



Agenda Item Summary

File ID: 19-0101

DEPT-6

Meeting Date: 11/20/2018

PLACEMENT: Departmental

TITLE:

TANGIBLE PERSONAL PROPERTY GRANT PROGRAM

EXECUTIVE SUMMARY:

On June 19, 2018 the Board of County Commissioners approved a one-year Tangible Personal Grant program agreement with Florida Power & Light with the direction to return with a multiple-year agreement. Staff and Florida Power & Light have been working on such an agreement and are proposing a five-year agreement for the Board of County Commissioners to approve.

DEPARTMENT: Administration

PREPARED BY: **Name:** Taryn G. Kryzda
Title: County Administrator

REQUESTED BY: Board of County Commissioners

PRESET:

PROCEDURES: None

BACKGROUND/RELATED STRATEGIC GOAL:

- | | |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Agreement drafted by: | Martin County Attorney's Office and Florida Power & Light |
| 2. Parties to the Agreement: | Martin County Board of County Commissioners and Florida Power & Light, site specific |
| 3. Purpose of the Agreement: | To provide an incentive for the retention and attraction of tangible personal property in the form of a grant |
| 4. This is a New Agreement: | The prior agreement was for one year |
| 5. Duration: | Five (5) years, expires on December 31, 2023 |
| 6. Benefits to Martin County: | The retention and attraction of tangible personal property Investment by Florida Power & Light as well as increasing Tax revenues for Martin County and the Village of Indiantown |
| 7. Cost to Martin County: | The cost is dependent upon the total value of tangible personal property retained. |

Martin County (County) developed a Tangible Personal Property (TPP) Grant Program (Program) in 2015 to provide a tax-reduction incentive on a site that contained a large amount of inventory for Florida Power & Light (FPL). At the time, the Program was focused on economic development within

the boundary of the Community Redevelopment Area (CRA) in Indiantown. Earlier this year, when Indiantown incorporated into the Village of Indiantown (Village), the Program had to be amended. The County developed a revised Program for one-year to allow the Village adequate time to develop their own TPP Grant Program with FPL because the property in question is now within the boundary of the Village.

The Board of County Commissioners (Board) was asked by Florida Power & Light (FPL) to consider a multi-year agreement for the TPP Grant Program. The Board asked staff to work with FPL to develop the Program that would be suitable for both parties. The Board designated County Commission Chairman Ed Ciampi to also be a part of the negotiation team on behalf of the County. The County and FPL met and have developed a five-year agreement. The agreement is site specific, FPL's central warehouse location in the Village Indiantown. The agreement provides a fifty-five percent grant incentive the first year and then a sixty-percent grant incentive for the remaining four years. The grant is only applicable to the Countywide and the Parks & Recreation Municipal Services Taxing Unit (MSTU) millage rates.

For illustrative purposes, the following analysis demonstrates the intent of the program and what the monetary impact(s) would be based upon a TPP value of \$400,000,000 for the first year:

Taxing Authority and Millage Rate	Total Taxes Assessed	TPP Grant Amount (55%)	Net Taxes Paid by FPL
Countywide 6.5971	\$ 2,638,840	\$ 1,451,362	\$ 1,187,478
Parks & Recr. MSTU 0.1615	\$ 64,600	\$ 35,530	\$ 29,070
Total	\$ 2,703,440	\$ 1,486,892	\$ 1,216,548

For the remaining four years, the following would be the annual impact (assuming the TPP value and the millage rates remained constant):

Taxing Authority and Millage RateTotal Taxes AssessedTPP Grant Amount (60%)Net Taxes Paid by FPL			
Countywide 6.5971	\$ 2,638,840	\$ 1,583,304	\$ 1,055,536
Parks & Recr. MSTU 0.1615	\$ 64,600	\$ 38,760	\$ 25,840
Total	\$ 2,703,440	\$ 1,622,064	\$ 1,081,376

ISSUES:

If FPL increases the inventory on the site, then the amount of their grant will increase accordingly.

LEGAL SUFFICIENCY REVIEW:

This item has been reviewed for legal sufficiency to determine whether it is consistent with applicable law, has identified and addressed legal risks, and has developed strategies for legal defensibility.

RECOMMENDED ACTION:

RECOMMENDATION

Move that the Board approve the Tangible Personal Property Grant Program Agreement with Florida Power & Light.

ALTERNATIVE RECOMMENDATIONS

None

FISCAL IMPACT:

RECOMMENDATION

This is a five year agreement with the potential to have a fiscal impact of roughly \$7.9 million for the term of the agreement. The fiscal impact will vary as the TPP inventory increases and the millage rates change.

Funding Source	County Funds	Non-County Funds
General Fund Countywide	\$ 7,784,578	
Park & Recreation MSTU	\$ 190,570	
Project Total	\$ 7,975,148	

ALTERNATIVE RECOMMENDATIONS

None

DOCUMENT(S) REQUIRING ACTION:

- ☐ Budget Transfer / Amendment ☐ Chair Letter ☐ Contract / Agreement
☐ Grant / Application ☐ Notice ☐ Ordinance ☐ Resolution
☐ Other: