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| DATE | March 10, 2022 | RECORDED BY: | Cammie Goode |
| TO: | EDC Ad Valorem Tax Abatement Council | | |
| FROM: | Office of the Vice President, Business Development | | |
| RE: | Minutes from March 10, 2022, AVT Council Meeting to review current Brevard County Ad Valorem Tax Abatement program guidelines regarding average wage requirement | | |

Council Members in Attendance:

- Courtney Barker, City of Satellite Beach
- Kat Butler, North American Properties
- Angela Essing, City of Cocoa
- Gail Hart, Acuity International, LLC
- Mike Jaffe, Hedrick Brothers Construction
- Neal Johnson, Union Home Mortgage
- Robert Jordan, Genesis VII, Inc.
- Thomas LaFlore, CareerSource Brevard
- Scott Larese, City of Titusville
- Diane Luensmann, Canaveral Port Authority
- Michael Williams, Sr., M.H. Williams Construction Group, Inc.

Council Members Excused:

- Mark Busalacchi, Melbourne Orlando International Airport; Melissa Byron, City of Cocoa Beach; Doug Dombroski, City of Melbourne; Sean Farrell, City of Rockledge; Joan Junkala, City of Palm Bay; Katherine Wall, Brevard County; Bradley White, WhiteBird PLLC

Guests in Attendance:

- N/A

Economic Development Commission (EDC) of Florida's Space Coast Staff in Attendance:

- Edgar Campa-Palafox, Vice President, Business Development
- Cammie Goode, Project Manager, Business Development

Meeting Called to Order:

- Neal Johnson, Chairman, called the meeting to order at 8:30 AM. He welcomed new council members, Kat Butler, North American Properties, and Mike Jaffe, Hedrick Brothers Construction, and asked the council to do self-introductions.

Meeting Minutes:

- Neal Johnson, Union Home Mortgage, asked if everyone reviewed the minutes and if there were any questions or changes. No response from council members.
- A motion to approve the minutes as written from the December 2, 2021, AVT Council Meeting was made by Gail Hart, Acuity International, LLC, and seconded by Thomas LaFlore, CareerSource Brevard.
- The motion to approve minutes passed unanimously.

Review of Sunshine Law:

- Edgar Campa-Palafox, EDC, provided a broad overview of Florida's Sunshine Law
- Florida's Government in the Sunshine Law, s. 286.011, F.S., commonly referred to as the Sunshine Law, provides a right of access to governmental proceedings of public boards or commissions at both the state and local levels.
- As a recommending council to the Brevard County Board of County Commissioners, the EDC's Ad Valorem Tax Abatement Committee is subject to Florida's Sunshine Law provisions
- There are a few basic requirements of the sunshine law:
 - Requires that all EDC AVT meetings be: publicly noticed; with an agenda; that all meetings be conducted open to the public; and that minutes of each meeting be recorded
- Very important that council members do not discuss council matters with each other – no calls, emails or conversations about council matters outside of the public meeting.
- If a member has a potential conflict of interest with an agenda item, the member should recuse from voting by properly disclosing the conflict.
- This presentation was intended only to be an extremely brief summary of the Sunshine Law.
- The EDC recommends all council members learn more details about Florida's Sunshine Law by referencing official sources such as the Office of the State of Florida Attorney General, which provides manuals and virtual training regarding all aspects of the Sunshine Law.
- If you have questions concerning specific applications, please seek guidance. It's best to err on the side of caution - please ask the EDC any questions. If we can't answer them, we seek guidance from our legal counsel.

