

Meeting Date
May 17, 2016



AGENDA	
Section	CONSENT
Item No.	<i>II.D.4</i>

AGENDA REPORT
 BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	RESOLUTION RECOMMENDING PROJECT MARATHON, BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS
DEPT/OFFICE:	MANAGEMENT SERVICES & COMMUNITY SERVICES/COUNTY MANAGER'S OFFICE

Requested Action:

The Economic Development Commission request the Board of County Commissioners adopt a Resolution recommending Project Marathon be approved as a Qualified Target Industry business pursuant to s.288.106, Florida Statutes and providing local financial support in the form of an Ad Valorem Tax Exemption.

Summary Explanation & Background:

Project Marathon is a high tech engineering and design company considering building a new 100,000+ SF building in Melbourne, FL. The company plans to create 327 new jobs over 4 years with an average wage of \$64,356 and invest \$31,220,000 in new capital expenditures. The proposed job creation timeline for the project is as follows:

# of New Jobs	Date jobs will be created
27	12/31/2016
50	12/31/2017
75	12/31/2018
75	12/31/2019
100	12/31/2020

TOTAL 327

Fiscal Impact FY2016-2017 – No fiscal impact until company moves into and builds out 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 No PR

County Manager	Assistant County Manager, Mel Scott	Department Director / Extension
Stockton Whitten	Assistant County Manager, Venetta Valdengo	

Project Marathon Ad Valorem Tax Abatement Executive Summary

Project Marathon is a global company and a leader in the engineering and design of high-technology products and services. With an existing workforce of more than 3,000 in the United States and a legacy presence of over 100 years, the company has expanded their operations recently across a number of diverse market segments.

For Project Marathon, a focus on research and development activities is paramount to their success. To keep pace in a constantly changing and very competitive business environment, continued technology development is critical. This demand has created the need for the company to expand its operation and hire new employees.

The company is contemplating the construction of a new facility (approximately 100,000 to 120,000 sq. ft.) that will enable significant job growth in Melbourne/Brevard County. Current projections are for their workforce to increase from the current total of approximately 250 to over 575 from 2016 through 2020, an increase of 175%. The total capital investment for this project is projected to be approximately \$31.2 million.

Project Marathon has existing facilities in a number of other states in the U.S., including California. The company is considering placing this targeted growth in their California facility if the tax abatement is not granted.

The Ad Valorem Tax Abatement program would be of great benefit to the company's growth and expansion efforts by allowing Project Marathon to better leverage its capital to increase efficiency and raise competitiveness. It would allow the company to create a number of net new jobs in Florida as noted above.

The current and future growth of the company will continue to provide a positive and lasting impact on the Space Coast economy. The company is eagerly anticipating the Commission's assistance with their expansion efforts through the approval of Project Marathon for the Ad Valorem Tax Abatement Program.



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

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Tammy.Rowe@brevardclerk.us

May 18, 2016

M E M O R A N D U M

TO: Stockton Whitten, County Manager

RE: Item II.D.4., Resolution Recommending Project Marathon be Approved as a Qualified Targeted Industry Business

The Board of County Commissioners, in regular session on May 17, 2016, adopted Resolution No. 16-076, recommending Project Marathon be approved as a Qualified Targeted Industry business pursuant to 288.106, Florida Statutes, and providing local financial support in the form of an Ad Valorem Tax Exemption. Enclosed is a certified Resolution.

Your continued cooperation is greatly appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

Encl. (1)

cc: Finance
Budget

**QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM
WITH AD VALOREM TAX ABATEMENT**

RESOLUTION NUMBER 16-076

A RESOLUTION BY THE GOVERNING BOARD OF BREVARD COUNTY, FLORIDA, RECOMMENDING PROJECT MARATHON, BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO S.288.106, FLORIDA STATUTES; PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNING BOARD OF *BREVARD COUNTY, FLORIDA*, as follows:

WHEREAS, the business under consideration is a *high-tech engineering and design* business, specifically, ***PROJECT MARATHON***; and

WHEREAS, ***PROJECT MARATHON*** has been identified as a Target Industry Business; and

WHEREAS, ***PROJECT MARATHON*** plans to build a 100,000+ SF facility and create 327 jobs, with an average wage of \$64,356; and

WHEREAS, ***BREVARD COUNTY*** hereby acknowledges that local financial support of 20% of the total tax refund is required under the provisions of s.288.106, Florida Statutes, governing the State's Qualified Target Industry Tax Refund Program; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF *BREVARD COUNTY, FLORIDA*, that the Board hereby recommends ***PROJECT MARATHON*** be approved as a Qualified Target Industry Business pursuant to s.288.106, Florida Statutes.

BE IT FURTHER RESOLVED that the Governing Board of ***BREVARD COUNTY*** has determined the basis of this project's average private sector wage commitment calculation shall be *150%* of the *state of Florida's 2013* average annual wage.

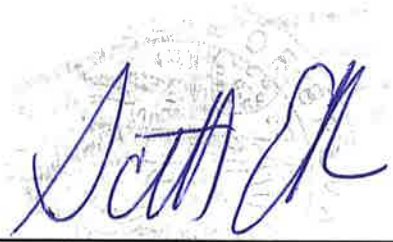
BE IT FURTHER RESOLVED that the necessary local financial support for the Qualified Target Industry Tax Refund Program exists in the amount of \$327,000 which equals 20% of the total tax refund requested and will be provided in the form of ad valorem tax abatement granted to ***PROJECT MARATHON*** pursuant to s.196.1995, Florida Statutes

This resolution shall take effect immediately upon its adoption.

DULY ADOPTED BY THE GOVERNING BOARD OF *BREVARD*, FLORIDA,
this 3rd day of May, 2016.

ATTEST:

**BOARD OF COUNTY COMMISSIONERS OF
BREVARD COUNTY, FLORIDA**



A handwritten signature in blue ink, appearing to read "Scott Ellis", is written over a faint circular notary stamp.

Clerk - SCOTT ELLIS



A handwritten signature in blue ink, appearing to read "Jim Barfield", is written above a horizontal line.

Chairman - JIM BARFIELD

As Approved by the Board 5/17/16

STAMP AND SIGNATURE OF NOTARY