

FGNW
Regional Investment Stimulation and Enhancement
RISE Fund

Submitted to

Triumph Gulf Coast, Inc.

By



FLORIDA'S
Great Northwest

May 2018

FGNW

Regional Investment Stimulation and Enhancement

RISE Fund

The FGNW RISE Fund has clear, transparent goals:

- Reduces ad valorem tax rates by approximately 50%
- Enhances an existing state statute FS 196.1995 Economic Development Ad Valorem Tax Exemption program and is aligned with FS 288.106 Tax Refund Program for Qualified Target Industry Businesses
- Encourages businesses to locate and expand in the 8 disproportionately affected counties
- Induces job growth in targeted industries that pay higher than average wages
- Improves the region's competitiveness by providing a better ad valorem tax rate reduction than what Alabama and Georgia currently provide
- Promotes sustainable public-private partnerships with local governments
- Provides a deliverables-based payment system where no dollars are distributed until jobs are created and capital investment is expended
- Aligns with initiatives outlined in the Northwest Florida *FORWARD* regional strategy
- Gives Triumph Gulf Coast, Inc. final decision-making authority with maximum oversight

Overview of the FGNW RISE Fund

Florida's Great Northwest is seeking \$15 million to be utilized for the FGNW RISE Fund to keep existing companies that are expanding and to attract new businesses to the region. FGNW is also requesting \$200,000 each year the program is in effect for marketing, and if requested by Triumph Gulf Coast, support services for the FGNW RISE Fund program.

When a company in a targeted industry is deciding where to locate/expand its business, a community will typically offer an economic development ad valorem tax exemption (FS 196.1995 EDATE) or a rebate on a city's/county's portion of the property taxes for up to 10 years to encourage the company to locate/expand in its community. This amount is approximately 50% of total property taxes.

By enhancing this state EDATE program with the FGNW RISE Fund, Triumph Gulf Coast, Inc. can help the eight disproportionately affected counties be even more competitive. FGNW RISE Funds could be used to cover the non-abatable portion of the property taxes, which are typically the remaining 50% of property taxes. This would essentially allow the community to offer the company a competitive package that is the net equivalent of up to 100% property tax abatement for up to 10 years without compromising their investment in public education. Property tax abatement programs in Alabama and Georgia do not allow for the exemption of school property taxes.

The FGNW RISE Fund would improve Northwest Florida's competitiveness, grow targeted industries, provide higher-paying jobs for its citizens, increase household incomes and improve the economy throughout the region.

Triumph Gulf Coast, Inc. Trust Fund Application for Funds

Proposal Instructions: The Triumph Gulf Coast, Inc. Trust Fund Grant Application (this document) must be completed by the entity applying for the grant and signed, as applicable, by either the individual applying for funds, an individual authorized to bind the entity applying for funds, a chief elected official, the administrator for the governmental entity or their designee. Please read the Application carefully as some questions may require a separate narrative to be completed. In addition, please complete all Addendums that may be applicable to the proposed project or program.

Triumph Gulf Coast, Inc. will make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. Triumph Gulf Coast, Inc. may make awards for:

- Ad valorem tax rate reduction within disproportionately affected counties;
- Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education; encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

Pursuant to Florida Law, Triumph Gulf Coast, Inc. will provide priority consideration to Applications for projects or programs that:

- Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- Increase household income in the disproportionately affected counties above national average household income.
- Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
- Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- Benefit the environment, in addition to the economy.
- Provide outcome measures.
- Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- Are recommended by the board of county commissioners of the county in which the project or program will be located.
- Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

Additionally, the Board of Triumph Gulf Coast, Inc. may provide discretionary priority to consideration of Applications for projects and programs that:

- Are considered transformational for the future of the Northwest Florida region.
- May be consummated quickly and efficiently.
- Promote net-new jobs in the private sector with an income above regional average household income.
- Align with Northwest Florida FORWARD, the regional strategic initiative for Northwest Florida economic transformation.
- Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.
- Promote industry cluster impact for unique targeted industries.
- Create net-new jobs with wages above national average wage (*e.g.*, similar to EFI QTI program, measured on graduated scale).
- Are located in Rural Area of Opportunity as defined by the State of Florida (DEO).
- Provide a wider regional impact versus solely local impact.
- Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.
- Enhance research and innovative technologies in the region.
- Enhance a targeted industry cluster or create a Center of Excellence unique to Northwest Florida.

- Create a unique asset in the region that can be leveraged for regional growth of targeted industries.
- Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.
- Leverage funding from other government and private entity sources.
- Provide local investment and spending.
- Are supported by more than one governmental entity and/or private sector companies, in particular proposed projects or programs supported by more than one county in the region.
- Provide clear performance metrics over duration of project or program.
- Include deliverables-based payment system dependent upon achievement of interim performance metrics.
- Provide capacity building support for regional economic growth.
- Are environmentally conscious and business focused.
- Include Applicant and selected partners/vendors located in Northwest Florida.

Applications will be evaluated and scored based on compliance with the statutory requirements of the Triumph Gulf Coast legislation, including but not limited to the priorities identified therein and the geographic region served by the proposed project or program.

Applicant Information

Name of Individual (if applying in individual capacity): N/A

Name of Entity/Organization: Florida’s Great Northwest

Background of Applicant Individual/Entity/Organization:

Florida’s Great Northwest (FGNW) is the regional economic development organization for the Florida Panhandle. The organization is an investor-supported 501(c)(6) nonprofit corporation created to advocate for economic development issues that affect the region, collaborate across the region to improve competitiveness, and promote Northwest Florida for economic growth and diversification.

Federal Employer Identification Number: 59-3685250

Contact Information:

Primary Contact Information: Kim Wilmes
Title: President & CEO
Mailing Address: PO Box 370, Niceville, FL 32588
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Email: kwilmes@fgnw.org
Website: www.floridasgreatnorthwest.com

Identify any co-applicants, partners, or other entities or organizations that will have a role in the proposed project or program and such partners proposed roles.

The economic development organizations and the county constitutional officers responsible for approving, assessing and collecting taxes for the eight disproportionately affected counties.

Total amount of funding requested from Triumph Gulf Coast:

\$15,000,000 to be utilized for the FGNW RISE Fund. Funds will remain under Triumph Gulf Coast, Inc.’s control until dispersed for an approved competitive project’s annual distribution.

FGNW is also requesting \$200,000 each year the program is in effect, with \$100,000 to be used to promote the FGNW RISE Fund to site location consultants and business executives in targeted industries. If Triumph Gulf Coast, Inc. would like FGNW’s support with the program, then \$50,000 will be utilized for economic impact analyses and programs for tracking and reporting purposes, and \$50,000 for FGNW to serve as a coordinator and advisor to Triumph Gulf Coast, Inc. for the FGNW RISE Fund program.

Has the applicant in the past requested or applied for funds for all or part of the proposed project/program?

Yes No

If yes, please provide detailed information concerning the prior request for funding, including:

- the date the request/application for funding was made;
- the source to which the request/application for funding was made,
- the results of the request/application for funding, and
- projected or realized results and/or outcomes from prior funding.

(If additional space is needed, please attach a Word document with your entire answer.)

Describe the financial status of the applicant and any co-applicants or partners:

PLEASE SEE APPENDIX A

In a separate attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners.

PLEASE SEE APPENDIX B

Has the applicant or any co-applicants, partners or any associated or affiliated entities or individuals filed for bankruptcy in the last ten (10) years?

Yes No

If yes, please identify the entity or individual that filed for bankruptcy and the date of filing.

(If additional space is needed, please attach a Word document with your entire answer.)

Eligibility

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. *See*, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):
 - Ad valorem tax rate reduction within disproportionately affected counties;
 - Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
 - Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
 - Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
 - Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
 - Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
 - Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

2. Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

PLEASE SEE APPENDIX C

3. Explain how the proposed project or program is considered transformational and how it will effect the disproportionately affected counties in the next ten (10) years.

PLEASE SEE APPENDIX D

4. Describe data or information available to demonstrate the viability of the proposed project or program.

PLEASE SEE APPENDIX E

5. Describe how the impacts to the disproportionately affected counties will be measured long term.

As was done with the Industry Recruitment, Retention & Expansion Fund (IRREF) Grant (described in Appendix E), an economic impact analysis will be done on projects awarded to show the expected number of jobs created (direct/indirect/induced), the value added to the economy (GDP) and the increase in personal income. Additionally, competitive projects awarded will be required annually to provide proof of jobs created and capital investment expended in order to receive FG NW RISE funds. This information will be tracked, recorded and reported to Triumph Gulf Coast, Inc.

6. Describe how the proposed project or program is sustainable. (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)

The FG NW RISE Fund relies on Triumph Gulf Coast, Inc. funding.

7. Describe how the deliverables for the proposed project or program will be measured.

Each year, the company must provide a copy of the official state form for the Economic Development Ad Valorem Property Tax Exemption (EDATE) Form DR-418 or the county's rebate form. Additionally, the company must submit the city's/county's supplemental evaluation form, and the community's official verification that the jobs have been created and capital investment has been expended. FG NW RISE Funds will only be provided once the official city and county documents have been submitted to prove job creation and capital investment requirements were fulfilled.

SEE APPENDIX F for a copy of the official state EDATE form DR-418 and Escambia county's supplemental evaluation form.

Priorities

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):
 - Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
 - Increase household income in the disproportionately affected counties above national average household income.
 - Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
 - Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
 - Benefit the environment, in addition to the economy.
 - Provide outcome measures.
 - Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
 - Are recommended by the board of county commissioners of the county in which the project or program will be located.
 - Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

2. Please explain how the proposed project meets the priorities identified above.

PLEASE SEE APPENDIX G

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

PLEASE SEE APPENDIX H

4. In which of the eight disproportionately affected county/counties is the proposed project or program located? (Circle all that apply)

Escambia Santa Rosa Okaloosa Walton Bay Gulf Franklin Wakulla

5. Was this proposed project or program on a list of proposed projects and programs submitted to Triumph Gulf Coast, Inc., by one (or more) of the eight disproportionately affected Counties as a project and program located within its county?

Yes No

If yes, list all Counties that apply: _____

6. Does the Board of County Commissioners for each County listed in response to question 5, above, recommend this project or program to Triumph?

Yes No

**Please attach proof of recommendation(s) from each County identified.

Approvals and Authority

1. If the Applicant is awarded grant funds based on this proposal, what approvals must be obtained before Applicant can execute an agreement with Triumph Gulf Coast, Inc.?

The only required approval is from the Executive Committee of Florida's Great Northwest.

2. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:

- A. Provide the schedule of upcoming meetings for the group for a period of at least six months.

2018 FGNW Executive Committee Meetings:
July 10, August 14, October 16, November 13

- B. State whether that group can hold special meetings, and if so, upon how many days' notice.

The Executive Committee may hold special meetings as needed. No minimum notice period is required.

3. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.

PLEASE SEE APPENDIX I

4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners.

PLEASE SEE APPENDIX J

Funding and Budget:

Pursuant to Section 288.8017, awards may not be used to finance 100 percent of any project or program. An awardee may not receive all of the funds available in any given year.

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested.

\$15 million to be used for the FG NW RISE Fund until all funds are depleted.

FGNW is also requesting \$200,000 each year the program is in effect, with \$100,000 to be used to promote the FG NW RISE Fund to site location consultants and business executives in targeted industries. If Triumph Gulf Coast, Inc. would like FG NW’s support with the program, then \$50,000 will be utilized for economic impact analyses and programs for tracking and reporting purposes, and \$50,000 for FG NW to serve as a coordinator and advisor to Triumph Gulf Coast, Inc. for the FG NW RISE Fund program.

2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award of funding will be for a defined monetary amount and will not be based on percentage of projected project costs.)

The FG NW RISE Funds can only be accessed when one of the disproportionately affected counties has won a competitive job creation project and is abating/rebating the county’s portion of the ad valorem taxes, which is typically 50% of the total ad valorem taxes. Therefore, the estimated Triumph RISE Funds would represent the non-abatable ad valorem assessment, or 50% of the total ad valorem taxes.

3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.

Since the program must be aligned with existing state statute FS 196.1995 Economic Development Ad Valorem Tax Exemption, projects must create 10 or more new, full-time jobs and pay an average wage higher than the current average wage of the county or MSA (as defined by Enterprise Florida) in which the jobs will be located.

4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.

Yes No

The award would supplement the city/county’s exemption/rebate of non-abatable property taxes.

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

A. Project/Program Costs:

Example Costs (Note: Not exhaustive list of possible Cost categories.)

Construction	\$ <u>N/A</u>
Reconstruction	\$ <u>N/A</u>
Design & Engineering	\$ <u>N/A</u>

Land Acquisition	\$ <u>N/A</u>
Land Improvement	\$ <u>N/A</u>
Equipment	\$ <u>N/A</u>
Supplies	\$ <u>N/A</u>
Salaries	\$ <u>N/A</u>

Other (specify)	\$ <u>15,000,000 (FGNW RISE Fund)</u>
Other (Marketing of RISE)	\$ <u>100,000 per year RISE program in place</u>
Other (Support to TGC)	\$ <u>100,000 per year RISE program in place</u>

Total Project Costs: \$ 15,000,000 + \$200,000/yr RISE in effect

B. Other Project Funding Sources:

Example Funding Sources (Note: Not an exhaustive list of possible Funding Sources.)

City/County	\$ <u>abatement of ad valorem property taxes</u>
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Private Sources	\$ _____
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Other (e.g., grants, etc.)	\$ _____
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Total Other Funding \$ _____

Total Amount Requested: \$ 15,000,000 + \$200,000/yr RISE in effect

Note: The total amount requested must equal the difference between the costs in 3A. and the other project funding sources in 3.B.

C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

[PLEASE SEE APPENDIX K](#)

Applicant understands that the Triumph Gulf Coast, Inc. statute requires that the award contract must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the award was based upon fraudulent information or the awardee is not meeting the performance requirements of the award.

Yes No

Applicant understands that awardees must regularly report to Triumph Gulf Coast, Inc. the expenditure of funds and the status of the project or program on a schedule determined by Triumph Gulf Coast, Inc.

Yes No

Applicant acknowledges that Applicant and any co-Applicants will make books and records and other financial data available to Triumph Gulf Coast, Inc. as necessary to measure and confirm performance metrics and deliverables.

Yes No

Applicant acknowledges that Triumph Gulf Coast, Inc. reserves the right to request additional information from Applicant concerning the proposed project or program.

Yes No

ADDENDUM FOR INFRASTRUCTURE PROPOSALS: NOT APPLICABLE

1. Program Requirements

- A. Is the infrastructure owned by the public?
 Yes No

- B. Is the infrastructure for public use or does it predominately benefit the public?
 Yes No

- C. Will the public infrastructure improvements be for the exclusive benefit of any single company, corporation or business entity?
 Yes No

- D. Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current and future businesses.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed public infrastructure project will promote:
 - o Economic recovery,
 - o Economic Diversification,
 - o Enhancement of the disproportionately affected counties,
 - o Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Is this project an expansion of existing infrastructure project?
 Yes No

- B. Provide the proposed beginning commencement date and number of days required to complete construction of the infrastructure project.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. What is the location of the public infrastructure? (Provide the road number, if applicable.)

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Who is responsible for maintenance and upkeep? (Indicate if more than one are applicable.)

(If additional space is needed, please attach a Word document with your entire answer.)

- E. What permits are necessary for the infrastructure project?

(If additional space is needed, please attach a Word document with your entire answer.)

Detail whether required permits have been secured, and if not, detail the timeline for securing these permits. Additionally, if any required permits are local permits, will these permits be prioritized?

(If additional space is needed, please attach a Word document with your entire answer.)

- F. What is the future land use and zoning designation on the proposed site of the Infrastructure improvement, and will the improvements conform to those uses?

(If additional space is needed, please attach a Word document with your entire answer.)

- G. Will an amendment to the local comprehensive plan or a development order be required on the site of the proposed project or on adjacent property to accommodate the infrastructure and potential current or future job creation opportunities? If yes, please detail the timeline
 Yes No
-

(If additional space is needed, please attach a Word document with your entire answer.)

- H. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.
 Yes No
-

(If additional space is needed, please attach a Word document with your entire answer.)

- I. Provide any additional information or attachments to be considered for this proposal.
-
-

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR WORKFORCE TRAINING PROPOSALS

NOT APPLICABLE

1. Program Requirements

- A. Will this proposal supports programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties? If yes, please identify where the campuses are located and provide details on how the proposed programs will prepare students for future occupations and at which K-20 institutions that programs will be provided.

Yes No

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Will the proposed program (check all that apply):

- Increase students' technology skills and knowledge
- Encourage industry certifications
- Provide rigorous, alterative pathways for students to meet high school graduation requirements
- Strengthen career readiness initiatives
- Fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors
- Encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties (similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission on Education)

For each item checked above, describe how the proposed program will achieve these goals

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Will this proposal provide participants in the disproportionately affected counties with transferable, sustainable workforce skills but not confined to a single employer? If yes, please provide details.

Yes No

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Identify the disproportionately affected counties where the proposed programs will operate or provide participants with workforce skills.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote:
- Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Is this an expansion of an existing training program? Is yes, describe how the proposed program will enhance or improve the existing program and how the proposal program will supplement but not supplant existing funding sources.
- Yes No

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Indicate how the training will be delivered (*e.g.*, classroom-based, computer based, other).
- If in-person, identify the location(s) (*e.g.*, city, campus, etc.) where the training will be available.

If computer-based, identify the targeted location(s) (e.g., city, county) where the training will be available.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Identify the number of anticipated enrolled students and completers.

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Indicate the length of the program (e.g, quarters, semesters, weeks, months, etc.) including anticipated beginning and ending dates.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Describe the plan to support the sustainability of the proposed program.

(If additional space is needed, please attach a Word document with your entire answer.)

- F. Identify any certifications, degrees, etc. that will result from the completion of the program.

(If additional space is needed, please attach a Word document with your entire answer.)

G. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.

Yes

No

(If additional space is needed, please attach a Word document with your entire answer.)

H. Provide any additional information or attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

ADDENDUM FOR AD VALOREM TAX RATE REDUCTION:

Since this FG NW RISE Fund application creates a program but funds are not distributed until after a competitive project decides to locate or expand in Northwest Florida, the questions below cannot be answered at this moment. The questions below will be part of the FG NW RISE Fund form to be submitted to Triumph Gulf Coast, Inc. for approval once there is an active competitive project that has an approved EDATE/rebate for the abatable property taxes and is seeking FG NW RISE Funds for the non-abatable portion of the property taxes.

1. Program Requirements

- A. Describe the property or transaction that will be supported by the ad valorem tax rate reduction.

