

**Blueprint Intergovernmental Agency  
Board of Directors  
Agenda Modifications**

**May 27, 2021**

**ADDITIONS / CHANGES:**

Requested By:	Item No.	Subject	Comments
Cristina Paredes	M1	Approval of the Allocation of Tallahassee-Leon County Office of Economic Vitality Funds in Support of Project Mango	MA

**CONSENT ITEM(s) Pulled for Discussion:**

Requested By:	Item No.	Subject	Comments
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**DELETED ITEMS:**

Requested By:	Item No.	Subject	Comments
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**ADDITIONAL/SUPPLEMENTAL AGENDA MATERIAL:**

Requested By:	Item No.	Subject	Comments
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MA = Material attached

MPP = Material previously provided

MTBP = Material to be provided

RP/RI = Replacement pages/Replacement item

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# Blueprint Intergovernmental Agency Board of Directors Agenda Item #M1

May 27, 2021

**Title:** Approval of the Allocation of Tallahassee-Leon County Office of Economic Vitality Funds in Support of Project Mango

**Category:** General Business

**Intergovernmental Management Committee** Vincent S. Long, Leon County Administrator  
Reese Goad, City of Tallahassee Manager

**Lead Staff / Project Team:** Benjamin H. Pingree, Director, Department of PLACE  
Cristina Paredes, Director, Office of Economic Vitality

## STATEMENT OF ISSUE:

This agenda item requests approval of a competitive incentive package to support the expansion of a logistics & fulfillment company, Project Mango. Project Mango represents the potential expansion of a Fortune 500 company into Tallahassee-Leon County. The company expansion will include:

- \$200 million capital investment in a new 650,000 sq. ft. fulfillment center
- 1,000 new fulfillment and management jobs, paying at or above \$15/hr. to be created between 2022 and 2023.
- Economic impact of \$451.1 million, creating 1,346 permanent jobs and 2,256 construction-related jobs.

This project is highly competitive as the company is also considering other locations for the new logistics & fulfillment facility. The recommendation/approval of this incentive package does not ensure that the company will select Tallahassee-Leon County but allows our community to maintain a competitive posture as the company evaluates our community and other sites for their future site location. Finally, the incentives for the IA Board's consideration are performance based. The company must meet the agreed upon jobs and capital investment to remain eligible for the full incentive.

## CONFIDENTIALITY:

Due to the sensitive nature of its current site selection process, the company has requested in writing that OEI maintain full confidentiality of certain information in accordance with Florida law. Section 288.075, Florida Statutes, allows specific company information to be kept confidential during the negotiation of an economic incentive opportunity. Protected information, including the company's plans, intentions, or interests to locate, relocate, or expand any of its business interests in the state, is exempt from public disclosure for 12 months after the

Agency receives a request for confidentiality and up to 180 days after a final project order for an economic incentive agreement is issued by the Department of Economic Opportunity. More detailed information regarding the business will be shared as the company's final location decision is made. This is further detailed in the Summary of Confidentiality Legal Requirements (Attachment #1).

## **FISCAL IMPACT:**

The total fiscal impact of Project Mango for the next 6 years is estimated to be \$2,565,299, which will consist of a Targeted Business Program (TBP) incentive. This incentive is based on the Leon County millage rate, as the prospective site is not located within the City limits.

Funding for this proposal is available in the OEV budget and will be budgeted as part of the OEV Capital Budget. It is anticipated that the first TBP funding will be distributed in FY 2022. Therefore, the incentives requested in this package can be covered by the OEV Capital budget. The May 27, 2021 Budget Workshop Item includes the funding for this project. If approved and the company moves forward, Project Mango activity is expected to create 1,000 direct new full time jobs, with salaries at or higher than \$31,200 and an estimated \$200 million in capital investments in Leon County.

## **STRATEGIC PLAN:**

The development of an incentive package for prospective clients directly supports the following Economic Development Strategic Plan goal:

- Identify and develop a full inventory of all available products (sites and buildings) along with the workforce, resources and other factors that create the total picture a company may consider in choosing to relocate or expand to Tallahassee-Leon County (d.1).
- Develop concise, sector-specific materials and the tools to showcase Tallahassee-Leon County to prospective clients using personal outreach to maximize effectiveness and efficiency (d-2).
- Site-readiness and marketing also support Technology Transfer and Commercialization, which through strategy b.1.5 seeks to facilitate the creation of 200 new private sector jobs related to tech cluster development.

The recruitment of this company and proposed incentive package directly supports OEV's job creation goal to co-create 11,500 jobs over five years, and builds upon OEV's Transportation & Logistics target sector business development activities.

## **RECOMMENDED ACTION:**

Option 1: Approve the Targeted Business Program application for Project Mango and allocate \$2,565,299 over six years to support this project from the OEV Capital Budget.

## **BACKGROUND:**

On October 27, 2016, the IA approved the Economic Development Strategic Plan for Tallahassee-Leon County, reflecting the Board's desire to invest in and cultivate the evolving economic development landscape. During this meeting, the Board also adopted the Policies and Procedures Manual for OEV, which formally guides staff activity and ensures appropriate and responsible use of organizational resources, and allows it to develop a successful, customer-centric approach. These policies, including the local Targeted Business Program (TBP), also benefit the local community in that they present competitive incentive packages for economic development opportunities. As part of this policy, the Board approved the Intergovernmental Management Committee (IMC) to approve and execute any documents related to local incentive programs less than \$500,000 per program, and any incentive program exceeding \$500,000 must be brought to the Board for consideration. This project is the second project to go through this process in the past 17 months, with Project Juggernaut being the other example, which led to the Danfoss expansion that was announced in December 2020 (Attachment #2).

### **TARGETED RECRUITMENT:**

One of the core strategic cornerstones of OEV's Strategic Plan is targeted business recruitment. A holistic strategy for economic development and diversification of the economy has to include proactive business recruitment. There are three main components to growth in economic development, however business recruitment is focused solely on the competitive projects component rather than facilitated or market driven components. An outline of this process is found in Attachment #3. In addition to this project, OEV has 12 additional confidential business recruitment projects in progress.

On May 24, 2021, the Competitive Projects Cabinet (CPC) voted to unanimously approve the total allocation of \$2,565,299 from OEV funds to support Project Mango, including:

- Targeted Business Program funding for a total estimated amount of \$2,565,299 over six years;

Funding for this proposal is available in the OEV budget and will be budgeted as part of the OEV Capital Budget.. Therefore, the incentives requested in this package can be covered by the OEV Capital budget as shown in the 20-year OEV Capital budget in Attachment #4.

Balancing a solid existing industry program with the introduction of new business is crucial for the economic vitality of a region. The infusion of new industry into an area has a wide ranging impact. It goes far beyond immediate financial impact. New industry introduces a diversity of ideas and approaches to an area, not to mention new job opportunities for its citizens, clients, and for its small businesses. OEV takes a proactive role in business recruitment, utilizing a wide range of tools including subject matter expertise from the Magnetic Taskforce, International Economic Development Council (IEDC), Vision First Advisors, and partners; comprehensive site selection due diligence, with full mapping, virtual tours, and real estate analysis services; professional lead generation services from Research on Investment (ROI); regional initiatives via the Big Bend Manufacturing Association and Florida Economic Development Council (FEDC); RFPs from global site selectors, Enterprise Florida, and national investors; augmented by consistent, broad-spectrum marketing and outreach to business sector decision-makers. Business recruitment is a 24/7 core function of OEV, fully supporting the strategic goals of OEV,

the City, and the County to foster new jobs, capital investment, and overall economic growth for Tallahassee-Leon County.

Staff is currently working closely with Project Mango to communicate the benefits of choosing Tallahassee-Leon County over its out-of-state competitors for its proposed expansion. To remain competitive, this agenda item requests the approval of the itemized incentive package. Again, the approval of this incentive package does not ensure that the company will select Tallahassee-Leon County but allows our community to maintain a competitive posture as the company evaluates our community and other sites for their future site location.

### **PROJECT MANGO OVERVIEW**

Project Mango represents a significant investment in our area in terms of capital expenditure, entailing the creation of direct, permanent jobs paying at least \$15 per hour. Project Mango is eligible to participate in one incentive program: the Targeted Business Program (TBP), based on the project's known parameters. Please be advised that OEV has fully evaluated the application and eligibility of Project Mango to receive TBP incentives. OEV has received the required documentation from Project Mango to evaluate its application for TBP incentives and to recommend CPC approval of the application. However, pursuant to section 288.075, Florida Statutes, and Project's Mango's written request to be kept confidential from public disclosure during its negotiation of economic incentive opportunities, details of its intentions to locate, expand, or relocate to Florida, OEV can only share a limited amount of information at this time.

### **ECONOMIC IMPACT ANALYSIS**

Project Mango involves a \$200 million capital expenditure, which will catalyze a large construction project, followed by the installation of 1,000 full time jobs. Accordingly, the impacts of the project are quite large: an anticipated \$451.1 million total economic impact is projected, with 3,602 jobs and \$167.6 million in wages.

The construction impacts of the project are estimated to be 1,356 direct jobs paying \$76.9 million in wages, and 900 indirect and induced jobs paying \$42.8 million in wages. These impacts are temporary and will cease once construction is complete. The permanent operational impact will entail the creation of 1,000 direct jobs paying an estimated \$32.9 million in yearly wages. The 346 indirect and induced jobs will support these direct jobs, paying almost \$15 million in annual wages. \$113.7 million in annual output is projected. Finally, \$14.8 million in state and local fiscal impacts during the construction phase, and \$3.6 million on a recurring annual basis, are projected as a result of this project. Total construction fiscal impacts are estimated at \$42.1 million, and total permanent impacts are estimated at \$14.2 million. (Attachment #5).

### **TARGETED BUSINESS PROGRAM**

Targeted Business Program (TBP) is a local incentive program utilized to induce business growth that is beneficial to the community by helping to implement the long-term vision for economically viable and environmentally sustainable growth. TBP offers incentives to new and existing businesses that create value-added jobs that will diversify the economy suited to Tallahassee-Leon County's business mix and will generate revenue growth from the sales of goods and services outside the local economy. While TBP rewards job creation, it is built off of a company's local capital expenditures on land, buildings, and equipment. Funds awarded under the TBP may be used to reimburse 1) up to 100% of the cost of development fees (Appendix C:

Eligible Development Fees) and 2) a portion of the capital investment of the business project based on ad valorem taxes paid. The reimbursement amount is based on a scoring system evaluated by OEV staff and the Competitive Projects Cabinet (“the Cabinet”). A full overview of the TBP program is provided in Attachment #6.

In this instance, the company qualifies for 60% reimbursement of permit fees and a portion of ad valorem taxes over six years. The total estimated TBP incentive for this project is \$2,565,299 over the next six years, which includes an estimated one-time \$499,000 reimbursement for development fees in year one, based upon its corporate performance, metric fulfillment, and reimbursement request. It is anticipated that the first reimbursement will be issued in FY 2022 at the earliest, thus it is anticipated that adequate funding will be available through the allocation of sales tax dollars for economic development. The annual allocation for Project Mango’s TBP is estimated to range from \$905,107 in year one and \$282,839 in year six, with a six year average of \$427,550 per year. Attachment #7 provides a full breakdown of the TBP incentive, while Attachment #8 provides the redacted application and scoring.

Should the IA Board approve this incentive, and the company choose Tallahassee-Leon County for their future site location, then staff will execute a Reimbursement Agreement specifying the development fees, percentage of ad valorem taxes, and number of years for which reimbursement will be requested.

