

OFFICE OF MANAGEMENT AND BUDGET

115 S. Andrews Avenue, Room 404 • Fort Lauderdale, Florida 33301 • 954-357-6345 • FAX 954-357-6364

MEMORANDUM

May 23, 2023

TO: Board of County Commissioners

FROM: Norman Foster, Director *Norman Foster*
Office of Management and Budget

SUBJECT: Proposed Ordinance Amending Sections 9 ½ -50 through 9 ½ -55 of the Broward County Code of Ordinances

Description

The proposed Ordinance, which may now be cited as the "Broward County Economic Incentive Act," creates the Strategic Job Creation Incentive Program. The Strategic Job Creation Incentive Program provides a monetary incentive award to new, relocating, or expanding targeted industries and businesses that create manufacturing jobs. The incentive is based on the number of new jobs the business generates in the County and the corresponding average wages.

The amount of the Strategic Job Creation Incentive Program award may be divided between the County and the municipality, with up to 30 percent of the award paid by the municipality. The County may elect to award an incentive without municipal contribution. The County will pay 100 percent of the incentive award for new jobs created within unincorporated areas of Broward County.

The State of Florida's Qualified Targeted Industry Tax Refund (QTI) Program sunsetted on June 30, 2020. While the Direct Cash/Job Creation Incentive Program ("Direct Cash Incentive") remains in effect, its primary focus is on the capital investment of the company rather than the economic impact of the payroll generated from job creation.

Further, the Ordinance outlines the requirements and factors to be considered in reviewing applications for state or federal economic incentive programs and those to be considered in reviewing applications for economic incentive programs exclusive to the County. Similarly, the Ordinance outlines the process for payment of economic incentive claims for the State of Florida or federal incentive programs and the payment of economic incentive claims for County incentive programs.

Fiscal Impact

The Office of Economic and Small Business Development (OESBD) anticipates incentive award payments (payouts) to companies for the Strategic Job Creative Incentive Program to begin in FY24. As this is a new incentive program, it is difficult to estimate the annual payouts with precision. Incentives under the Strategic Job Growth Program may be granted to qualified businesses that create new jobs with a salary that exceeds Broward County's annual wage. The payout will vary according

to the number of projects approved and awarded, the number of qualifying manufacturing jobs created, and their salaries. The incentive amount, however, will be at most \$2,000 per new job and up to the amount approved by the County Board of County Commissioners.

OESBD will continue its public-private partnership with the Greater Fort Lauderdale Alliance to assist with the County's Economic Development Incentive Programs. The Greater Fort Lauderdale Alliance Contract for their services remains as previously agreed-upon. For FY23, the agreed-upon annual agreement amount is \$2,043,471.

Since the QTI program was sunsetted, the County is now responsible for performing the job verification for all Direct Cash Incentives approved after the QTI sunset date. For the job verification services, the annual contract maximum is estimated to be \$50,000. The cost per project is \$3,500, based on an estimate received from the vendor performing the QTI job verifications for the state of Florida. Additionally, the annual per-project cost is \$1,500 for the up-front vetting services for approximately 16-17 projects. However, as the number of projects anticipated to be awarded is unknown, no annual estimate is provided.

NF:ao