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Provide a detailed explanation of how the ad valorem tax rate reduction will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide a detailed description of the quantitative evidence demonstrating how the proposed ad valorem tax reduction will promote:
 - o Economic recovery,
 - o Economic Diversification,
 - o Enhancement of the disproportionately affected counties,
 - o Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the property or transaction that will be supported by the ad valorem tax rate reduction?

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the property or transaction that will be supported by the ad valorem tax rate reduction and provide a detailed description of when and how the ad valorem tax rate reduction will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Does this proposed project have a local match amount? If yes, please describe the entity providing the match and the amount.

Yes No

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Provide any additional information or attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

**ADDENDUM FOR LOCAL MATCH REQUIREMENTS OF SECTION 288.0655,
FLORIDA STATUTES** **NOT APPLICABLE**

1. Program Requirements

- A. Describe the local match requirements of Section 288.0655 and the underlying project, program or transaction that will be funded by the proposed award.

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Provide a detailed explanation of how the local match requirements and the underlying project or program will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide a detailed description of, and quantitative evidence demonstrating how the proposed local match requirements will promote:
- Economic recovery,
 - Economic Diversification,
 - Enhancement of the disproportionately affected counties,
 - Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the property or transaction that will be supported by the local match requirements?

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the property or transaction that will be supported by the local match requirement and provide a detailed description of when and how the local match requirement will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide any additional information or attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

1. Program Requirements

- A. Describe how the proposed award will establish and maintain equipment and trained personnel for local action plans of response to respond to disasters.
- B. Describe the type and amount of equipment and trained personnel that will be established or maintained by the proposed award.
- C. Identify the specific local action plans (*e.g.*, Coastal Impacts Assistance Program) that will benefit from the proposed award.
- D. Provide a detailed explanation of how the proposed award will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of the quantitative evidence demonstrating how the proposed will promote:
 - o Economic recovery,
 - o Economic Diversification,
 - o Enhancement of the disproportionately affected counties,
 - o Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the local action program that will be supported by the proposed award?

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the local action plans (*e.g.*, new plans, existing plans, etc.) that will be supported by the proposed award and provide a detailed description of when and how the proposed award will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide any additional information or attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

1. Program Requirements

A. Is the applicant a tourism entity created under s. 288.1226, Florida Statutes?
 Yes No

B. Does the applicant advertise and promote tourism and Fresh From Florida? If yes, provide details on how it advertises and promotes tourism and Fresh From Florida.
 Yes No

(If additional space is needed, please attach a Word document with your entire answer.)

C. Does the proposed award promote workforce and infrastructure on behalf of the disproportionately affected counties? If yes, describe how workforce and infrastructure is promoted on behalf of the disproportionately affected counties.
 Yes No

(If additional space is needed, please attach a Word document with your entire answer.)

D. Provide a detailed explanation of how the proposed award will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

(If additional space is needed, please attach a Word document with your entire answer.)

E. Provide a detailed description of the quantitative evidence demonstrating how the proposed will promote:

- o Economic recovery,
- o Economic Diversification,
- o Enhancement of the disproportionately affected counties,
- o Enhancement of a Targeted Industry.

(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Describe the advertising and promotion mediums and locations where the advertising and promotion will occur.

(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the advertising and promotion (*e.g.*, new plans, existing plans, etc.) that will be supported by the proposed award and provide a detailed description of when and how the proposed award will be implemented.

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide any additional information or attachments to be considered for this proposal.

(If additional space is needed, please attach a Word document with your entire answer.)

I, the undersigned, do hereby certify that I have express authority to sign this proposal on my behalf or on behalf of the above-described entity, organization, or governmental entity:

Name of Applicant: Florida's Great Northwest

Name and Title of Authorized Representative: Kim Wilmes, President & CEO

Representative Signature: 

Signature Date: 5/30/2018

APPENDIX A

Describe the financial status of the applicant and any co-applicants or partners:

Florida's Great Northwest (FGNW) is an investor-supported 501(c)(6) nonprofit corporation with 55 members to date. The organization is in sound financial condition.

For the period ending January 31, 2018, the balance sheet reflects:

- Florida's Great Northwest had \$560,394 in total assets - \$423,000 in operating cash and \$101,000 in advocacy funds.
- The corporation had \$54,000 in liabilities, which consists of deferred income, capital lease and payroll payable.

For the year to date operating, the corporation has net revenue over expenses (profit) of \$227,406 which is over plan by \$2,200. Much of the revenue comes in early in the year; the expenses tend to occur later in the year.

FGNW is separately accounting for advocacy revenue & expenses. For the year to date advocacy effort, the corporation has net revenues over expenses of \$13,500, which is on plan. We have collected enough revenues to cover the 2018 advocacy contract.

APPENDIX B

In a separate attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners.

The following pages are Warren Averett's independent auditors' report. The organization audited the accompanying financial statements of Florida's Great Northwest, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.



NICEVILLE, FLORIDA

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

FLORIDA'S GREAT NORTHWEST, INC.

NICEVILLE, FLORIDA

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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Statements of Cash Flows	7
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Florida's Great Northwest, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Florida's Great Northwest, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida's Great Northwest, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Warren Averett, LLC

Destin, Florida
February 7, 2018

FLORIDA'S GREAT NORTHWEST, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 394,026	\$ 226,607
Accounts receivable	-	4,000
Prepaid and deferred expenses	15,196	8,373
	7,230	7,969
PROPERTY AND EQUIPMENT, NET		
Total Assets	\$ 416,452	\$ 246,949
LIABILITIES AND NET ASSETS		
CURRENT LIABILITES		
Accounts payable	\$ 42,473	\$ 3,383
Capital lease obligation- current portion	1,529	1,280
Accrued liabilities	14,931	15,735
Deferred revenue	85,500	29,625
Total Current Liabilities	144,433	50,023
NONCURRENT LIABILITIES		
Capital lease obligation- long-term portion	6,322	6,893
TOTAL LIABILITIES	150,755	56,916
NET ASSETS		
Unrestricted	108,278	160,200
Temporarily restricted	157,419	29,833
Total net assets	265,697	190,033
TOTAL LIABILITIES AND NET ASSETS	\$ 416,452	\$ 246,949

See notes to the financial statements.

**FLORIDA'S GREAT NORTHWEST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND OTHER REVENUES			
Public Support -			
Grant funding	\$ 25,569	\$ -	\$ 25,569
Revenues -			
Membership dues	463,792	-	463,792
Membership dues, in-kind	14,104	-	14,104
Advocacy campaign	-	218,000	218,000
Other Revenues -			
Sponsorship fees	30,297	-	30,297
Interest and miscellaneous	11,633	-	11,633
Released from restrictions	90,414	(90,414)	-
Total public support and other revenues	<u>635,809</u>	<u>127,586</u>	<u>763,395</u>
Expenses and Losses:			
Program Services -			
Economic development	684,690	-	684,690
Supporting Services -			
General and administrative	3,041	-	3,041
Total expenses	<u>687,731</u>	<u>-</u>	<u>687,731</u>
Increase (Decrease) in Net Assets	(51,922)	127,586	75,664
Net Assets at Beginning of Year	<u>160,200</u>	<u>29,833</u>	<u>190,033</u>
Net Assets at End of Year	<u>\$ 108,278</u>	<u>\$ 157,419</u>	<u>\$ 265,697</u>

See notes to the financial statements.

FLORIDA'S GREAT NORTHWEST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND OTHER REVENUES			
Public Support -			
Revenues -			
Membership dues	\$ 440,551	\$ -	\$ 440,551
Membership dues, in-kind	17,157	-	17,157
Advocacy campaign	-	29,833	29,833
Other Revenues -			
Sponsorship fees	27,802	-	27,802
Interest and miscellaneous	12,766	-	12,766
Total public support and other revenues	<u>498,276</u>	<u>29,833</u>	<u>528,109</u>
EXPENSES AND LOSSES			
Program Services -			
Economic development	539,432	-	539,432
Supporting Services -			
General and administrative	6,533	-	6,533
Total expenses	<u>545,965</u>	<u>-</u>	<u>545,965</u>
Increase (Decrease) in Net Assets	(47,689)	29,833	(17,856)
Net Assets at Beginning of Year	<u>207,889</u>	<u>-</u>	<u>207,889</u>
Net Assets at End of Year	<u>\$ 160,200</u>	<u>\$ 29,833</u>	<u>\$ 190,033</u>

See notes to the financial statements.

FLORIDA'S GREAT NORTHWEST, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
	<u>Economic Development</u>	<u>Administrative and General</u>	<u>2017</u>
Salaries and benefits	\$ 301,371	\$ 2,378	\$ 303,749
Marketing	109,269	-	109,269
Advocacy	90,414	-	90,414
Conferences and conventions	82,401	-	82,401
Professional services	61,003	-	61,003
Office expenses	37,837	403	38,240
Interest	715	74	789
	<u>683,010</u>	<u>2,855</u>	<u>685,865</u>
Total expenses before depreciation	683,010	2,855	685,865
Depreciation	1,680	186	1,866
Total Expenses	<u><u>\$ 684,690</u></u>	<u><u>\$ 3,041</u></u>	<u><u>\$ 687,731</u></u>

	<u>Program Services</u>	<u>Supporting Services</u>	<u>Total Expenses</u>
	<u>Economic Development</u>	<u>Administrative and General</u>	<u>2016</u>
Salaries and benefits	\$ 272,993	\$ 1,902	\$ 274,895
Conferences and conventions	119,236	-	119,236
Office expenses	62,485	4,063	66,548
Marketing	17,291	-	17,291
Professional services	67,243	548	67,791
	<u>539,248</u>	<u>6,513</u>	<u>545,761</u>
Total expenses before depreciation	539,248	6,513	545,761
Depreciation	184	20	204
Total Expenses	<u><u>\$ 539,432</u></u>	<u><u>\$ 6,533</u></u>	<u><u>\$ 545,965</u></u>

See notes to the financial statements.

FLORIDA'S GREAT NORTHWEST, INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash Flows From Operating Activities:		
Increase (decrease) in net assets	\$ 75,664	\$ (17,856)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities -		
Depreciation	1,866	204
Changes in operating assets and liabilities -		
Accounts receivable	4,000	(1,500)
Prepaid and deferred expenses	(6,823)	12,846
Accounts payable	39,090	(12,402)
Accrued liabilities	(804)	4,921
Deferred revenue	55,875	(58,625)
Net cash provided by (used in) operating activities	168,868	(72,412)
Cash Flows From Financing Activities:		
Principal payments on capital lease	(1,449)	-
Net Increase (Decrease) in Cash	167,419	(72,412)
Cash and Cash Equivalents at Beginning of Year	226,607	299,019
Cash and Cash Equivalents at End of Year	\$ 394,026	\$ 226,607
Supplemental Disclosures of		
Noncash Investing and Financing Activities:		
Capital lease obligation incurred for use of equipment	\$ 1,127	\$ 8,173
Cash paid for interest	\$ 789	\$ -

See notes to the financial statements.

**FLORIDA'S GREAT NORTHWEST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

1. ORGANIZATION AND PURPOSE

Florida's Great Northwest, Inc., (hereinafter referred to as FGNW), is a not-for-profit organization incorporated under the laws of Florida on November 16, 2000. FGNW is a regional economic development effort representing the twelve counties that comprise the western portion of the Florida Panhandle. FGNW's purpose is to provide branding and imaging, marketing, capacity building, technical assistance and strategic planning to bring high-wage, high-skill job creation to the region. FGNW's primary support comes through membership dues from businesses located within the twelve county region of the Florida Panhandle.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of FGNW have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Federal, State and local government, and public grants are recorded as support when performance occurs under the terms of the grant agreement.

Financial Statement Presentation

FGNW follows United States generally accepted accounting principles regarding the reporting of financial statements of not-for-profit organizations. Under these guidelines, FGNW is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted and Unrestricted Revenue and Support

Funds received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

In-Kind Donations

In-kind donations provided in lieu of membership dues totaling \$14,104 and \$17,157 have been recognized in the accompanying Statements of Activities for the years ended December 31, 2017 and 2016, respectively. Goods and services donated to FGNW include office space and information technology consulting. The computation of value for the contributions is based on fair value of the contributed item at the date received. Donated goods and services are reported as support and expense in the period received.

FLORIDA'S GREAT NORTHWEST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, FGNW considers all cash deposited into the bank account and all unrestricted highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents.

Other Assets

Other assets are comprised of costs associated with developing FGNW's website. The costs are presented net of amortization, which is computed using the straight-line method over a useful life of three years. At December 31, 2017 and 2016, the assets have been fully amortized.

Property and Equipment

FGNW follows the practice of capitalizing all expenses for property and equipment in excess of \$5,000. If donated, fixed assets are recorded at fair market value at the date of the donation. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation of property and equipment is computed using straight-line depreciation over the estimated useful lives of the assets, which are from three to five years.

Deferred Revenue

The company recognizes revenue as earned. Amounts received or receivable in advance of the period in which revenue is earned are recorded as a liability under "deferred revenue."

Expense Allocation

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and summarized on a functional basis in the Statement of Activities. Expenses directly related to a program or supporting service are charged to the individual program or supporting service. Indirect expenses are allocated between grant and non-grant economic development and administrative and general expenses based on the time spent by FGNW's staff in performance of these functions.

Federal and State Awards

Public support revenue from federal and state grants is recorded based upon the terms of the grantor agreement, which generally provides that revenue is earned when the allowable costs of the specific grant provisions have been incurred. The majority of public support is received on a reimbursement basis for costs already incurred.

FLORIDA'S GREAT NORTHWEST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes

FGNW has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(6) as a not-for-profit corporation.

FGNW has implemented the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

As of December 31, 2017 and 2016, FGNW has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Advertising Costs

Advertising costs are expensed as incurred. For the years ended December 31, 2017 and 2016, advertising and marketing costs of \$109,269 and \$17,291 were incurred, respectively. They are recorded as marketing expenses in the accompanying financial statements.

Subsequent Events

Management has evaluated subsequent events through February 7, 2018, the date which the financial statements were available for issue.

Reclassification

Certain reclassifications have been made to the 2016 financial statement presentation to conform to the 2017 presentation.

3. PROPERTY AND EQUIPMENT

At December 31, 2017 and 2016, the cost, or fair market value of tangible assets was as follows:

	<u>2017</u>	<u>2016</u>
Equipment	\$ 9,300	\$ 8,173
Software	14,496	14,496
	23,796	22,669
Less accumulated depreciation	<u>(16,566)</u>	<u>(14,700)</u>
Property and equipment, net	<u>\$ 7,230</u>	<u>\$ 7,969</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$1,866 and \$204, respectively.

FLORIDA'S GREAT NORTHWEST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

4. WEBSITE DEVELOPMENT COSTS

A summary of capitalized website development costs at December 31, 2017 and 2016, is as follows:

Cost	\$	105,690	
Less accumulated amortization		<u>(105,690)</u>	
Website development costs, net	\$	<u><u>-</u></u>	

The development costs for the capitalized website were fully amortized in the prior years; therefore, no amortization expense was recorded for the years ended December 31, 2017 and 2016.

5. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	<u>2017</u>	<u>2016</u>
Payroll and related deductions	\$ 5,976	\$ 6,045
Compensated absences	<u>8,955</u>	<u>9,690</u>
	<u>\$ 14,931</u>	<u>\$ 15,735</u>

6. DEFERRED REVENUE

At December 31, 2017 and 2016, deferred revenue is comprised of 2018 and 2017 dues received in advance in the amount of \$30,500 and \$28,792 and participant fees related to future conference events and programs in the amount of \$55,000 and \$833, respectively.

7. TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2017 and 2016, temporarily restricted net assets consisted of \$157,419 and \$29,833, respectively, of contributions from members restricted for use in FGNW's advocacy campaign.

FLORIDA'S GREAT NORTHWEST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

8. CAPITAL LEASE OBLIGATION

FGNW has entered into a capital lease for equipment with a maturity date of March 2022. The lease is payable in monthly installments of \$200, including principal and an annual interest rate of 12%. The asset acquired under the capital lease is recorded at fair value of the asset, and depreciated over the lease term. Depreciation of the asset under the capital lease is included in depreciation expense. The cost basis of the asset recorded under the capital lease was \$9,300 as of December 31, 2017 and 2016, with accumulated depreciation of \$2,070 and \$204, respectively. Future minimum lease payments are summarized as follows:

2018	\$	2,404
2019		2,404
2020		2,404
2021		2,404
2022		601
Less amount representing interest		<u>(2,366)</u>
	\$	<u>7,851</u>

9. CONCENTRATIONS

Cash concentration

FGNW maintains cash and certificates of deposit in local banks, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per banking institution. As of December 31, 2017, FGNW held cash balances which exceed the federally insured limits by \$90,779.

Dues

Approximately 42% and 32% of FGNW's membership dues for the years ended December 31, 2017 and 2016, were provided from four major regional corporations.

10. RELATED PARTY TRANSACTIONS

In the years ended December 31, 2017 and 2016, contracts and payments totaling approximately \$28,000 and \$43,000, respectively, were awarded or paid to organizations represented by membership on FGNW's board of directors. A separate council is charged with the grant award process and any member with a conflict of interest will abstain from voting.

The local college provides FGNW with free office space in exchange for membership and a seat on the board of directors. The value of the rental space is estimated at \$10,000 per year.

**FLORIDA'S GREAT NORTHWEST, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

10. RELATED PARTY TRANSACTIONS – CONTINUED

FGNW maintains banking relationships with several financial institutions in the local area. Management personnel from three of these banks were also members of FGNW's Board of Directors. Interest income derived from deposits with these institutions during the years ended December 31, 2017 and 2016 totaled approximately \$166 and \$459, respectively.

APPENDIX C

2. Provide the title and a detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program, and the disproportionately affected counties that will be impacted by the proposed project or program.

<u>Title</u>	FGNW Regional Investment Stimulation and Enhancement (RISE) Fund
<u>Location</u>	All 8 disproportionately affected counties would be eligible - Escambia, Santa Rosa, Okaloosa, Walton, Bay, Gulf, Franklin, and Wakulla

Program Description

Florida's Great Northwest (FGNW) is seeking \$15,000,000 in Triumph funds, that would remain under Triumph Gulf Coast, Inc.'s control, to be utilized for the FGNW Regional Investment Stimulation and Enhancement (RISE) Fund to help keep existing companies that are expanding and attract new businesses to the region. The FGNW RISE Fund is a regional tool created to help elevate the competitiveness of the eight disproportionately affected counties by supporting their efforts to reduce a larger percentage of local ad valorem tax rates to diversify and grow the economy. The FGNW RISE Fund would be used to provide an Ad Valorem Tax Rate Reduction of the non-abatable property taxes for up to 10 years.

