

## AGENDA

Section	Public Hearing
Item No.	IV D



Meeting Date

July 21, 2015

## AGENDA REPORT

## BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Economic Development Tax Exemption Ordinance Erchonia Corporation																									
DEPT/OFFICE:	Administrative Services Group / County Manager's Office																									
Requested Action:																										
It is requested that the Board of County Commissioners consider adopting an Economic Development Ad Valorem Exemption Ordinance for Erchonia Corporation.																										
Summary Explanation & Background:																										
<p>Erchonia Corporation is a medical laser device manufacturer considering building a 20,000 SF manufacturing facility on Digital Light Drive in Melbourne, FL. Parcel ID 27.36.23.77.000B.0000031.00 Legal Description: Plat Book/ Page: 0047/0073 North Drive Industrial Plaza, Phase One a replat of Track B Blk B PB 43 PG 28 Lot 31 Blk B. The company plans to create <del>39</del> <u>35</u> new full time jobs with an average wage of \$62,000 and invest \$5,300,000 in new capital expenditures.</p> <p>Erchonia Corporation meets the eligibility criteria as defined by Florida Statutes under Chapter 196.012(16)</p> <p>(a) 1. As a business new or expanding in Brevard County.</p> <p>"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: manufacturers, processes, compounds, fabricates or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant".</p> <p><b>The EDC has made a recommendation that Erchonia Corporation be provided an abatement of 80% for 8 years.</b></p> <p><b>The Property Appraiser has conducted an analysis of the tax abatement application and estimates At 80 % the amount of the annual tax abatement will be approximately \$ 14,091.90.</b></p> <p><b>Fiscal Impact: 2015-2016</b> No fiscal impact until company moves into and builds out facility</p> <p><b>Fiscal Impact: 2016-2017</b> Fiscal Impact will be the amount of ad valorem taxes exempted.</p>																										
Clerk to the Board instruction:																										
Exhibits Attached: Ordinance, Notice of Public Hearing, EDC Economic Impact Analysis, EDC Recommendation, Tax Abatement Application, Property Appraiser's Report.																										
<table border="1"> <tr> <td rowspan="2">Contract /Agreement (If attached): Reviewed by County Attorney</td> <td>Yes</td> <td><input type="checkbox"/></td> <td>N o</td> <td><input type="checkbox"/></td> <td>PR <input type="checkbox"/></td> </tr> <tr> <td colspan="5"></td> </tr> <tr> <td>County Manager</td> <td colspan="3">Assistant County Manager</td> <td colspan="2" rowspan="2">Department Director / Extension</td> </tr> <tr> <td>Stockton Whitten</td> <td colspan="3">Assistant County Manager</td> </tr> </table>						Contract /Agreement (If attached): Reviewed by County Attorney	Yes	<input type="checkbox"/>	N o	<input type="checkbox"/>	PR <input type="checkbox"/>						County Manager	Assistant County Manager			Department Director / Extension		Stockton Whitten	Assistant County Manager		
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County Manager	Assistant County Manager			Department Director / Extension																						
Stockton Whitten	Assistant County Manager																									

ORDINANCE NO. 2015-\_\_\_\_\_

AN ORDINANCE GRANTING AN ECONOMIC DEVELOPMENT AD VALOREM EXEMPTION TO ERCHONIA CORPORATION; SPECIFYING THE ITEMS EXEMPTED; PROVIDING THE EXPIRATION DATE OF THE EXEMPTION; FINDING THAT THE BUSINESS MEETS THE REQUIREMENTS OF CHAPTER 196.1995(8) F.S.; PROVIDING FOR PROOF OF ELIGIBILITY FOR EXEMPTION; ERCHONIA CORPORATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, economic development and the creation of jobs are a priority of the Brevard County Board of County Commissioners; and

WHEREAS, the Brevard County citizens voted to provide economic incentives to new and expanding businesses in the November 2014 general election; and

WHEREAS, Erchonia Corporation, has requested that the Board of County Commissioners exempt ad valorem taxes for its facility on Digital Light Drive, Melbourne, Fl.

