

Meeting Date
10/20/15



AGENDA	
Section	CONSENT
Item No.	#.D.2

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	RESOLUTION TO CONSIDER AN AD VALOREM TAX ABATEMENT – PROJECT FLOTILLA
DEPT/OFFICE:	Space Coast Economic Development Commission

Requested Action:

The Economic Development Commission requests the Board of County Commissioners adopt an Economic Development Ad Valorem Exemption Resolution qualifying Project Flotilla 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 Flotilla is a manufacturer of high end yachts considering expanding their facility at 5225 S Washington Avenue, Titusville, FL.

Project Flotilla plans to create 65 new full time jobs in the next 3 years, with an average wage of approximately \$44,500 and plans to invest approximately \$2.9 Million in new capital investments.

Fiscal Impact: FY2014-2015 – No Fiscal impact until company renovates facility.

Fiscal Impact FY2015-2016 – 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, 321-638-2000

Staff Contact: 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	<input type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
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

October 21, 2015

MEMORANDUM

TO: Stockton Whitten, County Manager

RE: Item II.D.2., Resolution Considering Ad Valorem Tax Abatement – Project Flotilla

The Board of County Commissioners, in regular session on October 20, 2015, adopted Resolution No. 15-206, qualifying Project Flotilla 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 greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

for: Donna Scott
for: Tammy Etheridge, Deputy Clerk

/ds

Encl. (1)

cc: Budget
Finance

RESOLUTION 2015-206

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, Project Flotilla has requested that the Brevard County Commissioners exempt ad valorem taxes for its renovations, additions and new tangible personal property at 5225 S. Washington Ave, Titusville, FL.

and

WHEREAS, Project Flotilla 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 Flotilla from select County ad valorem taxes.

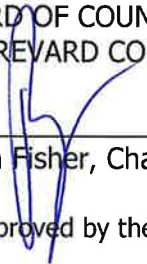
DONE, ORDERED AND ADOPTED in Regular Session this 20 day of October, 2015.

ATTEST:



Scott Ellis, Clerk

BOARD OF COUNTY COMMISSIONERS
OF BREVARD COUNTY, FLORIDA

By: 

Robin Fisher, Chairman

As approved by the Board on 10/20/15

Falcon Marine LLC – Executive Summary

Falcon Marine specializes in the development of manufacturing processes and procedures for the production of composite products.

Whether it involves assisting a customer with the design, doing the design in concert with the customer or taking the customer's completed design and developing the methods to manufacture the product, Falcon's service starts with working with the customer to define the product and identifiable quality points in each segment of the product. From this basic information Falcon selects or develops the methods, process and procedures to produce the product at the defined quality on a repetitive basis with optimum efficiency in its manufacture. Falcon is an ISO 9001: 2008 certified company and quality is the core of its being.

The composite manufacturing processes used by Falcon are environmentally friendly focusing on a variety of closed molding techniques, including, but not limited to: Infusion, Vacuum Bag, RTM, VARTM, Light RTM and PrePreg utilizing Glass, Carbon, Kevlar and other exotic reinforcements. Resins include but are not limited to: Poly Ester, Vinyl Ester, Epoxy, Phenolic and Polyurethane. The parts produced are both cored and non-cored. The core materials vary widely with the ability to thermoform core materials for tightly curved parts eliminating the print through common with the serrated core materials. Core capabilities also include foam injected parts using urethane and epoxy foaming materials.

Falcon Marine moved to its present location, 5225 S. Washington Ave, Titusville, FL, from Port Canaveral in December 2014. The company is currently looking into various expansion options to fulfill our manufacturing needs on upcoming contracts. If Brevard County is selected for Falcon Marine's expansion it is our intent to hire an additional 65 people, with an average salary of \$44,500, within the next 24 to 36 months. New construction/building modifications will be approximately \$600,000 and new capital investment in equipment of approximately \$2.3 million.

11.D.2
1
Red.