When a company is deciding where to locate/expand its business, a community will typically offer an economic development ad valorem tax exemption (EDATE) or a rebate on the city's/county's portion of the property taxes, which is about 50% of total property taxes, for up to 10 years to encourage the company to locate/expand in its community. The FGNW RISE Fund can help the eight disproportionately affected counties be even more competitive by allowing a community to utilize FGNW RISE funds to cover the company's non-abatable property taxes, such as the school taxes, which is typically about 50% of total property taxes. This would essentially allow the community to offer the company a competitive package that is the net equivalent of up to 100% property tax abatement for up to 10 years. Alabama and Georgia's property tax abatement programs currently do not allow them to offer a company an exemption on school property taxes. This program will significantly improve the region's competitiveness in helping to grow Northwest Florida's targeted industries, provide higher-paying jobs for its citizens, increase household incomes and improve the economy throughout the region.

To be eligible to benefit from the FGNW RISE Fund, a community:

- Must have approved the exemption of a percentage of the city/county abatable property taxes as per FS 196.1995 Economic Development Ad Valorem Tax Exemption OR approved an ad valorem tax rebate for a competitive location or expansion project. (Full verbiage of FS 196.1995 is provided following this section.)
- Must have a letter of recommendation from the local economic development organization

- Must have a competitive project that satisfies the below criteria:
 - Locates/Expands within the eight disproportionately affected counties
 - Meets eligible criteria as stated in FS 196.1995 Economic Development Ad Valorem Tax Exemption regardless of whether the city/county has an EDATE program in place
 - Is in a targeted industry as defined in FS 196.1995 EDATE or in Northwest Florida *FORWARD* Regional Strategy for Economic Transformation or designated by Enterprise Florida as per Florida Statute 288.106 Tax Refund for Qualified Target Industry Business
 - Creates 10 or more new, full-time jobs
 - Pays an average wage higher than the current average wage of the county or MSA in which the business will locate/expand (County/MSA average wages as defined by Enterprise Florida.)
 - Proves job creation and capital investment each year

The FG NW RISE Funds will remain under the control of Triumph Gulf Coast, Inc.

- 1) Once a county/city has an eligible competitive project and it has approved an EDATE/rebate of the county/city's portion of ad valorem taxes, the local economic development organization will complete the FG NW RISE Fund application, if needed to provide a more competitive package. The dollar amount and term must mirror exactly what the community approved for the EDATE/rebate
- 2) If at the request of Triumph Gulf Coast, Inc., Florida's Great Northwest (FGNW) will serve as an administrator for the program
- 3) The FG NW RISE Fund application and copies of the county's/city's EDATE/rebate forms will be provided to Florida's Great Northwest. FGNW will ensure all appropriate materials are provided, submit documentation to Triumph, discuss project with Triumph, and begin application tracking
- 4) If Triumph approves the application and the company chooses to locate/expand in one of the eight disproportionately affected counties, then Triumph will enter into a contract with the company. Florida's Great Northwest will maintain records and documentation, and serve as an advisor for the FG NW RISE program to Triumph
- 5) Each year, the company will pay all non-abatable property taxes upfront
- 6) Each year, the company will be required to submit an evaluation form to serve as proof that jobs were created, and capital investment was expended
- 7) The county will audit documentation, as this is already required for the EDATE/rebate of abatable property taxes. The documentation will then be sent to Florida's Great Northwest for review, tracking, record keeping and informing Triumph of need for reimbursement
- 8) Only when jobs and capital investment are verified will Triumph disburse funds to the company.

A community can apply for FG NW RISE Funds to cover city and/or county non-abatable property tax. A maximum award of \$1,000,000 per project/application will be set. One city/county cannot receive all the funds. FG NW RISE Funds cannot be made available for competitive projects already approved.

The final ad valorem rate reduction could vary based on each community's millage rates and the magnitude of the property being taxed. Non-abatable ad valorem taxes for past competitive projects have been in the range of \$10,000 to \$400,000 per year. Over the course of 10 years, this could amount to \$100,000 to \$4 million in FG NW RISE Funds for a project.

Promote economic recovery, diversification, enhancement

The program meets the statutory priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties, as per F.S. 288.8017, because it will help companies in targeted industries locate or expand in Northwest Florida. The region's key targeted industry clusters include Aerospace & Defense, Manufacturing, Cybersecurity/IT, Financial/Shared Services, and Water Transportation, as well as the sub-cluster of Advanced Industries, which require technology, R&D, and STEM workers within the targeted industry clusters. These industries help diversify our economic base and removes our dependency on tourism. Additionally, all of these industries pay higher than average wages. By helping these types of companies grow in the region, better paying jobs will be provided for our residents. This increase in the household income will result in more expenditures our residents will make throughout the region. All of this helps grow the economy.

This program meets the strategic initiative "Ensure the growth of the region's key industry clusters" as defined in the Northwest Florida *FORWARD* Regional Strategy for Economic Transformation. Northwest Florida *FORWARD* provides a holistic set of goals, strategies, and actions designed to ensure economic vitality through new investment and job creation, as well as the enrichment of the region's talent base, innovation ecosystem, infrastructure, and quality of place. The strategy was developed with grassroots input from more than 860 Northwest Florida business, government, educational and community leaders and is currently being implemented by volunteer leaders throughout the region.

Additionally, in 2011, the Florida Legislature appropriated \$30 million over a three-year period to aid the disproportionately affect counties of Northwest Florida in their economic recovery from the Deepwater Horizon Oil Spill of 2010. The Industry Recruitment, Retention & Expansion Fund (IRREF) Grant program was created to distribute the funds to businesses considering locating or expanding in a disproportionately affected county of Northwest Florida.

The IRREF Grant Program was intended to supplement state and local economic development efforts when attempting to entice medium and large enterprises - particularly those in Florida's targeted industry clusters or strategic areas of emphasis - to locate, retain or expand their business operations within a disproportionately affected county.

A total of 16 companies were awarded IRREF grant funds based upon creating 10,335 direct jobs and making capital investments of \$641,226,250. Assuming all jobs come on board the year promised and all capital investments will be made in the year promised, the impact in year 2030 of these projects will be 28,066 jobs and the "value add" these companies will bring to the economy (GDP) is \$4.23 billion. Industry sales would increase to \$7.81 billion and personal income would increase to \$3.41 billion by 2030.

As of today, 2,761 total direct jobs have been created by the companies awarded IRREF grant funds. It is estimated that the total direct, indirect and induced jobs created in 2017 was 12,570 and the impact on the economy was \$1.21 billion.

The intent of the FG NW RISE Fund is to help entice similar companies in targeted industries to locate or expand in Northwest Florida. Although total jobs created and capital investment expended will depend on competitive projects awarded, it is expected that the FG NW RISE Fund will have a similar type of impact on job creation and Northwest Florida's economy as did the competitive projects awarded IREFF grant funds.

Timeline:

Upon final FG NW RISE Fund application approval by Triumph Gulf Coast, Inc., FG NW, in partnership with the economic development partners; the county constitutional officers responsible for approving, assessing and collecting taxes for the eight disproportionately affected counties; and Triumph Gulf Coast, Inc., will develop appropriate forms and formalize the FG NW RISE application and distribution process.

When a competitive project in one of the eight disproportionately affected counties is approved for an EDATE/rebate for the abatable city/county property taxes, then an application for the FG NW RISE Fund may be submitted to Triumph Gulf Coast, Inc. Similar to the timelines established between Enterprise Florida and the Florida Department of Economic Opportunity for approval of the FS 288.106 Tax Refund Program for Qualified Target Industry Businesses program, Triumph Gulf Coast, Inc. should respond with an approval or denial of the FG NW RISE Fund application within 10 business days so the FG NW RISE Funds (if approved) can be included as part of a complete solution for the competitive project.

If Triumph Gulf Coast, Inc. approves the FG NW RISE Fund application and the company chooses to locate in one of the eight disproportionately affected counties, then each year for the term of the FG NW RISE Fund contract, the company must submit proper documentation that jobs have been created and capital investment expended per the contract before Triumph disburses payment.

The FG NW RISE Fund program is a pay for performance reimbursement program. The company will be required to pay the non-abatable property taxes up front. If it does not submit proper documentation of jobs created or capital investment expended, then it will not be reimbursed by Triumph Gulf Coast, Inc. for the non-abatable portion of property taxes.

The FG NW RISE Fund will remain under the control of Triumph Gulf Coast, Inc. and the program will remain in effect until all funds are distributed. Upon proof of program effectiveness and satisfaction of return on investment, Triumph Gulf Coast, Inc. may choose to replenish the FG NW RISE Fund and continue the program.

Counties that will be impacted by program:

All eight disproportionately affected counties could be directly impacted by the program should they have a competitive project in which they would like to offer an EDATE/rebate for the abatable portion of property taxes and submit an application for FG NW RISE Funds for the non-abatable portion.

Moreover, all counties located in the Florida Panhandle could be impacted by this program. The Technical Report produced in conjunction with the Northwest Florida *FORWARD* regional strategy for economic transformation stated that 21% of the region's workers commute more than 50 miles to work.

A competitive project that receives FG NW RISE Funds and locates in one of the eight disproportionately affected counties could feasibly draw workers from the counties that border the eight coastal counties and even further out. In turn, these workers would increase their household income and spending back in their "home" community, thus expanding the economic impact across a broader footprint.

FOR REFERENCE

FS 196.1995 Economic development ad valorem tax exemption

(1) The board of county commissioners of any county or the governing authority of any municipality shall call a referendum within its total jurisdiction to determine whether its respective jurisdiction may grant economic development ad valorem tax exemptions under s. 3, Art. VII of the State Constitution if:

(a) The board of county commissioners of the county or the governing authority of the municipality votes to hold such referendum;

(b) The board of county commissioners of the county or the governing authority of the municipality receives a petition signed by 10 percent of the registered electors of its respective jurisdiction, which petition calls for the holding of such referendum; or

(c) The board of county commissioners of a charter county receives a petition or initiative signed by the required percentage of registered electors in accordance with the procedures established in the county's charter for the enactment of ordinances or for approval of amendments of the charter, if less than 10 percent, which petition or initiative calls for the holding of such referendum.

(2) The ballot question in such referendum shall be in substantially the following form:

Shall the board of county commissioners of this county (or the governing authority of this municipality, or both) be authorized to grant, pursuant to s. 3, Art. VII of the State Constitution, property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in the county (or municipality, or both)?

Yes—For authority to grant exemptions.

No—Against authority to grant exemptions.

(3) The board of county commissioners or the governing authority of the municipality that calls a referendum within its total jurisdiction to determine whether its respective jurisdiction may grant economic development ad valorem tax exemptions may vote to limit the effect of the referendum to authority to grant economic development tax exemptions for new businesses and expansions of existing businesses located in an enterprise zone or a brownfield area, as defined in s. 376.79(5) [Full verbiage of FS 376.79(5) is provided following this section]. If an area nominated to be an enterprise zone pursuant to s. 290.0055 [Full verbiage of FS 290.0055 is provided following this section] has not yet been designated pursuant to s. 290.0065 [Full verbiage of FS 290.0065 is provided following this section], the board of county commissioners or the governing authority of the municipality may call such referendum prior to such designation; however, the authority to grant economic development ad valorem tax exemptions does not apply until such area is designated pursuant to s. 290.0065. The ballot question in such referendum shall be in substantially the following form and shall be used in lieu of the ballot question prescribed in subsection (2):

Shall the board of county commissioners of this county (or the governing authority of this municipality, or both) be authorized to grant, pursuant to s. 3, Art. VII of the State Constitution, property tax exemptions for new businesses and expansions of existing businesses that are located in an enterprise zone or a brownfield area and that are expected to create new, full-time jobs in the county (or municipality, or both)?

Yes—For authority to grant exemptions.

No—Against authority to grant exemptions.

(4) A referendum pursuant to this section may be called only once in any 12-month period.

(5) Upon a majority vote in favor of such authority, the board of county commissioners or the governing authority of the municipality, at its discretion, by ordinance may exempt from ad valorem taxation up to 100 percent of the assessed value of all improvements to real property made by or for the use of a new business and of all tangible personal property of such new business, or up to 100 percent of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and of the net increase in all tangible personal property acquired to facilitate such expansion of an existing business. To qualify for this exemption, the improvements to real property must be made or the tangible personal property must be added or increased after approval by motion or resolution of the local governing body, subject to ordinance adoption or on or after the day the ordinance is adopted. However, if the authority to grant exemptions is approved in a referendum in which the ballot question contained in subsection (3) appears on the ballot, the authority of the board of county commissioners or the governing authority of the municipality to grant exemptions is limited solely to new businesses and expansions of existing businesses that are located in an area which was designated as an enterprise zone pursuant to chapter 290 as of December 30, 2015, or in a brownfield area. New businesses and expansions of existing businesses located in an area that was designated as an enterprise zone pursuant to chapter 290 as of December 30, 2015, but is not in a brownfield area, may qualify for the ad valorem tax exemption only if approved by motion or resolution of the local governing body, subject to ordinance adoption, or by ordinance, enacted before December 31, 2015. Property acquired to replace existing property shall not be considered to facilitate a business expansion. All data center equipment for a data center shall be exempt from ad valorem taxation for the term of the approved exemption. The exemption applies only to taxes levied by the respective unit of government granting the exemption. The exemption does not apply, however, to taxes levied for the payment of bonds or to taxes authorized by a vote of the electors pursuant to s. 9(b) or s. 12, Art. VII of the State Constitution. Any such exemption shall remain in effect for up to 10 years with respect to any particular facility, or up to 20 years for a data center, regardless of any change in the authority of the county or municipality to grant such exemptions or the expiration of the Enterprise Zone Act pursuant to chapter 290. The exemption shall not be prolonged or extended by granting exemptions from additional taxes or by virtue of any reorganization or sale of the business receiving the exemption.

(6) With respect to a new business as defined by s. 196.012(14)(c) [Full verbiage of FS 196.012 is provided following this section], the municipality annexing the property on which the business is situated may grant an economic development ad valorem tax exemption under this section to that business for a period that will expire upon the expiration of the exemption granted by the county. If the county renews the exemption under subsection (7), the municipality may also extend its exemption. A municipal economic development ad valorem tax exemption granted under this subsection may not extend beyond the duration of the county exemption.

(7) The authority to grant exemptions under this section expires 10 years after the date such authority was approved in an election, but such authority may be renewed for subsequent 10-year periods if each 10-year renewal is approved in a referendum called and held pursuant to this section.

(8) Any person, firm, or corporation which desires an economic development ad valorem tax exemption shall, in the year the exemption is desired to take effect, file a written application on a form prescribed by the department with the board of county commissioners or the governing authority of the municipality, or both. The application shall request the adoption of an ordinance granting the applicant an exemption pursuant to this section and shall include the following information:

- (a) The name and location of the new business or the expansion of an existing business;
- (b) A description of the improvements to real property for which an exemption is requested and the date of commencement of construction of such improvements;
- (c) A description of the tangible personal property for which an exemption is requested and the dates when such property was or is to be purchased;
- (d) Proof, to the satisfaction of the board of county commissioners or the governing authority of the municipality, that the applicant is a new business or an expansion of an existing business, as defined in s. 196.012;
- (e) The number of jobs the applicant expects to create along with the average wage of the jobs and whether the jobs are full-time or part-time;
- (f) The expected time schedule for job creation; and
- (g) Other information deemed necessary or appropriate by the department, county, or municipality.

(9) Before it takes action on the application, the board of county commissioners or the governing authority of the municipality shall deliver a copy of the application to the property appraiser of the county. After careful consideration, the property appraiser shall report the following information to the board of county commissioners or the governing authority of the municipality:

- (a) The total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources, or an estimate of such revenue if the actual total revenue available cannot be determined;

(b) Any revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section, or an estimate of such revenue if the actual revenue lost cannot be determined;

(c) An estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted had the property for which the exemption is requested otherwise been subject to taxation; and

(d) A determination as to whether the property for which an exemption is requested is to be incorporated into a new business or the expansion of an existing business, as defined in s. 196.012, or into neither, which determination the property appraiser shall also affix to the face of the application. Upon the request of the property appraiser, the department shall provide to him or her such information as it may have available to assist in making such determination.

(10) In considering any application for an exemption under this section, the board of county commissioners or the governing authority of the municipality must take into account the following:

- (a) The total number of net new jobs to be created by the applicant;
- (b) The average wage of the new jobs;
- (c) The capital investment to be made by the applicant;
- (d) The type of business or operation and whether it qualifies as a targeted industry as may be identified from time to time by the board of county commissioners or the governing authority of the municipality;
- (e) The environmental impact of the proposed business or operation;
- (f) The extent to which the applicant intends to source its supplies and materials within the applicable jurisdiction; and

(g) Any other economic-related characteristics or criteria deemed necessary by the board of county commissioners or the governing authority of the municipality.

(11) An ordinance granting an exemption under this section shall be adopted in the same manner as any other ordinance of the county or municipality and shall include the following:

(a) The name and address of the new business or expansion of an existing business to which the exemption is granted;

(b) The total amount of revenue available to the county or municipality from ad valorem tax sources for the current fiscal year, the total amount of revenue lost to the county or municipality for the current fiscal year by virtue of economic development ad valorem tax exemptions currently in effect, and the estimated revenue loss to the county or municipality for the current fiscal year attributable to the exemption of the business named in the ordinance;

(c) The period of time for which the exemption will remain in effect and the expiration date of the exemption, which may be any period of time up to 10 years, or up to 20 years for a data center; and

(d) A finding that the business named in the ordinance meets the requirements of s.196.012(14) or (15).

(12) Upon approval of an application for a tax exemption under this section, the board of county commissioners or the governing authority of the municipality and the applicant may enter into a written tax exemption agreement, which may include performance criteria and must be consistent with the requirements of this section or other applicable laws. The agreement must require the applicant to report at a specific time before the expiration of the exemption the actual number of new, full-time jobs created and their actual average wage. The agreement may provide the board of county commissioners or the governing authority of the municipality with authority to revoke, in whole or in part, the exemption if the applicant fails to meet the expectations and representations described in subsection (8).

History.—s. 2, ch. 80-347; s. 1, ch. 83-141; s. 30, ch. 84-356; s. 11, ch. 86-300; s. 1, ch. 90-57; s. 68, ch. 94-136; s. 1477, ch. 95-147; s. 57, ch. 95-280; s. 110, ch. 99-251; s. 5, ch. 2006-291; s. 3, ch. 2010-147; s. 2, ch. 2011-182; s. 6, ch. 2013-77; s. 1, ch. 2014-40; s. 5, ch. 2016-184; s. 3, ch. 2016-220.

