

BCC Mtg. Date: November 28, 2017

RESOLUTION
of the
ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS
regarding
SPECTRUM AG
QUALIFIED TARGET INDUSTRY TAX REFUND

Resolution No. 2017-M-48

PREMISES

WHEREAS, in 1994, the Florida legislature passed legislation establishing a “Qualified Target Industry Tax Refund Program” (“QTI Program”) to encourage the creation of new high-wage job opportunities in Florida by providing “tax refunds” to qualified target industries; and

WHEREAS, Spectrum AG is headquartered in Stuttgart, Germany and was established over 30 years ago; and

WHEREAS, Spectrum AG is looking to expand their operations into the United States with a U.S. headquarters; and

WHEREAS, Spectrum AG runs a professional training and education outsourcing program for large and global companies; and

WHEREAS, Spectrum AG’s training program focuses on the financial services, manufacturing and technology industries; and

WHEREAS, Spectrum AG anticipates creating approximately one hundred and fifty-four (154) new jobs in Orange County at an average annual salary of at least \$57,000, which is over 115% of the prevailing salary of \$45,463 in Orange County; and

WHEREAS, Spectrum AG anticipates that the new jobs to be created will include approximately ninety-two (92) recruiting and training positions; and sixty-two (62) management, sales and marketing positions; and

WHEREAS, Spectrum AG anticipates that these new jobs will be created according to the following schedule: Sixteen (16) jobs by December 31, 2018; thirteen (13) jobs in calendar year 2019; thirty (30) in calendar year 2020; forty-four (44) in calendar year 2021; and fifty-one (51) jobs in calendar year 2022; and

WHEREAS, Spectrum AG has applied to the Executive Office of the Governor, Department of Economic Opportunity for approval as a qualified QTI Program applicant, and has applied for \$770,000 in tax refunds from the State of Florida under the QTI Program, representing \$5,000 per job; and

WHEREAS, in order for Spectrum AG to be approved as a “qualified applicant” under the QTI Program, the Orange County Board of County Commissioners must adopt a resolution recommending the approval of Spectrum AG as a “target industry business,” and committing “local financial support” in an amount equal to 20% of the annual tax refund up to but not exceeding \$92,400 over the course of Spectrum AG’ eligibility as a “qualified applicant”; and

WHEREAS, competition for Spectrum AG expansion exists outside of Florida, and financial incentives are necessary to ensure that this project comes to Orange County.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY:

Section 1. The Board of County Commissioners of Orange County, Florida, hereby recommends that the State of Florida Department of Economic Opportunity approve Spectrum AG as a “qualified applicant” under the QTI Program.

Section 2. Subject to the terms of this Resolution, the Board hereby approves payments up to, but not exceeding, one hundred fifty-four thousand dollars (\$154,000) in “local financial support” required under the QTI Program. Such amount shall be payable to the Economic Development Incentives Account within the Economic Development Trust Fund as specified herein.

Section 3. The Board’s promise to pay the amount specified in this Resolution is contingent upon (i) appropriation by the Board in each applicable year authorizing payment of the revenues hereunder, (ii) Spectrum AG receiving the designation as a “qualified applicant” in connection with the QTI Program, and (iii) on an annual basis, award by the State of Florida of tax refunds under the QTI Program.

Section 4. Unless provided otherwise in this Resolution, the County shall pay “local financial support” in the following amounts:

FY 2019-2020	\$ 4,000
FY 2020-2021	\$ 7,250
FY 2021-2022	\$ 14,750
FY 2022-2023	\$ 25,750
FY 2023-2024	\$ 34,500
FY 2024-2025	\$ 31,250
FY 2025-2026	\$ 23,750
FY 2026-2027	\$ 12,750
Total	<u>\$ 154,000</u>

Such sums shall be paid from any legally available source or sources of revenue other than those specified in the QTI Program (or rules promulgated thereunder) as being ineligible for such purpose.

Section 5. In the event Spectrum AG is approved by the State of Florida for tax refunds in an amount less than the \$770,000 requested, the “local financial support” to be paid by

the County to the Economic Development Incentives Account shall be proportionately reduced so that at no time will the County contribution exceed twenty percent (20%) of the annual tax refund awarded to Spectrum AG under the QTI Program.

Section 6. This Resolution shall take effect upon receipt by the County of evidence that Spectrum AG has been approved as a "qualified applicant" and has become eligible for tax refunds under the QTI Program, as described herein.

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ADOPTED THIS _____ DAY OF November, 2017.



ORANGE COUNTY, FLORIDA
BY: Board of County Commissioners

BY: *Teresa Jacobs*
Teresa Jacobs
County Mayor

ATTEST: Phil Diamond, CPA, County Comptroller
As Clerk to the Board of County Commissioners

BY: *Kate Smith*
Deputy Clerk