

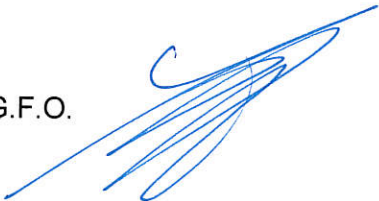


March 10, 2016

TO: Mayor and City Council

FROM: Leif J. Ahnell, C.P.A., C.G.F.O.  
City Manager

SUBJECT: Project P2P  
QTI and QACF Local Match Participation



**RECOMMENDATION:** I recommend the approval of the attached resolution that authorizes local participation in the State's Qualified Target Industry Tax Refund (QTI) Program and the State's Quick Action Closing Fund (QACF) Program for Project P2P.

**BACKGROUND:** Project P2P is a code name given to protect the identity of the company during the site evaluation and economic development incentive application processes. Project P2P is an information technology company. The headquarters of Project P2P is currently located in Boca Raton. The company is looking to expand significantly, creating 838 additional jobs over the next five years, with an average salary of \$55,000. Economic development incentives are being considered to retain the existing jobs and create the additional jobs in Boca Raton.

Project P2P applied to the State of Florida for participation in the State's Qualified Target Industry Tax Refund (QTI) Program and the State's Quick Action Closing Fund (QACF) Program. The QTI program would provide \$2,514,000 to the company over multiple years in future tax refunds. \$2,011,200 of this amount would be provided by the state, and the remaining \$502,800 is the required local share, for which the City and County would be responsible. The City would provide \$251,400 of the local share, and the County would provide \$251,400 of the local share. The QACF Program would provide \$1,950,000 to the company over multiple years. \$1,300,000 of this amount would be provided by the State, and the remaining \$650,000 is the required local share and would be provided by the City and the County. The City would provide \$325,000 of the required local share and the County would provide \$325,000 of the required local share. The State would provide \$1,676,000 to the company for the workforce training Florida Flex Program. The City and County would not contribute to this Program, as there is no local share required for the Florida Flex Program.

The total economic development incentive package for Project P2P totals \$6,140,000. Of this amount, \$4,987,200 will be paid by the state, \$576,400 will be paid by the County, and \$576,400 would be paid by the City.

The following table lists the sources of the proposed incentive package.

<b>Incentive Program</b>	<b>State Contribution</b>	<b>County Contribution</b>	<b>City Contribution</b>	<b>Total</b>
QTI	\$2,011,200	\$251,400	\$251,400	\$2,514,000
QACF	\$1,300,000	\$325,000	\$325,000	\$1,950,000
Florida Flex	\$1,676,000	\$0.00	\$0.00	\$1,676,000
<b>Total</b>	<b>\$4,987,200</b>	<b>\$576,400</b>	<b>\$576,400</b>	<b>\$6,140,000</b>

The attached resolution authorizes local participation of \$251,400 as one half of the QTI Program and \$325,000 as one half of the QACF Program for Project P2P. Under the QTI and QACF programs, the incentives are not paid until the new jobs are created. It is anticipated that the City's local match funds will be paid over a multiple year period beginning in FY16-17.

After the QACF and QTI applications are approved by the State for Project P2P, an Agreement will need to be executed between the City and the company currently identified as Project P2P.

FISCAL IMPACT: There are funds available in Acct. No. 115-7825-519.31-30 for this expenditure.



## RESOLUTION

32-2016

1  
2 A RESOLUTION OF THE CITY OF BOCA RATON  
3 RECOMMENDING PROJECT P2P BE APPROVED AS A  
4 QUALIFIED APPLICANT FOR STATE INCENTIVES  
5 PURSUANT TO SECTION 288.106, FLORIDA STATUTES;  
6 AUTHORIZING PAYMENTS OF UP TO \$251,400 AS ONE  
7 HALF OF THE REQUIRED LOCAL PARTICIPATION FOR  
8 THE QUALIFIED TARGET INDUSTRY TAX REFUND (QTI)  
9 PROGRAM; AND UP TO \$325,000 AS ONE HALF OF THE  
10 REQUIRED LOCAL PARTICIPATION FOR THE QUICK  
11 ACTION CLOSING FUND (QACF) PROGRAM; PROVIDING  
12 FOR SEVERABILITY; PROVIDING FOR REPEALER;  
13 PROVIDING AN EFFECTIVE DATE  
14