¹**Note.**—Section 14, ch. 2014-40, provides that “[a] local ordinance enacted pursuant to s. 196.1995, Florida Statutes, before the effective date of this act shall not be invalidated on the ground that improvements to real property were made or that tangible personal property was added or increased before the date that such ordinance was adopted, as long as the local governing body acted substantially in accordance with s. 196.1995(5), Florida Statutes, as amended by this act.”

FOR REFERENCE

**F.S. 376.79 Definitions relating to Brownfields Redevelopment Act
as mentioned in FS 196.1995 Economic development ad valorem tax exemption**

(5) “Brownfield area” means a contiguous area of one or more brownfield sites, some of which may not be contaminated, and which has been designated by a local government by resolution. Such areas may include all or portions of community redevelopment areas, enterprise zones, empowerment zones, other such designated economically deprived communities and areas, and Environmental Protection Agency-designated brownfield pilot projects.

FOR REFERENCE

F.S. 290.0055 Local nominating procedure as mentioned in FS 196.1995 Economic development ad valorem tax exemption

(1) If, pursuant to s. 290.0065, an opportunity exists for designation of a new enterprise zone, any county or municipality, or a county and one or more municipalities together, may apply to the department for the designation of an area as an enterprise zone after completion of the following:

(a) The adoption by the governing body or bodies of a resolution which:

1. Finds that an area exists in such county or municipality, or in both the county and one or more municipalities, which chronically exhibits extreme and unacceptable levels of poverty, unemployment, physical deterioration, and economic disinvestment;

2. Determines that the rehabilitation, conservation, or redevelopment, or a combination thereof, of such area is necessary in the interest of the public health, safety, and welfare of the residents of such county or municipality, or such county and one or more municipalities; and

3. Determines that the revitalization of such area can occur only if the private sector can be induced to invest its own resources in productive enterprises that build or rebuild the economic viability of the area.

(b) The creation of an enterprise zone development agency pursuant to s. 290.0056.

(c) The creation and adoption of a strategic plan pursuant to s. 290.0057.

(2) The governing body of a county as defined by s. 125.011(1) shall nominate all enterprise zones within the county.

(3) A county or municipality, or a county and one or more municipalities together, may not nominate more than one enterprise zone.

(4) An area nominated by a county or municipality, or a county and one or more municipalities together, for designation as an enterprise zone shall be eligible for designation under s. 290.0065 only if it meets the following criteria:

(a) The selected area does not exceed 20 square miles. The selected area must have a continuous boundary, or consist of not more than three noncontiguous parcels.

(b)1. The selected area does not exceed the following mileage limitation:

2. For communities having a total population of 150,000 persons or more, or for a rural enterprise zone, the selected area shall not exceed 20 square miles.

3. For communities having a total population of 50,000 persons or more but less than 150,000 persons, the selected area shall not exceed 10 square miles.

4. For communities having a total population of 20,000 persons or more but less than 50,000 persons, the selected area shall not exceed 5 square miles.

5. For communities having a total population of 7,500 persons or more but less than 20,000 persons, the selected area shall not exceed 3 square miles.

6. For communities having a total population of less than 7,500 persons, the selected area shall not exceed 3 square miles.

(c) The selected area suffers from pervasive poverty, unemployment, and general distress, as described and measured pursuant to s. 290.0058.

(5) To the greatest extent possible, the boundary of an area nominated must coincide with the boundaries of census geographic block groups.

(6)(a) The department may approve a change in the boundary of any enterprise zone which was designated pursuant to s. 290.0065. A boundary change must continue to satisfy the requirements of subsections (3), (4), and (5).

(b) Upon a recommendation by the enterprise zone development agency, the governing body of the jurisdiction which authorized the application for an enterprise zone may apply to the department for a change in boundary once every 3 years by adopting a resolution that:

1. States with particularity the reasons for the change; and
2. Describes specifically and, to the extent required by the department, the boundary change to be made.

(c) At least 90 days before adopting a resolution seeking a change in the boundary of an enterprise zone, the governing body shall include in a notice of the meeting at which the resolution will be considered an explanation that a change in the boundary of an enterprise zone will be considered and that the change may result in loss of enterprise zone eligibility for the area affected by the boundary change.

(d)1. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 15 square miles and less than 20 square miles and includes a portion of the state designated as a rural area of opportunity under s. 288.0656(7) may apply to the department to expand the boundary of the existing enterprise zone by not more than 3 square miles.

2. The governing body of a jurisdiction which has nominated an application for an enterprise zone that is at least 20 square miles and includes a portion of the state designated as a rural area of opportunity under s. 288.0656(7) may apply to the department to expand the boundary of the existing enterprise zone by not more than 5 square miles.

3. An application to expand the boundary of an enterprise zone under this paragraph must be submitted by December 31, 2013.

4. Notwithstanding the area limitations specified in subsection (4), the department may approve the request for a boundary amendment if the area continues to satisfy the remaining requirements of this section.

5. The department shall establish the initial effective date of an enterprise zone designated under this paragraph.

History.—s. 46, ch. 84-356; s. 57, ch. 86-152; s. 25, ch. 88-201; s. 5, ch. 89-352; s. 21, ch. 92-319; ss. 21, 37, ch. 94-136; s. 2, ch. 96-412; s. 1, ch. 97-251; s. 5, ch. 98-220; ss. 3, 11, ch. 2005-287; s. 7, ch. 2006-113; s. 28, ch. 2011-76; s. 205, ch. 2011-142; s. 48, ch. 2012-96; s. 35, ch. 2013-39; s. 36, ch. 2014-218.

¹**Note.**—Repealed December 31, 2015, by s. 11, ch. 2005-287.

FOR REFERENCE

F.S. 290.0065 State designation of enterprise zones as mentioned in FS 196.1995 Economic development ad valorem tax exemption

(1) The maximum number of enterprise zones authorized under this section is the number of enterprise zones having an effective date on or before January 1, 2005, subject to any increase due to any new enterprise zones authorized by the Legislature during the 2005 Regular Session of the Legislature.

(2) If, pursuant to subsection (4), the department does not redesignate an enterprise zone, a governing body of a county or municipality or the governing bodies of a county and one or more municipalities jointly, pursuant to s. 290.0055, may apply for designation of an enterprise zone to take the place of the enterprise zone not redesignated and request designation of an enterprise zone. The department shall determine which areas nominated by such governing bodies meet the criteria outlined in s. 290.0055 and are the most appropriate for designation as state enterprise zones. Each application made pursuant to s. 290.0055 shall be ranked competitively based on the pervasive poverty, unemployment, and general distress of the area; the strategic plan, including local fiscal and regulatory incentives, prepared pursuant to s. 290.0057; and the prospects for new investment and economic development in the area. Pervasive poverty, unemployment, and general distress shall be weighted 35 percent; strategic plan and local fiscal and regulatory incentives shall be weighted 40 percent; and prospects for new investment and economic development in the area shall be weighted 25 percent.

(3) Any area authorized to be an enterprise zone by both a county and a municipality shall be placed in the appropriate category established under s. 290.0055(4)(b) in which an application by the municipality would have been considered if the municipality had acted alone, if at least 60 percent of the population of the area authorized to be an enterprise zone resides within the municipality. An area authorized to be an enterprise zone by a county and one or more municipalities shall be placed in the category in which an application by the municipality with the highest percentage of residents in such area would have been considered if such municipality had authorized the area to be an enterprise zone.

(4)(a) Notwithstanding s. 290.0055, the department may redesignate any state enterprise zone having an effective date on or before January 1, 2005, as a state enterprise zone upon completion and submittal to the department by the governing body for an enterprise zone of the following:

1. An updated zone profile for the enterprise zone based on the most recent census data that complies with s. 290.0055, except that pervasive poverty criteria may be set aside for rural enterprise zones.
2. A resolution passed by the governing body for that enterprise zone requesting redesignation and explaining the reasons the conditions of the zone merit redesignation.
3. Measurable goals for the enterprise zone developed by the enterprise zone development agency, which may be the goals established in the enterprise zone's strategic plan.

The governing body may also submit a request for a boundary change in an enterprise zone in the same application to the department as long as the new area complies with the requirements of s. 290.0055, except that pervasive poverty criteria may be set aside for rural enterprise zones.

(b) In consultation with Enterprise Florida, Inc., the department shall, based on the enterprise zone profile and the grounds for redesignation expressed in the resolution, determine whether the enterprise zone merits redesignation. The department may also examine and consider the following:

1. Progress made, if any, in the enterprise zone's strategic plan.
2. Use of enterprise zone incentives during the life of the enterprise zone.

If the department determines that the enterprise zone merits redesignation, the department shall notify the governing body in writing of its approval of redesignation.

(c) If the enterprise zone is redesignated, the department shall determine if the measurable goals submitted are reasonable. If the department determines that the goals are reasonable, it shall notify the governing body in writing that the goals have been approved.

(d) If the department denies redesignation of an enterprise zone, it shall notify the governing body in writing of the denial. Any county or municipality having jurisdiction over an area denied redesignation as a state enterprise zone pursuant to this subsection may not apply for designation of that area for 1 year following the date of denial.

(5) Notwithstanding s. 290.0055, an area designated as a federal empowerment zone or enterprise community pursuant to Title XIII of the Omnibus Budget Reconciliation Act of 1993, the Taxpayer Relief Act of 1997, or the 1999 Agricultural Appropriations Act shall be designated a state enterprise zone as follows:

(a) An area designated as an urban empowerment zone or urban enterprise community pursuant to Title XIII of the Omnibus Budget Reconciliation Act of 1993, the Taxpayer Relief Act of 1997, or the 2000 Community Renewal Tax Relief Act shall be redesignated a state enterprise zone by the department upon completion of the requirements set out in paragraph (d), except in the case of a county as defined in s. 125.011(1) which, notwithstanding s. 290.0055, may incorporate and include such designated urban empowerment zone or urban enterprise community areas within the boundaries of its state enterprise zones without any limitation as to size.

(b) An area designated as a rural empowerment zone or rural enterprise community pursuant to Title XIII of the Omnibus Budget Reconciliation Act of 1993 or the 1999 Agricultural Appropriations Act shall be redesignated a state rural enterprise zone by the department upon completion of the requirements set out in paragraph (d) and may incorporate and include such designated rural empowerment zone or rural enterprise community within the boundaries of its state enterprise zones without any limitation as to size.

(c) Any county or municipality having jurisdiction over an area redesignated as a state enterprise zone pursuant to this subsection, other than a county defined in s. 125.011(1), may not apply for designation of another area.

(d) Before redesignating such areas as state enterprise zones, the department shall ensure that the governing body having jurisdiction over the zone submits the information required under paragraph (4)(a) for redesignation to the department.

(6)(a) The department may develop guidelines necessary for the approval of areas under this section by the executive director.

(b) Such guidelines shall provide for the measurement of pervasive poverty, unemployment, and general distress using the criteria outlined by s. 290.0058.

(c) Such guidelines shall provide for the evaluation of the strategic plan or measurable goals and local fiscal and regulatory incentives for effectiveness, including how the following key principles will be implemented by the governing body or bodies:

1. Economic opportunity, including job creation within the community and throughout the region, as well as entrepreneurial initiatives, small business expansion, and training for jobs that offer upward mobility.

2. Sustainable community development that advances the creation of livable and vibrant communities through comprehensive approaches that coordinate economic, physical, community, and human development.

3. Community-based partnerships involving the participation of all segments of the community.

4. Strategic vision for change that identifies how the community will be revitalized. This vision should include methods for building on community assets and coordinate a response to community needs in a comprehensive fashion. This vision should provide goals and performance benchmarks for measuring progress and establish a framework for evaluating and adjusting the strategic plan or measurable goals.

5. Local fiscal and regulatory incentives enacted pursuant to s. 290.0057(1)(e). These incentives should induce economic revitalization, including job creation and small business expansion.

(d) Such guidelines may provide methods for evaluating the prospects for new investment and economic development in the area, including a review and evaluation of any previous state enterprise zones located in the area.

(7) Upon approval by the department of a resolution authorizing an area to be an enterprise zone pursuant to this section, the department shall assign a unique identifying number to that resolution. The department shall provide the Department of Revenue and Enterprise Florida, Inc., with a copy of each resolution approved, together with its identifying number.

History.—s. 48, ch. 84-356; s. 58, ch. 86-152; s. 26, ch. 88-201; s. 6, ch. 89-352; s. 1, ch. 91-262; ss. 26, 37, ch. 94-136; s. 2, ch. 95-309; ss. 124, 125, ch. 96-320; s. 46, ch. 97-100; s. 4, ch. 98-220; s. 13, ch. 99-4;

s. 77, ch. 99-13; s. 4, ch. 99-342; s. 65, ch. 2001-61; s. 10, ch. 2001-101; s. 19, ch. 2001-201; s. 1, ch. 2002-224; s. 1, ch. 2004-324; ss. 7, 11, ch. 2005-287; s. 208, ch. 2011-142; s. 49, ch. 2012-96.

¹**Note.**—Repealed December 31, 2015, by s. 11, ch. 2005-287.

FOR REFERENCE
F.S. 196.012 Definitions
as mentioned in FS 196.1995 Economic development ad valorem tax exemption

For the purpose of this chapter, the following terms are defined as follows, except where the context clearly indicates otherwise:

(1) “Exempt use of property” or “use of property for exempt purposes” means predominant or exclusive use of property owned by an exempt entity for educational, literary, scientific, religious, charitable, or governmental purposes, as defined in this chapter.

(2) “Exclusive use of property” means use of property solely for exempt purposes. Such purposes may include more than one class of exempt use.

(3) “Predominant use of property” means use of property for exempt purposes in excess of 50 percent but less than exclusive.

(4) “Use” means the exercise of any right or power over real or personal property incident to the ownership of the property.

(5) “Educational institution” means a federal, state, parochial, church, or private school, college, or university conducting regular classes and courses of study required for eligibility to certification by, accreditation to, or membership in the State Department of Education of Florida, Southern Association of Colleges and Schools, or the Florida Council of Independent Schools; a nonprofit private school the principal activity of which is conducting regular classes and courses of study accepted for continuing postgraduate dental education credit by a board of the Division of Medical Quality Assurance; educational direct-support organizations created pursuant to ss. 1001.24, 1004.28, and 1004.70; facilities located on the property of eligible entities which will become owned by those entities on a date certain; and institutions of higher education, as defined under and participating in the Higher Educational Facilities Financing Act.

(6) Governmental, municipal, or public purpose or function shall be deemed to be served or performed when the lessee under any leasehold interest created in property of the United States, the state or any of its political subdivisions, or any municipality, agency, special district, authority, or other public body corporate of the state is demonstrated to perform a function or serve a governmental purpose which could properly be performed or served by an appropriate governmental unit or which is demonstrated to perform a function or serve a purpose which would otherwise be a valid subject for the allocation of public funds. For purposes of the preceding sentence, an activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as an aviation area on an airport layout plan which has been approved by the Federal Aviation Administration and which real property is used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed base operation which provides goods and services to the general aviation public in the promotion of air

commerce shall be deemed an activity which serves a governmental, municipal, or public purpose or function. Any activity undertaken by a lessee which is permitted under the terms of its lease of real property designated as a public airport as defined in s. 332.004(14) by municipalities, agencies, special districts, authorities, or other public bodies corporate and public bodies politic of the state, a spaceport as defined in s. 331.303, or which is located in a deepwater port identified in s. 403.021(9)(b) and owned by one of the foregoing governmental units, subject to a leasehold or other possessory interest of a nongovernmental lessee that is deemed to perform an aviation, airport, aerospace, maritime, or port purpose or operation shall be deemed an activity that serves a governmental, municipal, or public purpose. The use by a lessee, licensee, or management company of real property or a portion thereof as a convention center, visitor center, sports facility with permanent seating, concert hall, arena, stadium, park, or beach is deemed a use that serves a governmental, municipal, or public purpose or function when access to the property is open to the general public with or without a charge for admission. If property deeded to a municipality by the United States is subject to a requirement that the Federal Government, through a schedule established by the Secretary of the Interior, determine that the property is being maintained for public historic preservation, park, or recreational purposes and if those conditions are not met the property will revert back to the Federal Government, then such property shall be deemed to serve a municipal or public purpose. The term “governmental purpose” also includes a direct use of property on federal lands in connection with the Federal Government’s Space Exploration Program or spaceport activities as defined in s. 212.02(22). Real property and tangible personal property owned by the Federal Government or Space Florida and used for defense and space exploration purposes or which is put to a use in support thereof shall be deemed to perform an essential national governmental purpose and shall be exempt. “Owned by the lessee” as used in this chapter does not include personal property, buildings, or other real property improvements used for the administration, operation, business offices and activities related specifically thereto in connection with the conduct of an aircraft full service fixed based operation which provides goods and services to the general aviation public in the promotion of air commerce provided that the real property is designated as an aviation area on an airport layout plan approved by the Federal Aviation Administration. For purposes of determination of “ownership,” buildings and other real property improvements which will revert to the airport authority or other governmental unit upon expiration of the term of the lease shall be deemed “owned” by the governmental unit and not the lessee. Providing two-way telecommunications services to the public for hire by the use of a telecommunications facility, as defined in s. 364.02(14), and for which a certificate is required under chapter 364 does not constitute an exempt use for purposes of s. 196.199, unless the telecommunications services are provided by the operator of a public-use airport, as defined in s. 332.004, for the operator’s provision of telecommunications services for the airport or its tenants, concessionaires, or licensees, or unless the telecommunications services are provided by a public hospital.

(7) “Charitable purpose” means a function or service which is of such a community service that its discontinuance could legally result in the allocation of public funds for the continuance of the function or service. It is not necessary that public funds be allocated for such function or service but only that any such allocation would be legal.

(8) “Hospital” means an institution which possesses a valid license granted under chapter 395 on January 1 of the year for which exemption from ad valorem taxation is requested.

¹(9) “Nursing home” or “home for special services” means an institution that possesses a valid license under chapter 400 or part I of chapter 429 on January 1 of the year for which exemption from ad valorem taxation is requested.

(10) “Gross income” means all income from whatever source derived, including, but not limited to, the following items, whether actually owned by or received by, or not received by but available to, any person or couple: earned income, income from investments, gains derived from dealings in property, interest, rents, royalties, dividends, annuities, income from retirement plans, pensions, trusts, estates and inheritances, and direct and indirect gifts. Gross income specifically does not include payments made for the medical care of the individual, return of principal on the sale of a home, social security benefits, or public assistance payments payable to the person or assigned to an organization designated specifically for the support or benefit of that person.

