

OVERVIEW

Economic Development Incentive Programs



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BASIC INDUSTRY GROWTH PROMOTION INCENTIVE

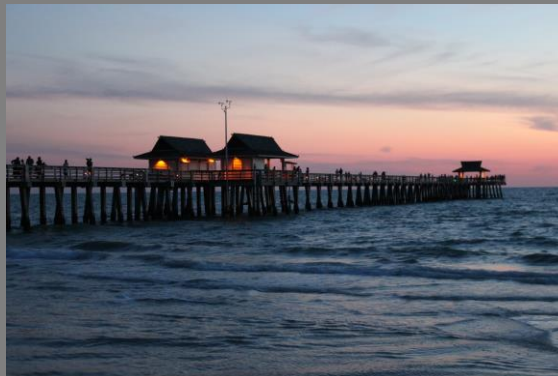
The Basic Industry Growth Promotion Incentive recognizes Collier County's desire for near term job growth opportunities for the expansion of local companies and recruitment of new companies which might not qualify for the Qualified Targeted Industries (QTI) program. Basic industries, even those with wages under QTI thresholds, tend to export a significant percentage of their product and as a result create net new wealth and net new spending power in a local economy. Growth in those industries assists with our community's economic recovery.

Basic Industry Growth Incentive Program

Applicants are eligible for a county Basic Industry Growth Incentive grant of \$3,000 per job if a project creates at least five new jobs within 12 months in a targeted industry with wages that meet or exceed the Collier County average for the applicant's specific three-digit North American Industry Classification System industry code. Businesses that demonstrate energy efficiency, resource conservation or environmental sustainability in either the firm's operational process or products will be eligible for a \$500 per-job bonus over the base grant. To meet Collier County's program requirements, employers must report their average wage and job levels. To be eligible, applicants must apply prior to a commitment of intent, or before change in land-use and permit applications are approved. The Collier County Board of County Commissioners must approve all applicants and application forms and the county manager or designated staff will develop the administrative procedures and the required proof-of-performance compliance. Only official forms and procedures will be deemed sufficient for application to this program.

General Program Requirements

- Applications must be submitted in advance of public announcements or any permit approvals changing usage or building occupancy related to the projected jobs.
- In officially designated economically distressed areas the wage requirement is waived, but Targeted Industry is required.
- The new jobs and business must be a for profit business operating within Collier County and qualified under the State's listed Target Industries, creating five (5) new jobs within 12 months of the BCC application approval. In addition, for existing firms, the net new jobs must be reflected as the increase of full-time equivalents over the latest quarter prior to application.
- The level of new jobs and wages comprising the grant must be maintained and documented to be eligible for the annual payment over the four year term of the program. In addition, the applicant must agree to provide sufficient evidence the new job and wage levels were maintained.
- Grant disbursements are in four equal installments over four years as compliance for each year is verified. Method of evidence verification will be based on records such as: IRS Form 941, Payroll Records, and a Florida Department of Economic Opportunity Form RT-6 (formerly UCT-6) for each new employee or an acceptable equally reliable substitute.
- Each new employee hire must be either a full-time employee working an average of 36 hours per week; a business will be allowed to count two employees working a minimum of 20 hours per week as one full time equivalent employee as long as these employees are eligible to receive full benefits.



STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM DESCRIPTION AND OVERVIEW

The State of Florida's Qualified Target Industry Tax Refund Program (QTI) is designed to facilitate the attraction of high-value, export industry jobs that generate new wealth and create jobs. The program seeks to diversify Florida's economy by targeting certain industry clusters of strategic importance to the state's economic diversity.

Qualified Target Industry Tax Refund Program

The Legislature created the Qualified Target Industry Tax Refund (QTI) program in 1994 to encourage the recruitment or creation of higher-paying, higher-skilled jobs statewide by awarding eligible businesses tax refunds in exchange for creating jobs in certain target industries. The refund award level is based on wages paid, number of jobs created, and the location in the state that the business chooses to locate or expand. Under current law, the QTI program is set to expire on June 30, 2020.

