



Legislation Text

File #: 121116., Version: 1

Qualified Target Industry (QTI) Refund Resolution - BioMonde (B)

This item seeks City Commission approval for a QTI contribution for the prospective location of a business unit within the City of Gainesville for BioMonde, a British life science/health company, providing debridement treatments to the European wound care market.

BioMonde, a life science/health company currently providing debridement treatments to the European wound care market is currently considering the establishment of a business unit within the City of Gainesville that would create 18 manufacturing, sales and marketing and administration jobs. If the firm chooses to select Gainesville/Alachua County, the site location will be within the City's Enterprise Zone.

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.

Eligible QTI applicants must pay an average annual wage that is at least 115% of the State Metropolitan Statistical Area's average annual wage rate. In order to apply, the applicant works with Enterprise Florida prior to making a decision to locate (or expand). The local community normally provides a Resolution to indicate that the commitments of local financial support exist, namely up to 20% of the total tax refund.

In this particular case, BioMonde is indicating that it will create up to 18 net new jobs at an average wage of approximately \$52,500 at the Innovation Hub. This firm has indicated it plans to make a capital investment of approximately \$825,000 over five years regarding the new location in addition to the proposed job creation.

Due to the incentive calculated per job (\$6,000 for location in Enterprise Zone; \$1,000 for creation of wages at 150% of the average Alachua County wage; and \$2,000 for jobs located within an Enterprise Florida designated High Impact Business Sector) the total incentive would be \$162,000. Of this, the City would be asked to provide a 10% match (\$16,200) over a period of four years with an equal 10% match (\$16,200) coming from Alachua County for a total local match of \$32,400.

The Gainesville Area Chamber of Commerce and its economic development arm, the Council for Economic Outreach (CEO) have been working with BioMonde and recommends approval of this request.

If this item is approved, the City Commission agrees to budget and appropriate up to \$16,200 over four years in the event that tax refunds are approved by the state.

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

Alternative Recommendation
The City Commission deny the Resolution.