## **FINANCE AND BUDGET**

OEV has the ability to fund this incentive through existing and proposed allocations within the OEV Capital Improvements Budget. Funding for the TBP incentive is available due to the existence of the Future Opportunity Leveraging and Competitive Project Funds, which provide funding for new prospects/projects that align with the economic development strategic plan and targeted industries previously adopted by the IA Board. Therefore, the incentives requested in this package can be covered by the OEV Capital budget as shown in the 20-year OEV Capital budget. Attachment #1 provides a summary of the OEV Capital Improvement Projects Budget.

## **TIMELINE AND NEXT STEPS**

- May 24, 2021, Competitive Project Cabinet (CPC) Meeting: The CPC recommended approval of the incentive package.
- May 26, 2021, Application Review Meeting: The project will hold its first application review meeting, which is the next step in its development review process. Following this meeting, the application is anticipated to be referred to the Development Review Committee (DRC), slated for mid-June.
- May 27, 2021, Intergovernmental Agency Board Meeting: OEV will present the incentive request to the Blueprint Intergovernmental Agency Board of Directors (IA Board) for review and approval.
- Upon IA Board review and approval, the company will be notified via a letter and receive a TBP agreement encapsulating the terms of the incentive package and requirements that tie funding disbursements to proven new employment and wages, and demonstrable



taxes (e.g., ad valorem, tangible personal property, corporate income, and sales tax) paid by the company during eligible timelines.

- Development Review Process:
  - o OEV has been working with Leon County DSEM, the company, and the developer on the development review process, and below represents the best estimates for that timeline at the time of writing this agenda item.
    - June 16, 2021, Development Review Committee Meeting
    - July 13, 2021, Leon County BOCC Public Hearing
- June – August 2021: Should the IA Board approve the incentive, the company will be notified via a letter. For the TBP incentive, staff will compose a contract similar to previous incentive awards that ties funding disbursement to proven new employment and wages, and demonstrable taxes (e.g. ad valorem, tangible personal property, corporate income and sales tax) paid by the company during eligible timelines.

It is anticipated that the company will make its final expansion decision in summer 2021. Staff will continue to liaise with the company to ensure that any project development questions are answered in a timely fashion, coordinating closely with all City and County departments.

## CONCLUSION:

Project Mango represents an incentive-induced recruitment of a major logistics company to Leon County. If induced, the company is anticipated to represent a significant investment in our area in terms of capital expenditure, entailing the creation of direct, permanent jobs paying at least \$15 per hour.

The CPC and OEV staff are recommending the IA Board's approval of Project Mango's current **\$2,565,299** incentive package, including:

- Targeted Business Program funding for a total estimated amount of **\$2,565,299** over six years;

Should the IA Board approve Project Mango's incentive package, staff will continue assisting the company with any planning and permitting needs that arise during the expansion phase as requested. As noted previously, it is anticipated that the company will make its final expansion decision in summer 2021.

## OPTIONS:

- Option 1: Approve the Targeted Business application for Project Mango and allocate \$2,565,299 over six years to support this project from the OEV Capital Budget.
- Option 2: Do not approve the Project Mango Incentive Package.
- Option 3: IA Board Direction.



## **RECOMMENDED ACTION:**

Option 1: Approve the Targeted Business application for Project Mango and allocate \$2,565,299 over six years to support this project from the OEV Capital Budget.

### **Attachments:**

1. Summary of Confidentiality Legal Requirements
2. January 30, 2020 IA Board Agenda Item on Project Juggernaut Incentive Package
3. Competitive Project Process
4. OEV Capital Budget and Project Mango TBP Budget
5. Project Mango Economic Impact Results
6. TBP Overview
7. Incentive Overview, Project Mango
8. Project Mango TBP redacted Application & Scoring

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## **Confidentiality of Economic Development Agency Information Pursuant to Section 288.075, Florida Statutes**

The Office of Economic Vitality (“OEV”) is an economic development agency as defined by section 288.075, Florida Statutes. The Florida Legislature has provided economic development agencies the ability to protect the information of companies engaged in discussions to locate, expand or relocate in Florida. Section 288.075, Florida Statutes, allows specific company information to be kept confidential during the negotiation of an economic incentive opportunity. Protected information, including the company’s plans, intentions, or interests to locate, relocate, or expand any of its business interests in the state, is exempt from public disclosure for 12 months after the OEV receives a request for confidentiality.

Section 288.075(2), Florida Statutes, states as follows:

If a private corporation, partnership, or person requests in writing before an economic incentive agreement is signed that an economic development agency maintain the confidentiality of information concerning plans, intentions, or interests of such private corporation, partnership, or person to locate, relocate, or expand any of its business activities in this state, the information **is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution for 12 months** after the date an economic development agency receives a request for confidentiality or until the information is otherwise disclosed, whichever occurs first. [Emphasis added].

### **Exempted Material:**

1. **Plans, intentions, or interests** of a private company, person or individual considering locating, relocating, or expanding its business operations in Florida. Timeframe: 12 months unless extended pursuant to law.
2. **Trade Secrets**. Timeframe: Permanent
3. **Federal employer ID #**, unemployment compensation account #, or Florida sales tax registration #. Timeframe: Permanent
4. **Proprietary Confidential Business Information**. Timeframe: Confidential and exempt until such time as the information becomes otherwise publically available or is no longer treated by the proprietor as confidential.
5. **Specific sales and tax information paid** related to the administration of state economic development incentives. Timeframe: Exempt if there is an active incentive agreement in place

### **Criminal Penalties for Unauthorized Disclosure:**

Section 288.075(7), Florida Statutes, states as follows:

Any person who is an employee of an economic development agency who violates the provisions of this section **commits a misdemeanor of the second degree**, punishable as provided in s. 775.082 or s. 775.083 [Emphasis added].

The company referred to as **Project Mango** has requested in writing that OEV maintains full confidentiality of certain information in accordance with Florida law.

# Blueprint Intergovernmental Agency Board of Directors Agenda Item #6 January 30, 2020

**Title:** Approval of the Allocation of Tallahassee-Leon County Office of Economic Vitality Funds in Support of Project Juggernaut

**Category:** General Business

**Intergovernmental Management Committee:** Vincent S. Long, Leon County Administrator  
Reese Goad, City of Tallahassee Manager

**Lead Staff / Project Team:** Benjamin H. Pingree, Director, Department of PLACE  
Cristina Paredes, Director, Office of Economic Vitality

## STATEMENT OF ISSUE:

This agenda item requests approval of a competitive incentive package to support the expansion of a local manufacturing company, Project Juggernaut. Project Juggernaut represents a Tallahassee-Leon County-based advanced manufacturing company considering expansion within Innovation Park. The company expansion will include:

- \$48 million capital investment in a new 88,000 sq. ft. manufacturing center
- 239 new manufacturing and research jobs (current targets include 32 jobs by 2024 – 30% high skill / 70% middle skill, and 207 jobs of similar skills distribution by 2031) to be created between 2022 and 2029.
- Economic impact of \$140.6 million, creating 367 construction-related and 586 permanent jobs as a result.

This project is highly competitive as the company is also considering other locations for the new manufacturing facility.

Due to the sensitive nature of its current site selection process, the company has requested in writing that OEV maintains full confidentiality of certain information in accordance with Florida law. Section 288.075, Florida Statutes, allows specific company information to be kept confidential during the negotiation of an economic incentive opportunity. Protected information, including the company's plans, intentions, or interests to locate, relocate, or expand any of its business interests in the state, is exempt from public disclosure for 12 months after the Agency receives a request for confidentiality and up to 180 days after a final project order for an economic incentive agreement is issued by the Department of Economic Opportunity. More detailed information regarding the business will be shared as the company's final location decision is made.

## Blueprint Intergovernmental Agency Board of Directors Meeting

Item Title: Approval of the Allocation of Tallahassee-Leon County Office of Economic Vitality Funds in support of Project Juggernaut

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### FISCAL IMPACT:

The total fiscal impact of Project Juggernaut for the next ten years is estimated to be **\$2,308,810**:

- \$38,400 for QTI Tax Refund Match;
- \$1,465,410 for the Target Business Program;
- \$805,000 to support Leon County Research and Development Authority increased Economic Competitiveness 2019-21 Strategic Plan Goals and OEV Strategic Plan.

Funding for this proposal is available in the OEV budget and will be budgeted as part of the OEV Capital Budget. It is anticipated that the first LCRDA payment will be issued in FY 2021 and the first TBP and QTI funding will be distributed in FY 2022. Therefore, the incentives requested in this package can be covered by the OEV Capital budget. If approved and the company moves forward, Project Juggernaut activity is expected to create 239 new full time jobs, over 10 years, with salaries greater than 150% of the local average annual wage and an estimated \$48 million in capital investments in Leon County.

### STRATEGIC PLAN:

The development of an incentive package for prospective clients directly supports the following Economic Development Strategic Plan goal:

- Identify and develop a full inventory of all available products (sites and buildings) along with the workforce, resources and other factors that create the total picture a company may consider in choosing to relocate or expand to Tallahassee-Leon County (d.1).
- Develop concise, sector-specific materials and the tools to showcase Tallahassee-Leon County to prospective clients using personal outreach to maximize effectiveness and efficiency (d-2).
- Site-readiness and marketing also support Technology Transfer and Commercialization, which through strategy b.1.5 seeks to facilitate the creation of 200 new private sector jobs related to tech cluster development.

This incentive package directly supports OEV's job creation goal to create 200 high wage jobs in target industry sectors and builds upon the "Magnetic Capital of the World" business development activities.

### RECOMMENDED ACTION:

- Option 1: Approve \$2,308,810 from OEV funds to support Project Juggernaut to include:
- Target Business Program funding for a total estimated amount of \$1,465,410 over ten years;
  - QTI 20% match, estimated at \$38,400 over the period 2020-2024 – which will leverage \$153,600 in funding from the State of Florida;
  - Authorize the Director of PLACE to execute the commitment of funds to Leon County Research and Development Authority Funds in the amount of

## Blueprint Intergovernmental Agency Board of Directors Meeting

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\$805,000 as agreed upon through a Memorandum of Understanding (MOU) between LCRDA and OEV, to include the following:

- Funding to support Asset Maximization and Readiness by creating pad ready sites within the 15 acres of undeveloped land and renovation of the 23,000 square feet of existing space in its buildings.
- Funding to support the targeted recruitment of five new qualified leads in cooperation with OEV. Funding may be utilized for marketing, promotion and travel.
- Disbursement of funds will be based on the following milestones:
  - Disbursement 1: Will occur upon groundbreaking construction or October of 2020, whichever is later.
  - Disbursement 2: Will occur upon the company's obtaining a Certificate of Occupancy for the site or October of 2021, whichever is later.

## BACKGROUND:

On October 27, 2016 the IA approved the Economic Development Strategic Plan for Tallahassee-Leon County which reflects the Board's desire to invest in and cultivate the evolving economic development landscape. During this meeting, the Board also adopted the Policies and Procedures Manual for OEV, which formally guides staff activity and ensures appropriate and responsible use of organizational resources and allows it to develop a successful, customer-centric approach. These policies, including the local Targeted Business Program (TBP) and the Qualified Targeted Industry (QTI) Tax Refund Program administered by the State of Florida, also benefit the local community in that they present competitive incentive packages for economic development opportunities. As part of this new policy, the Board approved the Intergovernmental Management Committee (IMC) to approve and execute any documents related to local incentive programs less than \$500,000 per program and any incentive program exceeding \$500,000 must be brought to the Board for consideration.