(11) “Totally and permanently disabled person” means a person who is currently certified by two licensed physicians of this state who are professionally unrelated, by the United States Department of Veterans Affairs or its predecessor, or by the Social Security Administration, to be totally and permanently disabled.

(12) “Couple” means a husband and wife legally married under the laws of any state or territorial possession of the United States or of any foreign country.

(13) “Real estate used and owned as a homestead” means real property to the extent provided in s. 6(a), Art. VII of the State Constitution, but less any portion thereof used for commercial purposes, with the title of such property being recorded in the official records of the county in which the property is located. Property rented for more than 6 months is presumed to be used for commercial purposes.

(14) “New business” means:

(a)1. A business or organization establishing 10 or more new jobs to employ 10 or more full-time employees in this state, paying an average wage for such new jobs that is above the average wage in the area, which principally engages in any one or more of the following operations:

a. Manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or

b. Is a target industry business as defined in s. 288.106 (2)(q); [Full verbiage of FS 288.106 (2)(q) is provided following this section]

2. A business or organization establishing 25 or more new jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s. 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or

3. An office space in this state owned and used by a business or organization newly domiciled in this state; provided such office space houses 50 or more full-time employees of such business or organization; provided that such business or organization office first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business or organization.

(b) Any business or organization located in an area that was designated as an enterprise zone pursuant to chapter 290 as of December 30, 2015, or brownfield area that first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business or organization.

(c) A business or organization that is situated on property annexed into a municipality and that, at the time of the annexation, is receiving an economic development ad valorem tax exemption from the county under s. 196.1995.

(15) “Expansion of an existing business” means:

(a)1. A business or organization establishing 10 or more new jobs to employ 10 or more full-time employees in this state, paying an average wage for such new jobs that is above the average wage in the area, which principally engages in any of the operations referred to in subparagraph (14)(a)1.; or

2. A business or organization establishing 25 or more new jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s. 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; provided that such business increases operations on a site located within the same county, municipality, or both colocated with a commercial or industrial operation owned by the same business or organization under common control with the same business or organization, resulting in a net increase in employment of not less than 10 percent or an increase in productive output or sales of not less than 10 percent.

(b) Any business or organization located in an area that was designated as an enterprise zone pursuant to chapter 290 as of December 30, 2015, or brownfield area that increases operations on a site located within the same zone or area colocated with a commercial or industrial operation owned by the same business or organization under common control with the same business or organization.

(16) “Permanent resident” means a person who has established a permanent residence as defined in subsection (17).

(17) “Permanent residence” means that place where a person has his or her true, fixed, and permanent home and principal establishment to which, whenever absent, he or she has the intention of returning. A

person may have only one permanent residence at a time; and, once a permanent residence is established in a foreign state or country, it is presumed to continue until the person shows that a change has occurred.

(18) “Enterprise zone” means an area designated as an enterprise zone pursuant to s. 290.0065. This subsection expires on the date specified in s. 290.016 for the expiration of the Florida Enterprise Zone Act.

(19) “Ex-servicemember” means any person who has served as a member of the United States Armed Forces on active duty or state active duty, a member of the Florida National Guard, or a member of the United States Reserve Forces.

History.—s. 1, ch. 71-133; s. 1, ch. 72-367; s. 1, ch. 73-340; s. 14, ch. 74-234; s. 13, ch. 76-234; s. 1, ch. 77-447; s. 6, ch. 80-163; s. 1, ch. 80-347; s. 2, ch. 81-219; s. 85, ch. 81-259; s. 9, ch. 82-119; s. 29, ch. 84-356; s. 1, ch. 88-102; s. 45, ch. 91-45; s. 87, ch. 91-112; s. 1, ch. 91-121; s. 1, ch. 91-196; s. 3, ch. 92-167; s. 58, ch. 92-289; s. 9, ch. 93-132; s. 3, ch. 93-233; s. 61, ch. 93-268; s. 67, ch. 94-136; ss. 59, 66, ch. 94-353; s. 1472, ch. 95-147; s. 4, ch. 95-404; s. 3, ch. 97-197; s. 25, ch. 97-255; s. 2, ch. 97-294; s. 109, ch. 99-251; s. 11, ch. 99-256; s. 29, ch. 2001-79; s. 2, ch. 2002-183; s. 907, ch. 2002-387; s. 20, ch. 2003-32; s. 1, ch. 2005-42; s. 20, ch. 2005-132; s. 17, ch. 2005-287; s. 52, ch. 2006-60; s. 4, ch. 2006-291; s. 14, ch. 2007-5; s. 6, ch. 2008-227; s. 54, ch. 2011-36; s. 31, ch. 2011-64; s. 1, ch. 2011-182; s. 20, ch. 2012-5; s. 4, ch. 2013-77; s. 2, ch. 2016-220; s. 3, ch. 2017-36.

¹**Note.**—Section 4, ch. 2017-36, provides that “[t]he amendment made by this act to s. 196.012, Florida Statutes, first applies to the 2017 property tax roll.”

FOR REFERENCE

F.S. 288.106 (2)(q) Definitions for Tax refund program for qualified target industry businesses. As mentioned in FS 196.012 Definitions

(q) “Target industry business” means a corporate headquarters business or any business that is engaged in one of the target industries identified pursuant to the following criteria developed by the department in consultation with Enterprise Florida, Inc.:

1. Future growth.—Industry forecasts should indicate strong expectation for future growth in both employment and output, according to the most recent available data. Special consideration should be given to businesses that export goods to, or provide services in, international markets and businesses that replace domestic and international imports of goods or services.

2. Stability.—The industry should not be subject to periodic layoffs, whether due to seasonality or sensitivity to volatile economic variables such as weather. The industry should also be relatively resistant to recession, so that the demand for products of this industry is not typically subject to decline during an economic downturn.

3. High wage.—The industry should pay relatively high wages compared to statewide or area averages.

4. Market and resource independent.—The location of industry businesses should not be dependent on Florida markets or resources as indicated by industry analysis, except for businesses in the renewable energy industry.


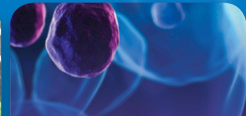


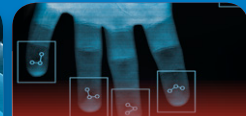

5. Industrial base diversification and strengthening.—The industry should contribute toward expanding or diversifying the state’s or area’s economic base, as indicated by analysis of employment and output shares compared to national and regional trends. Special consideration should be given to industries that strengthen regional economies by adding value to basic products or building regional industrial clusters as indicated by industry analysis. Special consideration should also be given to the development of strong industrial clusters that include defense and homeland security businesses.

6. Positive economic impact.—The industry is expected to have strong positive economic impacts on or benefits to the state or regional economies. Special consideration should be given to industries that facilitate the development of the state as a hub for domestic and global trade and logistics.

The term does not include any business engaged in retail industry activities; any electrical utility company as defined in s. 366.02(2); any phosphate or other solid minerals severance, mining, or processing operation; any oil or gas exploration or production operation; or any business subject to regulation by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation. Any business within NAICS code 5611 or 5614, office administrative services and business support services, respectively, may be considered a target industry business only after the local governing body and Enterprise Florida, Inc., make a determination that the community where the business may locate has conditions affecting the fiscal and economic viability of the local community or area, including but not limited to, factors such as low per

capita income, high unemployment, high underemployment, and a lack of year-round stable employment opportunities, and such conditions may be improved by the location of such a business to the community. By January 1 of every 3rd year, beginning January 1, 2011, the department, in consultation with Enterprise Florida, Inc., economic development organizations, the State University System, local governments, employee and employer organizations, market analysts, and economists, shall review and, as appropriate, revise the list of such target industries and submit the list to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

**MANUFACTURING
CORPORATE HEADQUARTERS
RESEARCH & DEVELOPMENT
GLOBAL LOGISTICS**

 <p>CLEANTECH</p> <ul style="list-style-type: none"> Biomass & Biofuels Processing Energy Equipment Manufacturing Energy Storage Technologies Photovoltaic Environmental Consulting Sustainable Building Products 	 <p>LIFE SCIENCES</p> <ul style="list-style-type: none"> Biotechnology Pharmaceuticals MEDICAL DEVICES: <ul style="list-style-type: none"> Laboratory and Surgical Instruments Diagnostic Testing 	 <p>INFOTECH</p> <ul style="list-style-type: none"> Modeling, Simulation and Training Optics and Photonics Digital Media Software Electronics Telecommunications 	 <p>AVIATION / AEROSPACE</p> <ul style="list-style-type: none"> AVIATION: <ul style="list-style-type: none"> Aircraft and Aircraft Parts Manufacturing Maintenance Repair and Overhaul of Aircrafts Navigation Instrument Manufacturing Flight Simulator Training AEROSPACE: <ul style="list-style-type: none"> Space Vehicles and Guided Missile Manufacturing Satellite Communications Space Technologies Launch Operations 	 <p>HOMELAND SECURITY / DEFENSE</p> <ul style="list-style-type: none"> EQUIPMENT: <ul style="list-style-type: none"> Optical Instruments Navigation Aids Ammunition Electronics TRANSPORTATION: <ul style="list-style-type: none"> Military Vehicles Shipbuilding and Repair TECHNOLOGY: <ul style="list-style-type: none"> Computer Systems Design Simulation and Training 	 <p>FINANCIAL / PROFESSIONAL SERVICES</p> <ul style="list-style-type: none"> FINANCIAL SERVICES: <ul style="list-style-type: none"> Banking Insurance Securities and Investments PROFESSIONAL SERVICES: <ul style="list-style-type: none"> Corporate Headquarters Engineering Legal Accounting Consulting
<p>EMERGING TECHNOLOGIES</p> <ul style="list-style-type: none"> Cloud IT Marine Sciences Materials Science Nanotechnology 		<p>OTHER MANUFACTURING</p> <ul style="list-style-type: none"> Food and Beverage Automotive and Marine Plastics and Rubber Machine Tooling 			

Businesses able to locate in other states and serving multi-state and/or international markets are targeted. Call Centers and Shared Service Centers may qualify for incentives if certain economic criteria are met. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation are statutorily excluded from consideration. All projects are evaluated on an individual basis and therefore operating in a target industry does not automatically indicate eligibility.

For additional information about Florida's business advantages, please visit Enterprise Florida's website at www.enterpriseflorida.com or call 407-956-5600.

APPENDIX D

3. Explain how the proposed project or program is considered transformational and how it will effect the disproportionately affected counties in the next ten (10) years.

The Northwest Florida *FORWARD* Regional Strategy for Economic Transformation identified that the region has current economic challenges that are not experienced in other areas of Florida, including:

- direct competition from bordering states for companies expanding and creating jobs
- job growth is significantly slower in the region (6.6%) compared to the state (14.1%)
- average earnings of those in the region (\$47,943) are much lower than the state average (\$53,483)

As a result, Northwest Florida must become more competitive to retain existing companies planning to expand and attract new companies to the area.

The FG NW RISE Fund could help Northwest Florida compete more effectively by offering an ad valorem rate reduction of the non-abatable property taxes, such as the local school district property tax, to help grow and attract targeted industries.

Both Alabama and Georgia, and many other communities, offer an exemption or rebate for the non-school property taxes for up to 10 years. The eight disproportionately affected counties could put forth a stronger effort by further reducing the total ad valorem taxes for the competitive project. The FG NW RISE Fund would essentially allow the eight disproportionately affected counties to offer competitive projects the net equivalent of a 100% property tax abatement for up to 10 years.

However, Alabama can provide an additional benefit for very large projects. For years 11-20, cities in Alabama can abate city non-educational property taxes, counties can abate county non-educational property taxes, and the Governor can abate State non-educational property taxes. On the other hand, Georgia abates the property taxes on a graduated scale. Typically, it abates non-educational property taxes 100% for the first 5 years, then 80% in year 6, 60% in year 7, 40% in year 8, 20% in year 9, and 0% in year 10.

The FG NW RISE Fund gives the region an automatic competitive advantage and provides companies a more immediate benefit that would help them when they need it most - during initial start-up of operations. A reduction in the costs associated with the beginning years of operation would help targeted industry clusters grow significantly. By empowering the community to help off-set those costs, the FG NW RISE Fund will help show the community's dedication to the growth and success of the targeted industries in the region without compromising their investment in public education. Moreover, the community would also be able to stimulate the hiring and retention of the region's workforce in targeted industries and potentially increase their household incomes.

Although the FG NW RISE Fund would be the first of its kind in Northwest Florida, the fundamental concept is not new and enhances programs that currently exist in the eight disproportionately affected counties. It is common to offer tax exemptions or tax refunds/rebates for competitive projects to stimulate the economy. In fact, the State of Florida has an existing policy to encourage the growth of higher-wage jobs and a diverse economic base by providing state tax refunds to qualified target

industry businesses that originate or expand in the state or that relocate to the state, which is identified in FS 288.106 Tax Refund Program for Qualified Target Industry Businesses. [Full verbiage of FS 288.106 is provided following this section]

The concept of the FGNW RISE Fund has piqued the interest of several site location consultants and they have indicated that it would provide a significant competitive advantage for Northwest Florida.

The FGNW RISE Fund would give Northwest Florida a better opportunity to help targeted industries grow in the region. The growth of these targeted industries would help diversify our economic base and make us less dependent on tourism and the military. Additionally, these targeted industries will provide higher than average wage-paying jobs for our graduating students and current labor pool. The average household income would increase, resulting in more expenditures (retail, restaurants, services) throughout the region. The FGNW RISE Fund will stimulate growth in our region's key industry clusters, and in the end, help diversify and transform Northwest Florida's economy for generations to come.

FOR REFERENCE

F.S. 288.106 Tax refund program for qualified target industry businesses.

(1) **LEGISLATIVE FINDINGS AND DECLARATIONS.**—The Legislature finds that retaining and expanding existing businesses in the state, encouraging the creation of new businesses in the state, attracting new businesses from outside the state, and generally providing conditions favorable for the growth of target industries creates high-quality, high-wage employment opportunities for residents of the state and strengthens the state’s economic foundation. The Legislature also finds that incentives narrowly focused in application and scope tend to be more effective in achieving the state’s economic development goals. The Legislature further finds that higher-wage jobs reduce the state’s share of hidden costs, such as public assistance and subsidized health care associated with low-wage jobs. Therefore, the Legislature declares that it is the policy of the state to encourage the growth of higher-wage jobs and a diverse economic base by providing state tax refunds to qualified target industry businesses that originate or expand in the state or that relocate to the state.

(2) **DEFINITIONS.**—As used in this section:

(a) “Account” means the Economic Development Incentives Account within the Economic Development Trust Fund established under s. 288.095.

(b) “Authorized local economic development agency” means a public or private entity, including an entity defined in s. 288.075, authorized by a county or municipality to promote the general business or industrial interests of that county or municipality.

(c) “Average private sector wage in the area” means the statewide private sector average wage or the average of all private sector wages and salaries in the county or in the standard metropolitan area in which the business is located.

(d) “Business” means an employing unit, as defined in s. 443.036, that is registered for reemployment assistance purposes with the state agency providing reemployment assistance tax collection services under an interagency agreement pursuant to s. 443.1316, or a subcategory or division of an employing unit that is accepted by the state agency providing reemployment assistance tax collection services as a reporting unit.

(e) “Corporate headquarters business” means an international, national, or regional headquarters office of a multinational or multistate business enterprise or national trade association, whether separate from or connected with other facilities used by such business.

(f) “Enterprise zone” means an area designated as an enterprise zone pursuant to s. 290.0065.

(g) “Expansion of an existing business” means the expansion of an existing Florida business by or through additions to real and personal property, resulting in a net increase in employment of not less than 10 percent at such business.

(h) “Fiscal year” means the fiscal year of the state.

(i) “Jobs” means full-time equivalent positions, including, but not limited to, positions obtained from a temporary employment agency or employee leasing company or through a union agreement or coemployment under a professional employer organization agreement, that result directly from a project in this state. The term does not include temporary construction jobs involved with the construction of facilities for the project or any jobs previously included in any application for tax refunds under s. 288.1045 or this section.

(j) “Local financial support” means funding from local sources, public or private, that is paid to the Economic Development Trust Fund and that is equal to 20 percent of the annual tax refund for a qualified target industry business. A qualified target industry business may not provide, directly or indirectly, more than 5 percent of such funding in any fiscal year. The sources of such funding may not include, directly or indirectly, state funds appropriated from the General Revenue Fund or any state trust fund, excluding tax revenues shared with local governments pursuant to law.

(k) “Local financial support exemption option” means the option to exercise an exemption from the local financial support requirement available to any applicant whose project is located in a brownfield area, a rural city, or a rural community. Any applicant that exercises this option is not eligible for more than 80 percent of the total tax refunds allowed such applicant under this section.

(l) “New business” means a business that applies for a tax refund under this section before beginning operations in this state and that is a legal entity separate from any other commercial or industrial operations owned by the same business.

(m) “Project” means the creation of a new business or expansion of an existing business.

(n) “Qualified target industry business” means a target industry business approved by the department to be eligible for tax refunds under this section.

(o) “Rural city” means a city having a population of 10,000 or fewer, or a city having a population of greater than 10,000 but fewer than 20,000 that has been determined by the department to have economic characteristics such as, but not limited to, a significant percentage of residents on public assistance, a significant percentage of residents with income below the poverty level, or a significant percentage of the city’s employment base in agriculture-related industries.

(p) “Rural community” means:

1. A county having a population of 75,000 or fewer.
2. A county having a population of 125,000 or fewer that is contiguous to a county having a population of 75,000 or fewer.
3. A municipality within a county described in subparagraph 1. or subparagraph 2.

For purposes of this paragraph, population shall be determined in accordance with the most recent official estimate pursuant to s. 186.901.

(q) “Target industry business” means a corporate headquarters business or any business that is engaged in one of the target industries identified pursuant to the following criteria developed by the department in consultation with Enterprise Florida, Inc.:

1. Future growth.—Industry forecasts should indicate strong expectation for future growth in both employment and output, according to the most recent available data. Special consideration should be given to businesses that export goods to, or provide services in, international markets and businesses that replace domestic and international imports of goods or services.
2. Stability.—The industry should not be subject to periodic layoffs, whether due to seasonality or sensitivity to volatile economic variables such as weather. The industry should also be relatively resistant to recession, so that the demand for products of this industry is not typically subject to decline during an economic downturn.
3. High wage.—The industry should pay relatively high wages compared to statewide or area averages.
4. Market and resource independent.—The location of industry businesses should not be dependent on Florida markets or resources as indicated by industry analysis, except for businesses in the renewable energy industry.
5. Industrial base diversification and strengthening.—The industry should contribute toward

expanding or diversifying the state's or area's economic base, as indicated by analysis of employment and output shares compared to national and regional trends. Special consideration should be given to industries that strengthen regional economies by adding value to basic products or building regional industrial clusters as indicated by industry analysis. Special consideration should also be given to the development of strong industrial clusters that include defense and homeland security businesses.