WHEREAS, the Economic Development Commission of Florida's Space Coast has recommended approval of the exemption for Erchonia Corporation, and

WHEREAS, the Property Appraiser has provided the Board of County Commissioners with its report as required by Chapter 196.1995(8) F.S.; and

WHEREAS, it has been determined that Erchonia Corporation, meets the requirements of Chapter 196.012 F.S., an expanding business in Brevard County; and

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA as follows:

Section 1. Chapter 102 entitled "Taxation"; Article IV entitled "Ad Valorem Property Taxation", of the Code of Ordinances of Brevard County, Florida shall be amended to include the following:

- (a) An Economic Development Ad Valorem Tax Exemption is hereby granted to Erchonia Corporation, Melbourne, Fl. for its new construction and tangible personal property.
- (b) The total amount of revenue available to the County from ad valorem tax sources for the current fiscal year is \$194,413,375.05; \$161,833.05 is lost to the County for the current fiscal year by virtue of exemptions currently in effect from previous years.
- (c) The tax exemption hereby granted shall be for a term of eight (8) years commencing with the first year the expanded facility and tangible personal property are added to the assessment roll, and lasting eight (8) years thereafter, for 80 percent (80%) of County ad valorem taxes.
- (d) In accordance with the findings of the Board of County Commissioners and the Property Appraiser, the property hereby exempted from ad valorem tax exemption meets the definition of a new or expanding business, as defined by Chapter 196.012, Florida Statutes.

- (e) Erchonia Corporation shall submit to the County Manager at the beginning of each year an annual report providing evidence of continued compliance with the definition of a new or of an expansion of an existing business for each of the eight (8) years during which Erchonia Corporation is eligible to receive ad valorem tax exemption. If the annual report is not received, or if the annual report indicates Erchonia Corporation, no longer meets the criteria of Chapter 196.012 F.S., the County Manager shall make a report to the Board of County Commissioners for consideration of revocation of this Ordinance granting the tax exemption.
- (f) If the county manager or designee receives written notice that the company qualifying for an ad valorem tax abatement under the authority of this ordinance has decided not to undertake or complete the new business activity or expansion of an existing business activity, including construction or equipment purchases, giving rise to an ad valorem tax exemption granted under this section, the exemption granted shall be void, shall not take effect and shall not be implemented. If such a notice is received, the foregoing provision shall be self-executing and no further action of the Board of County Commissioners will be required to void the granted exemption. Upon the County's receipt of any such notice, the county manager or designee shall forward the notice to the Property Appraiser along with a copy of this subsection of the ordinance.
- (g) If the Board of County Commissioners revokes this Ordinance, it shall be a requirement of the company to reimburse those County ad valorem taxes abated in favor of Erchonia Corporation for that period of time that it was determined that Erchonia Corporation no longer met the criteria of Chapter 196.012 F.S.

Section 2.     Severability - If any provision of this Ordinance is held to be illegal or invalid, the other provisions shall remain in full force and effect.

Section 3.     Effective Date - This Ordinance shall become effective immediately upon filing as provided by law. A certified copy of the Ordinance shall be filed with the Office of the Secretary of State, State of Florida within ten days of enactment.

DONE, ORDERED AND ADOPTED in Regular Session this 21st day of July, 2015

ATTEST:

BOARD OF COUNTY COMMISSIONERS  
OF BREVARD COUNTY, FLORIDA

\_\_\_\_\_  
Scott Ellis, Clerk

By: \_\_\_\_\_  
Robin Fisher, Chairman

As approved by the Board on 07/21/2015

SUPPLEMENTAL APPLICATION

BREVARD COUNTY ECONOMIC DEVELOPMENT  
AD VALOREM TAX EXEMPTION PROGRAM

APPLICANT NAME: Erchonia Corporation

NOTICE: This supplement is to be used by the applicant to provide additional information required by Economic Development Ad Valorem Tax Abatement Ordinance, Chapter 102, Division 3, Sections 181-191, Brevard County Code; and to provide other information requested by the Board of County Commissioners and the entities who will review the application.

Any business seeking an exemption shall file an application with the County before the business has made the decision to locate a new business in the County or before the business has made the decision to expand an existing in the County. Any business decisions, such as announcements, leasing of space or hiring of employees, made prior to final County Economic Development Tax Abatement approval (and not made contingent upon County approval) may constitute grounds for disapproval. Projects, which clearly do not require inducement, will not be approved.

1. Length of exemption requested is total of 10 years (length of exemption approved is sole discretion of County Commission and commences on the adoption date of the ordinance granting the exemption).
2. Property Owner Name: Erchonia Corporation  
  
Address: Parcel Id 27.36.23.77.0008.00-00031.00 Legal Description: Plat Book/Page: 0047/0073 North Drive Industrial Plaza, Phase One a Replat of Tract B BLK B PB 43 PG 28 Lot 31 BLK B.  
  
