



Legislation Details (With Text)

File #:	110664.	Version:	0	Name:	Qualified Target Industry (QTI) Refund Resolution - R & L Carriers (B)
Type:	Resolution	Status:		Status:	Adopted
File created:	2/2/2012	In control:		In control:	City Manager
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Title:	Qualified Target Industry (QTI) Refund Resolution - R & L Carriers (B)				

This item seeks City Commission approval for a QTI contribution for the prospective relocation of information technology jobs associated with R & L Carriers, a global transportation and logistics firm, within the City of Gainesville.

Sponsors:

Indexes:

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Attachments: 1. 110664A_QTI RESOLUTION_20120202.pdf, 2. 110664B_Project Overview_20120202.pdf, 3. 110664C_QTI Recommendation Email_20120202.pdf, 4. 110664D_MOD_Revised QTI Resolution_20120202.pdf, 5. 110664E_MOD_Project Overview_20120202.pdf, 6. 110664F_MOD_CEO letter to City_20120202.pdf, 7. 110664_QTIResolution_20120202.pdf

Date	Ver.	Action By	Action	Result
2/2/2012	0	City Commission	Adopted (Resolution) and Approved the Recommendation	Pass

Qualified Target Industry (QTI) Refund Resolution - R & L Carriers (B)

This item seeks City Commission approval for a QTI contribution for the prospective relocation of information technology jobs associated with R & L Carriers, a global transportation and logistics firm, within the City of Gainesville.

R & L Carriers, Inc., a global transportation and logistics firm, is currently considering the relocation of up to 180 information technology jobs to the City limits. If the firm chooses to select Gainesville/Alachua County for this particular project, site location will take place at the Stadium Club located at 1802 W. University Avenue.

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 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, R & L Carriers, Inc. is indicating that it will create up to 180 net new jobs at an average wage of approximately \$56,000 at the proposed location. This firm has pledged a capital investment of approximately \$20,000,000 regarding the Stadium Club and tangential projects in addition to the proposed job creation.

Due to the incentive calculated per job (\$6,000 for location in Enterprise Zone and \$1,000 for jobs created at 150% of the average annual wage for the SMSA) the total incentive would be \$1,260,000. Of this, the City would be asked to provide a 10% match (\$126,000) over a period of four years with an equal 10% match (\$126,000) coming from Alachua County for a total local match of \$252,000.

The Gainesville Area Chamber of Commerce and its economic development arm, the Council for Economic Outreach (CEO) have been working with R & L Carriers, Inc. over the last 12 - 18 months and recommends approval of this request.

If this item is approved, the City Commission agrees to budget and appropriate up to \$126,000 over four years in the event that tax refunds are approved by the state.

The City Commission: 1) authorize the Mayor to execute the QTI Resolution regarding R & L Carriers, Inc.; and 2) direct the City Manager to forward the executed QTI Resolution to Enterprise Florida.