



TARGETED BUSINESS PROGRAM

I. PROGRAM SUMMARY

The Tallahassee-Leon County Office of Economic Vitality (OEV), a Division of the Blueprint Intergovernmental Agency (“the Agency”) administers the Targeted Business Program (TBP), an initiative to induce business growth that is beneficial to Tallahassee-Leon County. TBP is designed to help implement Tallahassee-Leon County’s long-term vision for economically viable and environmentally sustainable growth. TBP offers incentives to businesses relocating to and existing businesses that are expanding, that also create value-added jobs, within Tallahassee-Leon County. The TBP seeks to reward businesses that will diversify the economy and generate revenue growth from the sales of goods and services outside the local economy. The TBP also seeks to incent businesses that locate in designated target areas for economic growth and development, that build environmentally sensitive projects, and that do businesses with other local businesses, all while insuring a sound return on investment to the public. Businesses applying to participate in the TBP may request confidentiality of records per s. 288.075(2), Florida Statutes.

Funds awarded under the TBP may be used to reimburse 1) up to 100% of the cost of development fees (Appendix C: Eligible Development Fees) and 2) a portion of the capital investment of the business project based on ad valorem taxes paid. The reimbursement amount is based on a scoring system evaluated by OEV staff and the Competitive Projects Cabinet (“the Cabinet”). The Cabinet will make a recommendation on the award of inducements under the TBP. Once an incentive package is recommended by the Cabinet for approval, the Intergovernmental Management Committee (“the IMC”) has the authority to approve applications and execute any and all documents up to \$500,000 on behalf of the Blueprint Intergovernmental Agency Board of Directors (“the Board”). If the recommended incentive exceeds \$500,000, then the application must be presented to the Board for approval.

II. PROGRAM REQUIREMENTS

- A. Eligibility
 - 1. New Businesses¹
 - a) Applicants which are Target Industries of Tallahassee-Leon County, Enterprise Florida, and/or as established by the Board (Appendix A); and

¹ “New Business” means existing for-profit organizations relocating to Tallahassee-Leon County from another market.

b) That intend to construct a new building or purchase an existing building within the Leon County-City of Tallahassee Urban Services Area (USA).

2. Existing Businesses²

a) Applicants which are Target Industries of Tallahassee-Leon County, Enterprise Florida, and/or as established by the Board (Appendix A); and

b) That intend to build a new building or purchase an existing building, or that intend to lease an existing building and create new jobs, add capital investment, and purchase tangible personal property that is added to the tax rolls in Tallahassee-Leon County within the USA.

B. Incentives/Use of Funds

1. Reimbursement of up to 100% of all eligible City of Tallahassee or Leon County (applicants located outside City of Tallahassee limits but within the Urban Service Area) development fees; and

2. Reimbursement of up to 100% of an amount equivalent to ad valorem taxes paid on land, improvements, and tangible personal property to the City of Tallahassee each year for up to 10 years and reimbursement of ad valorem taxes paid to Leon County equal to the amount reimbursed by the City of Tallahassee. Applicants located outside of the City of Tallahassee boundaries but within the USA are eligible for reimbursement of ad valorem taxes paid on land, improvements, and tangible personal property to Leon County in an amount not to exceed the City of Tallahassee millage rate for that year. Expansion projects would qualify only for the incremental increase in ad valorem taxes.

C. Application Process/Payment Method

1. The Applicant submits application to determine eligibility prior to filing development/building permits.

2. If the application is approved, a Reimbursement Agreement with the Agency shall be executed to finalize the inducement and performance requirements.

3. Not less than twelve months after receiving its Certificate of Occupancy, the Applicant may file its first request for reimbursement.

4. Reimbursement of development fees (up to 100%) may be paid in a lump sum.

5. Annual reimbursement as described in Section II.B.2. above will be made one year in arrears over a period of time, up to ten years (refer to Appendix B, Business Profile Scoring Sheet). The award amount is subject to change based upon the Applicant's performance measures.

6. Annual Applicant performance reports shall be submitted to OEV for review.

D. Scoring System/Award Approval

² "Existing Business" means existing for-profit organizations in Tallahassee-Leon County.