Staff is currently working closely with Project Juggernaut as well as local and state economic development partners to communicate the benefits of choosing Tallahassee-Leon County over its out-of-state competitors for its proposed expansion. In order to remain competitive, this agenda item requests the approval of the itemized incentive package, which will trigger the company's retention and expansion locally.

## PROJECT OVERVIEW

Project Juggernaut represents a Tallahassee-Leon County-based advanced manufacturing and magnetic technology company considering expansion within Innovation Park. The company practices corporate social responsibility, with energy, climate, and environment sustainability targets, and donations to local nonprofits and Leon County Schools.

The company expansion represents a \$48 million capital investment and 239 new manufacturing and research jobs over the next 10 years, and a new 80,000sq. ft. manufacturing center. Based on the project's known parameters, Project Juggernaut is eligible to participate in four incentive programs: the Targeted Business Program (TBP), the Qualified Target Industry

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Program (QTI), the State of Florida's Urban Job Tax Credit Program, and the Career Source Incumbent Worker Training (IWT).

### **ECONOMIC IMPACT ANALYSIS**

The project received an economic analysis conducted by the FSU Center for Economic Forecasting and Analysis, which found that Construction and Permanent Employment benefits from the project would equal \$140 million in economic output. Of this, \$52 million would occur as a one-time construction impact and \$88.6 million would occur yearly once the full amount of hires (239) is made. This will result in 105 indirect and 242 induced jobs created and sustained once the expansion is fully operational, and will permanently contribute an additional \$88.6 million to the Tallahassee MSA economy thereafter. The forecast estimates that permanent operations will lead to \$5.8 Million federal and \$2.7 million state and local taxes on a yearly basis at full buildout (Attachment #1).

### **TARGET BUSINESS PROGRAM (LOCAL)**

TBP is a local incentive program utilized to induce business growth that is beneficial to the community by helping to implement the long-term vision for economically viable and environmentally sustainable growth. TBP offers incentives to new and existing businesses that create value-added jobs that will diversify the economy suited to Tallahassee-Leon County's business mix and will generate revenue growth from the sales of goods and services outside the local economy. While TBP rewards job creation, it is built off of a company's local capital expenditures on land, buildings, and equipment. The greater a company's outlay for real estate, the higher potential it has for TBP reimbursement. In this instance, the company qualifies for 100% reimbursement of permit fees and a portion of ad valorem taxes over ten years. The total estimated TBP incentive for this project is \$1,465,410 over the next ten years, which includes an estimated one-time \$40,000 reimbursement for development fees in year one, based upon its corporate performance, metric fulfillment, and reimbursement request. It is anticipated that the first reimbursement will be issued in FY 2022 at the earliest, thus it is anticipated that adequate funding will be available through the allocation of sales tax dollars for economic development. The annual allocation for Project Juggernaut's TBP is estimated to range from \$69,833 in year one and \$279,154 in year ten, with a ten year average of \$146,541 per year.

### **QUALIFIED TARGETED INDUSTRY (STATE/LOCAL)**

Through its creation of high-wage jobs (150% Area Median Wage) in a "high impact sector", this project is eligible for up to \$6,000 in state tax reimbursements for each job created. During the current cycle (2020-2024), the company anticipates creating 32 jobs, which makes the company eligible for \$192,000 in total. Of this, \$153,600 (80%) would be paid by the Florida Department of Economic Opportunity and \$38,400 (20%) would be paid through OEV QTI match fund dollars. QTI awards are only allowed to be assessed and disbursed during a five year period; however, the company has submitted job creation projections for a ten year period. Hence, it is anticipated that Project Juggernaut will have two job creation phases for consideration by the CPC and ultimately the IA Board of probable future QTI match requests associated with the project. Phase 1 (as defined by DEO) covers 2020-2024. It is anticipated that Project Juggernaut will bring a subsequent request forward on Phase 2/3, which would cover 2025-2029 and an estimated 207 jobs as the Company continues to expand their manufacturing line. OEV has



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therefore calculated the total estimated QTI reimbursement to be \$286,800 if all 239 jobs are created and incented according to the current method. This leaves a remainder of \$248,400 of potential QTI match through future applications that OEV may participate in if job creation meets targets.

Of note, the continuation of the QTI program is under consideration by the Florida Legislature, since the current statute is set to sunset in June 30, 2020.

#### **FLORIDA STATE UNIVERSITY COMMITMENT**

With the expansion, the company may need to extend its footprint beyond its existing parcels, mainly to allow for additional parking and vehicular access. As part of the company's proposed incentive package, Florida State University is also contributing land (Parcel 6C) to enhance the existing access, facilities, and private sector investment at Innovation Park.

#### **LEON COUNTY RESEARCH AND DEVELOPMENT AUTHORITY FUND REQUEST, INCREASED ECONOMIC COMPETITIVENESS PROPOSAL**

At its December 12, 2019 meeting, the Leon County Research and Development Authority (LCRDA) Board agreed to lease the two proposed project sites (land valued at \$805,000) to Project Juggernaut at no cost to the company for a term through January 28, 2074. The project sites are controlled by LCRDA, and constitute 16.72 acres, with an appraised value of \$805,000. Unlike previous recruitment and expansion projects at Innovation Park, LCRDA has informed OEV that it is not in a position to make a financial commitment at this time. The LCRDA Board submitted a request to the Blueprint Intergovernmental Agency Board of Directors in the amount of \$805,000 to support the execution of the LCRDA strategic plan at Innovation Park and long-term economic development strategic plan of Tallahassee-Leon County (Attachment #2).

To ensure that disbursements support both the long-term economic development strategic plan of Tallahassee-Leon County and LCDRA strategic plan, it is recommended that a Memorandum of Understanding (MOU) be developed to support specific activities related to Goals 2 and 3 of the 2019-2021 LCRDA Strategic Plan. Goals and rationales for funding eligibility under this disbursement are as follows:

- Goal #1 Construct and equip the incubator by December 31, 2020 and have 50% occupied by December 31, 2021.
  - The IA Board previously approved \$2.5 Million toward the building of an incubator should LCRDA obtain EDA grant funding.
- Goal #2 Asset Maximization & Readiness and Goal #3 Attract at least 3 new targeted private companies to expand/relocate to Innovation Park by December 31, 2021.
  - These goals are consistent with the Long Term Economic Development Strategic Plan approved by the IA Board.
- Goals 4 and 5 are specifically related to LCRDA governance and financial resources.

Goals #2 and #3 directly support the "Magnetic Capital of the World" business development activities as well as other long-term economic development actions in the Strategic Plan:

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- Identify and develop a full inventory of all available products (sites and buildings) along with the workforce, resources and other factors that create the total picture a company may consider in choosing to relocate or expand to Tallahassee-Leon County (d.1).
- Develop concise, sector-specific materials and the tools to showcase Tallahassee-Leon County to prospective clients using personal outreach to maximize effectiveness and efficiency (d-2).
- Site-readiness and marketing also support Technology Transfer and Commercialization, which through strategy b.1.5 seeks to facilitate the creation of 200 new private sector jobs related to tech cluster development.

### Other Eligible State Incentive Programs

Project Juggernaut is also eligible to participate in the State of Florida's Urban Job Tax Credit Program, upon achieving specific job creation milestones. This new local funding initiative is tailored for new or existing businesses located in the designated high crime area by the State of Florida in Tallahassee-Leon County to help encourage quality job growth. It provides eligible businesses that create jobs a pay-for-performance refund that is determined by the number of jobs created and the average annual wage of the created jobs. It is evaluated and applied for on a yearly basis and is estimated that the organization could be eligible for a total of \$239,000 over ten years. OEV will continue to work with our partners to assist in workforce recruitment and retention to help ensure the talent pool in the Tallahassee area continues to grow.

In addition, CareerSource would make funds available via the Incumbent Worker Training (IWT) program to provide training for the current employee base totaling \$150,000 over nine years. This program provides grants for continuing education and training of current full-time employees at Florida companies by reimbursing up to 75% for pre-approved training costs.

## COMPETITIVE PROJECTS CABINET:

At its January 23, 2020 meeting, the Competitive Projects Cabinet (CPC) unanimously approved the full allocation of \$2,308,810 from OEV funds to support Project Juggernaut, including:

- Target Business Program funding for a total estimated amount of \$1,465,410 over ten years;
- QTI 20% match, estimated at \$38,400 over the period 2020-2024 – which will leverage \$153,600 in funding from the State of Florida;
- Commitment of funds to Leon County Research and Development Authority Funds
- Recommends the allocation of \$805,000 in OEV funds to support 2019-2021 LCRDA strategic plan as agreed upon through a Memorandum of Understanding (MOU) between LCRDA and OEV, to include the following:
  - Funding to support Goal #2 of LCDRA Strategic Plan (Asset Maximization and Readiness) by creating pad ready sites within the 15 acres of undeveloped land and renovation of the 23,000 square feet of existing space in its buildings. This investment in asset maximization and readiness will increase the economic competitiveness of Innovation Park and accommodates the businesses OEV is trying to attract.
  - Funding to support the targeted recruitment of five new qualified leads in cooperation with OEV. Funding may be utilized for marketing, promotion and travel. This targeted

## Blueprint Intergovernmental Agency Board of Directors Meeting

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recruitment supports the “Magnetic Capital of the World” business development activities, aligns with OEV’s strategic plan as well as Goal #3 of LCRDA’s plan.

- Disbursement of funds will be based on the following milestones:
  - Disbursement 1: Will occur upon groundbreaking construction or October of 2020, whichever is later.
  - Disbursement 2: Will occur upon the company’s obtaining a Certificate of Occupancy for the site or October of 2021, whichever is later.

Funding for this proposal is available in the OEV budget and will be budgeted as part of the OEV Capital Budget. It is anticipated that the first LCRDA payment will be issued in FY 2021 and the first TBP and QTI funding will be distributed in FY 2022. Therefore, the incentives requested in this package can be covered by the OEV Capital budget as shown in the 20-year OEV Capital budget in Attachment #3.

## NEXT STEPS

Upon IA Board review and approval, the company will be notified via a letter. Per QTI application requirements found in section 288.106(4)(a)10, Florida Statutes, OEV will bring the QTI Resolution before the Board of County Commissioners at its February 11, 2020 to approve (See Attachment #4). The resolution will be transmitted to DEO to complete the QTI Phase 1 application.

For local components of the incentive, staff will compose a contract similar to previous incentive awards that ties funding disbursement to proven new employment and wages, and demonstrable taxes (e.g. ad valorem, tangible personal property, corporate income and sales tax) paid by the company during eligible timelines.

In addition, staff recommends that the PLACE Director be authorized to execute a Memorandum of Understanding between OEV and LCRDA that determines the terms of the \$805,000 funding commitment, per the recommendations below. If granted, OEV staff will work with LCRDA to finalize this MOU.

## CONCLUSION:

Project Juggernaut can consist of an incentive-induced expansion of a major advanced manufacturer within Leon County. If induced, the company is anticipated to launch a \$48 million dollar investment in a new 88,000 square foot advanced manufacturing facility that will create 239 high wage jobs during the period 2022-2031.