To qualify, an applicant business must fall into one of Florida's target industry categories, which are developed by DEO and Enterprise Florida Inc. (EFI), and:

- Agree to create 10 new jobs or, if a Florida business is planning to expand its operations, agree to create a net increase in employment of at least 10 percent. DEO may grant a waiver to an existing business located in an enterprise zone or rural county.
- Agree to pay employees an annual average salary that is at least 115 percent of the average private sector wage in the area or of the statewide private sector average wage. DEO may waive the wage requirement for businesses that locate in a rural county or city, in an enterprise zone, or in a Brownfield area or for a manufacturing project.
- Receive a commitment of a 20 percent local match. The form of the commitment must be included in a resolution passed by the county commission of the county where the project will be located.

QTI Tax Refunds

The QTI program offers a tax refund of \$3,000 per created job. The per-job tax refund increases to \$6,000 if the business is located within a rural county or an enterprise zone. The program allows for additional tax refunds beyond the standard awards:

- \$1,000 per job if the business pays an average annual wage of at least 150 percent of the average private sector wage in the area the project is located;
- \$2,000 per job if the business pays an average annual wage of at least 200 percent of the average private sector wage in the area the project is located;
- \$1,000 per job if the local financial support is equal to that of the state's incentive award; and
- \$2,000 per job if the business falls within one of the high-impact sectors designated under s. 288.108, F.S., or increases exports of its goods through a seaport or airport in the state by at least 10 percent in value or tonnage in each of the years that the business receives a tax refund.

QTI businesses may not receive more than \$1.5 million in refunds in a single fiscal year, or more than \$2.5 million if the project is located in an enterprise zone.

QTI businesses may claim refunds from one or more of the following taxes paid:

- Sales and use tax;
- Documentary stamp tax;
- Ad valorem taxes;
- Corporate income taxes;
- Insurance premium taxes;
- Intangible personal property taxes; and
- Certain state communications services taxes under Ch. 202, F.S.

Local Matching Program Requirements

- The BCC approves a 20% local match of the total QTI award.
- The BCC must approve the type of funding through passage of a resolution of support.

ADVANCED LONG-TERM PRODUCTIVITY STRATEGY PROGRAM

The Advanced Long-term Productivity Strategy Program (ALPS) expands Collier County's competitiveness in attracting extraordinary high value economic development projects in augmentation to our existing Qualified Targeted Industries (QTI) program. It encourages the creation of high skilled/high wage jobs within Collier County and diversification of the economic base in Collier County. It also has the potential to enhance the number of corporate headquarters in Collier County while stimulating productivity and net new earnings into our county's economy. In addition, it is a focal point in leveraging partnerships and support of local educational and training providers.

Advanced Long-Term Productivity Strategy Program

Collier County offers qualifying applicant's eligibility to the ALPS Incentive if the project creates at least 25 new jobs whose average wage meets or exceeds the 150% of the County's (\$66,454) average wage. A two-tiered system determines the award amount. Tier One provides a bonus incentive equal to 1.000% of actual payroll for each of four years if the project's aggregate employment meets a minimum of 150% of the lowest of the County's average wage and the minimum job creation threshold. Tier Two provides a bonus incentive equal to 1.063% of actual payroll for each of four years provided that the project's aggregate employment meets a minimum of 200% of the County's (\$88,606) annual average wage and the minimum job creation threshold.

Employers must adhere to all rules of the State's QTI program, but also must meet Collier County's program requirements regarding reporting compliance of average wage and job levels. To become eligible, applicants must apply prior to commitment of intent, or change in land use or permitting applicants are submitted. Subsequently, certification and payment cycles continue annually for a four-year period. The BCC must approve all applicants and administration of the program will be conducted by the County Manager or designated staff. Only official forms and procedures are deemed sufficient for application to this program.

