



Memorandum

File #: 2019-04

City Council

1/17/2019

LEGISLATIVE ACTION ITEM

SPONSOR: Grover C. Robinson, IV, Mayor

SUBJECT:

RESOLUTION NO. 2019-04 - QUALIFIED TARGET INDUSTRY (QTI) TAX REFUND INCENTIVE FOR "PROJECT TITAN"

RECOMMENDATION:

That City Council approve Resolution Number 2019-04

A RESOLUTION IN SUPPORT OF PROJECT TITAN AS A QUALIFIED TARGET INDUSTRY PURSUANT TO SECTION 288.106, FLORIDA STATUTES, FOR THE PURPOSE OF JOB CREATION, AND PROMOTING ECONOMIC DEVELOPMENT; AUTHORIZING THE CITY OF PENSACOLA TO NOTIFY THE DEPARTMENT OF ECONOMIC OPPORTUNITY OF SAID DESIGNATION; PROVIDING AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

The Qualified Target Industry Tax Refund Program (QTI) is an economic development tool that is available to Florida communities to encourage growth of high value businesses that will create quality jobs within targeted industry sectors. In order to participate, a company must meet wage criteria paying at least 115% of the area average annual wage and show that the jobs the company creates will make a significant positive impact on the community. If approved, the company may receive refund on certain corporate taxes it pays in Florida.

Pursuant to Florida Statute 288.106, local support must be demonstrated by providing a resolution from the local government recommending the company for the QTI incentive and committing the community to provide a local match equaling 20 percent of the total tax refund. Project Titan is eligible for the QTI program as a qualified target industry business that is committed to creating 1325 new jobs in Pensacola with average annual wages of \$45,394. Therefore, the company qualifies for \$3,000 per job created or a total potential QTI award of \$3,975,000.

PRIOR ACTION:

February 27, 2014 - City Council approved Resolution No. 03-14 recommending that "Project Stallion" be approved as a qualified target industry business pursuant to section 288.106, Florida Statutes for jobs associated with hangar one.

FUNDING:

N/A

FINANCIAL IMPACT:

The City of Pensacola's required 20 percent local match equals \$1,325,000 and is proposed to be provided in the form of a building/hangar lease value concession. The value of the leases concession will be based on the difference between what Project Titan will pay for the lease of the buildings/hangars (or land improvements) and the fair market value of the lease on the buildings/hangars (or land improvements) over the life of the lease term. The business will submit a claim each year for the scheduled tax refund and demonstrate that they are meeting the job creation and average wages committed.

CITY ATTORNEY REVIEW: Yes

1/7/2019

STAFF CONTACT:

Christopher L. Holley, City Administrator
Scott Luth, Florida West Economic Development Alliance

ATTACHMENTS:

- 1) Resolution No. 2019-04

PRESENTATION: No