The CPC and OEV staff are recommending the IA Board’s approval of Project Juggernaut’s current **\$2,308,810** incentive package, including:

- Target Business Program funding for a total estimated amount of **\$1,465,410** over ten years;
- QTI 20% match of **\$38,400** – which will leverage \$153,600 in funding from the State of Florida;
- Commitment to LCRDA Leon County Research and Development Authority Funds in the amount of \$805,000 as agreed upon through a Memorandum of Understanding (MOU) between LCRDA and OEV, to include the following:

## Blueprint Intergovernmental Agency Board of Directors Meeting

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- Funding to support asset maximization and readiness by creating pad ready sites within the 15 acres of undeveloped land and renovation of the 23,000 square feet of existing space in its buildings. This investment in asset maximization and readiness will increase the economic competitiveness of Innovation Park and accommodates the businesses OEV is trying to attract. These items are in agreement with OEV Strategic Plan Strategies d.1, d.2, and b.1.5 as well as Goal #2 of LCRDA's plan.
- Funding to support the targeted recruitment of five new qualified leads in cooperation with OEV. Funding may be utilized for marketing, promotion and travel. This targeted recruitment supports the "Magnetic Capital of the World" business development activities, aligns with OEV's strategic plan d.1, d.2, and b.1.5 as well as Goal #3 of LCRDA's plan.
- Disbursement of funds will be based on the following milestones:
  - Disbursement 1: Will occur upon groundbreaking construction or October of 2020, whichever is later.
  - Disbursement 2: Will occur upon the company's obtaining a Certificate of Occupancy for the site or October of 2021, whichever is later.

The company will make its final expansion decision in Spring 2020. Following the IA Board approval of Project Juggernaut's incentive packet, staff will continue assisting the company with any planning and permitting needs that arise during the expansion phase.

## RECOMMENDED ACTION:

- Option 1: Approve \$2,308,810 from OEV funds to support Project Juggernaut to include:
- Target Business Program funding for a total estimated amount of \$1,465,410 over ten years;
  - QTI 20% match, estimated at \$38,400 over the period 2020-2024 – which will leverage \$153,600 in funding from the State of Florida;
  - Authorize the Director of PLACE to execute the commitment of funds to Leon County Research and Development Authority Funds in the amount of \$805,000 as agreed upon through a Memorandum of Understanding (MOU) between LCRDA and OEV, to include the following:
    - Funding to support Asset Maximization and Readiness by creating pad ready sites within the 15 acres of undeveloped land and renovation of the 23,000 square feet of existing space in its buildings.
    - Funding to support the targeted recruitment of five new qualified leads in cooperation with OEV. Funding may be utilized for marketing, promotion and travel.
    - Disbursement of funds will be based on the following milestones:
      - Disbursement 1: Will occur upon groundbreaking construction or October of 2020, whichever is later.
      - Disbursement 2: Will occur upon the company's obtaining a Certificate of Occupancy for the site or October of 2021, whichever is later.

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### OPTIONS:

- Option 1: Approve \$2,308,810 from OEV funds to support Project Juggernaut to include:
- Target Business Program funding for a total estimated amount of \$1,465,410 over ten years;
  - QTI 20% match, estimated at \$38,400 over the period 2020-2024 – which will leverage \$153,600 in funding from the State of Florida;
  - Authorize the Director of PLACE to execute the commitment of funds to Leon County Research and Development Authority Funds in the amount of \$805,000 as agreed upon through a Memorandum of Understanding (MOU) between LCRDA and OEV, to include the following:
    - Funding to support Asset Maximization and Readiness by creating pad ready sites within the 15 acres of undeveloped land and renovation of the 23,000 square feet of existing space in its buildings.
    - Funding to support the targeted recruitment of five new qualified leads in cooperation with OEV. Funding may be utilized for marketing, promotion and travel.
    - Disbursement of funds will be based on the following milestones:
      - Disbursement 1: Will occur upon groundbreaking construction or October of 2020, whichever is later.
      - Disbursement 2: Will occur upon the company's obtaining a Certificate of Occupancy for the site or October of 2021, whichever is later.
- Option 2: Do not approve the Project Juggernaut Incentive Package.
- Option 3: IA Board Direction.

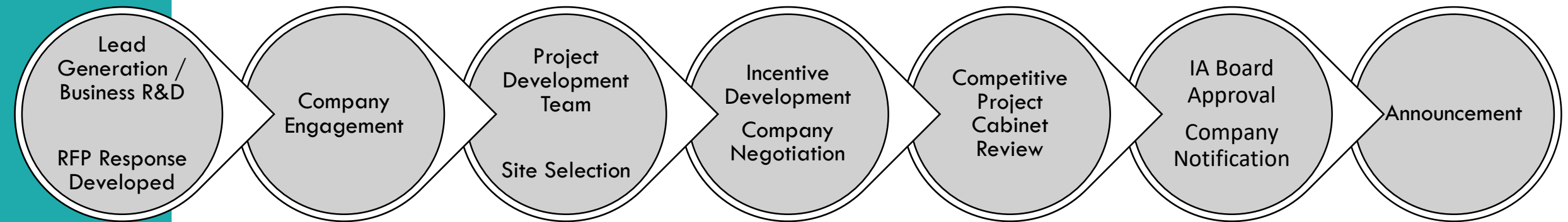
#### Attachments:

1. Project Juggernaut Economic Impact Results
2. Project Juggernaut LCRDA Proposal
3. OEV CIP Budget
4. DRAFT Leon County Commission Juggernaut QTI Resolution

# Competitive Projects Process

## ***Competitive Projects Pipeline***

1. Leads are generated via business engagement, RFP research, and executive matchmaking provided by ROI Inc.
2. Once a strong prospect emerges, staff engages the company through phone, email, and meeting to discern expansion/relocation priorities.
3. As the lead solidifies into a qualified opportunity, staff assemble requested information and a proposed incentive package.
4. The company, OEV, and partners further negotiate expansion according to requests, resources, and local benefit of the project.
5. The Competitive Projects Cabinet (CPC) is created to review and provide recommendation on incentives over \$500K. These recommendations pass on to the IA for final review and approval.
6. If agreement is reached and partners and boards (such as IA) agree, an announcement is made.





Proposed FY 2022 Office of Economic Vitality Capital Projects and Economic Vitality Programs Budget							FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total, FY 2022-2026	Amount Remaining to Complete Project Based on Estimated Cost to Complete
								Blueprint 2020 Program Funding					
1 Sources of Funds													
2 Allocation of Net Sales Tax Revenues							2,692,916	1,282,259	1,382,209	1,465,990	1,550,010	8,373,384	
3 City, County, State and Federal Funding (1)							-	-	-	-	200,000	200,000	
4 Bond Proceeds							21,500,000	-	-	-	-	21,500,000	
5 Loan Proceeds							-	-	-	-	-	-	
6 Grants, Donations, and Miscellaneous Funding							-	-	-	-	-	-	
7 Total Sources of Funds for Office of Economic Vitality Projects							24,192,916	1,282,259	1,382,209	1,465,990	1,750,010	30,073,384	
8 Uses of Funds								Blueprint 2020 Program					Total Projected FY 2022-2026 Allocations
													Total Projected FY 2022-2026 Allocations
9 Capital Projects Allocations													Total Projected FY 2022-2026 Allocations
													Total Projected FY 2022-2026 Allocations
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Proposed FY 2022 Office of Economic Vitality Capital Projects and Economic Vitality Programs Budget							FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total, FY 2022-2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040									
1 Sources of Funds								Blueprint 2020 Program Funding					FY 2022-2026																						
2 Allocation of Net Sales Tax Revenues							2,692,916	1,282,259	1,382,209	1,465,990	1,550,010	8,373,384	1,610,518	1,677,894	1,746,244	1,810,777	1,881,639	1,948,015	2,021,089	2,091,037	2,167,063	2,239,375	3,086,280	5,011,482	5,086,655	1,876,512									
3 City, County, State and Federal Funding (1)											200,000	200,000																							
4 Bond Proceeds							21,500,000					21,500,000																							
5 Loan Proceeds																																			
6 Grants, Donations, and Miscellaneous Funding																																			
7 Total Sources of Funds for Office of Economic Vitality Projects							24,192,916	1,282,259	1,382,209	1,465,990	1,750,010	30,073,384	1,610,518	1,677,894	1,746,244	1,810,777	1,881,639	1,948,015	2,021,089	2,091,037	2,167,063	2,239,375	3,086,280	5,011,482	5,086,655	1,876,512									
8 Uses of Funds							A	B	C	D	E	A - (B + C)	Blueprint 2020 Program																						
							Estimated Cost to Fund Project through 5-Year CIP or BP2020 Program(2)	Amounts Allocated in Prior Years	Amounts Proposed to be Allocated at May 27 Meeting	Project Expenses Through April 30, 2021	Project Balance as of April 30, 2021	Estimated Allocations Required to Complete Project	FY 2022 Projected Allocations	FY 2023 Projected Allocations	FY 2024 Projected Allocations	FY 2025 Projected Allocations	FY 2026 Projected Allocations	Total Projected FY 2022-2026 Allocations	FY 2027 Projected Allocations	FY 2028 Projected Allocations	FY 2029 Projected Allocations	FY 2030 Projected Allocations	FY 2031 Projected Allocations	FY 2032 Projected Allocations	FY 2033 Projected Allocations	FY 2034 Projected Allocations	FY 2035 Projected Allocations	FY 2036 Projected Allocations	FY 2037 Projected Allocations	FY 2038 Projected Allocations	FY 2039 Projected Allocations	FY 2040 Projected Allocations	Total Allocations Since Inception	Amount Remaining to Complete Project Based on Estimated Cost to Complete	
9 Capital Projects Allocations																																			
10 Convention Center							30,771,326	771,326	-	-	771,326	30,000,000	20,000,000	-	-	-	-	20,000,000														20,771,326	10,000,000		
11 Bragg Stadium Repairs							10,000,000	10,000,000	-	450,000	9,550,000	-	-	-	-	-	-	-														10,000,000	-		
12 Tallahassee Community College Contribution							1,000,000	-	-	-	-	1,000,000	-	-	-	-	-	-	-														-	1,000,000	
13 Tallahassee International Airport							14,100,000	1,233,750	-	1,233,750	-	12,866,250	705,000	705,000	705,000	705,000	705,000	3,525,000	705,000	705,000	705,000	705,000	705,000	705,000	705,000	705,000	705,000	705,000	705,000	705,000	705,000	176,250	14,100,000	-	
14 LCRDA Incubator: \$2.5 million Pledge							2,500,000	1,000,000	-	-	1,000,000	1,500,000	1,500,000	-	-	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500,000	-	
15 Incentives, Grants & Programs																																			
16 Business Recruitment and Incentive Fund (BRIF)							560,000	560,000	-	450,064	109,936	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	560,000	-			
17 Qualified Target Industry Tax Refund							-	56,000	(56,000)	-	47,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
18 Target Business Program							4,948,512	354,705	56,000	21,896	332,809	4,537,807	937,341	354,773	348,623	334,273	319,923	2,294,933	370,868	389,318	271,018	338,194	346,394	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	-	6,821,430	(1,872,918)	
19 ARPC EDA Revolving Loan Fund for Small Businesses							700,000	225,000	-	200,000	25,000	475,000	25,000	25,000	25,000	25,000	125,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	700,000	-	
20 Magnetic Technologies Recruitment							179,017	181,000	(1,983)	179,017	1,983	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	179,017	-	
21 Business Development: Attraction/Expansion							2,132,430	52,800	1,983	7,729	45,071	2,077,647	110,000	110,000	110,000	110,000	550,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	2,144,783	(12,353)		
22 COVID-19 Economic Disaster Relief Program							1,150,500	1,150,500	(1,150,500)	1,150,500	-	1,150,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,150,500	-
23 COVID-19 Nonprofit LEAN Program							800,000	800,000	-	597,500	202,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800,000	-	
24 LCRDA Cooperative Pledge							805,000	-	268,300	-	-	536,700	536,700	-	-	-	-	-	536,700	-	-	-	-	-	-	-	-	-	-	-	-	805,000	-		
25 Future Opportunity Leveraging Fund							500,000	519,843	(28,300)	-	519,843	8,457	199,732	(117,514)	(11,414)	(13,283)	(114,913)	(57,392)	74,650	123,576	313,600	314,040	370,245	483,015	556,089	626,037	702,063	774,375	1,621,280	3,546,482	3,621,655	1,240,262	14,801,520	(14,301,520)	
26 Competitive Project Fund							500,000	25,000	-	-	25,000	475,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,000	475,000	-		
27 Business2Business Engagement Actions																																			
28 Americas Competitiveness Exchange							10,650	10,650	-	10,650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,650	-	-		
29 Elevate Grant Program							87,500	87,500	-	85,000	2,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,500	-	-		
30 Local Business and Workforce Development							2,012,000	112,000	-	10,000	102,000	1,900,000	79,143	100,000	100,000	100,000	100,000	479,143	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,991,143	20,857		
31 Industry Academies and B2B Outreach							213,650	13,650	10,000	1,846	11,804	190,000	10,000	10,000	10,000	10,000	50,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	213,650	-	-	
32 Strategic Marketing and Communication							1,600,500	225,000	140,500	192,461	32,539	1,235,000	65,000	65,000	65,000	65,000	325,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	1,600,500	-	-	
33 Economic Vitality Sponsorships							657,750	87,750	-	74,250	13,500	570,000	25,000	30,000	30,000	30,000	145,000	30,000	30,000	26,626	23,543	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	642,919	14,831	-	
34 Economic Vitality Studies																																			
35 MWSBE Disparity Study							2,070,000	550,000	-	488,486	61,514	1,520,000	-	-	-	-	400,000	400,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	2,070,000	-		
36 Target Industry Study							535,300	155,300	-	150,395	4,905	380,000	-	-	-	100,000	100,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	535,300	-		
37 Strategic Plan							480,000	100,000	-	95,590	4,410	380,000	-	-	-	100,000	100,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	480,000	-		
38 Total Uses of Funds for Office of Economic Vitality Projects							78,314,135	18,271,774	(760,000)	5,399,134	12,863,640	60,802,361	24,192,916	1,282,259	1,382,209	1,465,990	1,750,010	30,073,384	1,610,518	1,677,894	1,746,244	1,810,777	1,881,639	1,948,015	2,021,089	2,091,037	2,167,063	2,239,375	3,086,280	5,011,482	5,086,655	1,876,512	81,839,738	(3,525,603)	
39 Sources of Funds less Uses of Funds																																			