Telephone No. (214) 544-2227 FAX No. (214)544-2228
3. Authorized Agent: Mark Sharke  
  
Address: 2021 Commerce Dr., McKinney, TX 75069  
  
Telephone Number: (214) 544-2227 Fax No. (214) 544-2228
4. Type of Industry or business: Manufacturing-Medical
5. Brief description of product and expansion plans (The applicant is to provide an executive summary of its business plan):  
Medical Lasers for healthcare and aesthetic applications. Possible relocation to Brevard County
6. Anticipated number of new employees (The applicant is to provide a breakdown of jobs to be created by category and planned salary to be paid by position): 39 (Full Time)
7. Percent increase in overall employment: TBD
8. Expected number of new employees who will reside in Brevard County: 35 (Full Time)
9. Percentage of existing employees who have resided in the County for more than two years: 0
10. Anticipated average wage of employees: \$62,000
11. Anticipated average annual payroll: \$2,600,000 (Including part time)
12. Anticipated new capital investment as a result of expansion or relocation of business:  
New construction value: \$3,300,000  
New personal property value: \$2,000,000
13. Environmental impact of business. (Identify the number and type of environmental permits required as a result of this project: e.g. air, soil and water pollution, water and sewer, dredge and fill, stormwater, industrial wastewater; provide a brief narrative statement of the company's environmental impacts): other than what is required for normal waste removal: none.
14. Anticipated volume of business or production: \$12 to \$15M annual revenue
15. The relocation or expansion would not occur without the exemption: Yes ☐ No ☒
16. Source of supplies (local or otherwise):  
% source of supplies County: TBD

% source of supplies Florida: TBD  
% source of supplies out-of-state: TBD

17. Business is/will be located in a community redevelopment area: Yes [ ] No [ ]

Name of area: City of Melbourne \_\_\_\_\_

**SIGNATURES:**

I hereby confirm the information provided by Erchonla Corporation to the Economic Development Commission of Florida's Space Coast and the Board of County Commissioners for the purpose of calculating the economic impact and benefit of the proposed tax abatement is true, accurate and complete. I further confirm that Erchonla Corporation is not in violation of any federal, state or local law, or regulation governing environmental matters. I hereby acknowledge and agree upon approval of the Economic Development Ad Valorem Tax Abatement Ordinance by the Brevard County Board of County Commissioners that Erchonla Corporation will provide the Brevard Workforce its job openings to be posted on [www.employflorida.com](http://www.employflorida.com) and agrees to consider for employment candidates referred by Brevard Workforce.

DATE: 5/29/15  
SIGNED: Mark Shanks  
TITLE: CFO (Applicant)

SIGNED: \_\_\_\_\_  
(Preparer)  
\_\_\_\_\_  
(Preparer's Address)  
\_\_\_\_\_  
(Preparer's Telephone Number)

**ECONOMIC DEVELOPMENT COMMISSION (EDC) USE ONLY**

**EDC Economic Impact Analysis:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EDC's Recommendation:**

The Economic Development Commission of Florida's Space Coast hereby certifies that it has proof, to the satisfaction of the EDC, that the applicant meets the criteria of a new business or for an expansion of an existing business as defined in Section 184, Chapter 102, Brevard County Code. Furthermore, the EDC has conducted an economic impact analysis, applying acceptable multipliers as defined by the State Department of Commerce, which concludes that the applicant does hereby meet the economic benefit test; and, therefore, the EDC recommends to the Brevard County Commission that the applicant receive an ad valorem tax exemption for \_\_\_\_\_ percent of its eligible taxes and for a period of \_\_\_\_\_ years.

DATE: \_\_\_\_\_ SIGNED: \_\_\_\_\_  
(EDC President)

**COUNTY USE ONLY**

**County Manager's Recommendation:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE: \_\_\_\_\_ SIGNED: \_\_\_\_\_  
(County Manager)

**BREVARD COUNTY**  
**ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION**  
**Chapter 198, Florida Statutes**

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

1. Business name: Erchonia Corporation  
 Mailing address: 2021 Commerce Dr. McKinney, TX 75069
2. Name of person in charge of business: Mark Shanks  
 Telephone No.: (214) 544-2227 FAX No.: (214) 544-2228
3. Location of business (legal description and street address) of property for which this report is filed:  
Same as above
4. Date business opened at this facility: 2006
5. a. Description of the improvements to real property for which this exemption is requested:  
New Facility
- b. Date of commencement of construction of improvements: Q4-2015
6. a. Description of the tangible personal property for which this exemption is requested and date when property was purchased:

APPRaiser's ONLY	Class or Item	Age	Date of Purchase	Original Cost	Taxpayer's Estimate of Condition	Taxpayer's Estimate of Fair Market Value	USE	
	Manufacturing Equipment and tools	9yrs	2006	\$450,000	G	\$250,000	7%	108,000
	Transportation Equipment	6yrs	2001	\$161,000	G	\$80,000	1%	16,100
	Furniture and Fixtures	7yrs	2007	\$203,000	G	\$100,000	35	71,050
	Computer Equipment	2 yrs	2013	\$264,000	G	\$200,000	40	= 105,600
								300,750

