



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Consent

F.8.

8/16/2022

Subject:

Resolution to Amend the Economic Development Tax Abatement Program Guidelines

Fiscal Impact:

There is no fiscal impact associated with this request.

Dept/Office:

County Manager's Office

Requested Action:

It is requested that the Board of County Commissioners adopt a Resolution amending the guidelines for the Economic Development Tax Abatement Program as recommended by the Economic Development Commission (EDC) of Florida's Space Coast.

Summary Explanation and Background:

The Ad Valorem Tax Abatement (AVT) Council of the Economic Development Commission of Florida's Space Coast is recommending to revise the Brevard County Ad Valorem Tax Abatement program guidelines to reflect the 2018 Brevard County average wage of \$49,128 that was effective on January 1, 2020, as published by Enterprise Florida, Inc. Enterprise Florida, Inc. utilizes the most currently published wage figures from the Florida Department of Economic Opportunity, Labor Market Statistics Center.

This average wage (\$49,128) would replace the current average wage (\$42,904) that is in the Brevard County Ad Valorem Tax Abatement program guidelines.

The request and back-up documents from the EDC is attached.

Clerk to the Board Instructions:

Attached Resolution to be signed by Board Chair and Clerk of Court.

Deborah Thomas

From: Kimberly Powell
Sent: Thursday, August 18, 2022 11:58 AM
To: Karen.Conde@brevardfl.gov
Cc: Deborah Thomas; Donna Scott
Subject: Item F.8 and the Resolution

Hi Karen,

I just wanted to touch base with you on this Item.

After listening to the recording, the motion reflects the changes so the Resolution just needs to be corrected and forwarded to our office for attestation.

If you have any questions give us a call, otherwise have a fantastic day.

Kim

Kimberly Powell
Clerk to the Board
(321) 637-2001
Kimberly.powell@brevardclerk.us

This email was scanned by Bitdefender



August 17, 2022

M E M O R A N D U M

TO: Frank Abbate, County Manager

RE: Item F.8., Resolution to Amend the Economic Development Tax Abatement Program Guidelines

The Board of County Commissioners, in regular session on August 16, 2022, adopted Resolution No. 22-085, amending the guidelines for the Economic Development Tax Abatement Program as recommended by the Economic Development Commission (EDC) of Florida's Space Coast; and accepted utilizing the most recent and current numbers of the average salary from 2020. Enclosed is a fully-executed Resolution.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK


Kimberly Powell, Clerk to the Board

/sm

Encl: (1)

cc: Budget

RESOLUTION 2022 - 085

WHEREAS, Economic Development Ad Valorem Tax Exemption of Brevard County, Florida was adopted as a result of a referendum held on November 8, 2004, where the voters authorized the County Commission grant economic development and Valorem tax exemptions; and

WHEREAS, it is the intent of the Board of County Commissioners to provide incentives to those new or expanded businesses which result in an economic benefit to the County; and

WHEREAS, the Economic Development Ad Valorem Tax Exemption Ordinance establishes the degree and length of exemptions based on guidelines adopted by Resolution of the Board; and

WHEREAS, the County Commission adopted changes to the guidelines at its July 7, 2015 regularly held County Commission meeting; and

WHEREAS, the Economic Development Commission of Florida's Space Coast has recommended select changes to the program guidelines specific to the average annual wage criteria; and

WHEREAS, the Board unanimously approved utilizing the 2020 Brevard County average annual wage that was effective January 1, 2022.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA as follows:

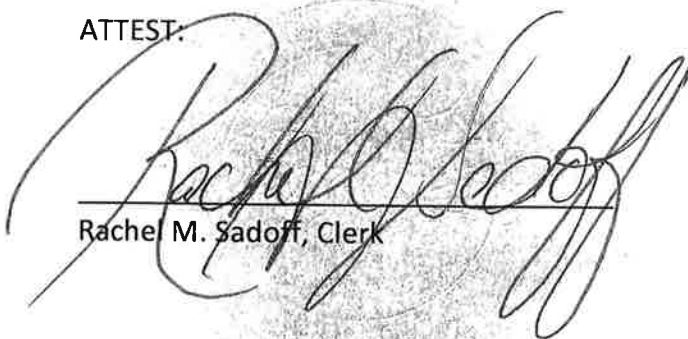
Brevard County Ad Valorem Tax Abatement Program guidelines are amended to adopt the 2020 average annual Brevard County wage of \$55,328 which was effective on January 1, 2022.