NOTE: The Capital Improvement Program allocates net sales tax and other sources of funds to capital infrastructure projects and economic development projects; only funding identified in FY 2021 will be allocated toward any projects. Funding identified in the outlying years (2022 - 2025) is based on current estimates of future net sales tax revenues for capital projects and other anticipated funding sources.

(1) Budgeted revenue from City, County, State and Federal funding consists of equal funding shares from the City of Tallahassee and Leon County to support the operations of the Minority, Women and Small Business Enterprise program. Each government has committed to fund one-third of the program's operating costs while the Office of Economic Vitality will fund the remaining amount from its dedicated sales tax revenue.

(2) The estimated costs to complete each project is based on the five-year time horizon presented in this Capital Projects Budget. Many of OEV's projects are of an ongoing nature and will not be considered "complete" until the IA Board provides direction to discontinue the project. Other projects, such as contributions to the Convention Center and LCRDA Incubator will be complete upon OEV's provision of funding. The annual airport allocation is ongoing for the life of the Blueprint 2020 sales tax.

## Economic Impact Results Project Mango

### Introduction

The Center for Economic Forecasting & Analysis (CEFA) at Florida State University, in Partnership with the Tallahassee-Leon County Office of Economic Vitality (OEV) prepared the following economic impact analysis for Project Mango. Consistent with standard practice for economic impact analysis, the direct impacts associated with the proposed project, as well as the indirect and induced impacts are calculated for the Tallahassee Metropolitan Statistical Area (MSA). These impacts have been produced using the IMPLAN® model.

This report evaluates the proposed project's broader economic benefits, measured in terms of economic output (the value of industry production), local employment or jobs, and income or wages. Calculations are provided for two categories of benefits (and totaled): a) Construction (or Temporary) benefits; and b) Permanent benefits associated with the ongoing operation of the commercial operations. The total economic impact of Project Mango is the summation of the one-time economic benefits associated with the construction phase of the project and the ongoing, permanent operations of the proposed \$200 million logistics & fulfillment distribution hub.

The project will generate the following types of economic benefits in the regional economy:

- **Direct Benefits.** Direct benefits relate to: a) the short-term business activity associated with project construction, and b) the ongoing business activity associated with the businesses that are located within the developed project.
- **Indirect Benefits.** Indirect benefits will result when local firms directly impacted by the project in turn purchase materials, supplies or services from other firms.
- **Induced Benefits.** Induced benefits relate to the consumption and spending of employees of firms that are directly or indirectly affected by the project. These would include all of the goods and services normally associated with household consumption (i.e., housing, retail purchases, local services, etc.).

### Summary of Total Economic Impact

The total economic impact of Project Mango is estimated to total 3,600 jobs, over \$167.5 million in income or wages and approximately \$451.1 million in total economic output. The construction impacts are estimated to total 2,256 jobs, over \$119.7 million in income or wages and more than \$337.4 million in total economic output (sales/revenues). On an annual (permanent) basis, the project is projected to generate 1,346 jobs, approximately \$47.8 million in income or wages, and more than \$113.7 million in total economic output (sales/revenues).

Tallahassee MSA Total Economic Impact

Economic Measure	Economic Output (Sales/Revenues)	Employment or Jobs	Income or Wages
<b>Construction</b>	\$337,422,896	2,256	\$119,738,713
<b>Permanent Employment</b>	\$113,718,678	1,346	\$47,833,247
<b>Grand Total</b>	<b>\$451,141,574</b>	<b>3,602</b>	<b>\$167,571,960</b>

\* in 2021 \$

### Summary of Employment Impact

Construction (temporary) impact will create 1,356 one-time jobs with an additional 900 indirect and induced jobs. These jobs are not permanent jobs, rather, when the project is complete the construction employment demands

created by the project will cease. A total of 1,000 permanent jobs will be created when construction is complete and all economic activities are fully operational, with an additional 135 indirect and 211 induced jobs needed to support project operations. The jobs associated with the operations are permanent jobs, therefore these impacts will continue on an annual basis.

#### Tallahassee MSA Employment Impact

Employment	Direct	Indirect	Induced	Total
<b>Construction</b>	1,356	370	530	2,256
<b>Permanent</b>	1,000	135	211	1,346
<b>Grand Total</b>	<b>2,356</b>	<b>505</b>	<b>741</b>	<b>3,602</b>

### Summary of Output Impact

Construction (temporary) impacts will result in almost \$200 million in direct economic output (total economic activity generated by the project) with an additional \$137.4 million in output from indirect and induced economic activity. Permanent direct economic output will exceed \$61 million annually, with an additional \$52.2 million in annual indirect and induced economic output.

#### Tallahassee MSA Output Impact

Output	Direct	Indirect	Induced	Total
<b>Construction</b>	\$199,999,996	\$60,044,611	\$77,378,289	\$337,422,896
<b>Permanent</b>	\$61,474,013	\$21,391,757	\$30,852,908	\$113,718,678
<b>Grand Total</b>	<b>\$261,474,009</b>	<b>\$81,436,368</b>	<b>\$108,231,197</b>	<b>\$451,141,574</b>

\* in 2021 \$

### Summary of Income Impact

Construction (temporary) direct impacts will result in almost \$77 million in one-time income with an additional \$42.8 million in income from indirect and induced jobs. The jobs associated with construction are not permanent jobs, rather, when the project is complete those employment demands created by the project will cease. Nearly \$32.9 million in income annually will be created by permanent employment when construction is complete and all economic activities are fully operational, with an additional \$14.97 million in indirect and induced jobs needed to support project operations. The income associated with the operations are permanent wages, therefore these impacts will continue on an annual basis.

#### Tallahassee MSA Income Impact

Income	Direct	Indirect	Induced	Total
<b>Construction</b>	\$76,940,761	\$19,707,244	\$23,090,708	\$119,738,713
<b>Permanent</b>	\$32,863,692	\$5,735,169	\$9,234,386	\$47,833,247
<b>Grand Total</b>	<b>\$109,804,453</b>	<b>\$25,442,413</b>	<b>\$32,325,094</b>	<b>\$167,571,960</b>

\* in 2021 \$

## Summary of State, Local and Federal Taxes Impacts

In addition to the employment, income and economic output associated with the project, there is also the accrual of State, Local, and Federal taxes. The one-time fiscal impact associated with the construction of the project is estimated to be approximately \$42.1 million. The estimated annual fiscal impact is more than \$14.1 million.

### Tallahassee MSA State, Local, and Federal Taxes Impact

Taxes	Permanent	Construction	Total
<b>State &amp; Local Taxes</b>	\$3,610,341	\$14,777,082	\$18,387,423
<b>Federal Taxes</b>	\$10,585,636	\$27,338,460	\$37,924,096
<b>Grand Total</b>	<b>\$14,195,977</b>	<b>\$42,115,542</b>	<b>\$56,311,519</b>

\* in 2021 \$

*\*All impacts are presented as impacts to the Tallahassee MSA with monetary figures presented in current (2021) dollars. Additionally, the analysis is based on information provided by company representatives. Economic Impact analysis does not include any quality of life nor opportunity costs (alternative investment) valuation. Small differences in the estimates may occur due to rounding.*

### Economic Impact Analysis Prepared By:

Julie Harrington, Ph.D.

Director, Center for Economic Forecasting and Analysis

Florida State University





## TARGETED BUSINESS PROGRAM

### I. PROGRAM SUMMARY

The Tallahassee-Leon County Office of Economic Vitality (OEV), a Division of the Blueprint Intergovernmental Agency (“the Agency”) administers the Targeted Business Program (TBP), an initiative to induce business growth that is beneficial to Tallahassee-Leon County. TBP is designed to help implement Tallahassee-Leon County’s long-term vision for economically viable and environmentally sustainable growth. TBP offers incentives to businesses relocating to and existing businesses that are expanding, that also create value-added jobs, within Tallahassee-Leon County. The TBP seeks to reward businesses that will diversify the economy and generate revenue growth from the sales of goods and services outside the local economy. The TBP also seeks to incent businesses that locate in designated target areas for economic growth and development, that build environmentally sensitive projects, and that do businesses with other local businesses, all while insuring a sound return on investment to the public. Businesses applying to participate in the TBP may request confidentiality of records per s. 288.075(2), Florida Statutes.

Funds awarded under the TBP may be used to reimburse 1) up to 100% of the cost of development fees (Appendix C: Eligible Development Fees) and 2) a portion of the capital investment of the business project based on ad valorem taxes paid. The reimbursement amount is based on a scoring system evaluated by OEV staff and the Competitive Projects Cabinet (“the Cabinet”). The Cabinet will make a recommendation on the award of inducements under the TBP. Once an incentive package is recommended by the Cabinet for approval, the Intergovernmental Management Committee (“the IMC”) has the authority to approve applications and execute any and all documents up to \$500,000 on behalf of the Blueprint Intergovernmental Agency Board of Directors (“the Board”). If the recommended incentive exceeds \$500,000, then the application must be presented to the Board for approval.

