy Solutions has requested that the Brevard County Commissioners exempt ad valorem taxes for its building modifications and tangible personal property at 2755 Kirby Circle NE, Palm Bay, FL; and

WHEREAS, Oakridge Global Energy Solutions 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 Oakridge Global Energy Solutions from select County ad valorem taxes.

DONE, ORDERED AND ADOPTED in Regular Session this 7 day of July, 2015.

ATTEST:

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

BOARD OF COUNTY COMMISSIONERS  
OF BREVARD COUNTY, FLORIDA

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

As approved by the Board on 07-07-15

**SUPPLEMENTAL APPLICATION**

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

APPLICANT NAME:

**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: Oakridge Global Energy Solutions, Inc  
Address: 751 North Drive, Suite 9, Melbourne, FL 32934  
Telephone No. (321) 610-7959 FAX No. ( )
3. Authorized Agent: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone Number: ( ) Fax No. ( )
4. Type of industry or business: Manufacturing of Lithium Batteries
5. Brief description of product and expansion plans (The applicant is to provide an executive summary of its business plan):  
We are in final negotiations to purchase \$270,000,000 in capital equipment for manufacturing of lithium batteries for our customers. We will be adding a total of 1000 new jobs to Brevard County by the end of 2018 and will ramp up production to produce more than 1.2 million batteries by 2018.
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): 1000
7. Percent Increase in overall employment: 97.5%
8. Expected number of new employees who will reside in Brevard County: 95%
9. Percentage of existing employees who have resided in the County for more than two years: 68%
10. Anticipated average wage of employees: \$50,075
11. Anticipated average annual payroll: \$50,075,000
12. Anticipated new capital investment as a result of expansion or relocation of business:  
New construction value: \_\_\_\_\_  
New personal property value: 270,000,000
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): We will be assembling lithium ion cells and batteries, but will not be performing chemistry at this site. It is already existing site, so no new construction required.
14. Anticipated volume of business or production: 1,200,000 batteries by 2018
15. The relocation or expansion would not occur without the exemption: Yes [  ] No [  ]
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 [  ] No [  ]  
Name of area: \_\_\_\_\_

**SIGNATURES:**

I hereby confirm the information provided by Oakridge Global Energy Solutions, 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 Oakridge Global Energy Solutions, 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 Oakridge Global Energy Solutions, Inc. will provide the Brevard Workforce its job openings to be posted on [www.employflorida.com](http://www.employflorida.com) and agrees to consider for employment candidates referred by Brevard Workforce.

DATE: 6/17/15  
SIGNED: [Signature]  
TITLE: Executive Chairman + CEO

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: \_\_\_\_\_ SIGNED: \_\_\_\_\_  
(County Manager)



(DR 418)

b. If an expansion of an existing business:

(1) Net increase in employment 1000 or 97.5% %  
(2) Increase in productive output resulting from this expansion 2000 %

11. Sales factor for the facility requesting exemption:

Total sales in Florida from this facility - one (1) location only \$25,000,000 divided by  
Total sales everywhere from this facility - one (1) location only \$1,200,000,000 = 2%

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: 6/17/15

Signed: \_\_\_\_\_  
(Preparer)

SIGNED: [Signature]  
(Taxpayer)

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

TITLE: Executive Chairman + CEO

\_\_\_\_\_  
(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

## **Oakridge Global Energy Solutions, Inc. Ad Valorem Tax Abatement Executive Summary**

Oakridge Global Energy Solutions is a Florida based corporation founded in 1986. The company supplies a full range of energy storage solutions including battery management systems, golf cart batteries, radio controlled vehicle or UAV batteries, pressure tolerant cells, batteries for power tools and lawn care equipment; Oakridge uses the APQP product development methodologies in designing products to meet the highest standards for reliability and performance in challenging environments.

Oakridge Global Energy Solutions is built upon guiding principles that reflect the company's strong sense of commitment to our customers, our technology heritage and our intention to be a major part of the energy storage innovation.

Today Oakridge Global Energy Solution's strategy is to simultaneously deliver innovation and build an industrial scale platform that includes multiple lithium battery chemistries, technologies, and form factors that are optimized to address multiple key markets: Stationary Energy Storage: mobile applications including fleet vehicles, EV, and HEV; Government applications including Military, Aerospace, Marine, Civil, and Municipal; Starter Motor Batteries; Consumer Applications; and Special Applications including Medical and Telecom.

In November 2012, the Company decided to change its business model from a company that was pursuing R&D of thin film and solid state batteries to one that is focused on manufacturing of high reliability batteries. The Company started up a facility on North Drive in Melbourne, Florida. During much of 2013 and 2014, Oakridge Global Energy Solutions completed development of several products with commercial applications.

In November 2014 we introduced our Patriot Series line of batteries designed for the UAV and Radio Controlled markets. In January 2015 at the PGA Merchandise Show in Orlando, FL, we introduced our Pro-Series line of batteries designed for the Golf Car market. The product was a major hit of the show drawing more than 700 potential customers into our booth for additional information and follow up.

The company has established a 50,500 sq. ft. manufacturing facility in Melbourne, FL and a 12,000 sq. ft. Advanced Engineering and small format Center in close proximity to the manufacturing facility. Adding jobs to America, the Company has a staff of 25 Professionals who are focused on production of high quality Large-format Lithium Ion Cells, Battery Management Development and integrated battery systems.

At the current time, Oakridge is booking orders and ramping up manufacturing to fill these orders. Brevard County was selected as the site for our corporate headquarters and our expanded manufacturing location out of a pool of other potential sites due to its skilled labor pool, central location, availability of local suppliers, and availability of shipping ports to service international customers.