A certified copy of this Resolution shall be filed with the Clerk of the Board of County Commissioners of Brevard County, Florida and shall constitute a public record.

This resolution shall take effect on August 16, 2022.

DONE, ORDERED AND ADOPTED in Regular Session on this 16th day of August, 2022.

ATTEST:


Rachel M. Sadoff, Clerk

BOARD OF COUNTY COMMISSIONERS
OF BREVARD COUNTY, FLORIDA

By: 

Kristine Zonka, Chair

As approved by the Board on 08/16/2022



March 15, 2022

Mr. Frank Abbate
County Manager
Brevard County
2725 Judge Fran Jamieson Way
Building C
Viera, FL 32940

Dear Mr. Abbate:

RE: Ad Valorem Tax Abatement Council

The Ad Valorem Tax Abatement (AVT) Council of the Economic Development Commission of Florida's Space Coast (EDC), in its advisory capacity to the Brevard County Board of County Commissioners, convened March 10, 2022. The Council reviewed the average wage requirements for the Brevard County Ad Valorem Tax Abatement program and provided the following recommendation:

- In accordance with the Brevard County average wage of \$49,128 published and effective on January 1, 2020, by Enterprise Florida, Inc. (sourced by Florida Department of Economic Opportunity, Labor Market Statistics Center), the AVT Council recommends the Brevard County Ad Valorem Tax Abatement program guidelines be revised to \$49,128.

The proposed new program guidelines are attached.

Sincerely,

Neal Johnson
Chairman
AVT Council

Lynda Weatherman
President & CEO
Economic Development Commission
of Florida's Space Coast

Attachment: AVT Program Guidelines



BREVARD COUNTY AD VALOREM TAX ABATEMENT PROGRAM

Program Guidelines – as of March 22, 2022

NUMBER OF NEW EMPLOYEES	OR (EXISTING BUSINESS EXPANSION OPTION)	POINTS
10 – 20	(25% increase in employees)	3
21 – 60	(50% increase in employees)	6
61 – 99	(75% increase in employees)	9
100 and up	(100% increase in employees)	10

PAYROLL	POINTS
Below Average	0
Average (\$49,128) *	4
25% Above Average (\$61,410)	8
50% Above Average (\$73,692)	10
100% Above Average (\$98,256)	12

CAPITAL INVESTMENT	POINTS
\$ 150,000 - \$1,000,000	1
\$ 1,000,001 - \$8,000,000	2
\$ 8,000,001 and up	3

TOTAL POINTS**

* The Average Annual Wage figure shall be reviewed at the beginning of each calendar year as provided by Enterprise Florida, Inc.

** Minimum of 9 points required to qualify for exemption as authorized by Brevard County Board of County Commissioners on April 13, 2000.

SCORING

TOTAL POINTS	PERCENTAGE OF EXEMPTION	LENGTH OF EXEMPTION
9 – 12 points	60% exemption	6 years
13 – 15 points	70% exemption	7 years
16 – 19 points	80% exemption	8 years
20 – 22 points	90% exemption	9 years
23 – 25 points	100% exemption	10 years

Adjustment Consideration: The Brevard County Board of County Commissioners may consider individual or company documentation indicating that the business is going to be critical to attracting other key businesses of that industry cluster; in those incidences program guidelines may be adjusted on a case-by-case basis.

STATE OF FLORIDA INCENTIVES AVERAGE WAGE REQUIREMENTS 2015-2022

2013 Average Annual County Wage Data

Effective January 1, 2015

	Average Annual Wage ²	Hourly Wage	115% of Avg Annual Wage	Hourly Wage	150% of Avg Annual Wage	Hourly Wage	200% of Avg Annual Wage	Hourly Wage
STATEWIDE	\$42,904	\$20.63	\$49,340	\$23.72	\$64,356	\$30.94	\$85,808	\$41.25
BREVARD	\$43,719	\$21.02	\$50,277	\$24.17	\$65,579	\$31.53	\$87,438	\$42.04