15 WHEREAS, Project P2P is a code name given to a company to protect the identity of  
16 the company during the economic development incentive application processes; and

17 WHEREAS, Project P2P is an information technology company with headquarters in  
18 the City; and

1           WHEREAS, Project P2P will be significantly expanding and is reviewing sites for the  
2 relocation of the company's headquarters, including the City; and

3           WHEREAS, the expansion of Project P2P in the City would create 838 additional jobs  
4 in the City with an average salary of \$55,000; and

5           WHEREAS, it has been determined that the average salary for the jobs created by  
6 Project P2P will be 115% of the annual average wage of Palm Beach County; and

7           WHEREAS, Project P2P applied to the State of Florida for participation in the State's  
8 Qualified Target Industry Tax Refund (QTI) Program and the Quick Action Closing Fund (QACF)  
9 Program; and

10           WHEREAS, Project P2P has been identified as a Target Industry Business under  
11 Section 288.106, Florida Statutes, and, moreover, falls within one of the high-impact sectors  
12 designated under Florida Statute 288.108, and is therefore eligible to apply for the Qualified  
13 Target Industry Tax Refund (QTI) Program with a High-Impact Sector Bonus, pursuant to  
14 Section 288.106, Florida Statutes; and

15           WHEREAS, a local match is required for the QTI and the QACF incentive programs;  
16 and

17           WHEREAS, Palm Beach County has agreed to provide one half of the required local  
18 match of the QTI and QACF incentive programs; and

19           WHEREAS, it is appropriate and advantageous to the City to offer economic  
20 development incentives to Project P2P to keep its headquarters in Boca Raton; and

21           WHEREAS, the City of Boca Raton City Council recognizes the importance of  
22 economic development in the City and deems approval of this resolution to be in the best  
23 interest of the citizens and residents of the City; now therefore

24  
25                           BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BOCA  
26 RATON:

1         Section 1. That the City Council authorizes the payment of up to \$251,400 as one  
2 half of the Qualified Target Industry Tax Refund (QTI) Program; and up to \$325,000 as one half  
3 of the Quick Action Closing Fund (QACF) Program, which is the required local commitment  
4 required under Section 288.106, Florida Statutes, subject to confirmation by the State's  
5 Department of Economic Opportunity (DEO), or other appropriate entity, that the requirements  
6 of the QTI Program and QACF Program have been satisfied by Project P2P, and that this  
7 amount will be available in accordance with the guidelines set forth by the DEO, with the  
8 stipulation that these funds are intended to represent the "local participation" required by  
9 Section 288.106, Florida Statutes.

10         Section 2. That the City Council recommends that Project P2P be approved as a  
11 Qualified Target Industry Business with a High-Impact Sector Bonus pursuant to Sections  
12 288.106 and 288.108, Florida Statutes.

13         Section 3. That all payments authorized by this resolution are subject to an Economic  
14 Development Agreement between the City and Project P2P being executed.

15         Section 4. If any section, subsection, clause or provision of this resolution is held  
16 invalid, the remainder shall not be affected by such invalidity.

17         Section 5. All resolutions or parts of resolutions in conflict herewith shall be and  
18 hereby are repealed.

19         Section 6. This resolution shall take effect immediately upon adoption.

20         PASSED AND ADOPTED by the City Council of the City of Boca Raton this \_\_\_\_\_  
21 day of \_\_\_\_\_, 2016.

CITY OF BOCA RATON, FLORIDA

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23  
24 ATTEST:

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27 \_\_\_\_\_  
Susan Haynie, Mayor

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29 \_\_\_\_\_  
Susan S. Saxton, City Clerk



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<b>COUNCIL VOTE</b>			
	<b>YES</b>	<b>NO</b>	<b>ABSTAINED</b>
MAYOR SUSAN HAYNIE			
DEPUTY MAYOR MICHAEL MULLAUGH			
COUNCIL MEMBER JEREMY RODGERS			
COUNCIL MEMBER SCOTT SINGER			
COUNCIL MEMBER ROBERT S. WEINROTH			

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