1. As a screening mechanism, prior to being admitted into the scoring phase of the evaluation process, applicants must provide copies of their audited financial statements for the previous two years with their application.
2. A business profile score for the application is determined on a rating system (Appendix B – Business Profile Scoring System) that awards points to the following categories:
 - a) Number of employees;
 - b) Salary levels;
 - c) Amount of capital investment;
 - d) Location of designated target areas (Appendix D: Designated Target Areas);
 - e) Environmental sensitivity of project design/redevelopment achievements;
 - f) Local business promotion; and
 - g) Possible bonus points
3. Using the Business Profile Scoring System (Appendix B), OEV will score the application and forward to the Cabinet for review and recommendation.
4. The Cabinet will review and will make a recommendation on the estimated award of incentives under the TBP. Once an incentive package is recommended by the Cabinet for approval, the IMC shall have the authority to review and approve Applicants for participation in the TBP; make incentive awards up to \$500,000; and execute any and all documents to effectuate such incentive award.
5. If the recommended incentive award exceeds \$500,000, OEV will present the application to the Board for its consideration.

III. APPLICATION PROCEDURE

The following procedure will be used for determining Applicant eligibility and the amount of the recommended incentive award.

A. Application

6. Applications must be filed with OEV at any time prior to making its relocation or expansion decision.
7. An application may be filed prior to receiving site plan approval. However, points for Environmental Sensitivity will not be determined until after the site plan is approved.
8. OEV shall determine if the Applicant is one of those on the Targeted Industry List. If so, an economic impact analysis will be prepared to determine whether the proposed project described in the application demonstrates a return on investment to the community and, if so, in what amount.
9. OEV will evaluate the application based on information provided by the Applicant to determine the inducement percentage and length (Incentive Award). Evaluated applications will subsequently be provided to the Cabinet.
10. OEV shall be responsible for verifying the projected Number of Employees, Salary Levels, Capital Investment, and Local Business Promotion. The number of new employees shall

include those hired after the date permits are obtained, provided they are due to the new building or expansion.

11. The Cabinet will be given applications for review and recommendation. The Cabinet after its review may make a recommendation on each application received or seek from the Applicant additional information. If additional information is requested, the Cabinet shall reconvene to consider the additional information.

E. Recommendation and Award

1. The Cabinet will make a recommendation. Once an application is received and if an incentive award is recommended for approval by the Cabinet, the IMC will consider the application and recommendation of the Cabinet, and shall be authorized to approve applications with incentive awards up to \$500,000, and executing any and all documents to effectuate same. If the recommended incentive award exceeds \$500,000, then the application must be presented to the Board for its consideration.

2. Following approval, a Reimbursement Agreement will be executed specifying the development fees, percentage of ad valorem taxes, and number of years for which reimbursement will be requested.