2014 Average Annual County Wage Data

Effective January 1, 2016

	Average Annual Wage ²	Hourly Wage	115% of Avg Annual Wage	Hourly Wage	150% of Avg Annual Wage	Hourly Wage	200% of Avg Annual Wage	Hourly Wage
STATEWIDE	\$44,065	\$21.19	\$50,675	\$24.36	\$66,098	\$31.78	\$88,130	\$42.37
BREVARD	\$43,705	\$21.01	\$50,261	\$24.16	\$65,558	\$31.52	\$87,410	\$42.02

2015 Average Annual County Wage Data

Effective January 1, 2017

	Average Annual Wage ²	Hourly Wage	115% of Avg Annual Wage	Hourly Wage	125% of Avg Annual Wage	Hourly Wage	150% of Avg Annual Wage	Hourly Wage	200% of Avg Annual Wage	Hourly Wage
STATEWIDE	\$45,562	\$21.90	\$52,396	\$25.19	\$56,953	\$27.38	\$68,343	\$32.86	\$91,124	\$43.81
BREVARD	\$45,251	\$21.76	\$52,039	\$25.02	\$56,564	\$27.19	\$67,877	\$32.63	\$90,602	\$43.51

2016 Average Annual County Wage Data

Effective January 1, 2018

	Average Annual Wage ²	Hourly Wage	115% of Avg Annual Wage	Hourly Wage	125% of Avg Annual Wage	Hourly Wage	150% of Avg Annual Wage	Hourly Wage	200% of Avg Annual Wage	Hourly Wage
STATEWIDE	\$46,346	\$22.28	\$53,288	\$25.62	\$57,933	\$27.85	\$69,519	\$32.42	\$92,692	\$44.56
BREVARD	\$45,778	\$22.01	\$52,845	\$25.31	\$57,223	\$27.51	\$68,887	\$32.01	\$91,558	\$44.02

2017 Average Annual County Wage Data

Effective January 1, 2019

	Average Annual Wage ²	Hourly Wage	115% of Avg Annual Wage	Hourly Wage	125% of Avg Annual Wage	Hourly Wage	150% of Avg Annual Wage	Hourly Wage	200% of Avg Annual Wage	Hourly Wage
STATEWIDE	\$47,775	\$22.97	\$54,941	\$26.41	\$59,719	\$28.71	\$71,683	\$34.45	\$95,856	\$45.94
BREVARD	\$47,795	\$22.98	\$54,964	\$26.43	\$59,744	\$28.72	\$71,693	\$34.47	\$95,890	\$45.96

2018 Average Annual County Wage Data

Effective January 1, 2020

	Average Annual Wage ²	Hourly Wage	115% of Avg Annual Wage	Hourly Wage	125% of Avg Annual Wage	Hourly Wage	150% of Avg Annual Wage	Hourly Wage	200% of Avg Annual Wage	Hourly Wage
STATEWIDE	\$49,472	\$23.78	\$56,893	\$27.35	\$61,840	\$29.73	\$74,208	\$35.68	\$98,844	\$47.57
BREVARD	\$49,128	\$23.62	\$56,497	\$27.18	\$61,410	\$29.52	\$73,892	\$35.43	\$98,256	\$47.24

2019 Average Annual County Wage Data

Effective January 1, 2021

	Average Annual Wage ²	Hourly Wage	115% of Avg Annual Wage	Hourly Wage	125% of Avg Annual Wage	Hourly Wage	150% of Avg Annual Wage	Hourly Wage	200% of Avg Annual Wage	Hourly Wage
STATEWIDE	\$51,192	\$24.61	\$58,871	\$28.30	\$63,990	\$30.76	\$76,789	\$36.92	\$102,384	\$49.22
BREVARD	\$51,177	\$24.60	\$58,854	\$28.29	\$63,971	\$30.75	\$76,768	\$36.91	\$102,354	\$49.21

2020 Average Annual County Wage Data

Effective January 1, 2022

	Average Annual Wage ¹	Hourly Wage	115% of Average Annual Wage	Hourly Wage	125% of Average Annual Wage	Hourly Wage	150% of Average Annual Wage	Hourly Wage	200% of Average Annual Wage	Hourly Wage
STATEWIDE	\$55,422	\$26.65	\$63,735	\$30.64	\$69,278	\$33.31	\$83,137	\$39.97	\$110,844	\$53.29
BREVARD	\$55,328	\$26.60	\$63,627	\$30.59	\$69,160	\$33.25	\$82,992	\$39.90	\$110,656	\$53.20