The demand of these customers, in addition to the anticipated business from new customers, has created the need for the company to expand its operation and hire new employees.

Oakridge Global Energy Solutions is contemplating an expansion into a 230,000 sq. ft. manufacturing facility at 2755 Kirby Circle in Palm Bay and a 68,000 sq. ft. facility at 3520 Dixie Highway in Palm Bay that will serve as corporate headquarters and R&D center. When coupled with the 50,400 sq ft of manufacturing space that we currently have at 3991 Sarno Road in

Melbourne, this gives us nearly 350,000 sq. ft. of manufacturing, R&D, and office space in Brevard County. The Company will also be steadily increasing its workforce from 25 to 1000 employees by the end of 2018. We will be investing approximately \$270,000,000 in new equipment to expand the manufacturing capabilities.

The Company has a small, existing presence in Utah and Nevada. It is considering placing additional Florida generated business in these facilities if the tax abatement is not granted. The Ad Valorem Tax Abatement program would be of great benefit to our growth and expansion efforts by allowing the Company to better leverage its capital to increase efficiency and raise competitiveness. It will enable us to create more jobs in Florida and bring more manufacturing back from off-shore to the US.

Beyond this proposed expansion, we expect the Company to continue on its current growth curve with new purchased or leased facilities. Current projections are for growth to require an additional 300,000 to 400,000 sq. ft. of manufacturing capacity and employment reaching 1800 to 2500 full-time workers by the end of 2020. Our current and future growth will continue to provide a positive and lasting impact on the Space Coast economy. We are eagerly anticipating the Commission's assistance with our expansion efforts through the approval of Oakridge Global Energy Solutions for the Ad Valorem Tax Abatement Program.



Ad Valorem Tax Abatement  
Job Creation  
Distribution Worksheet

Job Title / Description	Number of Jobs	Wage	Anticipated Hire Timeline (by year)
Senior Level	0	\$150,000	12/31/15
Engineer/Scientist	5	\$100,000	12/31/15
Management	5	\$60,000	12/31/15
Operator/Technician	5	\$35,000	12/31/15
Executive	1	\$250,000	12/31/16
Senior Level	10	\$150,000	12/31/16
Engineer/Scientist	25	\$100,000	12/31/16
Management	85	\$60,000	12/31/16
Operator/Technician	180	\$35,000	12/31/16
Executive	2	\$250,000	12/31/17
Senior Level	10	\$150,000	12/31/17
Engineer/Scientist	25	\$100,000	12/31/17
Management	75	\$60,000	12/31/17
Operator/Technician	250	\$35,000	12/31/17
Executive	2	\$250,000	12/31/18
Senior Level	5	\$150,000	12/31/18
Engineer/Scientist	20	\$100,000	12/31/18
Management	85	\$60,000	12/31/18
Operator/Technician	210	\$35,000	12/31/18

**Project Charge 2**

**Brevard County**

**06/18/15**

**Overview:**

New Job Commitment:	1000	Capital Investment:	\$270,000,000
Average Annual Wage:	\$50,075		

**Economic impact from job creation:**

<u>Jobs</u>	<u>Net New Wage</u>	<u>Contribution to GDP</u>
1000 (Direct)	\$50,075,000 (Direct)	\$80,177,913 (Direct)
310 (Indirect)	\$12,958,009 (Indirect)	\$22,695,005 (Indirect)
338 (Induced)	\$12,129,016 (Induced)	\$22,622,206 (Induced)
<b>1649 TOTAL</b>	<b>\$75,162,025 TOTAL</b>	<b>\$125,495,124 TOTAL</b>

- For every employment position created by Erchonon Corporation approximately 0.65 additional jobs will be developed to support the operation of the facility.
- For every payroll dollar paid to Erchonon Corporation approximately \$0.50 will be generated for consumer spending.

**County Tax Impact**

<b>Years 1-10</b>	<b>Annual Taxes on Construction</b>	
Projected Tax Assessed	\$	-
Potential Abatement	\$	-
Net New Revenue to County	\$	-
	<b>Annual Taxes on Personal Property</b>	
Projected Tax Assessed	\$	3,031,192.80
Potential Abatement	\$	1,225,087.20
Net New Revenue to County	\$	1,806,105.60
<b>Total New Revenue to County</b>	<b>\$</b>	<b>1,806,105.60</b>

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

Tax Millage Code – 34U0      NAICS – 335911      IMPLAN Sector – 336

*Analysis based on information supplied by Project Charge 2 - June 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.*



Ad Valorem Tax Abatement  
Project Charge2  
Application Package

Date: June 19, 2015

To: Stockton Whitten  
County Manager

From: Jennifer Hashagen  
Manager, Business Retention & Expansion

Re: Company Considering Expanding in Brevard County

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The Economic Development Commission of Florida's Space Coast is managing a business expansion project for Project Charge2 - Oakridge Global Energy Solutions Corporation. Oakridge Global Energy Solutions is a qualified target industry sector business as defined by F.S. 288.106. This project will involve modifications and improvements of a facility to be used for the design and manufacture of lithium batteries. The site being considered is located at 2755 Kirby Circle NE, Palm Bay, FL.

Oakridge Global Energy Solutions plans to create 1000 new jobs with an average wage of approximately \$50,075 and invest approximately \$270,000,000 in new capital investments.

The EDC is seeking to leverage the Brevard County Ad Valorem Tax Abatement program to help the client offset the cost of modifying the facility, employment needs and machinery.

Enclosed please find the following:

- Executive Summary
- Completed AVT application
- Completed AVT supplemental 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.