- b. Average value of inventory on hand: 2014 = \$1,100,000
- c. 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 "New Business" [ X ] or as an "Expansion of an Existing Business" [ ]

8. Describe the type or nature of your business: Manufacture of Medical Lasers
9. Trade level (check as many as apply):  
 Wholesale ☒ Manufacturing ☒ Professional ☐ Service ☐ Office ☐ Other ☐
10. a. Number of full time employees employed in Florida: 35 upon relocation.  
 (OR 418) b. If an expansion of an existing business:  
 (1) Net increase in employment \_\_\_\_\_ or \_\_\_\_\_ %  
 (2) 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 \$700,000 divided by  
 Total sales everywhere from this facility - one (1) location only \$12 - \$15M
12. For office space owned and used by a corporation newly domiciled in Florida: Not yet incorporated  
 a. Date of incorporation in Florida \_\_\_\_\_  
 b. Number of full-time employees at this location \_\_\_\_\_
13. If requesting an exemption due to location in a slum or blighted area, please furnish such additional information as required by the County Commission, City Commission, or Property Appraiser.

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: 5/29/15  
 SIGNED: Mark Mander  
 (Taxpayer)  
 TITLE: CFO

Signed: \_\_\_\_\_  
 (Preparer)  
 \_\_\_\_\_  
 (Preparer's Address)  
 \_\_\_\_\_  
 (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: 194,413,375.05
- II. Revenue lost to the County or municipality for the current fiscal year by virtue of exemptions previously granted under this section: 161,833.05
- III. Estimate of the revenue which will be lost to the County 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: 17,614.88
- IV. Estimate of the taxable value lost to the County or municipality if the exemption applied for were granted:  
 Improvements to real property 2,805,000 Personal Property 300,750
- 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 New Business ☒, an Expansion of an Existing Business ☐, or Neither ☐.
- VI. Last year for which exemption may be applied: Dependent upon the number of years granted by the BOCC.
- DATE: 7-13-15 SIGNED: [Signature]  
 (Property Appraiser)

RETURN TO BE FILED NOT LATER THAN MARCH 1





July 15, 2015

Mr. Stockton Whitten  
County Manager  
Brevard County  
2725 Judge Fran Jamieson Way, Building C  
Viera, FL 32940 USA

Dear Mr. Whitten:

The Ad Valorem Tax Abatement Council convened July 14, 2015 to review an application submitted by Erchonia Corporation.

The following Council members were in attendance: Judy Blanchard, CareerSource Brevard; Melissa Byron, City of Cocoa Beach; William Capote, City of Palm Bay; Robbie Fritz, HUB International Florida; Dan Henn, City of Rockledge; Neal Johnson, EverBank; Todd Morley, City of Cape Canaveral; Pat Poston, Canaveral Port Authority; Travis Proctor, Artemis, Inc.; Gilbert Russell, Seacoast Bank; Julie Song, FL Business & Manufacturing Solutions, Inc.

Guest(s): Jason Miller, JP Morgan Chase Bank, N.A.; Dave Berman, Florida Today.

EDC staff members in attendance included: Mr. Gregory Weiner, Senior Director of Business Development; Ms. Cammie Goode, Business Development Specialist.

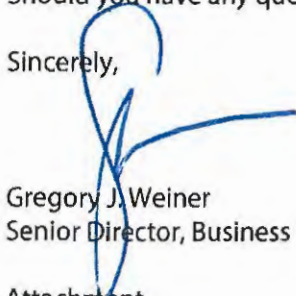
Erchonia Corporation is a medical laser device manufacturer considering building a 20,000 SF manufacturing facility on Digital Light Drive in Melbourne, FL: Parcel ID 27.36.23.77.0008.00-00031.00 Legal Description: Plat Book/Page: 0047/0073 North Drive Industrial Plaza, Phase One a Replat of Track B BLK B PB 43 PG 28 Lot 31 BLK B. The company plans to create 35 new full time jobs with an average wage of \$62,000 and invest \$5,300,000 in new capital expenditures.

The Ad Valorem Tax Abatement Council made the recommendation of 80 percent abatement for 8 years for Erchonia Corporation.

The Council consulted the EDC's Economic Impact Analysis and the guidelines attached to Brevard County Ordinance No. 96-41.

Should you have any questions, please feel free to contact me.

