



Legislation Text

File #: 18-0636 CRA, Version: 1

TO: CRA Board of Commissioners
FROM: Alexina Jeannite, Grant Manager
THROUGH: Renée A. Jadusingh, Esq., Executive Director
DATE: August 25, 2020

JOB CREATION BONUS PROGRAM - INTERNATIONAL MATERIALS, INC. (54 SE 5TH AVENUE) FOR AN AMOUNT NOT TO EXCEED \$75,000.

Recommended Action:

Approve the Job Creation Bonus Funding Agreement with International Materials, Inc. for business operations located at 54 SE 5th Avenue, in an amount not to exceed \$75,000.00.

Background:

International Materials, Inc. (IMI) is a trader of bulk raw materials and logistics services. Founded in 1987, IMI has been operating in the City of Boca Raton. The company is experiencing strong, continued growth, and is in need of doubling its size to support existing and future growth. This growth is what brings IMI to the City of Delray Beach. Currently, IMI is in the process of relocating its headquarters to 54 SE 5th Avenue in the heart of Delray Beach's Central Core, within CRA sub-area #2. Interior improvements and construction are underway, with a targeted move-in to occur in early 2021.

IMI submitted an application for funding assistance in July 2020 for support under the Job Creation Bonus Program. The purpose of the Job Creation Bonus Program is to attract companies, grow existing businesses, and diversify the local economy by increasing the number of quality job positions available throughout the CRA District while promoting local hiring efforts. The JCB Program offers qualifying businesses an incentive based on the total number of newly created or relocated job positions earning at least 115% of the Palm Beach County Average Median Income (AMI). Businesses new to the CRA District must create or relocate a minimum of ten (10) new jobs and existing businesses within the CRA District must create a minimum of five (5) New jobs; all positions must equal or exceed 115% of the County's Average Annual Wage (excluding commissions and tips).

IMI's application was based on the relocation of forty-one (41) positions. Of the forty-one (41) positions, thirty-six (36) are qualifying, eligible positions for the JCB incentive. Estimated certifiable wages total \$5,337,939.36. Additionally, eight (8) of the positions are eligible for the Delray-based local hiring bonus which promotes local hiring efforts from the 33444, 33445 and 33483 zip codes. It should be noted that the company has plans to create forty-four (44) new jobs over the next 11 years.

Based on the total number of qualifying positions (36) plus the jobs qualifying for the local hiring bonus (8), IMI is eligible to receive the maximum funding amount. Therefore, funding approval is recommended for an amount not to exceed \$75,000.

All estimated eligible expenses are listed in the attached Funding Detail Sheet and are in alignment with the program guidelines.

If approved, funding would be disbursed accordingly:

TABLE 2	AMOUNT
Progress Payment 1	\$ 37,500.00
Progress Payment 2	\$ 37,500.00
TOTAL MAXIMUM AWARD	\$ 75,000.00

The terms and conditions of the incentive will be directed by the guidelines and detailed in the funding agreement between the CRA and the applicant. The company and the Delray Beach CRA will negotiate a job creation/relocation timeframe which generally can range from 90 days of establishment to 36 months with the new jobs being maintained for at least 24-months, commencing upon the company providing Delray Beach CRA with verification of compliance by the company with the performance standards of the grant agreement. Job creation, job retention and reporting requirements will be set forth in the agreement, along with details regarding the payment schedule and other obligations.

A Job Creation Bonus funding award for International Materials, Inc. supports the CRA's mission by helping to attract a growing enterprise to Delray Beach that will result in the addition of several higher paying jobs in CRA sub-area #2 of the CRA District.

Attachments: Exhibit A - Funding Assistance Detail Sheet; Exhibit B - Application Form; Exhibit C - Current & Planned Jobs; Exhibit D - Job Creation Bonus Program Guidelines.

CRA Attorney Review:

N/A

Finance Review:

Reviewed by Lori Hayward, CRA Finance & Operation Director.

Funding Source/Financial Impact:

\$75,000 allocated from General Ledger #7306 - Grant Programs - Job Creation Bonus.