

Meeting Date: 4/28/2015

Agenda Item 5

REQUESTED COMMISSION ACTION:

Consent Ordinance X Resolution Consideration/ Discussion Presentation

SHORT TITLE: A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH. FLORIDA, APPROVING AN ECONOMIC INCENTIVE OFFER FOR PROJECT KIT TO ASSIST IN FUNDING TEN NEW JOBS IN POMPANO BEACH, FLORIDA; PROVIDING FOR PARTICIPATION IN THE STATE OF FLORIDA'S QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM (QTI); PROVIDING FOR FUNDING OF \$5,000 AS THE CITY OF POMPANO BEACH'S SHARE OF LOCAL PARTICIPATION IN THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM; PROVIDING FOR A FUNDING SOURCE; PROVIDING THE CITY MANAGER AUTHORIZATION TO DO ALL THINGS TO IMPLEMENT THE ECONOMIC INCENTIVES.

Summary of Purpose and Why:

The company, referred to under the code name "project KIT," is looking to relocate its international headquarter operations to Pompano Beach from Garden City, NY and will create 10 jobs by the end of the year with an average salary of at least \$51,266 (115% of the county average wage). This project qualifies for the States Qualified Target Industry (QTI) program participating with Enterprise Florida (80%), Broward County (10%) and the City of Pompano Beach (10%) in providing economic incentives. The City has signed a Letter Protecting Inducements (LPI) so the company could move forward with the purchase of the property while maintaining their incentive package.

- (1) Origin of request for this action: Pierre Taschereau, Greater Ft. Lauderdale/ Broward Alliance
(2) Primary staff contact: Chris Clemens, Planner Ext. 4048
(3) Expiration of contract, if applicable: N/A
(4) Fiscal impact and source of funding: \$1,250 per year for 4 years. \$5,000 total from the General Fund.

Table with 3 columns: DEPARTMENTAL COORDINATION, DATE, DEPARTMENTAL RECOMMENDATION, DEPARTMENTAL HEAD SIGNATURE. Includes entries for Dev. Serv. Dept., City Attorney, and signatures.

X Advisory Board EDC Motion & Resolution of Support (3/23/15 meeting)
X City Manager

ACTION TAKEN BY COMMISSION: Table with columns for Ordinance, Resolution, and Consideration, including 1st Reading and Results.



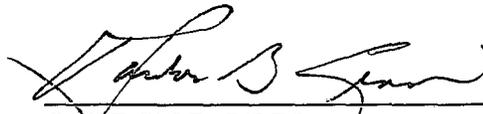
**City Attorney's Communication #2015-790**  
April 1, 2015

**TO:** Chris Clemens, AICP, Planner  
**FROM:** Gordon B. Linn, City Attorney  
**RE:** Resolution – Project KIT Incentive Package

As requested in your memorandum received in our office on April 1, 2015, Department of Development Services Memorandum #15-167, the following form of resolution, relative to the above-referenced matter, has been prepared and is attached:

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AN ECONOMIC INCENTIVE OFFER FOR PROJECT KIT TO ASSIST IN FUNDING TEN NEW JOBS IN POMPANO BEACH, FLORIDA; PROVIDING FOR PARTICIPATION IN THE STATE OF FLORIDA'S QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM (QTI); PROVIDING FOR FUNDING OF \$5,000 AS THE CITY OF POMPANO BEACH'S SHARE OF LOCAL PARTICIPATION IN THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM; PROVIDING FOR A FUNDING SOURCE; PROVIDING THE CITY MANAGER AUTHORIZATION TO DO ALL THINGS NECESSARY TO IMPLEMENT THE ECONOMIC INCENTIVES; PROVIDING AN EFFECTIVE DATE.**

Please feel free to contact me if I may be of further assistance.

  
GORDON B. LINN

GBL/jrm  
l:cor/planning/2015-790

Attachment

**CITY OF POMPANO BEACH**  
**Broward County, Florida**

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AN ECONOMIC INCENTIVE OFFER FOR PROJECT KIT TO ASSIST IN FUNDING TEN NEW JOBS IN POMPANO BEACH, FLORIDA; PROVIDING FOR PARTICIPATION IN THE STATE OF FLORIDA'S QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM (QTI); PROVIDING FOR FUNDING OF \$5,000 AS THE CITY OF POMPANO BEACH'S SHARE OF LOCAL PARTICIPATION IN THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM; PROVIDING FOR A FUNDING SOURCE; PROVIDING THE CITY MANAGER AUTHORIZATION TO DO ALL THINGS NECESSARY TO IMPLEMENT THE ECONOMIC INCENTIVES; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Pompano Beach seeks to attract certain companies which will help create a strong tax base for the city, foster the city's image as an attractive business location and further the city's economic development; and