Sincerely,



Gregory J. Weiner  
Senior Director, Business Development

Attachment





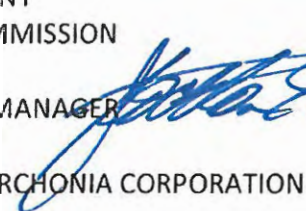
RECEIVED

**BOARD OF COUNTY COMMISSIONERS**

**STOCKTON WHITTEN, COUNTY MANAGER**  
2725 Judge Fran Jamieson Way, Building C, Room 301  
Viera, FL 32940  
[stockton.whitten@brevardcounty.us](mailto:stockton.whitten@brevardcounty.us)

**OFFICE OF THE COUNTY MANAGER**  
Phone: 321.633.2001  
Fax: 321.633.2115  
[www.brevardcounty.us](http://www.brevardcounty.us)

TO: LYNDA WEATHERMAN, PRESIDENT  
ECONOMIC DEVELOPMENT COMMISSION

FROM: STOCKTON WHITTEN, COUNTY MANAGER 

SUBJECT: TAX ABATEMENT REPORT FOR ERCHONIA CORPORATION

DATE: JULY 8, 2015

The Board of County Commissioners on July 8, 2015, adopted a Resolution qualifying Erchonia Corporation as an eligible business under the County's Economic Development Incentives Program.

Erchonia Corporation is a medical laser device manufacturer considering building a 20,000 SF manufacturing facility on Digital Light Drive in Melbourne, FL. Parcel ID 27.36.23.77.000B.0000031.00  
Legal Description: Plat Book/ Page: 0047/0073 North Drive Industrial Plaza, Phase One a replat of Track B Blk B PB 43 PG 28 Lot 31 Blk B. The company plans to create 35 new full time jobs with an average wage of \$62,000 and invest \$5,300,000 in new capital expenditures.

The Board requests that the Economic Development Commission of Florida's Space Coast conduct an economic impact analysis of the company and provide it with its recommendation as to the extent and length of tax abatement. A copy of the application is attached for your analysis and signature.

It is planned that the Board will hold a public hearing to consider adopting an ordinance exempting select County ad valorem taxes on behalf of Erchonia Corporation at its July 21, 2015 regularly scheduled meeting.

If you should have any questions, please contact me at (321) 633-2001.

SW/sl

Attachment



#### Erchonia Corporation Ad Valorem Tax Abatement Executive Summary

Erchonia Corporation was founded in 1996 as a small family business in Denver, Colorado with just three employees, and even though we've grown into an international enterprise with 50 employees, we still operate under the founding principles that guided us to our present success. Our commitment to the legitimate advancement of Low Level Laser Therapy (3LT®) through scientific and clinical research has transformed Erchonia into a world leader in the field of LLLT technology. The integrity, diligence, quality and commitment of our company are evident in the rigorous process we follow in order to take a research hypothesis from concept to viable, agency-approved product and treatment method. To ensure a steadfast adherence to our unique all-encompassing approach, our company serves as manufacturer, marketer, developer, promoter, creator and user of all our products.

As manufacturer, we manage to maintain our quality production standards by operating as an 85% self-reliant company. This means we are involved in almost every facet of our products' creation, performing research, development, fabrication of components and assembly of finished goods all in-house. As marketers, we hold on to the highest customer-service standards possible, providing multi-media training and meeting all of our client's requests with creativity and purpose. By overseeing the development of our specialized products every step of the way, we've cultivated a unique market niche and are determined to maintain our status as leader and trend-setter in the field of Low Level Laser Therapy.

In 2014 the Senior Management Team of Erchonia decided to explore the idea of relocating the facility to an eastern U.S. location with a desirable business and personal climate for growth. Brevard County was considered out of a pool of other potential sites; including Raleigh, Charlotte, Nashville, Birmingham and Jacksonville, due to its skilled labor pool, high technology vendors, central location, desirable quality of living and of course, great weather.

Erchonia Corporation is considering a 20,000 sq. ft. facility on Digital Light Dr. in Melbourne with a cost of approximately \$3,300,000. In addition Erchonia would be relocating 35 employees, along with family, adding 80+ new residents to Brevard County.

Erchonia Corporation  
2021 Commerce Drive  
McKinney, TX 75069  
214-544-2227  
214-544-2228 Fax  
888-242-0571 Toll Free  
[www.erschonia.com](http://www.erschonia.com)





ERCHONIA<sup>®</sup>

*Laser Healthcare<sup>™</sup>*

The Ad Valorem Tax Abatement program would be of great benefit to our growth and expansion efforts by allowing our company to better leverage its capital to increase efficiency and raise competitiveness which will in turn give us the ability to add to our Brevard County and Florida client base.

We expect Erchonia Corporation to continue on its current growth curve with our Melbourne facility. Current projections are for annual sales to be \$12,000,000-\$15,000,000. Our current and future growth will continue to provide a positive and lasting impact on the Space Coast economy. We are eagerly anticipating the Commission's assistance with our relocation efforts through the approval of Erchonia Corporation for the Ad Valorem Tax Abatement Program.