DATE	March 10, 2022	RECORDED BY:	Cammie Goode
TO:	EDC Ad Valorem Tax Abatement Council		
FROM:	Office of the Vice President, Business Development		
RE:	Minutes from March 10, 2022, AVT Council Meeting to review current Brevard County Ad Valorem Tax Abatement program guidelines regarding average wage requirement		

Council Members in Attendance:

- Courtney Barker, City of Satellite Beach
- Kat Butler, North American Properties
- Angela Essing, City of Cocoa
- Gail Hart, Acuity International, LLC
- Mike Jaffe, Hedrick Brothers Construction
- Neal Johnson, Union Home Mortgage
- Robert Jordan, Genesis VII, Inc.
- Thomas LaFlore, CareerSource Brevard
- Scott Larese, City of Titusville
- Diane Luensmann, Canaveral Port Authority
- Michael Williams, Sr., M.H. Williams Construction Group, Inc.

Council Members Excused:

- Mark Busalacchi, Melbourne Orlando International Airport; Melissa Byron, City of Cocoa Beach; Doug Dombroski, City of Melbourne; Sean Farrell, City of Rockledge; Joan Junkala, City of Palm Bay; Katherine Wall, Brevard County; Bradley White, WhiteBird PLLC

Guests in Attendance:

- N/A

Economic Development Commission (EDC) of Florida's Space Coast Staff in Attendance:

- Edgar Campa-Palafox, Vice President, Business Development
- Cammie Goode, Project Manager, Business Development

Meeting Called to Order:

- Neal Johnson, Chairman, called the meeting to order at 8:30 AM. He welcomed new council members, Kat Butler, North American Properties, and Mike Jaffe, Hedrick Brothers Construction, and asked the council to do self-introductions.

Meeting Minutes:

- Neal Johnson, Union Home Mortgage, asked if everyone reviewed the minutes and if there were any questions or changes. No response from council members.
- A motion to approve the minutes as written from the December 2, 2021, AVT Council Meeting was made by Gail Hart, Acuity International, LLC, and seconded by Thomas LaFlore, CareerSource Brevard.
- The motion to approve minutes passed unanimously.

Review of Sunshine Law:

- Edgar Campa-Palafox, EDC, provided a broad overview of Florida's Sunshine Law
- Florida's Government in the Sunshine Law, s. 286.011, F.S., commonly referred to as the Sunshine Law, provides a right of access to governmental proceedings of public boards or commissions at both the state and local levels.
- As a recommending council to the Brevard County Board of County Commissioners, the EDC's Ad Valorem Tax Abatement Committee is subject to Florida's Sunshine Law provisions
- There are a few basic requirements of the sunshine law:
 - Requires that all EDC AVT meetings be: publicly noticed; with an agenda; that all meetings be conducted open to the public; and that minutes of each meeting be recoded
- Very important that council members do not discuss council matters with each other – no calls, emails or conversations about council matters outside of the public meeting.
- If a member has a potential conflict of interest with an agenda item, the member should recuse from voting by properly disclosing the conflict.
- This presentation was intended only to be an extremely brief summary of the Sunshine Law.
- The EDC recommends all council members learn more details about Florida's Sunshine Law by referencing official sources such as the Office of the State of Florida Attorney General, which provides manuals and virtual training regarding all aspects of the Sunshine Law.
- If you have questions concerning specific applications, please seek guidance. It's best to err on the side of caution - please ask the EDC any questions. If we can't answer them, we seek guidance from our legal counsel.

Brevard County Ad Valorem Tax Abatement Current Program Guidelines Review:

- Neal Johnson, Chair, opened up the discussion by providing a review of the current AVT program guidelines.
- The average wage currently used is \$42,904, which was the 2013 state of Florida average wage that was effective as of January 1, 2015.
- The process starts with the EDC staff reviewing the company's AVT applications and then presenting it on behalf of the company.
- The presentation includes the number of new jobs, average wage, capital investment and impact analysis. The council meets, reviews the information and makes their recommendation to be presented to the BCBOCC.
- The AVT program will be sunseting in 2024 – and it is crucial to support its continuity since it's one of the few incentive tools the region has available when competing for projects against other regions.
- If approved by the BCBOCC, only a portion of a project's Ad Valorem taxes are abated, not all of them. Companies still pay school taxes, water management, among other public entities' taxes.
- It is also important to highlight that companies that fail to complete the annual report or to meet the criteria submitted on their application can have their AVT exemption revoked.
- Edgar Campa-Palafox, EDC, stated that the average wage is reviewed annually by the AVT Council, but it's been the Council's recommendation since July 2015 to keep it at the \$42,904 level.
- The reason the council decided to keep the average wage at that level has been intentional to be able to provide an incentive to small and medium manufacturers who are not necessarily in aerospace.
- These guidelines were crucial to access state incentives when the state had programs in place.
- Brevard County has attracted a lot of aerospace projects with significant investment and significant job creation, which has been pushing up the average wage of the county.
- We want to remain competitive in attracting small to medium-sized companies in order to diversify our economy and not rely so much on one industry sector.
- The state of Florida has very few tools – we need to cherish the local ones we have available.

