

Collier County

Overview

Economic Development Incentive Programs:

BASIC INDUSTRY GROWTH PROMOTION INCENTIVE

PARTICIPATION IN STATE OF FLORIDA QTI

ADVANCED LONG-TERM PRODUCTIVITY STRATEGY PROGRAM

CAPITAL INVESTMENT FOR DIVERSIFICATION INCENTIVE
PROGRAM

INNOVATION ZONES



2016

BASIC INDUSTRY GROWTH PROMOTION INCENTIVE
PROGRAM DESCRIPTION & OVERVIEW

The Basic Industry Growth Promotion Incentive recognizes Collier County's desire for near term job growth opportunities for the expansion of local companies and recruitment of new companies which might not qualify for the Qualified Targeted Industries (QTI) program. Basic industries, even those with wages under QTI thresholds, tend to export a significant percentage of their product and as a result create net new wealth and net new spending power in a local economy. Growth in those industries assists with our community's economic recovery.

A. Basic Industry Growth Incentive Program

Collier County offers qualifying applicant's eligibility to the Basic Industry Growth Incentive for a grant of \$3,000 per job if the project creates at least five (5) new jobs within 12 months in a Targeted Industry with wages meeting or exceeding the Collier County average of the applicant's specific three-digit North American Industry Classification System industry code. Eligibility for a \$500 per job bonus over the base grant will apply to businesses that demonstrate energy efficiency, resource conservation, or environmental sustainability in either the firm's operational process or products. Employers must meet Collier County's program requirements regarding reporting compliance of average wage and job levels. To be eligible, applicants must apply prior to commitment of intent, or change in land use or permitting applicants are approved. The BCC must approve all applicants and all application forms, administrative procedures and required proof of performance compliance will be developed by the County Manager or designated staff. Only official forms and procedures are deemed sufficient for application to this program.

B. General Program Requirements

- Applications must be submitted in advance of public announcements or any permit approvals changing usage or building occupancy related to the projected jobs.
- In officially designated economically distressed areas the wage requirement is waived, but Targeted Industry is required.
- The new jobs and business must be a for profit business operating within Collier County and qualified under the State's listed Target Industries, creating five (5) new jobs within 12 months of the BCC application approval. In addition, for existing firms, the net new jobs must be reflected as the increase of full-time equivalents over the latest quarter prior to application.
- The level of new jobs and wages comprising the grant must be maintained and documented to be eligible for the annual payment over the four (4) year term of the program. In addition, the applicant must agree to provide sufficient evidence the new job and wage levels were maintained.
- Grant disbursements are in four equal installments over four years as compliance for each year is verified. Method of evidence verification will be based on records such as: IRS Form 941, Payroll Records, and a Florida Department of Economic Opportunity Form RT-6 (formerly UCT-6) for each new employee or an acceptable equally reliable substitute.
- Each new employee hire must be either a full time employee working an average of 36 hours per week; a business will be allowed to count two employees working a minimum of 20 hours per week as one full time equivalent employee as long as these employees are eligible to receive full benefits.

STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM

DESCRIPTION & OVERVIEW

The State of Florida's Qualified Target Industry Tax Refund Program (QTI) is designed to facilitate the attraction of high-value, export industry jobs that generate new wealth and create jobs. The program seeks to diversify Florida's economy by targeting certain industry clusters of strategic importance to the state's economic diversity.

Qualified Target Industry Tax Refund Program

The Qualified Target Industry Tax Refund (QTI) program was created by the Legislature in 1994 to encourage the recruitment or creation of higher-paying, higher-skilled jobs in the state by awarding eligible businesses tax refunds in exchange for creating jobs in certain target industries. The refund award level is based on wages paid, number of jobs created, and the location in the state that the business chooses to locate or expand. The QTI program is set to expire on June 30, 2020, under current law.

In order to qualify for the program, an applicant business must fall into one of Florida's target industry categories, which are developed by DEO and Enterprise Florida, Inc. (EFI) and:

- Agree to create 10 new jobs or, if a Florida business is planning to expand its operations, agree to create a net increase in employment of at least 10 percent. DEO may grant a waiver to an existing business located in an enterprise zone or rural county.
- Agree to pay employees an annual average salary that is at least 115 percent of the average private sector wage in the area or of the statewide private sector average wage. DEO may waive the wage requirement for businesses that locate in a rural county or city, in an enterprise zone, or in a Brownfield area or for a manufacturing project.
- Receive a commitment of a 20 percent local match. The form of the commitment must be included in a resolution passed by the county commission of the county where the project will be located.