6. Positive economic impact.—The industry is expected to have strong positive economic impacts on or benefits to the state or regional economies. Special consideration should be given to industries that facilitate the development of the state as a hub for domestic and global trade and logistics.

The term does not include any business engaged in retail industry activities; any electrical utility company as defined in s. 366.02(2); any phosphate or other solid minerals severance, mining, or processing operation; any oil or gas exploration or production operation; or any business subject to regulation by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation. Any business within NAICS code 5611 or 5614, office administrative services and business support services, respectively, may be considered a target industry business only after the local governing body and Enterprise Florida, Inc., make a determination that the community where the business may locate has conditions affecting the fiscal and economic viability of the local community or area, including but not limited to, factors such as low per capita income, high unemployment, high underemployment, and a lack of year-round stable employment opportunities, and such conditions may be improved by the location of such a business to the community. By January 1 of every 3rd year, beginning January 1, 2011, the department, in consultation with Enterprise Florida, Inc., economic development organizations, the State University System, local governments, employee and employer organizations, market analysts, and economists, shall review and, as appropriate, revise the list of such target industries and submit the list to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

(r) "Taxable year" means taxable year as defined in s. 220.03(1)(y).

(3) TAX REFUND; ELIGIBLE AMOUNTS.—

(a) There shall be allowed, from the account, a refund to a qualified target industry business for the amount of eligible taxes certified by the department that were paid by the business. The total amount of refunds for all fiscal years for each qualified target industry business must be determined pursuant to subsection (4). The annual amount of a refund to a qualified target industry business must be determined pursuant to subsection (6).

(b)1. Upon approval by the department, a qualified target industry business shall be allowed tax refund payments equal to \$3,000 multiplied by the number of jobs specified in the tax refund agreement under subparagraph (5)(a)1., or equal to \$6,000 multiplied by the number of jobs if the project is located in a rural community or an enterprise zone.

2. A qualified target industry business shall be allowed additional tax refund payments equal to \$1,000 multiplied by the number of jobs specified in the tax refund agreement under subparagraph (5)(a)1. if such jobs pay an annual average wage of at least 150 percent of the average private sector wage in the area, or equal to \$2,000 multiplied by the number of jobs if such jobs pay an annual average wage of at least 200 percent of the average private sector wage in the area.

3. A qualified target industry business shall be allowed tax refund payments in addition to the other payments authorized in this paragraph equal to \$1,000 multiplied by the number of jobs specified in the tax refund agreement under subparagraph (5)(a)1. if the local financial support is equal to that of the state's incentive award under subparagraph 1.

4. In addition to the other tax refund payments authorized in this paragraph, a qualified target industry business shall be allowed a tax refund payment equal to \$2,000 multiplied by the number of jobs specified in the tax refund agreement under subparagraph (5)(a)1. if the business:
- a. Falls within one of the high-impact sectors designated under s. 288.108; or
 - b. Increases exports of its goods through a seaport or airport in the state by at least 10 percent in value or tonnage in each of the years that the business receives a tax refund under this section. For purposes of this sub-subparagraph, seaports in the state are limited to the ports of Jacksonville, Tampa, Port Everglades, Miami, Port Canaveral, Ft. Pierce, Palm Beach, Port Manatee, Port St. Joe, Panama City, St. Petersburg, Pensacola, Fernandina, and Key West.
- (c) A qualified target industry business may not receive refund payments of more than 25 percent of the total tax refunds specified in the tax refund agreement under subparagraph (5)(a)1. in any fiscal year. Further, a qualified target industry business may not receive more than \$1.5 million in refunds under this section in any single fiscal year, or more than \$2.5 million in any single fiscal year if the project is located in an enterprise zone.
- (d) After entering into a tax refund agreement under subsection (5), a qualified target industry business may:
1. Receive refunds from the account for the following taxes due and paid by that business beginning with the first taxable year of the business that begins after entering into the agreement:
 - a. Corporate income taxes under chapter 220.
 - b. Insurance premium tax under s. 624.509.
 2. Receive refunds from the account for the following taxes due and paid by that business after entering into the agreement:
 - a. Taxes on sales, use, and other transactions under chapter 212.
 - b. Intangible personal property taxes under chapter 199.
 - c. Excise taxes on documents under chapter 201.
 - d. Ad valorem taxes paid, as defined in s. 220.03(1).
 - e. State communications services taxes administered under chapter 202. This provision does not apply to the gross receipts tax imposed under chapter 203 and administered under chapter 202 or the local communications services tax authorized under s. 202.19.
- (e) However, a qualified target industry business may not receive a refund under this section for any amount of credit, refund, or exemption previously granted to that business for any of the taxes listed in paragraph (d). If a refund for such taxes is provided by the department, which taxes are subsequently adjusted by the application of any credit, refund, or exemption granted to the qualified target industry business other than as provided in this section, the business shall reimburse the account for the amount of that credit, refund, or exemption. A qualified target industry business shall notify and tender payment to the department within 20 days after receiving any credit, refund, or exemption other than one provided in this section.
- (f) Refunds made available under this section may not be expended in connection with the relocation of a business from one community to another community in the state unless the department determines that, without such relocation, the business will move outside the state or determines that the business has a compelling economic rationale for relocation and that the relocation will create additional jobs.
- (g) A qualified target industry business that fraudulently claims a refund under this section:
1. Is liable for repayment of the amount of the refund to the account, plus a mandatory penalty in the amount of 200 percent of the tax refund which shall be deposited into the General Revenue Fund.
 2. Commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(4) APPLICATION AND APPROVAL PROCESS.—

(a) To apply for certification as a qualified target industry business under this section, the business must file an application with the department before the business decides to locate in this state or before the business decides to expand its existing operations in this state. The application must include, but need not be limited to, the following information:

1. The applicant's federal employer identification number and, if applicable, state sales tax registration number.
2. The proposed permanent location of the applicant's facility in this state at which the project is to be located.
3. A description of the type of business activity or product covered by the project, including a minimum of a five-digit NAICS code for all activities included in the project. As used in this paragraph, "NAICS" means those classifications contained in the North American Industry Classification System, as published in 2007 by the Office of Management and Budget, Executive Office of the President, and updated periodically.
4. The proposed number of net new full-time equivalent Florida jobs at the qualified target industry business as of December 31 of each year included in the project and the average wage of those jobs. If more than one type of business activity or product is included in the project, the number of jobs and average wage for those jobs must be separately stated for each type of business activity or product.
5. The total number of full-time equivalent employees employed by the applicant in this state, if applicable.
6. The anticipated commencement date of the project.
7. A brief statement explaining the role that the estimated tax refunds to be requested will play in the decision of the applicant to locate or expand in this state.
8. An estimate of the proportion of the sales resulting from the project that will be made outside this state.
9. An estimate of the proportion of the cost of the machinery and equipment, and any other resources necessary in the development of its product or service, to be used by the business in its Florida operations which will be purchased outside this state.
10. A resolution adopted by the governing board of the county or municipality in which the project will be located, which resolution recommends that the project be approved as a qualified target industry business and specifies that the commitments of local financial support necessary for the target industry business exist. Before the passage of such resolution, the department may also accept an official letter from an authorized local economic development agency that endorses the proposed target industry project and pledges that sources of local financial support for such project exist. For the purposes of making pledges of local financial support under this subparagraph, the authorized local economic development agency shall be officially designated by the passage of a one-time resolution by the local governing board.
11. Any additional information requested by the department.

(b) To qualify for review by the department, the application of a target industry business must, at a minimum, establish the following to the satisfaction of the department:

- 1.a. The jobs proposed to be created under the application, pursuant to subparagraph (a)4., must pay an estimated annual average wage equaling at least 115 percent of the average private sector wage in the area where the business is to be located or the statewide private sector average wage. The governing board of the local governmental entity providing the local financial support of the jurisdiction where the qualified target industry business is to be located shall notify the department and

Enterprise Florida, Inc., which calculation of the average private sector wage in the area must be used as the basis for the business's wage commitment. In determining the average annual wage, the department shall include only new proposed jobs, and wages for existing jobs shall be excluded from this calculation.

b. The department may waive the average wage requirement at the request of the local governing body recommending the project and Enterprise Florida, Inc. The department may waive the wage requirement for a project located in a brownfield area designated under s. 376.80, in a rural city, in a rural community, in an enterprise zone, or for a manufacturing project at any location in the state if the jobs proposed to be created pay an estimated annual average wage equaling at least 100 percent of the average private sector wage in the area where the business is to be located, only if the merits of the individual project or the specific circumstances in the community in relationship to the project warrant such action. If the local governing body and Enterprise Florida, Inc., make such a recommendation, it must be transmitted in writing, and the specific justification for the waiver recommendation must be explained. If the department elects to waive the wage requirement, the waiver must be stated in writing, and the reasons for granting the waiver must be explained.

2. The target industry business's project must result in the creation of at least 10 jobs at the project and, in the case of an expansion of an existing business, must result in a net increase in employment of at least 10 percent at the business. At the request of the local governing body recommending the project and Enterprise Florida, Inc., the department may waive this requirement for a business in a rural community or enterprise zone if the merits of the individual project or the specific circumstances in the community in relationship to the project warrant such action. If the local governing body and Enterprise Florida, Inc., make such a request, the request must be transmitted in writing, and the specific justification for the request must be explained. If the department elects to grant the request, the grant must be stated in writing, and the reason for granting the request must be explained.

3. The business activity or product for the applicant's project must be within an industry identified by the department as a target industry business that contributes to the economic growth of the state and the area in which the business is located, that produces a higher standard of living for residents of this state in the new global economy, or that can be shown to make an equivalent contribution to the area's and state's economic progress.

(c) Each application meeting the requirements of paragraph (b) must be submitted to the department for determination of eligibility. The department shall review and evaluate each application based on, but not limited to, the following criteria:

1. Expected contributions to the state's economy, consistent with the state strategic economic development plan prepared by the department.

2. The economic benefits of the proposed award of tax refunds under this section.

3. The amount of capital investment to be made by the applicant in this state.

4. The local financial commitment and support for the project.

5. The expected effect of the project on the unemployed and underemployed in the county where the project will be located.

6. The expected effect of the award on the viability of the project and the probability that the project would be undertaken in this state if such tax refunds are granted to the applicant.

7. A review of the business's past activities in this state or other states, including whether the business has been subjected to criminal or civil fines and penalties. This subparagraph does not require the disclosure of confidential information.

(d) Applications shall be reviewed and certified pursuant to s. 288.061. The department shall include in its review projections of the tax refunds the business would be eligible to receive in each fiscal year

based on the creation and maintenance of the net new Florida jobs specified in subparagraph (a)4. as of December 31 of the preceding state fiscal year. If appropriate, the department shall enter into a written agreement with the qualified target industry business pursuant to subsection (5).

(e) The department may not certify any target industry business as a qualified target industry business if the value of tax refunds to be included in that letter of certification exceeds the available amount of authority to certify new businesses as determined in s. 288.095(3). However, if the commitments of local financial support represent less than 20 percent of the eligible tax refund payments, or to otherwise preserve the viability and fiscal integrity of the program, the department may certify a qualified target industry business to receive tax refund payments of less than the allowable amounts specified in paragraph (3)(b). A letter of certification that approves an application must specify the maximum amount of tax refund that will be available to the qualified industry business in each fiscal year and the total amount of tax refunds that will be available to the business for all fiscal years.

(f) This section does not create a presumption that an applicant will receive any tax refunds under this section. However, the department may issue nonbinding opinion letters, upon the request of prospective applicants, as to the applicants' eligibility and the potential amount of refunds.

(5) TAX REFUND AGREEMENT.—

(a) Each qualified target industry business must enter into a written agreement with the department that specifies, at a minimum:

1. The total number of full-time equivalent jobs in this state that will be dedicated to the project, the average wage of those jobs, the definitions that will apply for measuring the achievement of these terms during the pendency of the agreement, and a time schedule or plan for when such jobs will be in place and active in this state.
2. The maximum amount of tax refunds that the qualified target industry business is eligible to receive on the project and the maximum amount of a tax refund that the qualified target industry business is eligible to receive for each fiscal year, based on the job creation and maintenance schedule specified in subparagraph 1.
3. That the department may review and verify the financial and personnel records of the qualified target industry business to ascertain whether that business is in compliance with this section.
4. The date by which, in each fiscal year, the qualified target industry business may file a claim under subsection (6) to be considered to receive a tax refund in the following fiscal year.
5. That local financial support will be annually available and will be paid to the account. The department may not enter into a written agreement with a qualified target industry business if the local financial support resolution is not passed by the local governing body within 90 days after the department has issued the letter of certification under subsection (4).
6. That the department may conduct a review of the business to evaluate whether the business is continuing to contribute to the area's or state's economy.
7. That in the event the business does not complete the agreement, the business will provide the department with the reasons the business was unable to complete the agreement.

(b) Compliance with the terms and conditions of the agreement is a condition precedent for the receipt of a tax refund each year. The failure to comply with the terms and conditions of the tax refund agreement results in the loss of eligibility for receipt of all tax refunds previously authorized under this section and the revocation by the department of the certification of the business entity as a qualified target industry business, unless the business is eligible to receive and elects to accept a prorated refund under paragraph (6)(e) or the department grants the business an economic recovery extension.

1. A qualified target industry business may submit a request to the department for an economic

recovery extension. The request must provide quantitative evidence demonstrating how negative economic conditions in the business's industry, the effects of a named hurricane or tropical storm, or specific acts of terrorism affecting the qualified target industry business have prevented the business from complying with the terms and conditions of its tax refund agreement.

2. Upon receipt of a request under subparagraph 1., the department has 45 days to notify the requesting business, in writing, whether its extension has been granted or denied. In determining whether an extension should be granted, the department shall consider the extent to which negative economic conditions in the requesting business's industry have occurred in the state or the effects of a named hurricane or tropical storm or specific acts of terrorism affecting the qualified target industry business have prevented the business from complying with the terms and conditions of its tax refund agreement. The department shall consider current employment statistics for this state by industry, including whether the business's industry had substantial job loss during the prior year, when determining whether an extension shall be granted.

3. As a condition for receiving a prorated refund under paragraph (6)(e) or an economic recovery extension under this paragraph, a qualified target industry business must agree to renegotiate its tax refund agreement with the department to, at a minimum, ensure that the terms of the agreement comply with current law and the department's procedures governing application for and award of tax refunds. Upon approving the award of a prorated refund or granting an economic recovery extension, the department shall renegotiate the tax refund agreement with the business as required by this subparagraph. When amending the agreement of a business receiving an economic recovery extension, the department may extend the duration of the agreement for a period not to exceed 2 years.

4. A qualified target industry business may submit a request for an economic recovery extension to the department in lieu of any tax refund claim scheduled to be submitted after January 1, 2009, but before July 1, 2012.

5. A qualified target industry business that receives an economic recovery extension may not receive a tax refund for the period covered by the extension.

(c) The agreement must be signed by the executive director and by an authorized officer of the qualified target industry business within 120 days after the issuance of the letter of certification under subsection (4), but not before passage and receipt of the resolution of local financial support. The department may grant an extension of this period at the written request of the qualified target industry business.

(d) The agreement must contain the following legend, clearly printed on its face in bold type of not less than 10 points in size: "This agreement is not a general obligation of the State of Florida, nor is it backed by the full faith and credit of the State of Florida. Payment of tax refunds is conditioned on and subject to specific annual appropriations by the Florida Legislature sufficient to pay amounts authorized in section 288.106, Florida Statutes."

(6) ANNUAL CLAIM FOR REFUND.—

(a) To be eligible to claim any scheduled tax refund, a qualified target industry business that has entered into a tax refund agreement with the department under subsection (5) must apply by January 31 of each fiscal year to the department for the tax refund scheduled to be paid from the appropriation for the fiscal year that begins on July 1 following the January 31 claims-submission date. The department may, upon written request, grant a 30-day extension of the filing date.

(b) The claim for refund by the qualified target industry business must include a copy of all receipts pertaining to the payment of taxes for which the refund is sought and data related to achievement of each performance item specified in the tax refund agreement. The amount requested as a tax refund

may not exceed the amount specified for the relevant fiscal year in that agreement.

(c) The department may waive the requirement for proof of taxes paid in future years for a qualified target industry business that provides the department with proof that, in a single year, the business has paid an amount of state taxes from the categories in paragraph (3)(d) which is at least equal to the total amount of tax refunds that the business may receive through successful completion of its tax refund agreement.

(d) A tax refund may not be approved for a qualified target industry business unless the required local financial support has been paid into the account for that refund. If the local financial support provided is less than 20 percent of the approved tax refund, the tax refund must be reduced. In no event may the tax refund exceed an amount that is equal to 5 times the amount of the local financial support received. Further, funding from local sources includes any tax abatement granted to that business under s. 196.1995 or the appraised market value of municipal or county land conveyed or provided at a discount to that business. The amount of any tax refund for such business approved under this section must be reduced by the amount of any such tax abatement granted or the value of the land granted, and the limitations in subsection (3) and paragraph (4)(e) must be reduced by the amount of any such tax abatement or the value of the land granted. A report listing all sources of the local financial support shall be provided to the department when such support is paid to the account.

(e) A prorated tax refund, less a 5 percent penalty, shall be approved for a qualified target industry business if all other applicable requirements have been satisfied and the business proves to the satisfaction of the department that:

1. It has achieved at least 80 percent of its projected employment; and
2. The average wage paid by the business is at least 90 percent of the average wage specified in the tax refund agreement, but in no case less than 115 percent of the average private sector wage in the area available at the time of certification, or 150 percent or 200 percent of the average private sector wage if the business requested the additional per-job tax refund authorized in paragraph (3)(b) for wages above those levels. The prorated tax refund shall be calculated by multiplying the tax refund amount for which the qualified target industry business would have been eligible, if all applicable requirements had been satisfied, by the percentage of the average employment specified in the tax refund agreement which was achieved, and by the percentage of the average wages specified in the tax refund agreement which was achieved.

(f) The department, with such assistance as may be required from the Department of Revenue, shall, by June 30 following the scheduled date for submission of the tax refund claim, specify by written order the approval or disapproval of the tax refund claim and, if approved, the amount of the tax refund that is authorized to be paid to the qualified target industry business for the annual tax refund. The department may grant an extension of this date on the request of the qualified target industry business for the purpose of filing additional information in support of the claim.