**WHEREAS**, Project KIT is committed to relocating its international corporate headquarters to the City of Pompano Beach; and

**WHEREAS**, Project KIT desires to create ten jobs paying an average salary of \$51,266; now, therefore,

**BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA:**

**SECTION 1.** The recitals contained in the preamble to this Resolution are incorporated by reference herein.

**SECTION 2. Participation In The State Of Florida Qualified Target Industry Tax Refund Program (QTI).** The City of Pompano Beach shall participate in the State of Florida Qualified Target Industry Tax Refund Program (QTI) in the amount of \$5,000 over a four-year period.

**SECTION 3. Funding Source.** The City Commission authorizes the City Manager to provide funding for the Florida Qualified Target Industry Refund Program from the General Administration Budget.

**SECTION 4. City Manager Authorization To Do All Things Necessary To Participate In The State Of Florida Qualified Target Industry Tax Refund Program To Implement The Economic Incentives.** The City Commission authorizes the City Manager to do all things necessary and to execute any and all documentation necessary for participation in the economic incentive programs and implement the economic incentives.

**SECTION 5.** This Resolution shall become effective upon passage.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
**LAMAR FISHER, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**ASCELETA HAMMOND, CITY CLERK**

GBL/jrm  
4/2/15  
l:reso/2015-286



February 27, 2015

Christopher J. Clemens  
AICP Economic Planner  
City of Pompano Beach  
100 West Atlantic Blvd.  
Pompano Beach, FL 33060

Re: Letter of support for Project "KIT"

Dear Mr. Clemens,

The Greater Fort Lauderdale Alliance has the pleasure of working with the City of Pompano Beach and Enterprise Florida (EFI) on the Qualified Targeted Industry (QTI) incentive package for Project "KIT"— a distributor of high end hardware for kitchens and bathrooms.

Based on our due diligence and corresponding review of the enclosed applications, we fully recommend and support this project moving forward in the City of Pompano Beach/Broward County, Florida. For your reference we have enclosed the project's General Project Overview form (GPO), Qualified Targeted Industry (QTI) Tax Refund Attachment, W-9 form, Incentive Payout Grids and the Letter Requesting Confidentiality.

The impact of this project to the State of Florida, Broward County and the City of Pompano Beach would be significant for a number of reasons:

- Demonstrates that the City of Pompano Beach, Broward County and the State of Florida are committed to facilitating employment opportunities within new and existing industries;
- Complements our emphasis on "Targeted Industries" such as **Headquarters**;
- Facilitates a company that will be creating a minimum of **10 high-skill/high-wage jobs with an average wage of \$51,266** (115% of the private sector average wage in Broward County) that would not be lost to Houston or New York;
- A conservatively estimated **capital investment of \$2.275MM** for initial purchase, renovations and the additional purchase of office equipment in the first year.

This project represents a great opportunity to secure the relocation of an exceptional hardware company in Pompano Beach thereby allowing the city to compete with other markets within the State of Florida and those located in Houston & New York. In addition to the direct economic impact created by the 10 high wage/tech jobs in the first 12 months, a chain reaction of indirect and induced spending will add to the local, regional and State economies. As the company continues to develop, it is foreseeable that the City of Pompano Beach will experience sustained job and economic growth. As noted in the GPO, incentives will play an important role in securing this relocation within the borders of Pompano Beach.

**THE ALLIANCE: PARTNERSHIP FOR ECONOMIC GROWTH**

Broward County's Official Economic Development Partnership

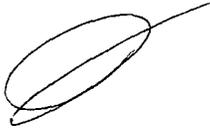
110 E Broward Boulevard, Suite 1990, Fort Lauderdale, FL 33301 • Phone: 954-524-3113, 800-741-1420 • Fax: 954-524-3167

[www.gflalliance.org](http://www.gflalliance.org)

The proposed Qualified Targeted Industry (QTI) incentive is 'Performance Based' and would include support from the city, county and State. There are several factors that contribute to the incentive value, and specific requirements that the project must meet in order to qualify, these include: the average wage, industry classification and number of net new jobs being created. The City of Pompano Beach's 10% local match for Project "KIT" is valued at \$5,000 and we are requesting that it be placed on the March 24<sup>th</sup> City Commission's agenda.

I am hopeful that you will see the important role this project will play in our community. As you review this information, please feel free to call me if you have any questions.