General Program Requirements

To be eligible projects and businesses must meet State QTI program qualifications and agree to the Collier County specific requirements. A summary of qualifications includes, but is not limited to:

- Applicant must notify Collier County of intent to apply to the County's ALPS Program before Collier County approves the local match contribution to that project's State QTI application and in all cases the ALPS application must be approved by the BCC prior to the project's commitment of intent.
- New or Expansions of existing businesses in Collier County must create at least 25 new jobs that meet 150% of the lowest of the County or State's annual average wage.
- The level of new jobs and wages comprising the grant must be maintained and documented to be eligible for the annual payment over the four (4) year term of the program. In addition, the applicant must agree to provide sufficient evidence the new job and wage levels were maintained.
- The grant will be disbursed over four annual installments (adjusted for inflation) once compliance for each year is verified. The method of evidence verification will be based on records such as: IRS Form 941, Payroll Records, and a Florida Department of Revenue Employer's Quarterly Report (UCT-6) Form for each new employee or an acceptable equally reliable substitute.



CAPITAL INVESTMENT FOR DIVERSIFICATION

The Capital Investment for Diversification Incentive Program improves Collier County's economy by encouraging the development of facilities, space and suitable land for targeted businesses – enhancing the competitiveness of the county's economic development efforts. The program provides qualified applicants with an inducement equivalent to the payment made for transportation (road) impact fees on business space for target industries in Collier County. Eligibility is limited to new buildings or gray shell-space within an existing building that has yet to be issued a final end-user certificate of occupancy, and is *only for targeted businesses listed on the State of Florida Qualified Target Industry List*. The program's intent is to support a Collier County business climate that encourages an adequate supply of suitable space and land that is competitively positioned to foster target businesses and the quality jobs they create. In the long term, the county's ability to attract desirable jobs will rely on whether landowners and developers include suitable sites and space for clean industry, advanced manufacturing and large single-tenant office users in their real estate portfolios. Opportunities for diversified economic development could be limited without an adequate inventory of real estate options for targeted business, so the CID program supports and encourages capital investment that diversifies the economic base.

Capital Investment for Diversification Incentive Program

Applicants that qualify for a CID Incentive will be provided an inducement benefit of up to 100 percent of the value of the transportation impact fees that were assessed and paid for the business space that directly houses the employees of the target industry business. The CID Incentive provides four equal annual installments of the grant amount, beginning on the first anniversary of the issuance of the Certificate of Occupancy for the facility. Grants will continue each year until the full grant amount is paid, as long as the project remains current on all local tax liabilities and the facility is still operating as a targeted industry, as evidenced by a certified county approved method or, in substitution, an equivalent Targeted Industry Business operation acceptable to the county. Payments are contingent upon employer offering and demonstrating that it pays at least 50 percent of the cost of health-care coverage for employees. Each CID Incentive Grant applicant agreement must be approved by the BCC, and funding will be subject to annual appropriations of the county.

Further, the program rules provide for a maximum amount of annual grant funding: The estimated aggregate annual amount of CID program funding will not exceed \$500,000 annually, unless authorized by the BCC. Project eligibility for the CID Incentive Grant will be discrete and mutually exclusive of any other locally based Collier County economic development financial incentives. The grant cannot be used within an Innovation Zone geographic area. CID Incentive Grant projects are eligible for a Collier County local-match as part of the State's QTI program. CID Incentive

General Program Requirements

A project must result in sustained occupancy by a Targeted Industry Business and agree to the Collier specific requirements as a condition for eligibility in Collier County's Capital Investment for Diversification Program Incentive. The BCC must approve all applicants and administration of the program will be conducted by the County Manager or designated staff. Only official forms and procedures are deemed sufficient for application to this program. A summary of qualifications includes but is not limited to:

- "Target industry business" means a corporate headquarters business or any business that is engaged in one of the target industries as identified in the State of Florida Qualified Target Industry List.
- Impact Fees are prepaid and the grant is reimbursed over four equal annual installments; initial payment occurs one year from Certificate of Occupancy and certification and payment cycles continue annually until such time the grant is complete or the project loses eligibility due to failure to comply with program requirements. Payments are contingent on employer offering and demonstrating the provision at least 50 percent of the employee's cost of health care coverage.
- Project eligibility will be subject and conditioned on the County's annual appropriation limit of \$500,000 for the CID Incentive Project total annual payments.
- Project eligibility for simultaneous participation in the State QTI program is permitted, but prohibited in conjunction with other County local economic development incentive programs.
- Applicant must notify Collier County of intent to apply to the County's Capital Investment for Diversification Incentive before Collier County approves the local match contribution to that project's State QTI application and in all cases the CIDS application must be approved by the BCC prior to issuance of the project's original certificate of occupancy.