### II. PROGRAM REQUIREMENTS

#### A. Eligibility

1. New Businesses<sup>1</sup>
  - a) Applicants which are Target Industries of Tallahassee-Leon County, Enterprise Florida, and/or as established by the Board (Appendix A); and
  - b) That intend to construct a new building or purchase an existing building within the Leon County-City of Tallahassee Urban Services Area (USA).
2. Existing Businesses<sup>2</sup>

<sup>1</sup> “New Business” means existing for-profit organizations relocating to Tallahassee-Leon County from another market.

<sup>2</sup> “Existing Business” means existing for-profit organizations in Tallahassee-Leon County.

- a) Applicants which are Target Industries of Tallahassee-Leon County, Enterprise Florida, and/or as established by the Board (Appendix A); and
- b) That intend to build a new building or purchase an existing building, or that intend to lease an existing building and create new jobs, add capital investment, and purchase tangible personal property that is added to the tax rolls in Tallahassee-Leon County within the USA.

**B. Incentives/Use of Funds**

- 1. Reimbursement of up to 100% of all eligible City of Tallahassee or Leon County (applicants located outside City of Tallahassee limits but within the Urban Service Area) development fees; and
- 2. Reimbursement of up to 100% of an amount equivalent to ad valorem taxes paid on land, improvements, and tangible personal property to the City of Tallahassee each year for up to 10 years and reimbursement of ad valorem taxes paid to Leon County equal to the amount reimbursed by the City of Tallahassee. Applicants located outside of the City of Tallahassee boundaries but within the USA are eligible for reimbursement of ad valorem taxes paid on land, improvements, and tangible personal property to Leon County in an amount not to exceed the City of Tallahassee millage rate for that year. Expansion projects would qualify only for the incremental increase in ad valorem taxes.

**C. Application Process/Payment Method**

- 1. The Applicant submits application to determine eligibility prior to filing development/building permits.
- 2. If the application is approved, a Reimbursement Agreement with the Agency shall be executed to finalize the inducement and performance requirements.
- 3. Not less than twelve months after receiving its Certificate of Occupancy, the Applicant may file its first request for reimbursement.
- 4. Reimbursement of development fees (up to 100%) may be paid in a lump sum.
- 5. Annual reimbursement as described in Section II.B.2. above will be made one year in arrears over a period of time, up to ten years (refer to Appendix B, Business Profile Scoring Sheet). The award amount is subject to change based upon the Applicant's performance measures.
- 6. Annual Applicant performance reports shall be submitted to OEV for review.

**D. Scoring System/Award Approval**

- 1. As a screening mechanism, prior to being admitted into the scoring phase of the evaluation process, applicants must provide copies of their audited financial statements for the previous two years with their application.
- 2. A business profile score for the application is determined on a rating system (Appendix B – Business Profile Scoring System) that awards points to the following categories:
  - a) Number of employees;
  - b) Salary levels;
  - c) Amount of capital investment;
  - d) Location of designated target areas (Appendix D: Designated Target Areas);
  - e) Environmental sensitivity of project design/redevelopment achievements;

- f) Local business promotion; and
  - g) Possible bonus points
- 3. Using the Business Profile Scoring System (Appendix B), OEV will score the application and forward to the Cabinet for review and recommendation.
- 4. The Cabinet will review and will make a recommendation on the estimated award of incentives under the TBP. Once an incentive package is recommended by the Cabinet for approval, the IMC shall have the authority to review and approve Applicants for participation in the TBP; make incentive awards up to \$500,000; and execute any and all documents to effectuate such incentive award.
- 5. If the recommended incentive award exceeds \$500,000, OEV will present the application to the Board for its consideration.

### III. APPLICATION PROCEDURE

The following procedure will be used for determining Applicant eligibility and the amount of the recommended incentive award.

#### A. Application

- 6. Applications must be filed with OEV at any time prior to making its relocation or expansion decision.
- 7. An application may be filed prior to receiving site plan approval. However, points for Environmental Sensitivity will not be determined until after the site plan is approved.
- 8. OEV shall determine if the Applicant is one of those on the Targeted Industry List. If so, an economic impact analysis will be prepared to determine whether the proposed project described in the application demonstrates a return on investment to the community and, if so, in what amount.
- 9. OEV will evaluate the application based on information provided by the Applicant to determine the inducement percentage and length (Incentive Award). Evaluated applications will subsequently be provided to the Cabinet.
- 10. OEV shall be responsible for verifying the projected Number of Employees, Salary Levels, Capital Investment, and Local Business Promotion. The number of new employees shall include those hired after the date permits are obtained, provided they are due to the new building or expansion.
- 11. The Cabinet will be given applications for review and recommendation. The Cabinet after its review may make a recommendation on each application received or seek from the Applicant additional information. If additional information is requested, the Cabinet shall reconvene to consider the additional information.

#### E. Recommendation and Award

- 1. The Cabinet will make a recommendation. Once an application is received and if an incentive award is recommended for approval by the Cabinet, the IMC will consider the application and recommendation of the Cabinet, and shall be authorized to approve applications with incentive awards up to \$500,000, and executing any and all documents to effectuate same. If the recommended incentive award exceeds \$500,000, then the application must be presented to the Board for its consideration.



2. Following approval, a Reimbursement Agreement will be executed specifying the development fees, percentage of ad valorem taxes, and number of years for which reimbursement will be requested.

## IV. INCENTIVE AWARD REIMBURSEMENT PROCESS

### A. Incentive Award Reimbursement Request and Agreement

3. Once the building or expansion has been operational for at least 12 months, an Applicant that has an approved Reimbursement Agreement with the Agency may file a request for reimbursement of development fees. An Applicant may file a request for reimbursement of ad valorem taxes at any time after April 1st of the year after which ad valorem taxes have been paid on the new building or expansion. Each request shall include verification of the number of employees working at the new business or expanded business for the past year, the annualized salary levels of these employees, the capital investment made, and the local business utilization (see Appendix B) for the past year.
4. Reimbursement requests shall be filed with and reviewed by OEV. Reimbursement for development fees shall not include reimbursement of any charges related to utilities system fees (i.e., water and sewer tap fees). A list of eligible fees is set out in Appendix C.
5. If the number of new jobs is to be phased in over several years, an Applicant may request reimbursement of the percentage of development fees applicable to the new employee positions created during each past year or the applicant may request one reimbursement after the creation of all new jobs
6. Reimbursement of ad valorem taxes for the previous year may be requested after April 1st of each year, for the number of years approved in the incentive award.
7. The Applicant will have three years from the date of the first Certificate of Occupancy, or from the date the expense (tax or development fee) requested for reimbursement was paid, whichever is later, to show that they have met the requirements for reimbursement. As described in Appendix B, and as further set out in the Reimbursement Agreement, in each year for which a reimbursement request is made, the applicant shall achieve the total points set forth in its approved application in order to receive the percentage of inducement for that year. However, should the total points achieved in any reimbursement request be less than the total points identified in the Reimbursement Agreement, the percentage of inducement shall be lowered in accordance with the total points scored. If the reimbursement request achieves less than 40 points for two consecutive years, the Applicant will no longer be eligible for participation in the Targeted Business Program and the Reimbursement Agreement will be terminated. If the Applicant has not met the requirements for reimbursement within three years of the execution of a Reimbursement Agreement, the Applicant will no longer be eligible for participation in the Targeted Business Program and the Reimbursement Agreement will be terminated.
8. OEV will be responsible for assuring that the fees and taxes for which the Applicant may request reimbursement are set aside in the accounting system.
9. OEV shall be responsible for processing TBP reimbursement requests following approval.
10. Notwithstanding the above, any amount necessary for Applicant reimbursement is subject to annual appropriation by the Board.

### F. Approximate Timeline –Application

Applicant files Application	Day 1
Office of Economic Vitality determines it is a Targeted Industry	Day 10
Cabinet meets and makes recommendation	Day 10-25
Application is Approved	Day 25-35

G. Approximate Timeline – Reimbursement Request

Building or expansion opens	
New development is added to tax rolls	The following January 1
Applicant files Reimbursement Request for development fees	After 12 months of opening
Applicant pays ad valorem taxes after new development is added to tax rolls	Nov. through March
Applicant files Reimbursement Request for ad valorem taxes	April after #4, above, occurs
OEV determines amount of reimbursement	Within 30 days of request

## **V. APPENDIX**

- A. Targeted Industry List
- B. Business Profile Scoring System
- C. Eligible Development Fees
- D. Designated Target Areas
- E. Priority Business Areas

## APPENDIX A: TARGETED INDUSTRY LIST

### A. Tallahassee-Leon County Targeted Industries

1. Health Care
2. Manufacturing & Transportation/Logistics
3. Professional Services & Info Tech
4. Applied Sciences & Innovation

### B. State of Florida Targeted Industries

5. Aviation & Aerospace
6. Life Sciences
7. Logistics & Distribution
8. Defense & Homeland Security
9. Financial & Professional Services
10. Information Technology
11. Cleantech
12. Headquarters

## APPENDIX B: BUSINESS PROFILE SCORING SYSTEM

<b>Option A: New Business</b>		<b>Points</b>	<b>Option B: Existing Business Expansion</b>
10-20 new employees within 3 years		10	10% increase in employees
21-60 new employees within 3 years		15	15% increase in employees
61-99 new employees within 3 years		20	20% increase in employees
100 or more new employees within 3 years		25	25% increase in employees

<b>Salary Levels</b>	<b>Points</b>
20% or less of new jobs at or above area average annual wage <sup>3</sup>	0
More than 20% of new jobs at or above area average annual wage <u>and</u> the average salary of the new jobs is:	
Below Area Average	0
Average to 25% Above Average	10
25% to 50% Above Average	15
50% to 100% Above Average	20
100% Above Average	25

<b>Capital Investment</b>	<b>Points</b>
\$0 - \$1,000,000	5
\$1,000,001 - \$5,000,000	10
\$5,000,001 - \$9,999,999	15
\$10,000,000 and up	20

<b>Location</b>	<b>Points</b>
Project located in an area identified by a program or policy of the City and/or County as an area targeted for economic growth and development, including:	
Historically Underutilized Business Zone	2
Downtown or Frenchtown/Southside Community Redevelopment Area	2
Urban Job Tax Credit Area	2
Southern Strategy Area	2
Priority Business Areas (identified industrial or commercial park, Innovation Park, or Tallahassee International Airport) (See Appendix E)	2

<b>Environmental Sensitivity</b>	<b>Points</b>
<b>Brownfield Remediation</b>	2
<b>Option A: New Construction</b>	
Urban forest protection above minimum <sup>4</sup>	2
Preservation of significant grades above minimum <sup>5</sup>	2
Canopy Coverage above minimum <sup>6</sup>	2

<sup>3</sup> Area average is the all industries average annual wage published by Enterprise Florida for Leon County at the time of preliminary application submission.

<sup>4</sup> Provide additional urban forest on site above the required minimum of 10%. 2 points for minimum of 5% to maximum of 10% above minimum.

<sup>5</sup> Preservation of additional significant grade areas (10-20%) above the minimum 50% requirement through inclusion within a Conservation Easement. 2 points for minimum of 5% to maximum of 10% above minimum.

<sup>6</sup> Provide additional canopy coverage in vehicular use areas on site above the required minimum of 30%. 2 points for minimum of 5% to maximum of 10% above minimum.