Erchonia Corporation  
2021 Commerce Drive  
McKinney, TX 75069  
**214-544-2227**  
214-544-2228 Fax  
888-242-0571 Toll Free  
[www.erschonia.com](http://www.erschonia.com)



**SUPPLEMENTAL APPLICATION**

**BREVARD COUNTY ECONOMIC DEVELOPMENT  
AD VALOREM TAX EXEMPTION PROGRAM**

APPLICANT NAME: Erchonia Corporation

NOTICE: This supplement is to be used by the applicant to provide additional information required by Economic Development Ad Valorem Tax Abatement Ordinance, Chapter 102, Division 3, Sections 181-191, Brevard County Code; and to provide other information requested by the Board of County Commissioners and the entities who will review the application.

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3. Authorized Agent: Mark Shanks  
Address: 2021 Commerce Dr., McKinney, TX 75069  
Telephone Number: (214) 544-2227 Fax No. (214) 544-2228
4. Type of industry or business: Manufacturing-Medical
5. Brief description of product and expansion plans (The applicant is to provide an executive summary of its business plan):  
Medical Lasers for healthcare and aesthetic applications. Possible relocation to Brevard County
6. Anticipated number of new employees (The applicant is to provide a breakdown of jobs to be created by category and planned salary to be paid by position): 35 (Full Time)
7. Percent Increase in overall employment: TBD
8. Expected number of new employees who will reside in Brevard County: 35 (Full Time)
9. Percentage of existing employees who have resided in the County for more than two years: 0
10. Anticipated average wage of employees: \$62,000
11. Anticipated average annual payroll: \$2,600,000 (Including part time)
12. Anticipated new capital investment as a result of expansion or relocation of business:  
New construction value: \$3,300,000  
New personal property value: \$2,000,000
13. Environmental impact of business. (Identify the number and type of environmental permits required as a result of this project: e.g. air, soil and water pollution, water and sewer, dredge and fill, stormwater, industrial wastewater; provide a brief narrative statement of the company's environmental impacts): other than what is required for normal waste removal: none.
14. Anticipated volume of business or production: \$12 to \$15M annual revenue
15. The relocation or expansion would not occur without the exemption: Yes [ ] No [X]
16. Source of supplies (local or otherwise):  
% source of supplies County: TBD

% source of supplies Florida: TBD  
% source of supplies out-of-state: TBD

17. Business is/will be located in a community redevelopment area: Yes [ ] No [ ]

Name of area: City of Melbourne \_\_\_\_\_

**SIGNATURES:**

I hereby confirm the information provided by Erchonia Corporation to the Economic Development Commission of Florida's Space Coast and the Board of County Commissioners for the purpose of calculating the economic impact and benefit of the proposed tax abatement is true, accurate and complete. I further confirm that Erchonia Corporation is not in violation of any federal, state or local law, or regulation governing environmental matters. I hereby acknowledge and agree upon approval of the Economic Development Ad Valorem Tax Abatement Ordinance by the Brevard County Board of County Commissioners that Erchonia Corporation will provide the Brevard Workforce its job openings to be posted on www.employflorida.com and agrees to consider for employment candidates referred by Brevard Workforce.

DATE: 5/29/15

SIGNED: Mark Mark

TITLE: CFO (Applicant)

SIGNED: \_\_\_\_\_

(Preparer)

(Preparer's Address)

(Preparer's Telephone Number)

**ECONOMIC DEVELOPMENT COMMISSION (EDC) USE ONLY**

**EDC Economic Impact Analysis:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EDC's Recommendation:**

The Economic Development Commission of Florida's Space Coast hereby certifies that it has proof, to the satisfaction of the EDC, that the applicant meets the criteria of a new business or for an expansion of an existing business as defined in Section 184, Chapter 102, Brevard County Code. Furthermore, the EDC has conducted an economic impact analysis, applying acceptable multipliers as defined by the State Department of Commerce, which concludes that the applicant does hereby meet the economic benefit test; and, therefore, the EDC recommends to the Brevard County Commission that the applicant receive an ad valorem tax exemption for 80 percent of its eligible taxes and for a period of 8 years.

