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| Meeting Date |
| May 3, 2016 |



| AGENDA | |
|----------|---------|
| Section | CONSENT |
| Item No. | II.DS |

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

| | |
|--------------|--------------------------------------------------------------------------------|
| SUBJECT: | RESOLUTION TO CONSIDER AN AD VALOREM TAX ABATEMENT – CROSS-BRAND MANUFACTURING |
| 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 Cross-Brand Manufacturing 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

Cross-Brand Manufacturing focuses on the manufacturing, distribution, design and sale of sun care products. The company is considering a location in the city of Cocoa with plans to create 70 jobs over 3 years with an average wage of \$45,000 and invest over \$2,000,000 in new capital expenditures. The proposed job creation timeline for the project is as follows:

| # of New Jobs | Date jobs will be created |
|---------------|---------------------------|
| 20 | 12/31/2016 |
| 19 | 12/31/2017 |
| 31 | 12/31/2018 |

TOTAL
L 70

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



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.5., Resolution for Ad Valorem Tax Abatement – Cross-Brand Manufacturing

The Board of County Commissioners, in regular session on May 3, 2016, adopted Resolution No. 16-067, qualifying Cross-Brand Manufacturing 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 2016-067

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, **Cross-Brand Mfg, LLC** has requested that the Brevard County Commissioners exempt ad valorem taxes for its new construction and tangible personal property at **851 Greensboro Rd, Cocoa FL 32916 ; and**

WHEREAS, **Cross-Brand Mfg, LLC** 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 **Cross-Brand Mfg, LLC** 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

CROSS-BRANDS MFG. LLC Ad Valorem Tax Abatement Executive Summary

CROSS-BRANDS MFG. LLC is a Florida registered corporation founded in March 2016. The Corporation is a start-up of 7 people who combined have over 150 years of consumer packaged goods experience, specifically with a focus in Sun Care Product Development, Design, Sales and Distribution. All of the original members met while working together at Sun and Skin Care Research Inc., a Cocoa Florida Manufacturing Company that was sold to a Private Equity Group in 2012. CROSS-BRANDS MFG. LLC is currently exploring physical location for our operation.

CROSS-BRANDS MFG. LLC is a health and beauty aid product manufacturing provider offering a wide range of manufacturing for skin and hair care products including development, filling, packaging and shipping. We will initially focus on filling for marketing organizations in the sun care industry but intend to expand to other categories, including filling private label products for both independent marketers and directly for retail organizations.

CROSS-BRANDS MFG. LLC is exploring several locations for its' plant location, including Asheville North Carolina, Amelia Island, Florida, North Miami and the 851 Greensboro Road, Cocoa Florida site. CROSS-BRANDS is interested in Cocoa due to location of some key members of our corporation, its central location, easy access to a major highway and the previous use of the facility has proven to work well for our plans. Other locations are in consideration due to potential business acquisitions, work force pools and local business incentives.

CROSS-BRANDS is looking for a facility with a minimum of 75,000 sq. ft. with extra space to expand if needed in the future. The Company will be adding 20 new employees in 2016, increasing to 70 employees by year three. We will be investing \$850,000 in new equipment and building improvements.

We are projecting our Company to reach an annual sales of \$23,000,000 by 2021 with employee counts reaching over 200. We intend to be an active participant in the local community and will continue to provide a positive and lasting impact on the Space Coast economy. We are eagerly anticipating the Commission's assistance with our interest in locating in Brevard County through the approval of CROSS-BRANDS MFG. LLC for the Ad Valorem Tax Abatement Program.

SUPPLEMENTAL APPLICATION

BREVARD COUNTY ECONOMIC DEVELOPMENT
AD VALOREM TAX EXEMPTION PROGRAM

APPLICANT NAME: CROSS-BRANDS MFG. LLC.