IV. INCENTIVE AWARD REIMBURSEMENT PROCESS

A. Incentive Award Reimbursement Request and Agreement

3. Once the building or expansion has been operational for at least 12 months, an Applicant that has an approved Reimbursement Agreement with the Agency may file a request for reimbursement of development fees. An Applicant may file a request for reimbursement of ad valorem taxes at any time after April 1st of the year after which ad valorem taxes have been paid on the new building or expansion. Each request shall include verification of the number of employees working at the new business or expanded business for the past year, the annualized salary levels of these employees, the capital investment made, and the local business utilization (see Appendix B) for the past year.
4. Reimbursement requests shall be filed with and reviewed by OEV. Reimbursement for development fees shall not include reimbursement of any charges related to utilities system fees (i.e., water and sewer tap fees). A list of eligible fees is set out in Appendix C.
5. If the number of new jobs is to be phased in over several years, an Applicant may request reimbursement of the percentage of development fees applicable to the new employee positions created during each past year or the applicant may request one reimbursement after the creation of all new jobs
6. Reimbursement of ad valorem taxes for the previous year may be requested after April 1st of each year, for the number of years approved in the incentive award.
7. The Applicant will have three years from the date of the first Certificate of Occupancy, or from the date the expense (tax or development fee) requested for reimbursement was paid, whichever is later, to show that they have met the requirements for reimbursement. As described in Appendix B, and as further set out in the Reimbursement Agreement, in each year for which a reimbursement request is made, the applicant shall achieve the total points set forth in its approved application in order to receive the percentage of inducement for that year. However, should the total points achieved in any reimbursement request be less than the total points identified in the Reimbursement Agreement, the percentage of inducement shall be lowered in accordance with the total points scored. If the reimbursement request achieves less than 40 points for two consecutive years, the Applicant will no longer be eligible for participation in the Targeted Business Program and the Reimbursement Agreement will be terminated. If the Applicant has not met the requirements for reimbursement within three years of the execution of a Reimbursement Agreement, the Applicant will no longer be eligible for participation in the Targeted Business Program and the Reimbursement Agreement will be terminated.
8. OEV will be responsible for assuring that the fees and taxes for which the Applicant may request reimbursement are set aside in the accounting system.
9. OEV shall be responsible for processing TBP reimbursement requests following approval.
10. Notwithstanding the above, any amount necessary for Applicant reimbursement is subject to annual appropriation by the Board.

F. Approximate Timeline –Application

Applicant files Application	Day 1
Office of Economic Vitality determines it is a Targeted Industry	Day 10
Cabinet meets and makes recommendation	Day 10-25
Application is Approved	Day 25-35

G. Approximate Timeline – Reimbursement Request

Building or expansion opens	
New development is added to tax rolls	The following January 1
Applicant files Reimbursement Request for development fees	After 12 months of opening
Applicant pays ad valorem taxes after new development is added to tax rolls	Nov. through March
Applicant files Reimbursement Request for ad valorem taxes	April after #4, above, occurs
OEV determines amount of reimbursement	Within 30 days of request

V. APPENDIX

- A. Targeted Industry List
- B. Business Profile Scoring System
- C. Eligible Development Fees
- D. Designated Target Areas
- E. Priority Business Areas

APPENDIX A: TARGETED INDUSTRY LIST

A. Tallahassee-Leon County Targeted Industries

1. Health Care
2. Manufacturing & Transportation/Logistics
3. Professional Services & Info Tech
4. Applied Sciences & Innovation

B. State of Florida Targeted Industries

5. Aviation & Aerospace
6. Life Sciences
7. Logistics & Distribution
8. Defense & Homeland Security
9. Financial & Professional Services
10. Information Technology
11. Cleantech
12. Headquarters

APPENDIX B: BUSINESS PROFILE SCORING SYSTEM

Option A: New Business	Points	Option B: Existing Business Expansion
10-20 new employees within 3 years	10	10% increase in employees
21-60 new employees within 3 years	15	15% increase in employees
61-99 new employees within 3 years	20	20% increase in employees
100 or more new employees within 3 years	25	25% increase in employees

Salary Levels	Points
20% or less of new jobs at or above area average annual wage ³	0
More than 20% of new jobs at or above area average annual wage <u>and</u> the average salary of the new jobs is:	
Below Area Average	0
Average to 25% Above Average	10
25% to 50% Above Average	15
50% to 100% Above Average	20
100% Above Average	25

Capital Investment	Points
\$0 - \$1,000,000	5
\$1,000,001 - \$5,000,000	10
\$5,000,001 - \$9,999,999	15
\$10,000,000 and up	20

Location	Points
Project located in an area identified by a program or policy of the City and/or County as an area targeted for economic growth and development, including:	
Historically Underutilized Business Zone	2
Downtown or Frenchtown/Southside Community Redevelopment Area	2
Urban Job Tax Credit Area	2
Southern Strategy Area	2
Priority Business Areas (identified industrial or commercial park, Innovation Park, or Tallahassee International Airport) (See Appendix E)	2

Environmental Sensitivity	Points
Brownfield Remediation	2
Option A: New Construction	
Urban forest protection above minimum ⁴	2
Preservation of significant grades above minimum ⁵	2

³ Area average is the all industries average annual wage published by Enterprise Florida for Leon County at the time of preliminary application submission.

