



Legislation Details (With Text)

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Title: Qualified Target Industry (QTI) Resolution - USR Systems, LLC (B)

This item seeks a one year extension to former City Commission approval for a QTI Resolution associated with prospective job creation for the location within the City of Gainesville for USR Systems, LLC.

Sponsors:

Indexes:

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Attachments: 1. 170533A_QTI Resolution_20171116.pdf, 2. 170533B_Original Resolution_20171116.pdf, 3. 170533C_Email_20171116.pdf, 4. 170533D_Extension Request_20171116.pdf, 5. 170533_finalResolution_20171116.pdf

Date	Ver.	Action By	Action	Result
11/16/2017	1	City Commission	Adopted (Resolution) and Approved the Recommendation	Pass

Qualified Target Industry (QTI) Resolution - USR Systems, LLC (B)

This item seeks a one year extension to former City Commission approval for a QTI Resolution associated with prospective job creation for the location within the City of Gainesville for USR Systems, LLC.

USR Systems, LLC was previously approved by the City Commission as a Qualified Target Industry by Resolution Number 150942. USR Systems, LLC has requested one-year extension. USR Systems, LLC affirms that it will create up to 140 net new jobs within three years at an average wage of approximately \$55,000 (with benefits) within the City of Gainesville. In addition to the creation of jobs in the three year period, this firm has pledged a capital investment of approximately \$85,000 in a similar timeframe.

The QTI incentive is a state tool available to Florida communities to encourage job growth in targeted, high value-added businesses. Pre-approved applicants creating jobs in Florida receive refunds on the various State taxes they pay including corporate, sales, ad-valorem, insurance premium and other taxes. The QTI incentive is performance based and the firm will only receive funds based upon jobs created and meeting other criteria as required by Florida statute.

Due to the incentive calculated per job (\$3,000 per job per QTI incentive, \$1,000 per job associated with 150% of the average annual wage and \$2,000 for jobs located in an Enterprise Florida designated High Impact Business Sector) the total incentive would be \$ 840,000. Of this, the City would be asked to provide a 10% match (\$84,000) over a period of three years with an equal 10% match (\$84,000) coming from Alachua County for a total local match of \$168,000.

The Gainesville Area Chamber of Commerce and its economic development arm, the Council for Economic

Outreach (CEO) have worked with Enterprise Florida and USR Systems, LLC and recommends approval of this request.

The Alachua County Board of County Commissioners approved a similar extension Resolution on October 24, 2017.

If approved this Resolution would result in an eight year local contribution payout of \$84,000 beginning in FY 2018 should the State approve QTI refunds for the firm. This is not currently funded for 2018; therefore, it would need to come out of the General Fund fund balance.

The City Commission: 1) adopt the QTI Resolution; 2) authorize the Mayor to execute and the Clerk to attest to the QTI Resolution regarding USR Systems, LLC; 3) and 3) direct the City Manager to forward the executed QTI Resolution to Enterprise Florida.