DATE: 7/15/2015

SIGNED: \_\_\_\_\_

(EDC President)

EDC Senior Director Business Development

COUNTY USE ONLY

**County Manager's Recommendation:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE: \_\_\_\_\_

SIGNED: \_\_\_\_\_

(County Manager)

**BREVARD COUNTY**  
**ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION**  
**Chapter 196, Florida Statutes**

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

1. Business name: Erchonia Coporation  
Mailing address: 2021 Commerce Dr. McKinney, TX 75069
2. Name of person in charge of business: Mark Shanks  
Telephone No.: ( 214 ) 544-2227 FAX No.: ( 214 ) 544-2228
3. Location of business (legal description and street address) of property for which this report is filed:  
Same as above
4. Date business opened at this facility: 2006
5. a. Description of the improvements to real property for which this exemption is requested:  
New Facility
- b. Date of commencement of construction of improvements: Q4-2015
6. a. Description of the tangible personal property for which this exemption is requested and date when property was purchased:

APPRaiser's ONLY	Class or Item	Age	Date of Purchase	Original Cost	Taxpayer's Estimate of Condition			Taxpayer's Estimate of Fair Market Value			USE
	Manufacturing Equipment and tools	9yrs	2006	\$450,000		G		\$250,000			
	Transportation Equipment	5yrs	2001	\$161,000		G		\$80,000			
	Furniture and Fixtures	7yrs	2007	\$203,000		G		\$100,000			
	Computer Equipment	2 yrs	2013	\$264,000		G		\$200,000			

- b. Average value of inventory on hand: 2014 = \$1,100,000
- c. 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 "New Business" [ ☒ ] or as an "Expansion of an Existing Business" [ ☐ ]



8. Describe the type or nature of your business: Manufacture of Medical Lasers
9. Trade level (check as many as apply):  
Wholesale ☒ Manufacturing ☒ Professional ☐ Service ☐ Office ☐ Other ☐
10. a. Number of full time employees employed in Florida: 35 upon relocation.  
(DR 418) b. If an expansion of an existing business:  
(1) Net increase in employment \_\_\_\_\_ or \_\_\_\_\_ %  
(2) 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 \$700,000 divided by  
Total sales everywhere from this facility - one (1) location only \$12 - \$15M
12. For office space owned and used by a corporation newly domiciled in Florida: Not yet incorporated  
a. Date of incorporation in Florida \_\_\_\_\_  
b. Number of full-time employees at this location \_\_\_\_\_
13. If requesting an exemption due to location in a slum or blighted area, please furnish such additional information as required by the County Commission, City Commission, or Property Appraiser.

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: 5/29/15  
SIGNED: Mark Shanker  
(Taxpayer)  
TITLE: CEO

Signed: \_\_\_\_\_  
(Preparer)  
\_\_\_\_\_  
(Preparer's Address)  
\_\_\_\_\_  
(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 will be lost to the County 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: \_\_\_\_\_
- IV. Estimate of the taxable value lost to the County or municipality if the exemption applied for were 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 New Business ☐, an Expansion of an Existing Business ☐, or Neither ☐.
- VI. Last year for which exemption may be applied: \_\_\_\_\_

DATE: \_\_\_\_\_

SIGNED: \_\_\_\_\_  
(Property Appraiser)

RETURN TO BE FILED NOT LATER THAN MARCH 1



## Ad Valorem Tax Abatement

### Job Creation

### Distribution Worksheet

Job Title / Description	Number of Jobs	Wage	Anticipated Hire Timeline (by year)
Management	4	\$153,941	2016
Engineering	3	\$96,627	2016
Supervisor	2	\$60,731	2016
Technician	7	\$44,730	2016
Sales	6	\$48,982	2016
Regulatory/Compliance	3	\$63,641	2016
Administration	10	\$33,813	2016

### Erchonia Corporation

Brevard County, FL

07/14/15

#### Overview:

New Job Commitment:	35	Capital Investment:	\$5,300,000
Average Annual Wage:	\$62,000		

#### Economic impact from job creation:

Jobs	Net New Wage	Contribution to GDP
35 (Direct)	\$2,170,000 (Direct)	\$4,148,433 (Direct)
19 (Indirect)	\$998,254 (Indirect)	\$1,770,428 (Indirect)
17 (Induced)	\$615,632 (Induced)	\$1,148,104 (Induced)
<b>72 TOTAL</b>	<b>\$3,783,886 TOTAL</b>	<b>\$7,066,966 TOTAL</b>

- For every employment position created by Erchonia Corporation approximately 1.04 additional jobs will be developed to support the operation of the facility.
- For every payroll dollar paid to Erchonia Corporation approximately \$0.74 will be generated for consumer spending.