⁴ Provide additional urban forest on site above the required minimum of 10%. 2 points for minimum of 5% to maximum of 10% above minimum.

⁵ Preservation of additional significant grade areas (10-20%) above the minimum 50% requirement through inclusion within a Conservation Easement. 2 points for minimum of 5% to maximum of 10% above minimum.

Canopy Coverage above minimum ⁶	2
Exceeds Tree Preservation ⁷	2
Exceeds minimum pervious surface ⁸	2

Option B: Redevelopment⁹

25% retrofit	2.5
50% retrofit	5
75% retrofit	7.5
100% retrofit	10

Local Business Utilization

Points

10% of Goods & Services from Certified MBE's	2
10% of Construction Contractor from Certified MBE's	2
25% of Major Supplies are Local	4

Maximum Points:

100

Bonus

Points

Consulted with the DesignWorks Studio within the Planning Department	2
The project is considered a competitive project ¹⁰	5
>50% of the jobs (by SOC code) are included in Target Industry list or CareerSource's Regional Demand Occupations high skill/high wage list	5

Inducement Period

⁶ Provide additional canopy coverage in vehicular use areas on site above the required minimum of 30%. 2 points for minimum of 5% to maximum of 10% above minimum.

⁷ Preservation, through creative parking lot design, of trees in excess of 36 inches (diameter at breast height) that would otherwise be cut through their inclusion in landscape islands in vehicular use areas. 2 points.

⁸ Preserve additional pervious (unpaved) area on non-vested sites above the minimum requirement of 45%. 2 points for minimum of 5% to maximum of 10% above minimum.

⁹ Recognizing that redevelopment does not require sites to be retrofitted for storm water treatment and attenuation under recently adopted revisions to the Environmental Management Ordinance, redevelopment sites that do retrofit for storm water treatment and attenuation are eligible to receive bonus points.

¹⁰ "Competitive Project" means the company plans to locate/relocate its operation outside Tallahassee-Leon County but for assistance provided by economic development incentives.

Total Points	Percentage of Inducement	Length of Inducement¹¹ (Ad Valorem taxes only)
40 to 49 Points	50% exemption	5 years
50 to 59 Points	60% exemption	6 years
60 to 69 Points	70% exemption	7 years
70 to 79 Points	80% exemption	8 years
80 to 89 Points	90% exemption	9 years
90 to 100 Points	100% exemption	10 years