QTI Tax Refunds

The QTI program offers a tax refund of \$3,000 per created job. The per-job tax refund increases to \$6,000 if the business is located within a rural county or an enterprise zone. The program allows for additional tax refunds beyond the standard awards:

- \$1,000 per job if the business pays an average annual wage of at least 150 percent of the average private sector wage in the area the project is located;
- \$2,000 per job if the business pays an average annual wage of at least 200 percent of the average private sector wage in the area the project is located;
- \$1,000 per job if the local financial support is equal to that of the state's incentive award; and
- \$2,000 per job if the business falls within one of the high-impact sectors designated under s. 288.108, F.S., or increases exports of its goods through a seaport or airport in the state by at least 10 percent in value or tonnage in each of the years that the business receives a tax refund.

QTI businesses may not receive more than \$1.5 million in refunds in a single fiscal year, or more than \$2.5 million if the project is located in an enterprise zone.

QTI businesses may claim refunds from one or more of the following taxes paid:

- Sales and use tax;
- Documentary stamp tax;
- Ad valorem taxes;
- Corporate income taxes;
- Insurance premium taxes;
- Intangible personal property taxes; and
- Certain state communications services taxes under Ch. 202, F.S.

Local Matching Program Requirements

- The BCC approves a 20% local match of the total QTI award.
- The BCC must approve the type of funding through passage of a resolution of support.

ADVANCED LONG-TERM PRODUCTIVITY STRATEGY PROGRAM (ALPS) DESCRIPTION & OVERVIEW

The Advanced Long-term Productivity Strategy Program (ALPS) expands Collier County's competitiveness in attracting extraordinary high value economic development projects in augmentation to our existing Qualified Targeted Industries (QTI) program. The program encourages the creation of high skilled/high wage jobs within Collier County and diversification of the economic base in Collier County. It also has the potential to enhance the number of corporate headquarters in Collier County while stimulating productivity and net new earnings into our county's economy. In addition, it is a focal point in leveraging partnerships and support of local educational and training providers.

A. Advanced Long-Term Productivity Strategy Program

Collier County offers qualifying applicant's eligibility to the ALPS Incentive if the project creates at least 25 new jobs whose average wage meets or exceeds the 150% of the County's (\$64,772) average wage. A two tiered system determines the award amount. Tier One provides a bonus incentive equal to 1.000% of actual payroll for each of four years provided that the project's aggregate employment meets a minimum of 150% of the lowest of the County's average wage and the minimum job creation threshold. Tier Two provides a bonus incentive equal to 1.063% of actual payroll for each of four years provided that the project's aggregate employment meets a minimum of 200% of the County's (\$86,362) annual average wage and the minimum job creation threshold.

Employers must adhere to all rules of the State's QTI program, but also must meet Collier County's program requirements regarding reporting compliance of average wage and job levels. To become eligible, applicants must apply prior to commitment of intent, or change in land use or permitting applicants are submitted. Subsequently, certification and payment cycles continue annually for a four-year period. The BCC must approve all applicants and administration of the program will be conducted by the County Manager or designated staff. Only official forms and procedures are deemed sufficient for application to this program.

B. General Program Requirements

To be eligible projects and businesses must meet qualifications of the State's QTI program and agree to the Collier specific requirements as a contingency for eligibility in Collier County's APLS Incentive. A summary of qualifications includes, but is not limited to:

- Applicant must notify Collier County of intent to apply to the County's ALPS Program before Collier County approves the local match contribution to that project's State QTI application and in all cases the ALPS application must be approved by the BCC prior to the project's commitment of intent.
- New or Expansions of existing businesses in Collier County must create at least 25 new jobs that meet 150% of the lowest of the County or State's annual average wage.
- The level of new jobs and wages comprising the grant must be maintained and documented to be eligible for the annual payment over the four (4) year term of the program. In addition, the applicant must agree to provide sufficient evidence the new job and wage levels were maintained.
- Grant is disbursed over four annual installments, adjusted for inflation as compliance for each year is verified. Method of evidence verification will be based on records such as: IRS Form 941, Payroll Records, and a Florida Department of Revenue Employer's Quarterly Report (UCT-6) Form for each new employee or an acceptable equally reliable substitute.