(g) The total amount of tax refund claims approved by the department under this section in any fiscal year must not exceed the amount authorized under s. 288.095(3).

(h) This section does not create a presumption that a tax refund claim will be approved and paid.

(i) Upon approval of the tax refund under paragraphs (d), (e), and (f), the Chief Financial Officer shall issue a warrant for the amount specified in the written order. If the written order is appealed, the Chief Financial Officer may not issue a warrant for a refund to the qualified target industry business until the conclusion of all appeals of that order.

(7) ADMINISTRATION.—

(a) The department may verify information provided in any claim submitted for tax credits under this

section with regard to employment and wage levels or the payment of the taxes to the appropriate agency or authority, including the Department of Revenue or any local government or authority.

(b) To facilitate the process of monitoring and auditing applications made under this section, the department may provide a list of qualified target industry businesses to the Department of Revenue or to any local government or authority. The department may request the assistance of those entities with respect to monitoring jobs, wages, and the payment of the taxes listed in subsection (3).

(c) Funds specifically appropriated for tax refunds for qualified target industry businesses under this section may not be used by the department for any purpose other than the payment of tax refunds authorized by this section.

(d) Beginning with tax refund agreements signed after July 1, 2010, the department shall attempt to ascertain the causes for any business's failure to complete its agreement and its findings and recommendations must be included in the annual incentives report under s. 288.907.

(8) SPECIAL INCENTIVES.—If the department determines it is in the best interest of the public for reasons of facilitating economic development, growth, or new employment opportunities within a Disproportionally Affected County, the department may, between July 1, 2011, and June 30, 2014, waive any or all wage or local financial support eligibility requirements and allow a qualified target industry business from another state which relocates all or a portion of its business to a Disproportionally Affected County to receive a tax refund payment of up to \$6,000 multiplied by the number of jobs specified in the tax refund agreement under subparagraph (5)(a)1. over the term of the agreement. Prior to granting such waiver, the executive director of the department shall file with the Governor a written statement of the conditions and circumstances constituting the reason for the waiver. Such business shall be eligible for the additional tax refund payments specified in subparagraph (3)(b)4. if it meets the criteria. As used in this section, the term “Disproportionally Affected County” means Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County.

(9) EXPIRATION.—An applicant may not be certified as qualified under this section after June 30, 2020. A tax refund agreement existing on that date shall continue in effect in accordance with its terms. History.—s. 76, ch. 94-136; s. 44, ch. 96-320; s. 31, ch. 97-99; s. 19, ch. 97-278; s. 7, ch. 98-75; s. 26, ch. 99-251; s. 38, ch. 2000-210; s. 59, ch. 2001-61; s. 11, ch. 2002-294; s. 4, ch. 2002-392; s. 8, ch. 2003-36; s. 341, ch. 2003-261; s. 3, ch. 2003-270; s. 61, ch. 2004-269; s. 3, ch. 2005-276; s. 38, ch. 2007-5; s. 17, ch. 2009-51; s. 1, ch. 2010-136; s. 18, ch. 2010-147; s. 14, ch. 2011-4; s. 25, ch. 2011-76; s. 150, ch. 2011-142; s. 2, ch. 2011-223; s. 30, ch. 2012-5; s. 57, ch. 2012-30; s. 36, ch. 2012-96; s. 9, ch. 2012-117; s. 16, ch. 2013-39; s. 17, ch. 2013-42; s. 2, ch. 2013-96; s. 8, ch. 2015-3.

1Note.—Section 30, ch. 2015-221, provides that:

“(1) A business may apply to the Department of Economic Opportunity for the incentives specified in subsection (2) if each of the following criteria is satisfied:

“(a) The business has entered into a contract with the Department of Economic Opportunity for a project under ss. 288.0659, 288.1045, 288.106, 288.107, 288.108, 288.1088, or 288.1089, Florida Statutes, between January 1, 2012, and July 1, 2015.

“(b) The contract is deemed active by the Department of Economic Opportunity and has not expired or been terminated.

“(c) The project that is the subject of the contract is located within the boundaries of an enterprise zone designated pursuant to chapter 290, Florida Statutes, as the boundaries existed on May 1, 2015.

“(2) For a project described under paragraph (1)(c), a business qualified under subsection (1) may apply for the following incentives:

“(a) The property tax exemption for a licensed child care facility under s. 196.095, Florida Statutes 2014.

“(b) The building sales tax refund under s. 212.08(5)(g), Florida Statutes 2014.

“(c) The business property sales tax refund under s. 212.08(5)(h), Florida Statutes 2014.

“(d) The electrical energy sales tax exemption under s. 212.08(15), Florida Statutes 2014.

“(e) The enterprise zone jobs tax credit under s. 212.096, Florida Statutes 2014.

“(f) The enterprise zone jobs tax credit under s. 220.181, Florida Statutes 2014.

“(g) The enterprise zone property tax credit under s. 220.182, Florida Statutes 2014.

“(3) The Department of Economic Opportunity must provide a list of businesses that are qualified under subsection (1) to the Department of Revenue by December 31, 2015. The Department of Economic Opportunity must also provide notice to the Department of Revenue within 10 days after the expiration or termination of a contract.

“(4) From January 1, 2016, to December 31, 2018, the Department of Economic Opportunity is designated to perform all the duties and responsibilities that were performed by the governing body or enterprise zone development agency having jurisdiction over the enterprise zone under ss. 196.095, 212.08(5)(g) and (h), 212.08(15), 212.096, 220.181, and 220.182, Florida Statutes 2014, including receipt and review of applications and verifications.

“(5) The incentives described in subsection (2) are to be treated as if they had not expired on December 31, 2015.

“(6) This section is effective January 1, 2016, and expires on December 31, 2018.”

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APPENDIX E

4. Describe data or information available to demonstrate the viability of the proposed project or program.

In 2011, the Florida Legislature appropriated \$30 million over a three-year period to aid the disproportionately affect counties of Northwest Florida in their economic recovery from the Deepwater Horizon Oil Spill of 2010. The Industry Recruitment, Retention & Expansion Fund (IRREF) Grant program was created to distribute the funds to businesses considering locating or expanding in a disproportionately affected county of Northwest Florida.

The IRREF Grant Program was intended to supplement state and local economic development efforts when attempting to entice medium and large enterprises - particularly those in Florida's targeted industry clusters or strategic areas of emphasis - to locate, retain or expand their business operations within a disproportionately affected county.

16 companies were awarded IRREF grant funds based upon creating 10,335 direct jobs and making capital investments of \$641,226,250. Assuming all jobs come on board the year promised and all capital investments will be made in the year promised, the impact in year 2030 of these projects will be 28,066 jobs and the "value add" these companies will bring to the economy (GDP) is \$4.23 billion. Industry sales would increase to \$7.81 billion and personal income would increase to \$3.41 billion by 2030.

As of today, 2,761 total direct jobs have been created by the companies awarded IRREF grant funds. It is estimated that the total direct, indirect and induced jobs created in 2017 was 12,570 and the impact on the economy was \$1.21 billion.

The intent of the FGW RISE Fund is to help entice similar companies in targeted industries to locate or expand in Northwest Florida. Although total jobs created and capital investment expended will depend on competitive projects awarded, it is expected that the FGW RISE Fund will have a similar type of impact on job creation and Northwest Florida's economy.

(The following page shows the estimated economic impact of the IRREF projects.)

IRREF ECONOMIC IMPACT ANALYSIS

Category	Units	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Employment	Thousands (Jobs)	6.47	8.04	10.04	12.57	15.19	17.41	20.18	21.52	22.74	23.96	25.17	26.33	27.51	27.87	27.96	28.02	28.07
Gross Domestic Product	Billions 2009\$	0.60	0.75	0.95	1.21	1.49	1.75	2.08	2.27	2.45	2.64	2.85	3.05	3.26	3.38	3.47	3.57	3.66
Output	Billions 2009\$	1.15	1.44	1.84	2.31	2.83	3.29	3.93	4.26	4.59	4.93	5.30	5.66	6.04	6.28	6.44	6.61	6.77
Value Added	Billions 2009\$	0.60	0.75	0.95	1.21	1.49	1.75	2.08	2.27	2.45	2.64	2.85	3.05	3.26	3.38	3.47	3.57	3.66
Personal Income	Billions of Current	0.29	0.40	0.54	0.72	0.92	1.12	1.38	1.58	1.77	1.98	2.20	2.43	2.67	2.87	3.05	3.23	3.41

Total Impact		Aggregate impact
	Final impact in Year	2011 through
	2030	2030

Employment	28,066	349,052
GDP (Billions of 2017\$)	4.23	46.12
Output (Billions of 2017\$)	7.81	86.16
Personal Income (Billions of 2017\$)	3.41	30.59

Program operation from 2011 through 2013 entered as retained jobs in 2014
 Assumes all contracted jobs come onboard in year promised
 Assumes all capital investment will be made in year promised
 Jobs were entered into the model using the 2-digit NAICS code industry

Number of direct jobs entered into the model	10,335
Capital Investment entered into the model	\$ 641,226,250

NOTE: This is an interim model - modification in contract terms will alter the model results in future runs.

APPENDIX F

Please see the following pages for a copy of the official Florida state form for the Economic Development Ad Valorem Property Tax Exemption (EDATE) DR-4 18 and an example of Escambia county's supplemental evaluation form.

ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION

Chapter 196.1995, Florida Statutes

DR-418
R. 12/99

To be filed with the Board of County Commissioners, the governing boards of the municipality, or both,
no later than March 1 of the year the exemption is desired to take effect.

1	Business name	Mailing address
2	Please give name and telephone number of owner or person in charge of this business. Name	Telephone number
3	Exact Location (Legal Description and Street Address) of Property for which this return is filed	4
5	Description of the improvements to real property for which this exemption is requested	Date you began, or will begin, business at this facility Date of commencement of construction of improvements

6 Description of the tangible personal property for which this exemption is requested and date when property was, or is to be purchased						APPRaiser'S USE ONLY	
Class or Item	Age	Date of Purchase	Original Cost	Taxpayer's Estimate of		Cond*	
			\$	Cond*	Fair Market Rent	Cond*	\$
			\$		\$		\$
			\$		\$		\$
			\$		\$		\$
			\$		\$		\$
			\$		\$		\$
			\$		\$		\$
			\$		\$		\$
			\$		\$		\$
			\$		\$		\$
			\$		\$		\$
			\$		\$		\$

Average value of inventory on hand: _____ *Condition: good, avg (average), or poor

Any additional personal property not listed above for which an exemption is claimed must be returned on form
DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.

7 Do you desire exemption as a <input type="checkbox"/> new business or <input type="checkbox"/> expansion of an existing business	9 Trade levels (check as many as apply)
8 Describe type or nature of your business	<input type="checkbox"/> Retail <input type="checkbox"/> Wholesale <input type="checkbox"/> Manufacturing <input type="checkbox"/> Professional <input type="checkbox"/> Service <input type="checkbox"/> Office <input type="checkbox"/> Other, specify: _____

10 Number of full-time employees to be employed in Florida			
If an expansion of an existing business:	Net increase in employment	%	Increase in productive output resulting from this expansion

11 Sales factor for the facility requesting exemption:				
Total sales in Florida from this facility-one (1) location only	divided by	Total sales everywhere from this facility-one (1) location only	=	%

12 For office space owned and used by a corporation newly domiciled in Florida	Date of incorporation in Florida	Number of full-time employees at this location
--	----------------------------------	--

I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners, the governing authority of the municipality, or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)

Date		Signature, preparer _____
Signature, taxpayer _____		Preparer's address _____
Title _____		Preparer's telephone number _____

Property Appraiser's Use Only		
I	Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources	\$
II	Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section	\$
III	Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation	\$
IV	Estimate of the taxable value lost to the county or municipality if the exemption applied for was granted Improvements to real property \$ _____ Personal property \$ _____	
V	I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as a <input type="checkbox"/> new business <input type="checkbox"/> expansion of an existing business <input type="checkbox"/> neither	
VI	Last year for which exemption may be applied <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

Application to be filed not later than March 1 _____ Date _____ Signature, Property Appraiser _____

General Information

Ad Valorem property tax exemptions can be granted to new and expanding businesses only after the voters of a city and/or county vote in a referendum to allow that city or county to grant exemptions. Section 196.1995, Florida Statutes, requires that a referendum be held if: (1) The Board of County Commissioners or governing authority of a municipality (city or county commission) votes to hold such a referendum, or (2) if the county or city commission receives a petition signed by ten percent of the registered voters of the county or city. This referendum question can then be placed before the voters of a city or county at any regular election or special election called for voting on the tax incentive referendum or for any other purpose.

If the voters authorize exemptions, a company must first meet the definitions of a new or expanding business as stated in s. 196.012 (15) and (16), F.S.

The expansion must be on the same or a collocated site of the business current operations.

If a business meets one of the above definitions as a new or expanding business, it must then file this application with the county or city commission or both.

After the city or county commission receives this application, it must submit the application to the county property appraiser for review. After the property appraiser makes the report as to the fiscal impact of granting the exemption, the county or city commission shall then adopt an ordinance in the usual manner-granting the exemption, if it chooses to do so.

A business cannot receive exemption from school taxes or water management district taxes. Also a business must pay taxes that were voted by the voters of a city or county to pay for bond issues and other special tax levies authorized by the voters of a city or county.

The exemption can only be for the improvements to the real property and for tangible personal property. The land on which the new or expanding business is to be located will still be taxed and taxes must be paid on it.

The action taken by a city or county commission can only exempt the taxes paid to that governmental body. A city can only exempt its taxes; a county can only exempt its taxes. All other taxes must be paid.

Statutory Definitions

Section 196.011 Annual application required for exemption.—

(1)(a) Every person or organization who, on January 1, has the legal title to real or personal property, except inventory, which is entitled by law to exemption from taxation as a result of its ownership and use shall, on or before March 1 of each year, file an application for exemption with the county property appraiser, listing and describing the property for which exemption is claimed and certifying its ownership and use. The Department of Revenue shall prescribe the forms upon which the application is made. Failure to make application, when required, on or before March 1 of any year shall constitute a waiver of the exemption privilege for that year, except as provided in subsection (7) or subsection (8).

Section 196.012(15) and (16), Florida Statutes (15) "New business" means:

(a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant;

2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s.220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or

3. An office space in this state owned and used by a corporation newly domiciled in this state; provided such office space houses 50 or more full-time employees of such corporation; provided that such business or office first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(b) Any business located in an enterprise zone that first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(c) A new business that is situated on property annexed into a municipality and that, at the time of annexation, is receiving an economic development ad valorem tax exemption from the county under s. 196.1995.

(16) "Expansion of an existing business" means:

(a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible

personal property at a fixed location and which comprises an industrial or manufacturing plant; or

2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s. 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; provided that such business increases operation on a site collocated with a commercial or industrial operation owned by the same business, resulting in a net increase in employment of not less than 10 percent or an increase in productive output of not less than 10 percent.

(b) Any business located in an enterprise zone that increases operations on a site collocated with a commercial or industrial operation owned by the same business.

Section 196.1995 Economic development ad valorem tax exemption.-

(6) With respect to a new business as defined by s. 196.012(15)(c), the municipality annexing the property on which the business is situated may grant an economic development ad valorem tax exemption under this section to that business for a period that will expire upon the expiration of the exemption granted by the county. If the county renews the exemption under subsection (7), the municipality may also extend its exemption. A municipal economic development ad valorem tax exemption granted under this subsection may not extend beyond the duration of the county exemption.

Section 220.15(5), Florida Statutes.

(5) The sales factor is a fraction the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.

(a) As used in this subsection, the term "sales" means all gross receipts of the taxpayer except interest, dividends, rents, royalties, and gross receipts from the sale, exchange, maturity, redemption, or other disposition of securities. However:

1. Rental income is included in the term if a significant portion of the taxpayer's business consists of leasing or renting real or tangible personal property; and

2. Royalty income is included in the term if a significant portion of the taxpayer's business consists of dealing in or with the production, exploration, or development of minerals.

(b)1. Sales of tangible personal property occur in this state if the property is delivered or shipped to a purchaser within this state, regardless of the f.o.b. point, other conditions of the sale, or ultimate destination of the property, unless shipment is made via a common or contract carrier.

2. When citrus fruit is delivered by a cooperative for a grower-member, by a grower-member to a cooperative, or by a grower-participant to a Florida processor, the sales factor for the growers for such citrus fruit delivered to such processor shall be the same as the sales factor for the most recent taxable year of that processor. That sales factor, expressed only as a percentage and not in terms of the dollar volume of sales, so as to protect the confidentiality of the sales of the processor, shall be furnished on the request of such a grower promptly after it has been determined for that taxable year.

3. Reimbursement of expenses under an agency contract between a cooperative, a grower-member of a cooperative, or a grower and a processor is not a sale within this state.

(c) Sales of a financial organization, including, but not limited to, banking and savings institutions, investment companies, real estate investment trust, and brokerage companies, occur in this state if derived from:

1. Fees, commissions, or other compensation for financial services rendered within this state;

2. Gross profits from trading in stocks, bonds, or other securities managed within this state;

3. Interest received within this state, other than interest from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in this state, and dividends received within this state;

4. Interest charged to customers at places of business maintained within this state for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts;

5. Interest, fees, commissions, or other charges or gains from loans secured by mortgages, deeds of trust or other liens upon real or tangible personal property located in this state or from installment sale agreements originally executed by a taxpayer or the taxpayer's agent to sell real or tangible personal property located in this state;

6. Rents from real or tangible personal property located in this state; or

7. Any other gross income, including other interest, resulting from the operation as a financial organization within this state.

In computing the amounts under this paragraph, any amount received by a member of an affiliated group (determined under s. 1504(a) of the Internal Revenue code, but without reference to whether any such corporation is an "includable corporation" under s. 1504(b) of the Internal Revenue code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

AD VALOREM TAX EXEMPTION - SUPPLEMENTAL APPLICATION GENERAL INFORMATION & INSTRUCTIONS

The Economic Development Ad Valorem Tax Exemption Application, DR418, **MUST** be accompany this form. In order for the application to be accepted, all applicable areas **MUST** be completed. Applications must be **FILLED OUT COMPLETELY, SIGNED and DATED** to be accepted by this Office. Place "N/A" for items that do not apply. **All incomplete applications will be returned, causing a delay in consideration.** [PLEASE PRINT OR TYPE ALL REQUESTED INFORMATION]

TERMS

NEW BUSINESS – A business or organization, newly domiciled in Escambia County, paying an average wage for such new jobs that are above the average wage in the area.