APPENDIX C: ELIGIBLE DEVELOPMENT FEES

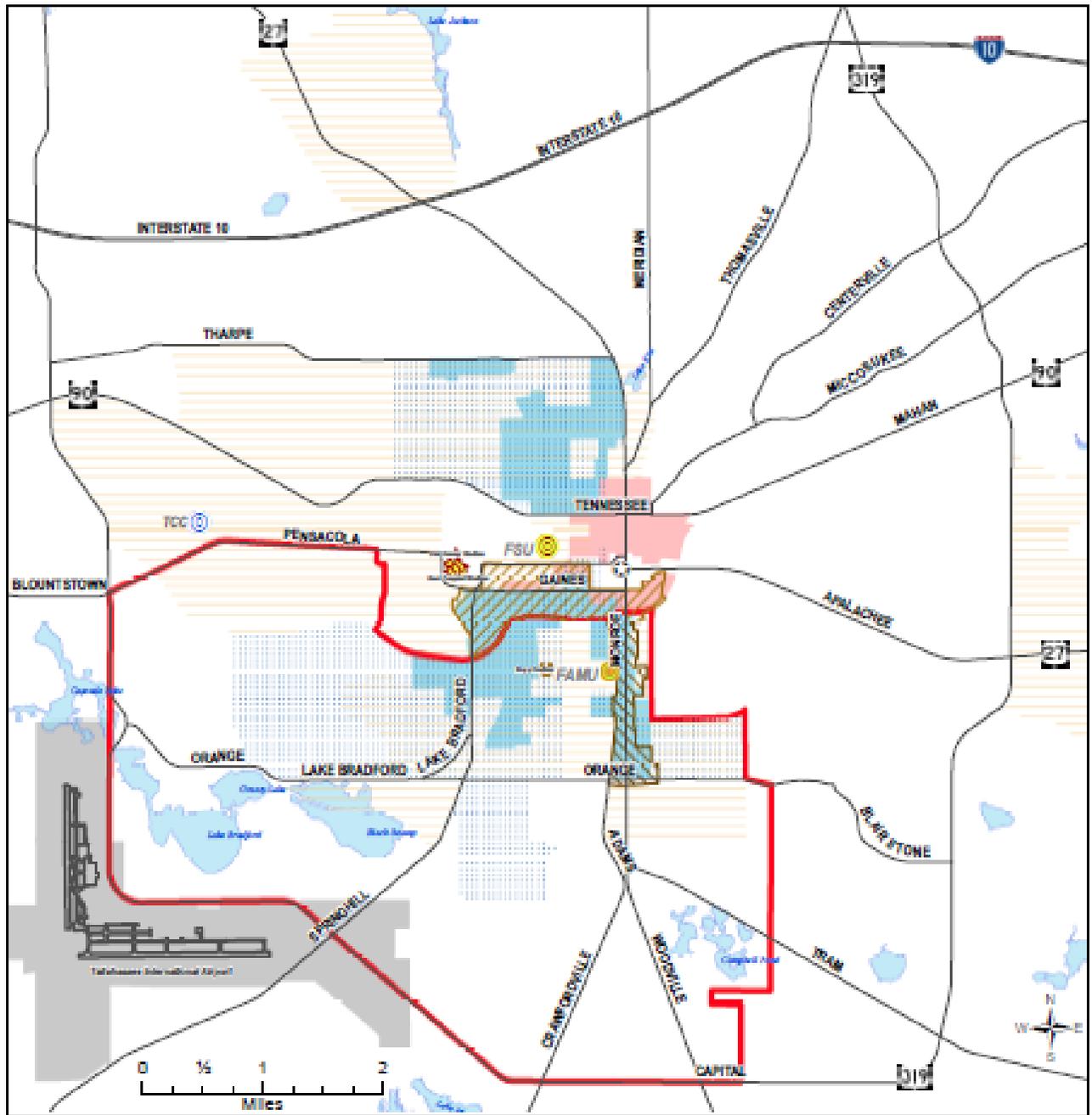
- Building Permits, including electrical, Plumbing, Roof, Foundation, Gas/Mechanical
- Environmental Permits
- Concurrency Review
- Land Use Review, including Site Plans, Platting, and Certificates
- Signs
- Fire Review and Inspection

Development Fees Not Eligible for Reimbursement

- Non-City of Tallahassee or Leon County permits, depending on the jurisdiction situs of the relocating or expanding business
- Zoning and/or Land Use Changes
- Licensing
- Appeals
- Lost Plans
- Mitigation Requirements
- Temporary Uses
- Variances
- Demolition

¹¹ An amount equal to the ad valorem taxes will be paid by city, and matched by the county, to the business over a period of five to ten years. An amount equal to the appropriate development fees will be paid in lump sum. Applicants located outside of the City of Tallahassee boundaries but within the USA are eligible for reimbursement of ad valorem taxes paid on land, improvements, and tangible personal property to Leon County in an amount not to exceed the City of Tallahassee millage rate for that year.