CAPITAL INVESTMENT FOR DIVERSIFICATION INCENTIVE (CIDS) PROGRAM DESCRIPTION & OVERVIEW

The Capital Investment for Diversification Incentive (CID) Program advances Collier County's economy by encouraging development of facilities, space and suitable land for targeted businesses thereby enhancing the competitiveness in our economic development efforts. The program provides qualified applicants an inducement equivalent to the payment made for transportation (Road) impact fees on business space for target industries in Collier County. Eligibility is limited to new buildings or grey shell space within an existing building that has yet to be issued a final end user certificate of occupancy and is utilized for targeted businesses as identified in the State of Florida Qualified Target Industry List. The objective of this program is to support a business climate in Collier County by encouraging an adequate supply of suitable space and land that is competitively positioned to foster target businesses and the quality jobs they create. In the long term, the County's ability to attract desirable jobs will be reliant on the extent landowners and developers include suitable sites and space for clean industry, advanced manufacturing and large single tenant office users in their real estate portfolios. In sum, opportunities for diversified economic development could be limited without an adequate inventory of real estate options for targeted business. The CID program supports and encourages capital investment to diversifying the economic base.

A. Capital Investment for Diversification Incentive Program

Collier County offers qualifying applicant's eligibility to the CID Incentive as an inducement grant providing a benefit equivalent of up to 100% of the value of the transportation impact fees actually assessed and remitted for business space directly housing the occupancy of a target industry business. The CID Incentive provides four equal annual installments of the Grant amount commencing with the first anniversary of the issuance of the Certificate of Occupancy for the facility, and will continue each year thereafter until the full grant amount is paid, conditioned and contingent upon the operation of the facility as a Targeted Industry as evidenced by a certified County approved method or in substitution, an equivalent Targeted Industry Business operation acceptable to the County and the project remaining current on all local tax liabilities. Payments are contingent on employer offering and demonstrating the provision at least 50 percent of the employee's cost of health care coverage. Each CID Incentive Grant applicant/agreement will be approved by the BCC and funding will be subject to annual appropriations of the County. Further, the program rules herein provide for a maximum amount of annual grant funding such that the estimated aggregate annual amount of CID program funding will not exceed \$500,000 annually unless authorized by the BCC. Project eligibility for the CID Incentive Grant will be discrete and mutually exclusive of any other locally based Collier economic development financial incentives. The Grant is not applicable within a geographic area utilizing Innovation Zone participation. CID Incentive Grants projects will be eligible for Collier's local match participation with the State's Qualified Target Industry Tax Refund Program (QTI). The CID Incentive Grant is only eligible for properties or facilities with an application submittal prior to issuance of the Certificate of Occupancy.

B. General Program Requirements

A project must result in sustained occupancy by a Targeted Industry Business and agree to the Collier specific requirements as a condition for eligibility in Collier County's Capital Investment for Diversification Program Incentive. The BCC must approve all applicants and administration of the program will be conducted by the County

Manager or designated staff. Only official forms and procedures are deemed sufficient for application to this program. A summary of qualifications includes but is not limited to:

- “Target industry business” means a corporate headquarters business or any business that is engaged in one of the target industries as identified in the State of Florida Qualified Target Industry List.
- Impact Fees are prepaid and the grant is reimbursed over four equal annual installments; initial payment occurs one year from Certificate of Occupancy and certification and payment cycles continue annually until such time the grant is complete or the project loses eligibility due to failure to comply with program requirements. Payments are contingent on employer offering and demonstrating the provision at least 50 percent of the employee’s cost of health care coverage.
- Project eligibility will be subject and conditioned on the County’s annual appropriation limit of \$500,000 for the CID Incentive Project total annual payments.
- Project eligibility for simultaneous participation in the State QTI program is permitted, but prohibited in conjunction with other County local economic development incentive programs.
- Applicant must notify Collier County of intent to apply to the County’s Capital Investment for Diversification Incentive before Collier County approves the local match contribution to that project’s State QTI application and in all cases the CIDS application must be approved by the BCC prior to issuance of the project’s original certificate of occupancy.

INNOVATION ZONES PROGRAM DESCRIPTION & OVERVIEW

It is the policy of the Board of County Commissioners (hereinafter “Board”) to promote economic growth which results in high wage jobs and helps diversify the economy of Collier County. To further this policy, it is the intent of the Board to create a dedicated source of revenue to fund an economic development program and to advance economic development initiatives in zones of geographic concentration within the unincorporated areas of the County. These zones, called Innovation Zones, will be designated by the Board from time to time through the implementation of Economic Development Plans adopted by resolution for each Innovation Zone.

The use of available Tax Increment revenues within an Innovation Zone as a dedicated economic development tool and funding source enhances the general welfare of the County through the advancement of new employment opportunities, the implementation of redevelopment initiatives, the creation of new economic development opportunities and locations and the expansion of existing employment centers.

The Tax Increment is deposited into a Trust Fund and the Trust Fund proceeds are utilized to implement the Economic Development Plan established by the developer and approved by the Board. Expenditures that are expressly prerequisites for development of Target Industry’s physical operations including pre-paying Impact Fees, public infrastructure or transportation requirements may be reimbursable, all contingent upon Board approval.