Exceeds Tree Preservation <sup>7</sup>	2
Exceeds minimum pervious surface <sup>8</sup>	2

**Option B: Redevelopment<sup>9</sup>**

25% retrofit	2.5
50% retrofit	5
75% retrofit	7.5
100% retrofit	10

**Local Business Utilization**

**Points**

10% of Goods & Services from Certified MBE's	2
10% of Construction Contractor from Certified MBE's	2
25% of Major Supplies are Local	4

**Maximum Points:**

**100**

**Bonus**

**Points**

Consulted with the DesignWorks Studio within the Planning Department	2
The project is considered a competitive project <sup>10</sup>	5
>50% of the jobs (by SOC code) are included in Target Industry list or CareerSource's Regional Demand Occupations high skill/high wage list	5

<b>Total Points</b>	<b>Inducement Period Percentage of Inducement</b>	<b>Length of Inducement<sup>11</sup></b>
---------------------	---	--

<sup>7</sup> Preservation, through creative parking lot design, of trees in excess of 36 inches (diameter at breast height) that would otherwise be cut through their inclusion in landscape islands in vehicular use areas. 2 points.

<sup>8</sup> Preserve additional pervious (unpaved) area on non-vested sites above the minimum requirement of 45%. 2 points for minimum of 5% to maximum of 10% above minimum.

<sup>9</sup> Recognizing that redevelopment does not require sites to be retrofitted for storm water treatment and attenuation under recently adopted revisions to the Environmental Management Ordinance, redevelopment sites that do retrofit for storm water treatment and attenuation are eligible to receive bonus points.

<sup>10</sup> "Competitive Project" means the company plans to locate/relocate its operation outside Tallahassee-Leon County but for assistance provided by economic development incentives.

<sup>11</sup> An amount equal to the ad valorem taxes will be paid by city, and matched by the county, to the business over a period of five to ten years. An amount equal to the appropriate development fees will be paid in lump sum. Applicants located outside of the City of Tallahassee boundaries but within the USA are eligible for reimbursement of ad valorem taxes paid on land, improvements, and tangible personal property to Leon County in an amount not to exceed the City of Tallahassee millage rate for that year.



		(Ad Valorem taxes only)
40 to 49 Points	50% exemption	5 years
50 to 59 Points	60% exemption	6 years
60 to 69 Points	70% exemption	7 years
70 to 79 Points	80% exemption	8 years
80 to 89 Points	90% exemption	9 years
90 to 100 Points	100% exemption	10 years

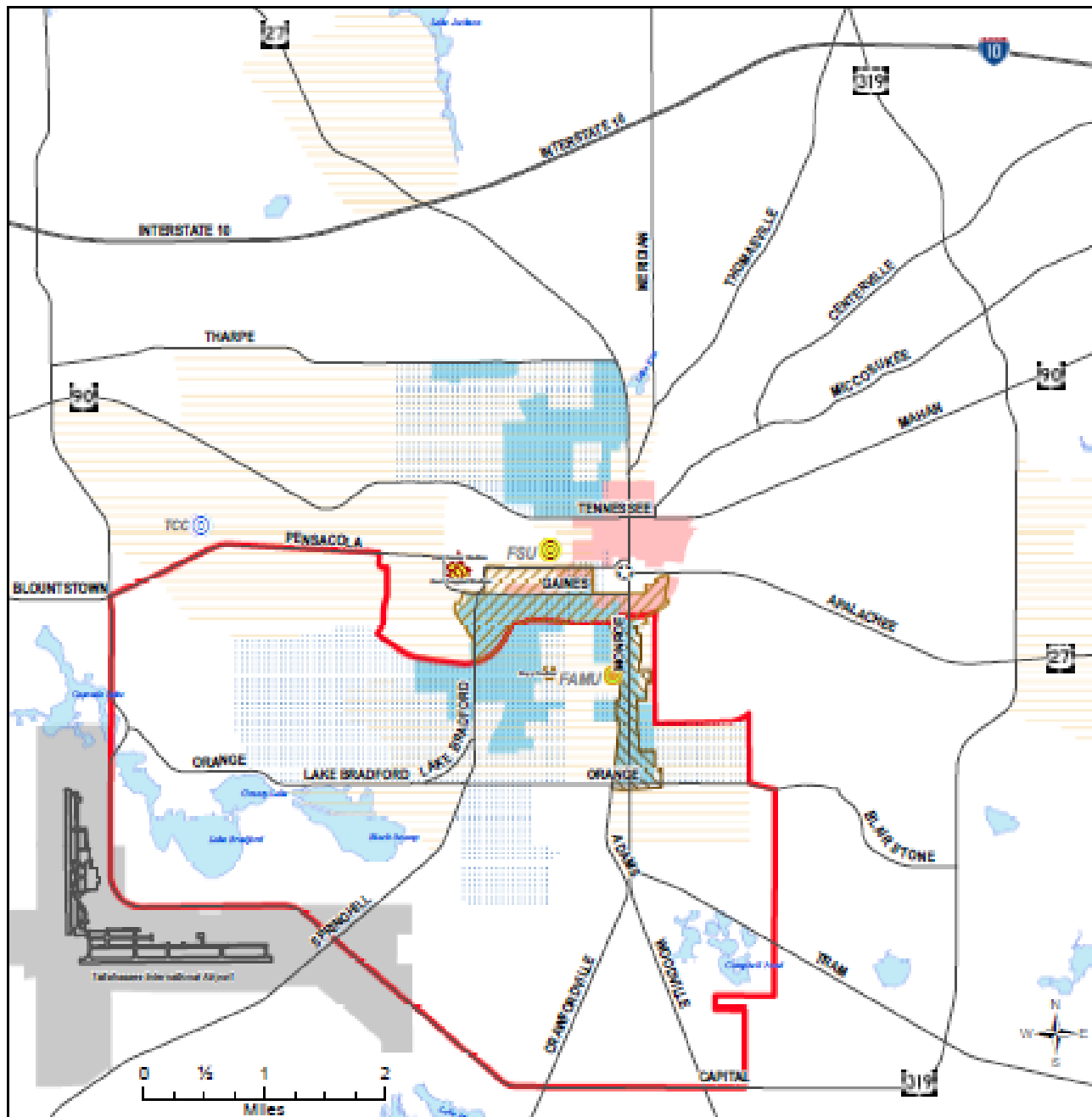
## APPENDIX C: ELIGIBLE DEVELOPMENT FEES

- Building Permits, including electrical, Plumbing, Roof, Foundation, Gas/Mechanical
- Environmental Permits
- Concurrency Review
- Land Use Review, including Site Plans, Platting, and Certificates
- Signs
- Fire Review and Inspection

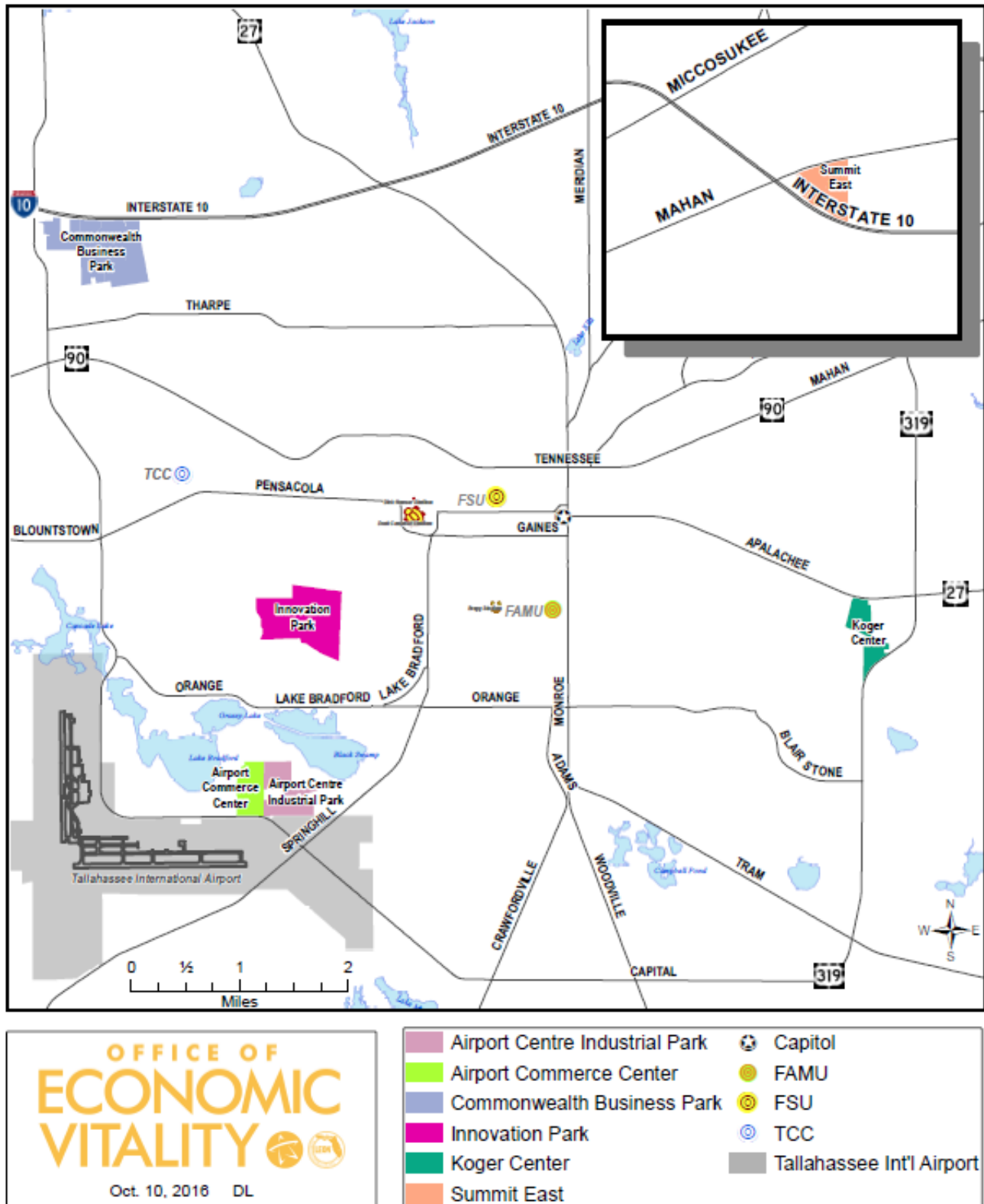
### **Development Fees Not Eligible for Reimbursement**

- Non-City of Tallahassee or Leon County permits, depending on the jurisdiction situs of the relocating or expanding business
- Zoning and/or Land Use Changes
- Licensing
- Appeals
- Lost Plans
- Mitigation Requirements
- Temporary Uses
- Variances
- Demolition

## APPENDIX D: DESIGNATED TARGET AREAS



## APPENDIX E: PRIORITY BUSINESS AREAS







## Tallahassee-Leon County Office of Economic Vitality: Incentive Overview

Project		"Mango"		
Incentive	Total Estimated Amount	Multi-Year?	Notes	
<b>Targeted Business Program</b>	\$ 2,565,299	Yes	The TBP Covers a 6 year horizon in this scenario	
<b>Other Local Incentives</b>	\$ -			
<b>CareerSource QRT</b>	\$ -			
<b>State CITC</b>	\$ -			
<b>Urban Jobs Tax Credit</b>	\$ -			
<b>Total Estimated Incentive Amount</b>	<b>\$ 2,565,299.00</b>			

Incentive Name **Targeted Business Program**

**Information** The Targeted Business Program (TBP) is a Tallahassee Leon County Incentive that awards projects creating new jobs and capital investment in Healthcare, Transportation & Logistics, Manufacturing, Applied Science & Technology with Ad Valorem and Tangib

