

BUSINESS INCENTIVES PRACTICE

MAJOR INCENTIVE PROGRAMS FLORIDA

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The Business Incentives Practice (“BIP”) strategically assists companies through the process of securing optimal incentive packages for projects considering an expansion, consolidation, or relocation. BIP leverages a project’s unique strengths and benefits to identify, negotiate, and implement all feasible economic development or government incentives (“Incentives”) opportunities. Moreover, BIP provides ongoing support and administration for a project to address any issues that may arise. By engaging BIP to work in parallel to the site selection team, businesses can have assurance that the optimal level of Incentives is secured and realized.

SERVICES

BIP’s mission is to develop a strategy that enhances business performance, while reducing a project’s up-front capital and ongoing operational costs through the procurement of Incentives. Many businesses are not aware they may be entitled to Incentives benefits for certain expansion, consolidation, and relocation activities. BIP identifies said opportunities through a multifaceted methodology that begins with careful analysis of project-specific data. The process continues with a detailed due diligence on all aspects of site-specific Incentives opportunities and concludes with the negotiation, implementation, and administration of Incentives.

RESULTS

BIP has successfully secured Incentives packages for a broad range of clients globally. The BIP team maintains a robust incentives database and along with its vast experience it facilitates the best possible results for a project. Since its inception, BIP professionals have negotiated in excess of \$3.0 billion in savings for its clients.



KEY PROJECT TYPES

BIP enables its clients to identify, negotiate, and quantify the myriad of incentives available through the federal, state, and municipal governments, as well as utilities service providers. BIP clients represent all industry sectors, ranging in size from Fortune 100 corporations to private owners, occupiers and developers. Almost any type of corporate location initiative can benefit from the use of C&W’s Business Incentives Practice:

- Corporate Headquarters Facilities
- Manufacturing Facilities
- R&D Centers
- Warehouse and Distribution Facilities
- Call Centers
- Data Centers
- Back-Office Centers
- Mixed-Use Developments

FLORIDA’S RECENTLY AWARDED INCENTIVES (USD M)

COMPANY	INVESTMENT	JOB	INCENTIVES
Syntac Coated Products	\$3.7	20	\$0.2
Gateway One Lending & Finance	\$0.7	115	\$0.4
Johnson & Johnson Services	\$23.5	700	\$9.1
Volkswagen Group of America	\$3.0	100	\$17.7
Citigroup	\$90.0	1,163	\$15.0
Medytox Solutions	\$7.0	60	\$0.4
Sunera	\$0.2	40	\$0.2
Merritt Island Boat Works	\$16.0	380	\$1.2
Aerosync Support	\$1.8	25	\$0.1
Viewpost	\$1.9	262	\$1.8
NeoSystems	\$0.4	37	\$0.1
Camuto Group	\$0.6	50	\$0.4

OVERVIEW OF MAJOR FLORIDA INCENTIVE PROGRAMS

QUICK ACTION CLOSING FUND (QACF)

Cash contributions may be provided for high-value target industry, research and development, and innovation business projects. The amount of contribution is subject to the economic impact of the project to the state; the state will prepare an economic impact model.

To qualify, the Project must be eligible for the Qualified Target Industry Tax Refund (see below) and demonstrate a competitive disadvantage or cash shortfall associated with locating the Project in Florida. One-time costs such as land, building and/or equipment are typically considered in the competitive disadvantage calculations; however, recurring costs such as lease payments or wage differentials are typically not. Evidence outlining the cost differential must be submitted to the State for review. Funding from this program typically does not fully offset the project's cost shortfall of a competing state.

Projects must create a minimum of 10 new jobs paying at least 125% of the local MSA or statewide average wage, whichever wage is lower. The state typically structures its QACF awards using a 5:1 return on investment ratio, which is determined by an economic impact analysis of the Project.

CAPITAL INVESTMENT TAX CREDIT

The CITC is used to attract and grow capital intensive industries in Florida. It is an annual credit against Florida state corporate income tax liability for a period of 20 years from the commencement of operations. The amount of the annual credit is equal to five percent of the eligible capital costs generated by a qualifying project. Eligible capital costs include all expenses incurred in the acquisition, construction, installation and equipping of a project from the beginning of construction to the commencement of operations.

Eligible projects are those in designated high-impact designated sectors, including: Clean Energy, Corporate Headquarters, Financial Services, Life Sciences, Semiconductors, Transportation Equipment Manufacturing, and Research and Development.

Projects must create a minimum of 100 new jobs paying 115% of the local MSA or statewide average wage, whichever wage is lower and invest at least \$25 million in eligible capital costs.

QUALIFIED INDUSTRY TAX REFUND (QTI)

The QTI Tax Refund incentive is available for companies that create high wage jobs in targeted high value-added industries. This incentive includes refunds on corporate income, sales & use, ad valorem, intangible personal property, communications services, and certain other taxes. The tax reimbursement is paid out over a minimum of four years; however, extended reimbursements are possible if jobs are phased in.

Florida shows an average deal value of \$1.86 million with 138 new jobs created per deal

QTI refunds are not reimbursable; meaning, if a business has a QTI award that exceeds a businesses' annual tax liability, then the balance of the QTI goes unused and it cannot be carried forward.

The program provides tax refunds of \$3,000 per net new job created and the refund increases to \$6,000 for projects locating in an Enterprise Zone or rural county. For businesses paying one hundred and fifty percent (150%) of the average annual wage, the refund is \$4,000 per job and for businesses paying two hundred percent (200%) of the average annual salary the refund is \$5,000 per job. There is a cap of \$7 million per single qualified applicant in all years, and no more than twenty-five percent (25%) of the total refund approved may be taken in any single fiscal year. The municipality in which the project locates must contribute twenty percent (20%) of the total tax refund.

QTI wage requirements are based on 115% of the local MSA or statewide average wage, whichever wage is lower and a minimum of ten (10) new jobs must be created.

QUICK RESPONSE TRAINING (QRT) GRANT

QRT is an employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. The program is customized, flexible, and response to individual company needs.

A project has the ability to select an educational facility (community college, technical center, school district or university) to assist with application and program development or delivery. The educational facility would serve as fiscal agent for the project. A company may use in-house training, outside vendor training or the local educational entity to provide training. Reimbursable training expenses include:

- Instructors'/trainers' wages;
- Curriculum development; and
- Textbooks/manuals.

Projects approved for QRT funding are limited to one grant award per site every two years. Approved training costs are disbursed to the training provider monthly, based on a cost reimbursement and performance method of payment. QRT funds are distributed on a first come first serve basis.

QRT wage requirements are 115% of the local MSA or statewide average wage, whichever wage is lower and a minimum of ten (10) new jobs must be created.

For more information, contact:

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OTHER FLORIDA INCENTIVE PROGRAMS

- Economic Development Transportation Fund
- Enterprise Zones
- Brownfield Incentives
- Incumbent Worker Training
- Qualified Defense and Space Contractor Tax Refund
- High Impact Performance Incentive Grant