Respectfully,



**Pierre Taschereau, MBA, CWDP**  
International Client Manager  
Greater Fort Lauderdale Alliance

**THE ALLIANCE: *PARTNERSHIP FOR ECONOMIC GROWTH***

Broward County's Official Economic Development Partnership

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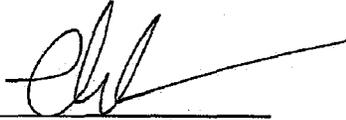
[www.gflalliance.org](http://www.gflalliance.org)

**Project KIT Incentive Package motion**

At the March 23, 2015 meeting of the Pompano Beach Economic Development Council there was a motion made stating the following:

**MOTION** by Roy Rogers and seconded by Jack Rogerson to authorize the Chair/ Vice Chair of the Pompano Beach Economic Development Council to review the presented documents, making changes as they see fit and to execute the approval to recommend to the City Commission to accept and authorize the State of Florida's economic incentive package for "project KIT." All voted in favor of the above motion.

Signed this 26 day of March, 2015.

A handwritten signature in black ink, appearing to read 'T. DiGiorgio, Jr.', written over a horizontal line.

**Thomas H. DiGiorgio, Jr.**  
Chairperson, PBEDC

## **RESOLUTION**

### **THE POMPANO BEACH ECONOMIC DEVELOPMENT COUNCIL, INC.**

**WHEREAS**, the Pompano Beach Economic Development Council is engaged in the furtherance of economic vitality and economic support for the City of Pompano Beach; and

**WHEREAS**, the Pompano Beach Economic Development Council seeks to compliment the City's efforts in attracting and retaining certain companies that will help create a strong tax base for the City, and further the City's economic development efforts; and

**WHEREAS**, the City of Pompano Beach actively participates in the State of Florida incentive programs that qualify certain industries and company operations that create and/or retain a certain number of jobs at certain salary levels, and

**WHEREAS**, the City of Pompano Beach is home to over thirty million square feet of industrial/ warehouse/ distribution space that is the primary component of the city's economy; and

**WHEREAS**, the Pompano Beach Economic Development Council appreciates new-to-Florida jobs that help to strengthen the local economy and enhance the City's image as an attractive business location for corporate headquarters; and

**WHEREAS**, the Project KIT company is a 20 year old privately held distributor of high end hardware for kitchens and bathrooms that is looking take advantage of the City of Pompano Beach's proximity to the Caribbean and Latin American markets; and

**WHEREAS**, the Project KIT company is committed to relocating its international corporate headquarters in the City of Pompano Beach and will create ten jobs by December 31, 2015 paying an average salary of \$51,266;

**THEREFORE**, be it resolved that the Pompano Beach Economic Development Council hereby urges the City of Pompano Beach City Commission to fully support this incentive package which includes a guaranteed funding allocation from the City.

Signed this 26 day of March, 2015.



Thomas H. DiGiorgio, Jr.  
Chairperson, PBEDC



# CITY MANAGER'S OFFICE

Dennis W. Beach, City Manager

E: dennis.beach@copbfl.com | P: 954.786.4601 | F: 954.786.4504

March 27, 2015

Mr. Tim Vanderhoff  
Director, Business Development  
Enterprise Florida  
800 North Magnolia Ave., Suite 1100  
Orlando, FL 32803

Mr. Vanderhoff:

The City of Pompano Beach is hereby requesting a Letter Preserving Inducement (LPI) concerning the Qualified Targeted Industry (QTI) Tax Refund application that has been submitted by Project KIT. The project parameters include the purchase of a property for the distribution of a diverse line of decorative and functional cabinet hardware. The company will create a minimum of 10 new jobs with an average wage of \$51,266 and a \$2.275M capital investment. The company is currently located in Garden City, New York.

Project KIT, is currently evaluating other locations in South Florida and Houston, Texas and in order to secure the site in Pompano Beach, all real estate transactions will need to be finalized immediately following the company's location decision due to the highly competitive marketplace. Company officials are expected to make their decision directly following the April 28, 2015 City of Pompano Beach Commission meeting, in which the City will be considering a resolution for the QTI-10% local financial support. Consequently, any delay that would impede the company's ability to initiate this before mentioned process would seriously inhibit Florida's competitive advantage to establish the project.

As noted, the local resolution of support will be reviewed by the Pompano Beach City Commission on April 28, 2015. Any assistance that you are able to provide in securing this LPI to remove the "but for" contingency for this incentive application will be of great help in securing this project for the City of Pompano Beach and Broward County.

Sincerely,

Dennis W. Beach  
City Manager