City or County Project?	County	
Inputs		
Building 1 Type	Industrial	\$ 100.00
Building 1 Sq. Ft.	650,000	
Impervious Area (sq ft)	1000000	
Building 1 Delivery Date	Oct-22	
Tangible Personal Property (\$ Est.)	100,000,000	
Building Appraised Value (\$ Est.)	65,000,000	
Site Acreage	130	
Number of Dwellings		

City or County Project?	County	
Building 2 Type		\$ -
Building 2 Sq. Ft.		
Impervious Area (sq ft)		
Building 2 Delivery Date		
Tangible Personal Property (\$ Est.)		
Building Appraised Value (\$ Est.)	-	
Site Acreage		
Number of Dwellings		

City or County Project?	City	
Building 3 Type		\$ -
Building 3 Sq. Ft.		
Impervious Area (sq ft)		
Building 3 Delivery Date		
Tangible Personal Property (\$ Est.)		
Building Appraised Value (\$ Est.)	-	
Site Acreage		
Number of Dwellings		

Property Appraiser Building Type \$ / Sq. Ft. Estimates		
	Residential	\$ 75.00
	Retail	\$ 70.00
	Office	\$ 81.00
	Industrial	\$ 100.00

Project TBP % Reimbursement Qualification		
	100%	0.0041
	Current Project	60%
	Mils Multiplier for above Tables	0.00246

	Start Year										
	10/1/2022	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Ad Valorem Reimbursement Estimate	\$ 159,900	\$ 159,900	\$ 159,900	\$ 159,900	\$ 159,900	\$ 159,900					
TPP Reimbursement Estimate	\$ 245,939	\$ 221,339	\$ 196,739	\$ 172,139	\$ 147,539	\$ 122,939					
Development Fees	\$ 499,268										
TPP Standard Depreciation Rate	1	0.9	0.8	0.7	0.6	0.5	0.4	0.3	0.3	0.3	
Total Estimated Reimbursement	\$ 905,107	\$ 381,239	\$ 356,639	\$ 332,039	\$ 307,439	\$ 282,839	\$ -	\$ -	\$ -	\$ -	
Total Estimated Reimbursement All Years	\$ 2,565,299										

	Start Year										
	1/0/1900	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Ad Valorem Reimbursement Estimate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TPP Reimbursement Estimate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Development Fees	0										
TPP Standard Depreciation Rate	1	0.9	0.8	0.7	0.6	0.5	0.4	0.3	0.3	0.3	
Total Estimated Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Estimated Reimbursement All Years	\$ -										

	Start Year										
	1/0/1900	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Ad Valorem Reimbursement Estimate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TPP Reimbursement Estimate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Development Fees	0										
TPP Standard Depreciation Rate	1	0.9	0.8	0.7	0.6	0.5	0.4	0.3	0.3	0.3	
Total Estimated Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Estimated Reimbursement All Years	\$ -										

# TARGETED BUSINESS PROGRAM APPLICATION FORM

1. Date of Application: 5/05/2021
2. Name of Business: [REDACTED]
3. Type of Business (see target business list): Logistics
4. Mailing Address: [REDACTED]
5. Contact Person and Phone Number: [REDACTED]
6. Name of Parent/Partner Company (if applicable): N/A
7. Business's federal employer identification number: [REDACTED]
8. Business's Florida sales tax registration number: [REDACTED]
9. Is the business new to Leon County? ☒ Yes ☐ No  
An expansion of an existing business? ☐ Yes ☒ No
10. Proposed location of the business or expansion (a map would be helpful):  
6720 Mahan Dr, Tallahassee, FL 32308 (SW corner of Mahan & I-10. See attached.)
11. Is this within a City and/or County area identified by program or policy targeted for economic growth? ☐ Yes ☒ No
12. If an expansion, how many persons are currently employed within Leon County? N/A
13. Please fully describe the proposed project (attach additional sheets as necessary) considering the development of a [REDACTED] fulfillment center.  
[REDACTED]  
Attached is a conceptual site plan.
14. Please list the NAICS and SIC codes of all activities of the business to be located or expanded, the estimated number of employees, and the annualized average wage (not including benefits) for activities for all new positions¹:
- | NAICS/SIC | Est. Employment | Annualized Wage |
|-----------|-----------------|-----------------|
| 454110    | 1,000           | \$31,200        |
|           |                 |                 |
|           |                 |                 |
|           |                 |                 |
15. Please list the anticipated annualized average wage (not including benefits) of the new positions:



See #14.

5/14/21 updated by Company to reflect capx of \$200m CP

16. Please list the anticipated capital investment of the project: \$100 million
17. When is construction expected to start? September 2021
18. When do you expect to receive a Certificate of Occupancy? October 2022
19. Please list all projected major suppliers and their locations: N/A
20. Please list the projected providers of goods and services and which, if any, are Certified Minority Business Enterprises within Leon County or the City of Tallahassee: None currently identified, but welcome assistance with identifying Certified Minority Business Enterprises.
21. Please list the projected construction contractors and which, if any, are Certified Minority Business Enterprises within Leon County or the City of Tallahassee: None currently identified, but welcome assistance with identifying Certified Minority Business Enterprises.
22. Please attach audited financial statements for the past two years. See attached
23. Please include any other information about your company that is relevant to this program:

I certify that the above is a correct and accurate representation of the project to the best of my knowledge.

Signature of Authorized Officer

Title: Authorized Representative

This form should be returned to the Tallahassee – Leon County Office of Economic Vitality 315 South Calhoun Street, Suite 450 Tallahassee, FL 32301. If you have any questions, please call 850-219-1060.

## APPENDIX B: BUSINESS PROFILE SCORING SYSTEM

Option A: New Business		Points	Option B: Existing Business Expansion	
10-20 new employees within 3 years		10	10% increase in employees	
21-60 new employees within 3 years		15	15% increase in employees	
61-99 new employees within 3 years		20	20% increase in employees	
100 or more new employees within 3 years		25	25% increase in employees	
<b>Salary Levels</b>			<b>Points</b>	
20% or less of new jobs at or above area average annual wage <sup>3</sup>			0	
More than 20% of new jobs at or above area average annual wage <u>and</u> the average salary of the new jobs is:				
Below Area Average			0	
Average to 25% Above Average			10	
25% to 50% Above Average			15	
50% to 100% Above Average			20	
100% Above Average			25	
<b>Capital Investment</b>			<b>Points</b>	
\$0 - \$1,000,000			5	
\$1,000,001 - \$5,000,000			10	
\$5,000,001 - \$9,999,999			15	
\$10,000,000 and up			20	
<b>Location</b>			<b>Points</b>	
Project located in an area identified by a program or policy of the City and/or County as an area targeted for economic growth and development, including:				
Historically Underutilized Business Zone			2	
Downtown or Frenchtown/Southside Community Redevelopment Area			2	
Urban Job Tax Credit Area			2	
Southern Strategy Area			2	
Priority Business Areas (identified industrial or commercial park, Innovation Park, or Tallahassee International Airport) (See Appendix E)			2	
<b>Environmental Sensitivity</b>			<b>Points</b>	
<b>Brownfield Remediation</b>				
<b>Option A: New Construction</b>			2	
Urban forest protection above minimum <sup>4</sup>			2	

EFI, Leon County, 2021:  
\$44,156 / \$21.23

<sup>3</sup> Area average is the all industries average annual wage published by Enterprise Florida for Leon County at the time of preliminary application submission.

<sup>4</sup> Provide additional urban forest on site above the required minimum of 10%. 2 points for minimum of 5% to maximum of 10% above minimum. Provide additional urban forest on site above the required minimum of 10%. 2 points is awarded for attaining an additional 5% of site included in urban forest protection (total of 15%).

Preservation of significant grades above minimum <sup>5</sup>	2
Canopy Coverage above minimum <sup>6</sup>	2
Exceeds Tree Preservation <sup>7</sup>	2
Exceeds minimum pervious surface <sup>8</sup>	2

**Option B: Redevelopment<sup>9</sup>**

25% retrofit	2.5
50% retrofit	5
75% retrofit	7.5
100% retrofit	10

**Local Business Utilization**

	Points
10% of Goods & Services from Certified MBE's	2
10% of Construction Contractor from Certified MBE's	2
25% of Major Supplies are Local	4

**Maximum Points:**

**100**

**Bonus**

	Points
Consulted with the DesignWorks Studio within the Planning Department	2
The project is considered a competitive project <sup>10</sup>	5
>50% of the jobs (by SOC code) are included in Target Industry list or CareerSource's Regional Demand Occupations high skill/high wage list	5

Project Mango  
Score: 52

<sup>5</sup> Preservation of additional significant grade areas (10-20%) above the minimum 50% requirement through inclusion within a Conservation Easement. 2 points for minimum of 5% to maximum of 10% above minimum.

<sup>6</sup> Provide additional canopy coverage in vehicular use areas on site above the required minimum of 30%. 2 points for minimum of 5% to maximum of 10% above minimum.

<sup>7</sup> Preservation, through creative parking lot design, of trees in excess of 36 inches (diameter at breast height) that would otherwise be cut through their inclusion in landscape islands in vehicular use areas. 2 points.

<sup>8</sup> Preserve additional pervious (unpaved) area on non-vested sites above the minimum requirement of 45%. 2 points for minimum of 5% to maximum of 10% above minimum.

<sup>9</sup> Recognizing that redevelopment does not require sites to be retrofitted for storm water treatment and attenuation under recently adopted revisions to the Environmental Management Ordinance, redevelopment sites that do retrofit for storm water treatment and attenuation are eligible to receive bonus points. Recognizing that redevelopment does not require sites to be retrofitted for storm water treatment and attenuation under the City of Tallahassee's Environmental Management Ordinance or Leon County's Environmental Management Act, redevelopment sites that do not retrofit for storm water treatment and attenuation are eligible to receive bonus points.

<sup>10</sup> "Competitive Project" means the company plans to locate/relocate its operation outside Tallahassee-Leon County but for assistance provided by economic development incentives.

Inducement Period		
Total Points	Percentage of Inducement	Length of Inducement <sup>11</sup> (Ad Valorem taxes only)
40 to 49 Points	50% exemption	5 years
50 to 59 Points	60% exemption	6 years
60 to 69 Points	70% exemption	7 years
70 to 79 Points	80% exemption	8 years
80 to 89 Points	90% exemption	9 years
90 to 100 Points	100% exemption	10 years

## APPENDIX C: ELIGIBLE DEVELOPMENT FEES

- Building Permits, including electrical, Plumbing, Roof, Foundation, Gas/Mechanical
- Environmental Permits
- Concurrency Review
- Land Use Review, including Site Plans, Platting, and Certificates
- Signs
- Fire Review and Inspection

### Development Fees Not Eligible for Reimbursement

- Non-City of Tallahassee or Leon County permits, depending on the jurisdiction situs of the relocating or expanding business
- Zoning and/or Land Use Changes
- Licensing
- Appeals
- Lost Plans
- Mitigation Requirements
- Temporary Uses
- Variances
- Demolition

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<sup>11</sup> An amount equal to the ad valorem taxes will be paid by city, and matched by the county, to the business over a period of five to ten years. An amount equal to the appropriate development fees will be paid in lump sum. Applicants located outside of the City of Tallahassee boundaries but within the USA are eligible for reimbursement of ad valorem taxes paid on land, improvements, and tangible personal property to Leon County in an amount not to exceed the City of Tallahassee millage rate for that year.