#### County Tax Impact

Years 1-10	Annual Taxes on Construction
Projected Tax Assessed	\$ 37,047.91
Potential Abatement	\$ 14,973.29
Net New Revenue to County	\$ 22,074.62
	Annual Taxes on Personal Property
Projected Tax Assessed	\$ 22,453.28
Potential Abatement	\$ 9,074.72
Net New Revenue to County	\$ 13,378.56
<b>Total New Revenue to County</b>	<b>\$ 35,453.18</b>

**Years 11+:** Company will be assessed for 100% of tax liability

Tax Millage Code – 53K0

NAICS – 334510

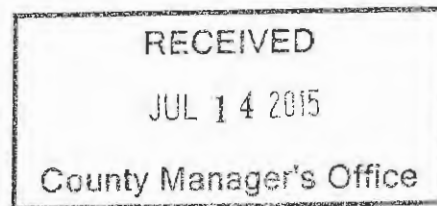
IMPLAN Sector – 314

Analysis based on information supplied by Erchonia Corporation -July 2015

Economic impact calculations furnished by EDC Research Office, using IMPLAN Professional 3.1 ([www.IMPLAN.com](http://www.IMPLAN.com)).

Abatement & millage numbers are estimates; all final numbers determined solely by the Brevard County Property Appraiser's Office.

A Daily Publication By:



B.O.C.C. COUNTY MANAGER'S OFF  
2725 JUDGE FRAN JAMIESON WAY  
MELBOURNE, FL 32940

STATE OF FLORIDA COUNTY OF BREVARD:  
Before the undersigned authority personally appeared  
Kim Curro, who on oath says that he or she is a Legal  
Advertising Representative of the FLORIDA TODAY, a  
daily newspaper published in Brevard County, Florida  
that the attached copy of advertisement, being a Legal  
Ad in the matter of

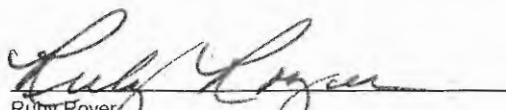
**Notice Public Hearing**

as published in FLORIDA TODAY in the issue(s) of:

07/10/15

Affiant further says that the said FLORIDA TODAY is a  
newspaper in said Brevard County, Florida and that the  
said newspaper has heretofore been continuously  
published in said Brevard County, Florida each day and  
has been entered as periodicals matter at the post office  
in MELBOURNE in said Brevard County, Florida, for a  
period of one year next preceding the first publication of  
the attached copy of advertisement; and affiant further  
says that he or she has never paid nor promised any  
person, firm or coporation any discount, rebate,  
commission or refund for the purpose of securing this  
advertisement for publication in the said newspaper.

Sworn to and Subscribed before me this 10th of July  
2015, by

  
Ruby Royer  
Notary Public for the State of Florida  
My Commission expires January 30, 2018

Publication Cost: \$158.48  
Ad No: 0000575153  
Customer No: BRE-6BR446



RUBY ROYER  
NOTARY PUBLIC  
STATE OF FLORIDA  
Comm#FF088043  
Expires 1/30/2018

ADW 575153 07/10/2015  
NOTICE OF PUBLIC HEARING  
NOTICE IS HEREBY GIVEN that the Board  
of County Commissioners of Brevard  
County, Florida, on July 21, 2015 at 9:00  
a.m., in the Commission Room at 2725  
Judge Fran Jamieson Way, Building C,  
First Floor, Viera, FL, 32940, will hold a  
public hearing on the following ordi-  
nance:  
ORDINANCE NO. 2015-  
AN ORDINANCE GRANTING AN ECO-  
NOMIC DEVELOPMENT AD VALOREM  
EXEMPTION TO ERCHONIA CORPORA-  
TION; SPECIFYING THE ITEMS EXEMPT-  
ED; PROVIDING THE EXPIRATION DATE  
OF THE EXEMPTION; FINDING THAT THE  
BUSINESS MEETS THE REQUIREMENTS OF  
CHAPTER 196.1995(8) F.S.; PROVIDING  
FOR PROOF OF ELIGIBILITY FOR EXEMP-  
TION; ERCHONIA CORPORATION; PRO-  
VIDING AN EFFECTIVE DATE  
All persons for or against said ordinance  
can be heard at said time and place. If a  
person decides to appeal any decision  
made by the Board with respect to such  
hearing or meeting, he will need to en-  
sure that a verbatim record of the pro-  
ceedings is made, which record includes  
the testimony and evidence upon which  
the appeal is based. The needs of hear-  
ing or visually impaired persons shall be  
met. If the department sponsoring the  
hearing is contacted at least 48 hours  
prior to the public meeting hearing by  
any person wishing assistance. The spon-  
soring department is the Administrative  
Services Office, Telephone Number  
(321)633-2001  
A copy of the ordinance may be inspect-  
ed at:  
www.brevardcounty.us/business/public  
hearings  
Brevard County Government Center,  
Building C County Managers Office  
By order of the Board of County Com-  
missioners of Brevard County, Florida