APPENDIX D: DESIGNATED TARGET AREAS

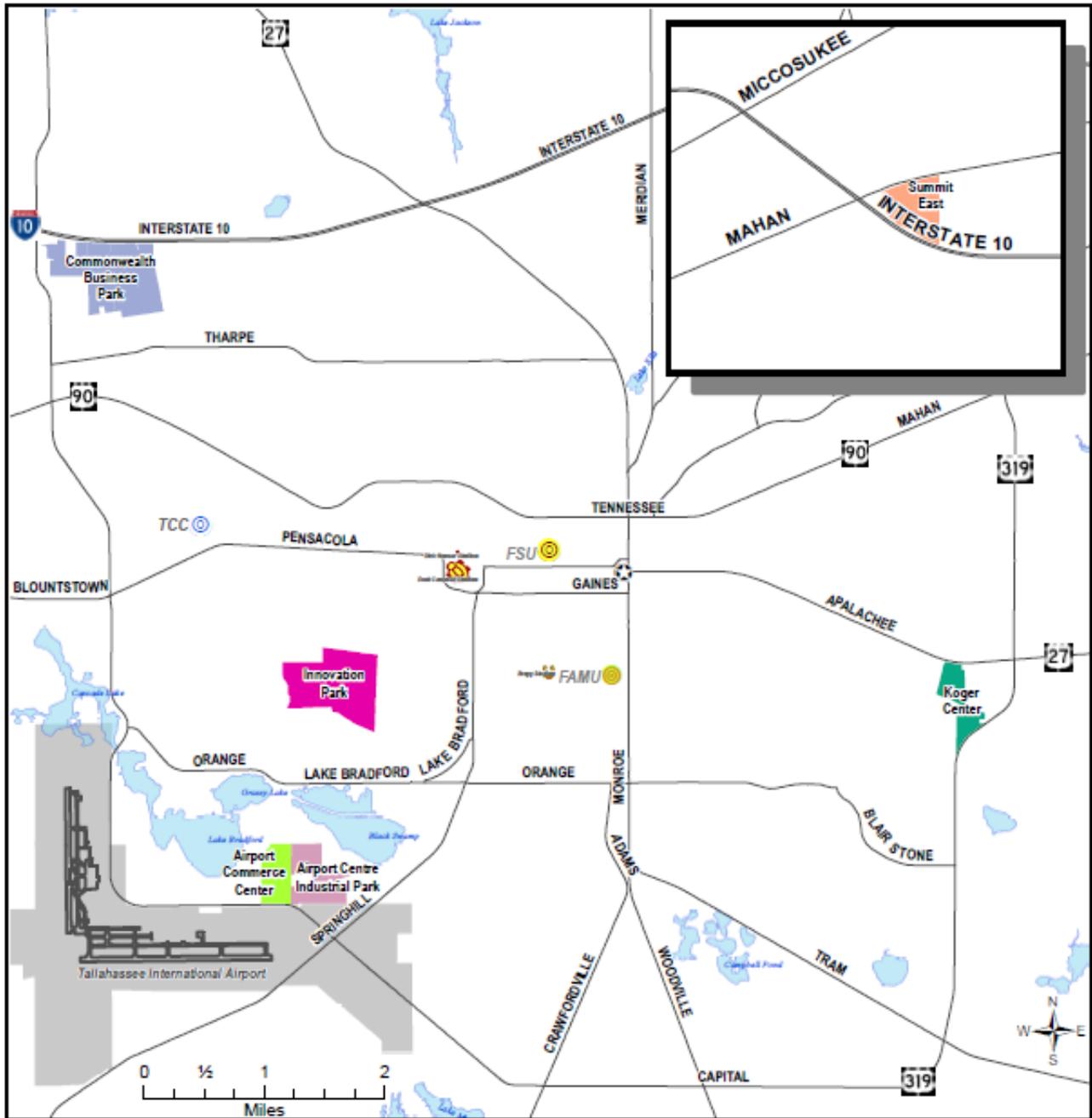


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 Downtown CRA	 Capitol
 Greater Frenchtown/Southside CRA	 FAMU
 South Monroe Street Corridor Brownfield Area	 FSU
 Gaines Street Corridor Brownfield Area	 TCC
 Urban Job Tax Credit Area	 Tallahassee Intl Airport
 HUB Zone	
 Southern Strategy Area	

APPENDIX E: PRIORITY BUSINESS AREAS



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|--------------------------------|---------------------------|
| Airport Centre Industrial Park | Capitol |
| Airport Commerce Center | FAMU |
| Commonwealth Business Park | FSU |
| Innovation Park | TCC |
| Koger Center | Tallahassee Int'l Airport |
| Summit East | |