- Significant competition from other states, typically Texas, Georgia and Alabama - they have been adding incentive programs while Florida has been cutting them.
- The EDC compiled a one-page document showing all of the State of Florida and Brevard County average wages that have been in effect since July 2015.

Brevard County Ad Valorem Tax Abatement Program Guidelines Average Annual Wage Requirement Review - Council Discussion:

- Discussion among Council members included confirmation that previous AVT Council members have recommended that the average wage used for the Brevard County Ad Valorem Tax Abatement program remain the same since its last revision to use the Statewide 2013 average wage of \$42,904, which was effective as of July 2015.
- The goal is to incentivize higher-paying, skilled jobs, but we also need to diversify at the same time.
- \$49,128 is Brevard County's 2018 average wage, which was effective as of January, 2020.
- The region is competing with other Florida counties, even though we have some unique qualities, we're still competing with other regions, having other tools that they can use, such as the panhandle – the playing field is not always even
- Regarding AVT exemptions granted to previous companies – some have hired twice as many people and the salaries are double what they committed to in their applications. If we can get these companies in, they can do amazing things.
- Per Florida statute, there is a list of qualified targeted industries eligible for incentives and we target those same industries

After the general discussion, the following motion was made by Robert Jordan, Genesis VII, Inc: *"To approve a recommendation to adopt Brevard County's 2018 average annual wage of \$49,128, that was made effective January 1, 2020, as the new average wage to be used for the Brevard County Ad Valorem Tax Abatement program"*. The motion was seconded by Michael Williams, Sr., M.H. Williams Construction Group, Inc.

Neal Johnson, Chair, asked for any further discussion regarding the motion on the floor.

- Council discussion continued: If a company doubles what they said they were going to do, is there a length of time that they phase-out of the incentive? At what point do they not need the incentive? Is there anything capping their growth?
- If a company is awarded 70% for 7 years, as long as they meet the number of new jobs, average wage and capital investment submitted on their application, and complete the required annual report, they will receive the abatement of 70% for 7 years.
- There's no penalty, such as no longer receiving the abatement, if the company overperforms.
- Also, a company's abatement isn't increased as a result of exceeding the criteria. It remains the same.
- If the state of Florida gets smart and brings back the Qualified Targeted Industry (QTI), the AVT can be used as the 20% required match from the community
- After the AVT Council provides a recommendation, it goes to the BCBOCC for review.
- AVT is performance-based and if a company doesn't meet the criteria, the AVT is revoked.

Neal Johnson, Chair, called for a vote on the motion on the floor. The Council unanimously voted to adopt the motion.

Ad Valorem Tax Abatement Council Recommendation:

- Adopt Brevard County's 2018 average annual wage of \$49,128, which was effective January 1, 2020, as the average wage used for Brevard County's Ad Valorem Tax Abatement program guidelines.

Other Business:

- The next meeting will be scheduled as needed.
- Neal Johnson adjourned the meeting.

Meeting adjourned at 9:13 AM

Commissioner Tobia addressed this was a clerical problem but according to the Agenda report Ad Valorem Tax Council has been using the same annual wages; since, 2015 and they use 2013 numbers, so they has decided to update it, but it was a clerical problem they used the 2018 numbers instead of the 2020 numbers.

at the Resolution
Motion: Accept with the most recent and current numbers of the average salary *from* ~~that being in~~ 2020 instead of 2018. *this*

Commissioner Pritchett asked Commissioner Tobia if he can provide the numbers by any chance.

Commissioner Tobia stated in 2021 from the State of Florida and looks at Brevard County is 55,328; the one they have down there is 49,128, so it is a Delta of about \$6,000.