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:** Mr. Donald Lee
Address: 851 Greensboro Road, Cocoa, Florida 32916
Telephone No. (608) 304-1117 FAX No. () None
3. **Authorized Agent:** Daniel C. Beard
Address: 2050 Porpoise Street, Merritt Island, FL 32952
Telephone Number: (321) 863-5111 Fax No. () None
4. Type of industry or business: Health and Beauty Aid Consumer Products Manufacturing and Distribution
5. Brief description of product and expansion plans (The applicant is to provide an executive summary of its business plan):
Cross-Brands Mfg. LLC will be manufacturing and distributing health and beauty care products including skin care lotions, sunscreens, haircare soaps and sprays, tooth paste, etc. It will provide manufacturing and logistical distribution for multiple business partners as well as an in-house Marketing Company with its' line of products. As our business grows we anticipate development of the existing acre of land on the existing property as well as looking at other local space if needed.
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): 70
7. Percent Increase in overall employment: 100%
8. Expected number of new employees who will reside in Brevard County TBD
9. Percentage of existing employees who have resided in the County for more than two years: 0
10. Anticipated average wage of employees: \$45,000
11. Anticipated average annual payroll: \$1,050,000 ; \$3,150,000 over 3 years
12. Anticipated new capital investment as a result of expansion or relocation of business:
New construction value: \$1,250,000
New personal property value: \$850,000
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): No known environmental impact.

14. Anticipated volume of business or production: \$23,000,000 by 2021
15. The relocation or expansion would not occur without the exemption: Yes [] No [X]
16. Source of supplies (local or otherwise):
% source of supplies County: 20%
% source of supplies Florida: 50%
% source of supplies out-of-state: 30%
17. Business is/will be located in a community redevelopment area: Yes [] No [X]

11, D 5
11,

Name of area: _____

SIGNATURES:

I hereby confirm the information provided by Cross-Brands Manufacturing 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 Cross-Brands Manufacturing 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 Cross-Brands Manufacturing 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: 4/14/16
SIGNED: _____
TITLE: UP

(Applicant)

SIGNED: _____
2050 Porpoise St, Merritt Island, FL
321-863-5111

(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: 5/3/16

SIGNED: _____
(County Manager)

**BREVARD COUNTY
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: CROSS-BRANDS MFG. LLC
Mailing address: 851 Greensboro Road, Cocoa FL 32926
2. Name of person in charge of business: Daniel C. Beard
Telephone No.: (321) 863-5111 FAX No.: () none
3. Location of business (legal description and street address) of property for which this report is filed:
851 Greensboro Road, Cocoa FL 32926
4. Date business opened at this facility: Third Quarter 2016
5. a. Description of the improvements to real property for which this exemption is requested:
Within the next 5 years construct a 15,000 sq. ft. Bldg.
- b. Date of commencement of construction of improvements: TBD
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 Condition | | | Taxpayer's Estimate of Fair Market Value | | | USE |
|---------------------|--------------------|-----|------------------------|------------------|-------------------------------------------|--|--|---------------------------------------------------|--|--|-----|
| | | | | | | | | | | | |
| | Capital Equipment | TBD | 6/2016 | TBD | | | | | | | |
| | Office Equipment | TBD | 6/2016 | TBD | | | | | | | |
| | Computer Equipment | TBD | 12/2016 | TBD | | | | | | | |
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- b. Average value of inventory on hand: TBD
- 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" [X] or as an "Expansion of an Existing Business" []
8. Describe the type or nature of your business: Cross-Brands Mfg. LLC will be manufacturing and distributing health and beauty care products including skin care lotions, sunscreens, haircare, soaps and sprays, tooth paste, etc. It will provide manufacturing and logistical distribution for multiple business partners as well as an in-house Marketing Company with its' line of products.
9. Trade level (check as many as apply):
Wholesale [X] Manufacturing [X] Professional [] Service [] Office [X] Other []

10. a. Number of full time employees employed in Florida: 0

(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 YR. 1 Proj. \$648,800 divided by
 Total sales everywhere from this facility - one (1) location only Yr. 1 Proj. \$2,160,000 = 30% 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: 4/14/16

Signed: 
 (Preparer)

SIGNED: 
 (Taxpayer)