SIGNATURES:

I hereby confirm the information provided by Falcon Marine, LLC 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 Falcon Marine, LLC 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 Falcon Marine LLC 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: 9/30/2015
SIGNED: [Signature]
TITLE: COO
(Applicant)

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: 10/20/15 SIGNED: [Signature]
(County Manager)

**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: Falcon Marine, LLC
Mailing address: 5225 S. Washington Ave. Titusville, FL 32780-7315
2. Name of person in charge of business: Harley C. McDonald
Telephone No.: (321) 362-5570 FAX No.: (321) 362-5567
3. Location of business (legal description and street address) of property for which this report is filed:
5225 S. Washington Ave. Titusville, FL 32780-7315 Legal: 3rd ADDN TO INDIAN RIVER CITY PT OF N1/2 OF GOVT LOT 3 AS DESC IN ORB 2538 PG 2643, 2676 PG 409. BREVARD COUNTY, FLORIDA
4. Date business opened at this facility: 12/1/2014
5. a. Description of the improvements to real property for which this exemption is requested:
Miscellaneous building improvements necessary for operation
- b. Date of commencement of construction of improvements: TBD in 2016
6. a. Description of the tangible personal property for which this exemption is requested and date when property was purchased:

APPRaiser's ONLY	Class or Item	Age	Date of Purchase	Original Cost	Taxpayer's Estimate of			Taxpayer's Estimate of Fair Market Value	USE
					Condition	Estimate of	Value		
	Miscellaneous Manufacturing Equipment		TBD	\$2.3M					

- b. Average value of inventory on hand: \$266,163
- 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: Manufacture of high end yachts
9. Trade level (check as many as apply):
Wholesale [] Manufacturing [x] Professional [] Service [] Office [] Other []
10. a. Number of full time employees employed in Florida: 7

(DR 418)

b. If an expansion of an existing business:

- (1) Net increase in employment 65 or _____ %
- (2) Increase in productive output resulting from this expansion 1000 %

11. Sales factor for the facility requesting exemption:

Total sales in Florida from this facility - one (1) location only \$1M in first year and increasing to \$8M by year 5, divided by Total sales everywhere from this facility - one (1) location only _____ = 100%

12. For office space owned and used by a corporation newly domiciled in Florida:

- a. Date of incorporation in Florida September 18, 2008
- b. Number of full-time employees at this location 7

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: 9/30/2015

SIGNED: [Signature]
(Taxpayer)

TITLE: COO

Signed: _____
(Preparer)

(Preparer's Address)

(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

Project Flotilla

Brevard County, FL

09/25/15

Overview:

New Job Commitment:	65	Capital Investment:	\$2,900,000
Average Annual Wage:	\$44,500		

Economic impact from job creation:

<u>Jobs</u>	<u>Net New Wage</u>	<u>Contribution to GDP</u>
65 (Direct)	\$2,892,500 (Direct)	\$3,128,007 (Direct)
24 (Indirect)	\$1,118,738 (Indirect)	\$2,003,947 (Indirect)
22 (Induced)	\$779,288 (Induced)	\$1,453,354 (Induced)
111 TOTAL	\$4,790,526 TOTAL	\$6,585,307 TOTAL

- For every employment position created by Project Flotilla approximately 0.71 additional jobs will be developed to support the operation of the facility.
- For every payroll dollar paid to Project Flotilla approximately \$0.66 will be generated for consumer spending.

County Tax Impact

Years 1-10

	<u>Annual Taxes on Construction</u>	
Projected Tax Assessed	\$	7,108.80
Potential Abatement (at 100%)	\$	2,977.82
Net New Revenue to County	\$	4,130.98
	<u>Annual Taxes on Personal Property</u>	
Projected Tax Assessed	\$	27,250.40
Potential Abatement (at 100%)	\$	11,414.99
Net New Revenue to County	\$	15,835.41
Total New Revenue to County	\$	19,966.38

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

Tax Millage Code – 14A0 NAICS – 336612 IMPLAN Sector – 364

Analysis based on information supplied by Project Flotilla -- September 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 Flotilla - Job Creation Distribution Worksheet

JOB TITLE / DESCRIPTION	NUMBER OF JOBS	WAGE	ANTICIPATED HIRE TIMELINE (BY YEAR)
Engineer/Drafter	1	\$85,000	2016
Operations	3	\$44,154	2016
Operations	4	\$44,154	2017
Superintendent/Foreman	4	\$60,264	2016
Superintendent/Foreman	6	\$60,264	2017
Shop Crew	20	\$37,440	2016
Shop Crew	27	\$37,440	2017/18