



Broward County

Legislation Text

File #: 22-701, Version: 1

Broward County Commission Regular Meeting

Director's Name: Sandy-Michael McDonald

Department: Economic and Small Business Development

Information

Requested Action

A. **MOTION TO ADOPT** Resolution approving Project Starfish for a Broward County Direct Cash/Job Creation Incentive Grant pursuant to Section 9½-52, Broward County Code of Ordinances (“Code”), in the total amount of \$80,500 for Fiscal Years 2022 through 2029, based on the creation of 115 new, high-wage/high-skill jobs.

ACTION: (T-10:35 AM) Approved Resolution No. 2022-160.

VOTE: 8-0. Commissioner Bogen voted in the affirmative telephonically. Commissioner Geller was not present.

B. **MOTION TO AUTHORIZE** County Administrator, or designee, to execute all necessary documents to effectuate and administer Project Starfish’s participation in the Broward County Direct Cash/Job Creation Incentive Grant Program pursuant to Section 9½-52 of the Code, for Fiscal Years 2022 through 2029, and to effectuate any future nonmonetary changes to the job creation schedule for Project Starfish, subject to review for legal sufficiency by the Office of the County Attorney and provided there is no increase in Broward County’s total financial commitment.

ACTION: (T-10:35 AM) Approved.

VOTE: 8-0. Commissioner Bogen voted in the affirmative telephonically. Commissioner Geller was not present.

Why Action is Necessary

A. Board approval is required for participation in any County economic incentive program pursuant to Section 19.37.1, Broward County Administrative Code.

B. Board approval is required to authorize the County Administrator, or designee, to execute any documents necessary to implement and administer the approved economic development incentives.

What Action Accomplishes

A. This action will allow the Office of Economic and Small Business Development (the “OESBD”) to offer economic incentives to Project Starfish to facilitate its relocation to Broward County.

B. This action authorizes the County Administrator, or designee, to execute all the necessary documents, reviewed for legal sufficiency by the Office of the County Attorney, provided there is no increase in the County's total financial commitment, to effectuate and administer Project Starfish's participation in the Broward County Direct Cash/Job Creation Incentive Grant Program.

Is this Action Goal Related

Yes

Previous Action Taken

No previous action taken.

Summary Explanation/Background

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

This item supports the Value of the Board of County Commissioners (the "Board"): "Ensuring economic opportunities for Broward's diverse population and businesses" and the Board's Goal 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."

Project Starfish is a sales team development company and is currently headquartered in the Boston Metropolitan Area. The company is considering expansion of its activities in Broward County, with plans to create 115 new high-wage/high-skill jobs. The company is being heavily recruited and actively considering sites in Tampa.

If Project Starfish chooses to expand its operations in Broward County, company officials propose renovation of a corporate office facility in the City of Fort Lauderdale. The new job average annual wage is \$67,854. The average annual wage amount equals 115% of the County's average annual wage. The Broward County Direct Cash/Job Creation Program is 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 Broward County Direct Cash/Job Creation Incentive Program, Project Starfish will continue to provide high performance, high velocity inside sales operations solutions for mid and large sized companies. As a professional services sector project, Project Starfish is part of a Broward County Targeted Industry group and will enhance the County's Targeted Industry strategy. Project Starfish's business model aligns with the Board's vision of "Ensuring economic opportunities for Broward's diverse population and businesses."

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 Broward Alliance, Inc. has committed to: 1. distributing information on the County's small business program to Project Starfish; 2. providing Project Starfish with information on accessing the County's small business database; 3. assessing the needs of Project Starfish as the project develops; and 4. communicating to the OESBD any potential opportunities for County-certified small businesses to meet those needs.

The accompanying Tax Revenue/Incentive Payout Analysis memorandum and spreadsheet (Exhibit 2) indicates that the anticipated tax revenue generated from the project meets Broward County's threshold for positive net return, based on the creation of 115 new, high-wage/high-skill jobs with an average annual wage of more than 115% of Broward County's average annual wage, total capital investment of \$1,000,000, and an anticipated return on investment of 164.45%.

The recommended total performance incentive amount committed by Broward County is \$80,500, which is calculated on the basis of \$700 per qualifying job and is subject to the condition precedent that the City of Fort Lauderdale also commits for the same period to appropriate a total required direct cash incentive in the amount of \$34,500 (resulting in a 70/30 split with Broward County).

Based on the creation of 115 high-wage/high-skill jobs and the projected capital investment, the total proposed incentive amount (pending final approvals) is as follows:

Direct Cash/Job Creation Incentive Grant - County \$80,500
Direct Cash Incentive - City \$34,500
Total Proposed Incentive Amount - \$115,000

Source of Additional Information

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

Fiscal Impact

Fiscal Impact/Cost Summary

The total cost to Broward County would not exceed \$80,500 (calculated at \$700 per qualifying job). Incentive payments would be paid from the County's General Fund and correlate to revenues generated by Project Starfish's expansion in Broward County.