



Legislation Text

File #: 160141., Version: 2

Qualified Target Industry (QTI) Amended Resolution - Nationwide Insurance (B)

This item seeks City Commission approval for an amended QTI Resolution in order to adjust timing associated with prospective expansion and job creation within the City of Gainesville for Nationwide Insurance.

On July 21, 2016, the City Commission approved a QTI Resolution for Nationwide Insurance. Since that time the company, through the Gainesville Area Chamber of Commerce, has requested adjusting the timing associated with prospective expansion and job creation by one year and therefore the payout schedule dates to cover the period to FY 18 - FY 24 from FY 17 - FY 23. All other components of the QTI remain the same.

In this particular case, Nationwide Insurance has indicated that it will create up to 130 net new jobs beginning in FY 2018 at an average wage of approximately \$42,482 (with benefits) within the City of Gainesville. In addition to the creation of jobs, this firm has pledged a total capital investment of approximately \$7.4 million.

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 and \$2,000 for jobs located in an Enterprise Florida designated High Impact Business Sector), the total incentive would be \$650,000. Of this, the City would be asked to provide a 10% match (\$65,000) with an equal 10% match (\$65,000) coming from Alachua County for a total local match of \$130,000.

The Gainesville Area Chamber of Commerce and its economic development arm, the Council for Economic Outreach (CEO) have worked with Enterprise Florida and Project Uno and recommends approval of this request.

If this item is approved, the City Commission agrees to budget and appropriate up to \$65,000 in the event that tax refunds are approved by the state.

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