INNOVATION ZONES PROGRAM

It is the policy of the Board of County Commissioners to promote economic growth that results in high-wage jobs and helps diversify the county's economy. To further this policy, it is the BCC's intent to create a dedicated source of revenue to fund an economic development program and to advance economic development initiatives in zones of geographic concentration within the county's unincorporated areas. These zones, called Innovation Zones, will be designated by the BCC from time to time through the implementation of Economic Development Plans adopted by resolution for each Innovation Zone.

The use of available tax-increment revenues within an Innovation Zone as a dedicated economic development tool and funding source enhances the county's general welfare through the advancement of new employment opportunities, the implementation of redevelopment initiatives, the creation of new economic development opportunities and locations, and the expansion of existing employment centers.

The tax increment will be deposited into a trust fund, and proceeds will be used to implement the Economic Development Plan established by the developer, and approved by the BCC. Expenditures that are expressly prerequisites for the development of a target industry's physical operations – including pre-paying impact fees, public infrastructure or transportation requirements – may be reimbursable, contingent upon BCC approval.

FLORIDA POWER AND LIGHT INCENTIVES

Florida Power and Light Company's business customer bills are among the lowest in southeast and well below the national average, but in today's competitive economy, we understand that sometimes it takes more. Now, we're able to cut our rates even further for large power users. FPL now has two special rates for economic development projects. One is a definitive tariff program and the other is a flexible negotiated rate.

Economic Development Rider (EDR)

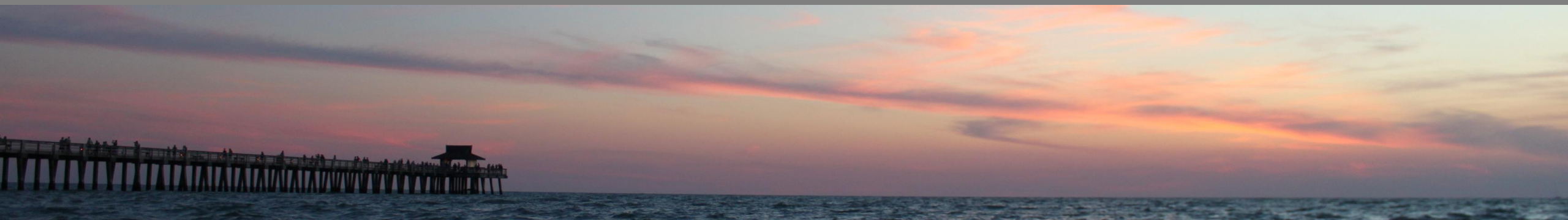
The special rate is available to new or expanding businesses that add a minimum of 350 kilowatt demand of new electric load and create at least 25 new jobs per 350 kilowatt demand of added load. Companies receive a 20% declining discount on their standard base energy and demand charges over four years; the discount increases to 25% declining over 5 years if the company moves into a vacant, existing building.

Commercial Industrial Service Rate (CISR)

This rate was designed to attract new, large power users to the state as a part of a competitive location project. In order to negotiate a new rate, potential or existing businesses must:

- Have a load of 2,000Kw or greater served by a single meter
- Document that is part of a competitive project with opportunities for lower rates outside of FPL territory

Once these stipulations are satisfied, both FPL and the customer must agree to a negotiated power contract after entering into a non-disclosure agreement. CISR is for firm power only; load management or interruptible rates are not eligible.



