



Legislation Details (With Text)

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On agenda: 4/18/2017 **Final action:** 4/18/2017
Title: RESOLUTION NO. 33-17 QUALIFIED TARGET INDUSTRY TAX REFUND LOCAL MATCH - "PROJECT BUTLER"
Sponsors: Economic Development Department
Indexes:
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Attachments: 1. 041817 Project Butler Resolution 33-17-CAO reviewed 040717, 2. 17-381 Agenda Memo - Qualified Target Industry Tax Refund Project Butler 041817r3

Date	Ver.	Action By	Action	Result
4/18/2017	1	City Commission	approved	Pass

TO: Mayor and Commissioners
FROM: Joan K. Goodrich, Economic Development Director
THROUGH: Chief Neal de Jesus, Interim City Manager
CC: Caryn Gardner-Young, Assistant City Manager
DATE: April 18, 2017

RESOLUTION NO. 33-17 QUALIFIED TARGET INDUSTRY TAX REFUND LOCAL MATCH - "PROJECT BUTLER"

Recommended Action:

Approve Resolution No. 33-17 to encourage the relocation of 10 high-wage jobs and the creation of 42 new high-wage jobs by Project Butler, an early stage technology company seeking to relocate their corporate administration (headquarters) of a national customer base and offshore activities to Delray Beach.

Background:

The item before the City Commission is the approval of Qualified Target Industry Tax Refund (QTI) Local Match for "Project Butler" in an amount not to exceed \$58,800 (paid out in six annual installments and only remitted if the jobs are created as verified by the State of Florida) for a Palm Beach County early stage technology company seeking to grow their corporate administration of their national customer base and offshore activities. Project Butler is entitled to be made confidential pursuant to section 288.075 Florida Statutes. The Local Match contribution is a requirement by the State of Florida for the company to be eligible for the QTI incentive program.

Project Butler Overview

Project Butler is an existing early stage technology company developing software and hardware solutions for integrated building management systems and automation for residential and commercial applications including highly secured internet protocols. The company's business activities also include the corporate administration of a national customer base and offshore activities.

Project Butler is ready to launch their software and hardware solutions to the national and international markets. The company has been located in West Palm Beach as a start-up company employing 10, operating out of small temporary space while developing their products and services. The company is now in need of more space to establish their headquarters, manufacturing, and support.

They have identified 9,000 square feet of office space on Congress Avenue in Delray Beach along with other sites in Dallas, TX, San Francisco, CA, Atlanta, GA, Boston, MA or New York, NY.

If Project Butler chooses to expand in Delray Beach and Palm Beach County, it would:

- Create 42 new jobs with an average wage of \$101,316 (at least 200% of the Palm Beach County average wage - \$50,658)
- Relocate 10 existing jobs
- Make a total capital investment of \$2,325,000 in capital investment over 5 years
- Generate a positive economic impact of more than \$17 million as projected by the Business Development Board of Palm Beach County.

City Attorney Review:

Approved as to form and legal sufficiency

Finance Department Review:

If approved, the City's total incentive obligation in the amount not to exceed \$58,800 will be paid out in six annual installments from General Funds (see below City budget allocation schedule) and only after the State of Florida certifies and notifies the City that Project Butler has met the job creation criteria as a part of the Qualified Target Industry Tax Refund Agreement Project Butler will execute with the State of Florida Department of Economic Opportunity. It is furthered noted that the City's payments will be made directly to the State of Florida - and not to the company - because it is the State of Florida who has the lead oversight and payment responsibility for this particular State incentive tool.

Anticipated City of Delray Beach Budget Allocation Schedule

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
\$5,600	\$10,150	\$14,700	\$14,700	\$9,100	\$4,550	\$58,800

TIMING OF THE REQUEST

FUNDING SOURCE

Not applicable.

RECOMMENDATION

Approve Resolution No. 33-17 to encourage the relocation of 10 high-wage jobs and the creation of 42 new high-wage jobs by Project Butler, an early stage technology company seeking to relocate their corporate administration (headquarters) of a national customer base and offshore activities to Delray Beach.