BUSINESS EXPANSION – The enlargement of a building or buildings, construction of a new building, the addition of tangible personal property, or any combination thereof, which increase the employment capacity of a business eligible for a tax exemption-incentive and which results in the creation of new employment.

CAPITAL INVESTMENT – The acquisition of a fixed asset that is anticipated to have a long life of use before it has to be replaced or repaired.

PROJECTED NUMBER OF JOBS - Jobs foreseen in the future within one (1) year of application.

ENTERPRISE ZONE – An Escambia County designation area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence. [Escambia County has designated Enterprise Zones]

MANUFACTURED EQUIPMENT - Any new or used equipment that is used in the direct production manufacture, fabrication, assembly, extraction, mining, processing refining, or finishing of other tangible personal property including, equipment used to dispose of solid waste or hazardous waste into energy or other useful products.

R&D EQUIPMENT – Equipment consist of laboratory equipment, research and development equipment, computers and computer software, telecommunications equipment or testing equipment used in research and development activities devoted, directly and exclusively, to experimental or laboratory research and development of new products new uses or exiting products or improving or testing existing products.

EXPLANATION

AVERAGE WAGE/SALARY - Average salary/wage for **NEWLY** created jobs.

GROSS ANNUAL PAYROLL – Gross Annual Payroll for **NEWLY** created jobs.

CURRENT NUMBER OF EMPLOYEES – Number of employees **BEFORE** the business expansion.

JOB CLASSIFICATION – Classifications for the **NEWLY** created jobs.

WAGE RATE – Wage rate for the **NEWLY** created jobs.

REVIEW/INSTRUCTIONS


Upon receipt of the Application for Exemption and supporting documents, additional information may be requested from applicant to complete the review.

ONLY include Full-Time "Regular" Employees; NOT contract, temporary or part-time employees. All job creation projections should be within one year of application. Applicant will be notified in writing if request for exemption is granted or denied.

ATTACH: Proof of Gross Payroll ["current" Quarterly Unemployment Reports] List of Capital Investments Claimed; Legal Description of Property and any supporting documents. If there are multiple worksites, **ONLY** include information that pertains to the site you are seeking the Exemption on.

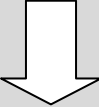
Mail to: County Administration, Attention: Tonya Gant, 221 Palafox Place, Suite 420, Pensacola, FL, 32502.
IF ALL REQUIRED INFORMATION IS NOT ATTACHED, THIS MAY RESULT IN DENIAL OF THE APPLICATION FOR EXEMPTION

Note: Do not begin a project before an Ordinance has been established. For questions or assistance, please contact Tonya Gant trgrant@myescambia.com or 850-595-3935.

DATE:		<div style="background-color: #4F81BD; color: white; padding: 5px; text-align: center;"> ESCAMBIA COUNTY SUPPLEMENTAL EDATE EVALUATION FORM </div> <div style="text-align: center; margin: 10px 0;">  </div> <div style="background-color: #4F81BD; color: white; padding: 5px; text-align: center;"> THIS APPLICATION IS FOR A BUSINESS THAT WILL: </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Create LESS THAN 150 "NEW" jobs <input type="checkbox"/> Create MORE THAN 150 "NEW" jobs <input type="checkbox"/> Be in a County designated Enterprise Zone </div>	
APPLICANT:			
NAME OF BUSINESS:			
LOCATION OF BUSINESS:			
CITY			
STATE			
ZIP CODE			

CAPITAL INVESTMENT Capital Investment is the acquisition of fixed assets that is anticipated to have a long life of use before it has to be replaced or repaired. Capital investment is made any time a company purchases goods that will benefit the operation of the business, but will not be used to cover the operational costs of the business. Please do not include land.

	Capital Investment (check one)	NEW BUSINESS (Facility Where Exemption Is Requested)	Employees (check one)
Under \$1 Million		Under 25 Employees	
\$1 –\$5 Million		25 – 50 Employees	
Over \$5 Million		51 -100 Employees	
Total Capital Investment\$		Over 100 Employees	

<p style="text-align: center;">PLEASE LIST CAPITAL INVESTMENTS (Note: Add additional sheet if necessary)</p> <hr/> <p>LIST THE "ANTICIATED" AMOUNT AND TYPE OF MAJOR CAPITAL INVESTMENT TO BE MADE BY THE APPLICANT IN CONNECTION WITH THIS NEW BUSINESS OR BUSINESS EXPANSION.</p> <div style="text-align: center; margin-top: 20px;">  </div>	How Many "New" Employees?		
	BUSINESS EXPANSION (Facility Where Exemption Is Requested)	Employees (check one)	
	Under 25 Employees		
	25 – 50 Employees		
	51 -100 Employees		
	Over 100 Employees		
	How Many "New" Employees?		
WHAT IS THE BUSINESS INDUSTRY?			

CAPITAL INVESTMENT

(Add additional sheet if necessary)

**“PROJECTED” NUMBER OF
ADDITIONAL EMPLOYEES** *(Within One
Year of Original Application)*

#

AVERAGE WAGE/SALARY

\$

GROSS ANNUAL PAYROLL

\$

“CURRENT” NUMBER OF EMPLOYEES

#

**IS PROPERTY LOCATED IN A COUNTY DESIGNATED
ENTERPRISE ZONE?** YES NO

Does Business presently participate in the QTI Refund Program?

YES NO

	Year1	Year2	Year3
Construction/Renovation	\$	\$	\$
Manufacturing Equipment	\$	\$	\$
R&D Equipment	\$	\$	\$
Other Equipment <small>(computer equipment, office furniture, etc.)</small>	\$	\$	\$
Total Capital Investment	\$	\$	\$

ITEM:	COST:	JOB CLASSIFICATION: <i>(Add additional sheet if necessary)</i>	Average SALARY\$
	\$		\$
	\$		\$
	\$		\$
Total	\$		\$

<i>(Add additional sheet if necessary)</i>	WAGE RATE\$	Please check one:
	Below Area Average Wage	<input type="checkbox"/>
	Average Wage	<input type="checkbox"/>
	Above Average Wage	<input type="checkbox"/>

Signature of Applicant (Business Representative)

Printed Name

STATE OF FLORIDA
COUNTY OF _____

Sworn to (or affirmed) and subscribed before me this ____ day of _____, 20____, by _____.

My commission expires: _____

NOTARY PUBLIC

(NOTARY SEAL)

Personally Known _____ OR Produced Identification _____ Type of Identification Produced _____

EDATE "ANNUAL" RENEWAL PROCESS
CONTACT INFORMATION
(Individual responsible for renewal process)

Name of Business:					
Name and Title of Contact Person :	Name:			Title:	
	Area Code:		Phone #:		
Mailing Address:					
City:		State:		Zip Code:	
E-Mail Address:					

Name of person completing this form: _____

Phone #: _____

E-Mail Address: _____

Date: _____

APPENDIX G

2. Please explain how the proposed project meets the priorities identified above.

- Generate maximum estimated economic benefits
The FG NW RISE Fund will bring higher than average wage jobs in target industries and capital investment into the community. Combined, these will increase the region's gross domestic product. As seen in Appendix E for IRREF projects, a total of 10,335 direct jobs will more than double the number of jobs in 20 years, and a capital investment of \$641,226,250 over 20 years will result in a GDP nearly seven times the capital investment (\$4.23 billion).
- Increase household income
The FG NW RISE Fund will bring higher than average wage jobs into the community giving Northwest Florida residents an opportunity to get a better paying job and increase their household income.
- Partner with local governments
The program requires the city/county officials as well as the local economic development organizations to ensure a FG NW RISE Fund applicant interested in receiving FG NW RISE Funds is approved for an Economic Development Ad Valorem Tax Exemption (EDATE) or rebate of the city/county portion of taxes. They must also ensure property is appraised, and jobs created and capital investment expended are verified.
- Provide outcome measures
Jobs must have been created and capital investment expended before any FG NW RISE Fund dollars are distributed by Triumph.

APPENDIX H

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

- Are considered transformational for the future of the Northwest Florida region.
The FGNW RISE Fund would help diversify the industries that the regional economy is dependent upon. Instead of relying purely on tourism and Department of Defense contracts, the FGNW RISE Fund would help attract and grow targeted industries in the region, such as Aerospace & Defense, Manufacturing, Cybersecurity/IT, Financial/Shared Services, and Water Transportation, as well as the sub-cluster of Advanced Industries, which require technology, R&D, and STEM workers within the targeted industry clusters.
- Promote net-new jobs in the private sector with an income above regional average household income.
The FGNW RISE Fund would help bring companies in targeted industries to the region, which would pay higher than average wages.
- Align with Northwest Florida FORWARD, the regional strategic initiative for Northwest Florida economic transformation.
The FGNW RISE Fund program meets the strategic initiative “Ensure the growth of the region’s key industry clusters” as defined in the Northwest Florida FORWARD Regional Strategy for Economic Transformation.
- Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.
In order to qualify for FGNW RISE funds, applicants must meet the industry criteria as stated in the statutory requirements of FS 196.1995 Economic Development Ad Valorem Tax Exemption or FS 288.106 Tax Refund for Qualified Target Industry Business or the Northwest Florida FORWARD regional strategy. All of the targeted industries indicated are encompassed in those statutes or the regional strategy.
- Promote industry cluster impact for unique targeted industries.
As noted above, the FGNW RISE Fund will help bring companies in targeted industries to the region. This would help build our industry clusters.
- Create net-new jobs with wages above national average wage (e.g., similar to EFI QTI program, measured on graduated scale).
The FGNW RISE Fund would help targeted industries locate or expand in the region. Since several targeted industries encompass the Advanced Industries, which require technology, R&D, and STEM workers, it is likely that wages will be higher than the national average wage.
- Are located in Rural Area of Opportunity as defined by the State of Florida (DEO).
Competitive projects that plan to locate or expand in any of the eight disproportionately affected counties are eligible, including the Rural Areas of Opportunity of Walton, Gulf, Franklin and Wakulla, pending they have a competitive project that meets the EDATE criteria and they complete an application for FGNW RISE Funds.

- Provide a wider regional impact versus solely local impact.
Competitive projects that can benefit from FGNW RISE Funds can locate/expand in any of the eight disproportionately affected counties. Moreover, due to the region's commuting patterns, the companies that locate and expand within the eight counties will pull a workforce from all across the region, and potentially from areas outside of the disproportionately affected counties.
- Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.
The FGNW RISE program is aligned with the existing state Economic Development Ad Valorem Tax Exemption program that several of the eight disproportionately affected counties already utilize and have processes in place.
- Enhance research and innovative technologies in the region.
Since the FGNW RISE Fund is intended to help targeted industries locate or expand in the area and many of those industries encompass the Advanced Industries, which require technology, R&D, and STEM workers, it is likely that the FGNW RISE Funds would help bring competitive projects that will enhance research and innovation in the region.
- Enhance a targeted industry cluster or create a Center of Excellence unique to Northwest Florida.
The FGNW RISE Fund requires competitive projects to be in the targeted industry clusters.
- Leverage funding from other government and private entity sources.
The program requires city and/or county approval of an Economic Development Ad Valorem Tax Exemption or rebate.
- Provide local investment and spending.
The program requires the competitive project to make a capital investment in one of the eight disproportionately affected counties it is locating/expanding.
- Provide clear performance metrics over duration of project or program.
Since an EDATE/rebate is required, the program will clearly define the number of jobs created and capital investment expended.
- Include deliverables-based payment system dependent upon achievement of interim performance metrics.
FGNW RISE Fund dollars will only be provided once annual forms have been submitted to prove jobs have been created and capital investment has been expended.
- Include Applicant and selected partners/vendors located in Northwest Florida.
Existing companies in the region are eligible to apply for FGNW RISE Funds pending they are creating new jobs and making a capital investment. The FGNW RISE Fund applications also require the support from the Board of County Commissioners and economic development organizations in the county in which the company will be locating/expanding.

APPENDIX I

3. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.

Upon final FG NW RISE Fund application approval by Triumph Gulf Coast, Inc., FG NW, in partnership with the economic development partners; the county constitutional officers responsible for approving, assessing and collecting taxes for the eight disproportionately affected counties; and Triumph Gulf Coast, Inc., will develop appropriate forms and formalize the FG NW RISE application and distribution process.

When a competitive project in one of the eight disproportionately affected counties is approved for an EDATE/rebate for the abatable city/county property taxes, then an application for the FG NW RISE Fund may be submitted to Triumph Gulf Coast, Inc. Similar to the timelines established between Enterprise Florida and the Florida Department of Economic Opportunity for approval of the FS 288.106 Tax Refund Program for Qualified Target Industry Businesses program, Triumph Gulf Coast, Inc. should respond with an approval or denial of the FG NW RISE Fund application within 10 business days so the FG NW RISE Funds (if approved) can be included as part of a complete solution for the competitive project.

If Triumph Gulf Coast, Inc. approves the FG NW RISE Fund application and the company chooses to locate in one of the eight disproportionately affected counties, then each year for the term of the FG NW RISE Fund contract, the company must submit proper documentation that jobs have been created and capital investment expended per the contract before Triumph disburses payment.

The FG NW RISE Fund program is a pay for performance reimbursement program. The company will be required to pay the non-abatable property taxes up front. If it does not submit proper documentation of jobs created or capital investment expended, then it will not be reimbursed by Triumph Gulf Coast, Inc. for the non-abatable portion of property taxes.

The FG NW RISE Fund will remain under the control of Triumph Gulf Coast, Inc. and the program will remain in effect until all funds are distributed. Upon proof of program effectiveness and satisfaction of return on investment, Triumph Gulf Coast, Inc. may choose to replenish the FG NW RISE Fund and continue the program.

APPENDIX J

EXECUTIVE COMMITTEE RESOLUTION NO. 2018-01

RESOLUTION OF EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS OF FLORIDA'S GREAT NORTHWEST, INC

WHEREAS, Florida's Great Northwest, Inc. ("FGNW") desires to make an application to Triumph Gulf Coast, Inc. ("Triumph") for funding for FGNW's proposed FGNW Regional Investment Stimulation and Enhancement Fund (the "FGNW RISE Fund");

WHEREAS, the Executive Committee has reviewed the FGNW RISE Fund application in its current form and President and CEO Kim Wilmes has presented to the Executive Committee certain recommended modifications thereto, and, after careful deliberation and consideration, the Executive Committee deems it desirable and in the best interest of FGNW to submit such application, as so modified, to Triumph;

WHEREAS, after careful deliberation and consideration, the Executive Committee further deems it desirable and in the best interest of FGNW to authorize Kim Wilmes, as President and CEO, to execute and submit such FGNW RISE Fund application, as so modified, to Triumph for and on behalf of FGNW and to authorize Bruce Vredenburg, as Chairperson of the Board of Directors, to execute and submit such FGNW RISE Fund application, as so modified, for and on behalf of FGNW in the event that the President and CEO is unavailable or otherwise unable to execute the FGNW RISE Fund application;

WHEREAS, after careful deliberation and consideration, the Executive Committee further deems it desirable and in the best interest of FGNW to authorize the President and CEO and the Chairperson to execute all other documents and take all actions, for and on behalf of FGNW, as they or either of them deems desirable and appropriate in furtherance of such FGNW RISE Fund application, as so modified, provided that no final, binding agreement with Triumph shall be executed unless and until such agreement is duly approved by the Executive Committee or the full Board of Directors;

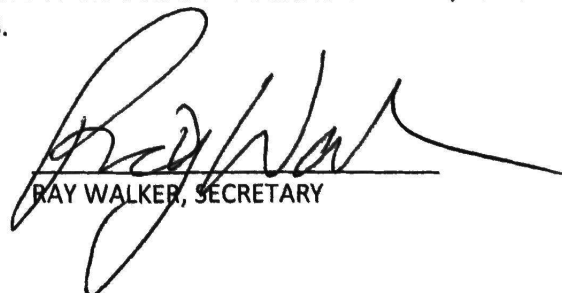
NOW, THEREFORE, BE IT RESOLVED that Kim Wilmes, as President and CEO, shall be, and hereby is, authorized to execute and submit such FGNW RISE Fund application, as so modified, to Triumph for and on behalf of FGNW, and Bruce Vredenburg, as Chairperson of the Board of Directors, shall be, and hereby is, authorized to execute and submit such FGNW RISE Fund application, as so modified, for and on behalf of FGNW in the event that the President and CEO is unavailable or otherwise unable to do so; and

BE IT FURTHER RESOLVED that the President and CEO or the Chairperson, as the case may be, is authorized to submit such FGNW RISE Fund application to Triumph at such time as she or he deem appropriate, but in any event no later than May 31, 2018; and

BE IT FURTHER RESOLVED that Kim Wilmes, as President and CEO, and Bruce Vredenburg, as Chairperson, shall be, and hereby are, authorized to execute all other documents and take all actions, for and on behalf of FGNW, as they or either of them deems desirable and appropriate in furtherance of such FGNW RISE Fund application, as so modified; provided that no final, binding agreement with Triumph shall be executed unless and until such agreement is duly approved by the Executive Committee or the full Board of Directors.

THE UNDERSIGNED SECRETARY OF FGNW hereby certifies that upon motion duly made and seconded, the foregoing resolutions were duly adopted by the Executive Committee of the Board of Directors of FGNW, as the act and deed of the Board of Directors, on the 15th day of May, 2018.

This the 30th day of May, 2018.


RAY WALKER, SECRETARY

APPENDIX K

- C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

In order for FG NW RISE Funds to be accessed, the city/county in which the competitive project plans to locate must first approve an exemption/rebate for the non-abatable property taxes. This shows the support the city/county has for the competitive project, as well as their commitment to seeing the industry cluster grow in the region. Upon local government EDATE/rebate of abatable property taxes approval, then an application for the FG NW RISE Fund to cover non-abatable property taxes may be submitted to Triumph Gulf Coast, Inc.

If Triumph Gulf Coast, Inc. approves the FG NW RISE Fund application and the company chooses to locate in one of the eight disproportionately affected counties, then each year for the term of the FG NW RISE Fund contract, the company must submit proper documentation that jobs have been created and capital investment expended before Triumph disburses payment. Only then will funds be distributed yearly to qualified and approved competitive projects by Triumph Gulf Coast, Inc. until all \$15 million is depleted.

FG NW is also requesting \$200,000 each year the program is in effect, with \$100,000 to be used to promote the FG NW RISE Fund to site location consultants and business executives in targeted industries. If Triumph Gulf Coast, Inc. would like FG NW's support with the program, then \$50,000 will be utilized for economic impact analyses and programs for tracking and reporting purposes, and \$50,000 for FG NW to serve as a coordinator and advisor to Triumph Gulf Coast, Inc. for the FG NW RISE Fund program.