Brevard County Ad Valorem Tax Abatement Current Program Guidelines Review:

- Neal Johnson, Chair, opened up the discussion by providing a review of the current AVT program guidelines.
- The average wage currently used is \$42,904, which was the 2013 state of Florida average wage that was effective as of January 1, 2015.
- The process starts with the EDC staff reviewing the company's AVT applications and then presenting it on behalf of the company.
- The presentation includes the number of new jobs, average wage, capital investment and impact analysis. The council meets, reviews the information and makes their recommendation to be presented to the BCBOCC.
- The AVT program will be sunset in 2024 – and it is crucial to support its continuity since it's one of the few incentive tools the region has available when competing for projects against other regions.
- If approved by the BCBOCC, only a portion of a project's Ad Valorem taxes are abated, not all of them. Companies still pay school taxes, water management, among other public entities' taxes.
- It is also important to highlight that companies that fail to complete the annual report or to meet the criteria submitted on their application can have their AVT exemption revoked.
- Edgar Campa-Palafox, EDC, stated that the average wage is reviewed annually by the AVT Council, but it's been the Council's recommendation since July 2015 to keep it at the \$42,904 level.
- The reason the council decided to keep the average wage at that level has been intentional to be able to provide an incentive to small and medium manufacturers who are not necessarily in aerospace.
- These guidelines were crucial to access state incentives when the state had programs in place.
- Brevard County has attracted a lot of aerospace projects with significant investment and significant job creation, which has been pushing up the average wage of the county.
- We want to remain competitive in attracting small to medium-sized companies in order to diversify our economy and not rely so much on one industry sector.
- The state of Florida has very few tools – we need to cherish the local ones we have available.

- Significant competition from other states, typically Texas, Georgia and Alabama - they have been adding incentive programs while Florida has been cutting them.
- The EDC compiled a one-page document showing all of the State of Florida and Brevard County average wages that have been in effect since July 2015.

Brevard County Ad Valorem Tax Abatement Program Guidelines Average Annual Wage Requirement Review - Council Discussion:

- Discussion among Council members included confirmation that previous AVT Council members have recommended that the average wage used for the Brevard County Ad Valorem Tax Abatement program remain the same since its last revision to use the Statewide 2013 average wage of \$42,904, which was effective as of July 2015.
- The goal is to incentivize higher-paying, skilled jobs, but we also need to diversify at the same time.
- \$49,128 is Brevard County's 2018 average wage, which was effective as of January, 2020.
- The region is competing with other Florida counties, even though we have some unique qualities, we're still competing with other regions, having other tools that they can use, such as the panhandle – the playing field is not always even
- Regarding AVT exemptions granted to previous companies – some have hired twice as many people and the salaries are double what they committed to in their applications. If we can get these companies in, they can do amazing things.
- Per Florida statute, there is a list of qualified targeted industries eligible for incentives and we target those same industries

After the general discussion, the following motion was made by Robert Jordan, Genesis VII, Inc: *"To approve a recommendation to adopt Brevard County's 2018 average annual wage of \$49,128, that was made effective January 1, 2020, as the new average wage to be used for the Brevard County Ad Valorem Tax Abatement program"*. The motion was seconded by Michael Williams, Sr., M.H. Williams Construction Group, Inc.

Neal Johnson, Chair, asked for any further discussion regarding the motion on the floor.

- Council discussion continued: If a company doubles what they said they were going to do, is there a length of time that they phase-out of the incentive? At what point do they not need the incentive? Is there anything capping their growth?
- If a company is awarded 70% for 7 years, as long as they meet the number of new jobs, average wage and capital investment submitted on their application, and complete the required annual report, they will receive the abatement of 70% for 7 years.
- There's no penalty, such as no longer receiving the abatement, if the company overperforms.
- Also, a company's abatement isn't increased as a result of exceeding the criteria. It remains the same.
- If the state of Florida gets smart and brings back the Qualified Targeted Industry (QTI), the AVT can be used as the 20% required match from the community
- After the AVT Council provides a recommendation, it goes to the BCBOCC for review.
- AVT is performance-based and if a company doesn't meet the criteria, the AVT is revoked.

Neal Johnson, Chair, called for a vote on the motion on the floor. The Council unanimously voted to adopt the motion.

Ad Valorem Tax Abatement Council Recommendation:

- Adopt Brevard County's 2018 average annual wage of \$49,128, which was effective January 1, 2020, as the average wage used for Brevard County's Ad Valorem Tax Abatement program guidelines.

Other Business:

- The next meeting will be scheduled as needed.
- Neal Johnson adjourned the meeting.

Meeting adjourned at 9:13 AM