COLLIER COUNTY LOCAL INCENTIVES

Program Name	Basic Industry Growth Promotion	Advancing Long-Term Productivity Strategy Incentive	Capital Investment for Diversification Incentive
Type	Grant	Grant	Grant (Four Year Disbursement)
Award Made to Whom	Qualified Target Industry Employers	Eligible Target Industry Employers	Developers, Landlords or Business Owners
Wage requirement	Pegged to the Collier County Average Wage for the 3 Digit North American Industry Code (NAICS).	Tier One 150% of the lowest of County, MSA or State Average Wage; Tier Two 200% of the lowest of County, State or MSA-Average Wage.	No wage specific requirement. Eligibility is limited to occupancy by a Targeted Industry as defined by Enterprise Florida and new capital investment for space to house that Targeted Industry.
Number of Jobs Required	5	25	Number of jobs is not a specific requirement. Eligibility is limited to occupancy by a Targeted Industry as defined by Enterprise Florida and demonstration of operations and related jobs.
Capital Investment Requirement	No	No	New capital investment scaled to amount of space to house a Targeted Industry.
Expandable for Later Year Jobs	Yes, up to two times the number of jobs applied for during the initial four-year participation term.	Yes (percentage of payroll captures job increases).	No.
Available to Existing Industry	Yes, each of the new jobs lasting four years are eligible.	Yes, each of the new jobs lasting four years are eligible.	Yes, new capital investment for Targeted Industries is required
Available to New Industry	Yes, each of the new jobs lasting four years are eligible.	Yes, each of the new jobs lasting four years are eligible.	Yes, new capital investment for Targeted Industries is required.
Available for Retention	No.	No.	Yes, new capital investment for Targeted Industries is required.
Amount of Award	\$3,000 base, with a \$500 Green Product/Process Bonus	Variable annual award equates to a % of payroll, provided an average aggregate wage is met. Tier One- Average wages equaling 150% yield a 1.0% of payroll award; Tier Two- Average wages equaling 200% yield a 1.063% of payroll award. * Existing firm's annual award will be based on segregated new job payroll; existing jobs are excluded from calculation.	Benefit equivalent of up to 100% of the value of the Transportation Road Impact Fees assessed & remitted for business space directly related to the occupancy of the Target Industry business
Payout Schedule	Paid in installments over four (4) years after each year's performance is certified. Subject to confirmation of compliance.	Paid in installments over four (4) years after each year's performance is certified, subject to confirmation of compliance, each year's payroll is adjusted for inflation over previous year. First annual performance evaluation is due 18 months from execution of the agreement.	Paid in installments over four (4) years, subject to confirmation of compliance, beginning one year after Certificate of Occupancy is issued.
Specified Use of Funds	None.	None.	None.
Local Support Required	Yes, 100% paid by the County if jobs are located in Unincorporated Collier County.	Yes, 100% paid by the County if jobs are located in Unincorporated Collier County.	Yes, 100% paid by the County if jobs are located in Unincorporated Collier County.
"But For" Incentive	Applications must be submitted in advance of public announcements or any permit applications changing usage or building occupancy related to the projected jobs.	Applications must be submitted in advance of commitment of intent, public announcements or any permit applications changing usage or building occupancy related to the projected jobs.	Yes, new construction or never occupied space, or yet to receive a final end user Certificate of Occupancy.
Eligible Industries/Business Activities	Industries defined as Qualified Targeted Industries by Enterprise Florida Inc.	Industries defined as Qualified Targeted Industries by Enterprise Florida Inc.	Industries defined as Qualified Targeted Industries by Enterprise Florida Inc.
Ineligible Activity	Any business engaged in retail industry activities; any electrical utility company as defined in F.S. 366.02(2); any phosphate or other solid minerals severance, mining, or processing operation; any oil or gas exploration or production operation; or any business subject to regulation by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation.	Any business engaged in retail industry activities; any electrical utility company as defined in F.S. 366.02(2); any phosphate or other solid minerals severance, mining, or processing operation; any oil or gas exploration or production operation; or any business subject to regulation by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation.	Any business engaged in retail industry activities; any electrical utility company as defined in F.S. 366.02(2); any phosphate or other solid minerals severance, mining, or processing operation; any oil or gas exploration or production operation; or any business subject to regulation by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation.
Distressed Area Exception	Wage requirement waived, but Targeted Industry is required for eligibility in designated economically distressed areas.	Minimum Job eligibility threshold is reduced to 10 qualified industry jobs in designated economically distressed areas.	N/A