2050 Porpoise St. Merritt Island FL
 (Preparer's Address)

TITLE: UP

321-863-5111
 (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

| Job Title / Description | Number of Jobs | Wage | Anticipated Hire Timeline (by year) |
|------------------------------------------------|----------------|-------|-------------------------------------|
| President – CROSS-BRANDS MFG. LLC | 1 | \$60k | 7/1/2016 |
| Vice President Marketing | 1 | \$60k | 7/1/2016 |
| Vice President Sales | 1 | \$60k | 7/1/2016 |
| Sales Director | 2 | \$50k | 8/1/2016 |
| Sales Coordinator / Customer Service | 1 | \$35k | 9/1/2016 |
| Purchasing Manager – CROSS-BRANDS MFG. LLC | 1 | \$35k | 10/1/2016 |
| Director Product Design | 1 | \$35k | 7/1/2016 |
| Manufacturing Engineer – CROSS-BRANDS MFG. LLC | 1 | \$35k | 7/1/2016 |
| Director Manufacturing – CROSS-BRANDS MFG. LLC | 1 | \$35k | 7/1/2016 |
| Mixing Coordinator – CROSS-BRANDS MFG. LLC | 1 | \$35k | 9/1/2016 |
| Production Manager – CROSS-BRANDS MFG. LLC | 1 | \$35k | 9/1/2016 |
| Production Staff – CROSS-BRANDS MFG. LLC | 5 | \$20k | 9/1/2016 |
| Accountant – CROSS-BRANDS MFG. LLC | 1 | \$25k | 7/1/2016 |
| Shipping Manager – CROSS-BRANDS MFG. LLC | 1 | \$30k | 10/1/2016 |
| Warehouse Staff–CROSS-BRANDS MFG. LLC | 1 | \$25k | 9/1/2016 |
| Computer Systems Analyst–CROSS-BRANDS MFG. LLC | 1 | \$25k | 1/1/2017 |
| Mixing Assistant – CROSS-BRANDS MFG. LLC | 1 | \$20k | 1/1/2017 |
| Production Staff–CROSS-BRANDS MFG. LLC | 15 | \$20k | 1/1/2017 |
| Warehouse Staff–CROSS-BRANDS MFG. LLC | 2 | \$20k | 2/1/2017 |
| Production Staff–CROSS-BRANDS MFG. LLC | 24 | \$20k | 1/1/2018 |
| Warehouse Staff-CROSS-BRANDS MFG. LLC | 7 | \$20k | 1/1/2018 |

Cross-Brands Manufacturing

Brevard County, FL

04/14/16

Overview:

| | | | |
|----------------------|----------|---------------------|-------------|
| New Job Commitment: | 70 | Capital Investment: | \$2,100,000 |
| Average Annual Wage: | \$45,000 | | |

Economic impact from job creation:

| <u>Jobs</u> | <u>Net New Wage</u> | <u>Contribution to GDP</u> |
|------------------|--------------------------|----------------------------|
| 70 (Direct) | \$3,150,000 (Direct) | \$14,283,702 (Direct) |
| 61 (Indirect) | \$2,791,907 (Indirect) | \$4,573,558 (Indirect) |
| 32 (Induced) | \$1,154,548 (Induced) | \$2,153,149 (Induced) |
| 163 TOTAL | \$7,096,455 TOTAL | \$21,010,408 TOTAL |

- For every employment position created by Cross-Brands Manufacturing approximately 1.33 additional jobs will be developed to support the operation of the facility.
- For every payroll dollar paid to Cross-Brands Manufacturing approximately \$1.25 will be generated for consumer spending.

County Tax Impact

Years 1-10

| | Annual Taxes on Construction | |
|------------------------------------|-----------------------------------|------------------|
| Projected Tax Assessed | \$ | 13,078.50 |
| Potential Abatement (at 100%) | \$ | 5,359.00 |
| Net New Revenue to County | \$ | 7,719.50 |
| | Annual Taxes on Personal Property | |
| Projected Tax Assessed | \$ | 8,893.38 |
| Potential Abatement (at 100%) | \$ | 3,644.12 |
| Net New Revenue to County | \$ | 5,249.26 |
| Total New Revenue to County | \$ | 12,968.76 |

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

Tax Millage Code – 15D0 NAICS – 325620 IMPLAN Sector – 182

Analysis based on information supplied by Cross-Brands Manufacturing - 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.: 2015-

AN ORDINANCE GRANTING AN ECONOMIC DEVELOPMENT AD VALOREM EXEMPTION TO CROSS-BRAND MANUFACTURING 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; CROSS-BRAND MANUFACTURING; 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