



Broward County

Legislation Details (With Text)

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In control: OFFICE OF ECONOMIC AND SMALL BUSINESS DEVELOPMENT

On agenda: 6/15/2021 **Final action:** 6/15/2021

Title: MOTION TO APPROVE Incentive Agreement between Broward County and Project Magic for participation in the State of Florida Qualified Target Industry Tax Refund Program and the Broward County Direct Cash/Job Creation Incentive Program for fiscal years 2022 through 2030, with a total maximum County commitment of \$360,000; authorize the Mayor and Clerk to execute same; and authorize the County Administrator to take all necessary administrative and budgetary actions to implement the Agreement.

Sponsors:

Indexes: Established Commission Goals

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
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Broward County Commission Regular Meeting

Director's Name: Sandy-Michael McDonald

Department: Economic and Small Business Development

Information

Requested Action

MOTION TO APPROVE Incentive Agreement between Broward County and Project Magic for participation in the State of Florida Qualified Target Industry Tax Refund Program and the Broward County Direct Cash/Job Creation Incentive Program for fiscal years 2022 through 2030, with a total maximum County commitment of \$360,000; authorize the Mayor and Clerk to execute same; and authorize the County Administrator to take all necessary administrative and budgetary actions to implement the Agreement.

Why Action is Necessary

In accordance with Section 21.53(a), Broward County Administrative Code, Board approval is required for contracts with a term exceeding five years.

What Action Accomplishes

This action approves the Agreement to effectuate Project Magic's participation and funding under the State of Florida Qualified Target Industry Tax Refund Program and the Broward Direct Cash/Job Creation Incentive Program and authorizes the Mayor to execute same.

Is this Action Goal Related

Yes

Previous Action Taken

On September 24, 2019, the Board passed Resolution No. 2019-426, recommending Project Magic be approved as a Qualified Target Industry Business under the State of Florida Qualified Target Industry Tax Refund Program pursuant to Section 288.106, Florida Statutes, and as a Qualified High-Impact Business pursuant to Section 288.108, Florida Statutes, with a Brownfield Redevelopment Bonus Refund pursuant to Section 288.107, Florida Statutes. The Board requested a waiver from the State of Florida Department of Economic Opportunity of the required local financial support for Project Magic's Brownfield Redevelopment Bonus Refund, and also approved the necessary commitment of local financial support in the amount of \$135,000 for the State of Florida Qualified Target Industry Tax Refund Program for Fiscal Years 2022 through 2030, and approved a Direct Cash/Job Creation Incentive Grant pursuant to Section 9½-52, Broward County Code of Ordinances, in the amount of \$225,000 for Fiscal Years 2022 through 2030.

Summary Explanation/Background

THE OFFICE OF ECONOMIC AND SMALL BUSINESS DEVELOPMENT RECOMMENDS APPROVAL OF THE ABOVE MOTION.

This item supports the value of the Board of County Commissioners ("Board"): "Ensuring economic opportunities for Broward's diverse population and businesses," and the Board's goals to "Attract and retain all types of business, especially high-wage industries that offer employee benefits, through partnerships with the Alliance, chambers of commerce, colleges and universities, CareerSource, and any other available avenues" and "Increase the economic strength and impact of revenue-generating County enterprises balancing economic, environmental, and community needs."

Project Magic, currently located in the State of Florida, is a transportation company. Project Magic employs more than 5,000 employees globally, a fraction of which are located in Florida. The company expanded its current operations in the State of Florida, which is projected to create 225 new high-wage/high-skill jobs in Broward County and the retention of 853 jobs in the State of Florida.

Project Magic will construct a corporate complex in the City of Dania Beach, Florida. The total projected capital investment is \$173,420,000. The average annual wage of the new jobs to be created by Project Magic is \$78,854. This average wage amount equals 150% of the County's average annual wage for new jobs created under the State of Florida Qualified Target Industry Tax Refund Program and the Broward County Direct Cash/Job Creation Incentive Program. These programs are available for companies on a performance-driven basis that create high wage jobs in targeted, high value-added industries.

As an approved participant in the State of Florida Qualified Target Industry Tax Refund Program, and a recipient of the Broward County Direct Cash/Job Creation Incentive Grant, Project Magic will continue to provide transportation services to meet growing industry demand. As a transportation company, Project Magic is part of a Broward County Targeted Industry Group and will enhance the County's Targeted Industry strategy.

In an effort to ensure inclusion of Broward County's certified small businesses in opportunities that may be created as a result of this project, the Greater Fort Lauderdale Alliance has committed to: 1) distributing information on the County's small business program to Project Magic; 2) providing

Project Magic with information on accessing the County’s small business database; 3) assessing the needs of Project Magic as the project develops; and 4) communicating to OESBD any potential opportunities for County-certified small businesses to meet those needs.

All approved incentives are “pay for performance” incentives and subject to the condition precedent that the City of Dania Beach also commits to appropriate half of the total required local financial support match over the same time period in the amount of \$135,000 for the State of Florida Qualified Target Industry Tax Refund Program, and also commits to appropriate a total direct cash incentive of at least \$225,000 for fiscal years 2022 through 2030. Project Magic has requested that Broward County maintain the confidentiality of its name and business information pursuant to Section 288.075, Florida Statutes. In accordance with Project Magic’s request, the agreement is not included as an exhibit and will be confidentially circulated to the Board for review prior to the June 15, 2021, meeting.

Based on the creation of 225 high-wage/high-skill jobs and the projected capital investment, the total proposed incentive amount is as follows:

State of Florida Qualified Target Industry Tax Refund Program (80%)	\$1,080,000
State of Florida Brownfield Job Bonus Incentive Grant	\$450,000
QTI Local Financial Support (10%) - County	\$135,000
QTI Local Financial Support (10%) - City	\$135,000
Direct Cash/Job Creation Incentive Grant - County	\$225,000
Direct Cash Incentive - City	<u>\$225,000</u>
Total Incentive Amount	\$2,250,000

Source of Additional Information

Sandy-Michael McDonald, Director, (954) 357-5615

Fiscal Impact

Fiscal Impact/Cost Summary

Funds were approved in 2019 when the Board passed Resolution No. 2019-426. The maximum cost to Broward County is \$360,000. Incentive payments would be paid from the County’s General Fund and correlate to revenues generated by Project Magic’s expansion in Broward County.