ENTERPRISE FLORIDA, INC

Type of Incentive Award Made to Whom	QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM (QTI)	QUICK RESPONSE TRAINING PROGRAM (QRT)	ECONOMIC DEVELOPMENT TRANSPORTATION FUND (Road Fund)	QUALIFIED DEFENSE CONTRACTOR TAX REFUND PROGRAM (QDC)
Wage Requirement	Tax Refund. Business. At least 115% of state or county or Metropolitan Statistical Area Wage (currently state avg+15%).	Grant. Training Provider. Goal is 115% of county or state wages, whichever is lower, exception for Enterprise Zones or distressed areas.	Grant. Local government on behalf of business. No requirement, but is a consideration.	Tax Refund. Business. At least 115% of state or county or Metropolitan Statistical Area wage.
Number of Jobs Required	At least 10 new full-time equivalent jobs at the 115% wage average, and if an expansion project increase employment by at least 10% (whichever is greater).	At least 10 new full-time equivalent jobs.	No minimum requirement for grant request of less than \$200,000; If create or retain more than 100 full time positions may be eligible for \$200,000-\$1 million; If create or retain more than 200 full time positions may be eligible for up to \$3 million.	No minimum requirement, except for consolidations which require at least 80 jobs or 25% increase in Florida employment.
Availability to Expanding Industry	Yes	Yes	Yes	Yes
Available to New Industry	Yes	Yes	Yes	Yes
Available to Retain Jobs	No	As part of an expansion project.	Yes	Yes
Amount of Reward	\$50000 per job/\$84,984 average wage., \$4000 per job /\$63,738 average wage, \$30000 per job/\$48,866 avg. wage. Total not to exceed a total of \$5 million. Additionally, \$2,000 per job High Impact Bonus. \$2,500 per job bonus for jobs located in Brownfields.	Negotiated with local education provider to meet industry need. Business recipient must provide company matches to the training program in cash or in-kind.	Up to \$3 million based on cost of improvements and is limited to \$7,000 per job created and/or retained.	Based on the average wage of all new and retained jobs, (\$3,000 per job for 115%; \$4,000 per job for 150%; and \$5,000 per job for 200%). The base award increases to \$6,000 per job if the project is located in a Rural county or an Enterprise Zone.
Payout Schedule	Paid out over a minimum of four years.	Reimbursement monthly.	Paid out to local governmental entity as needed for construction.	Paid out over a minimum of four years.
Specified Use of Funds	None	Training equip & cost, instructors' wages; curriculum dev.; & materials; (cannot be used for trainees' wages).	Design and engineering cost; construction costs of public transportation infrastructure projects.	None
Local Support Required	Yes, 20 percent of total tax refund.	Yes, local education provider administers and provides training; endorsement by local economic development organization.	Yes, right of way.	Yes, 20 percent of total tax refund (business may exercise exemption in REDI counties).
"But For" Incentive Eligible Industries/Business Activities	Yes Target Industry.	No Must produce a good or service for markets outside the local area. Require customized entry-level skills training of 24 months or less which is not available at the local level.	Yes Target Industry.	Yes Defense only.
Ineligible Industries/Business/Activities	Any business engaged in retail industry activities; any electrical utility company as defined in F.S. 366.02(2); any phosphate or other solid minerals severance, mining, or processing operation; any oil or gas exploration or production operation; or any business subject to regulation by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation.	Retail establishments, training for existing employees.	Retail, distributors, hotels (exceptions for Enterprise Zones, distressed areas and Rural Economic Development Initiative counties).	Available only to defense industry.



Office of Business and Economic
Development

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