



Legislation Text

File #: 130159., **Version:** 1

Qualified Target Industry (QTI) Refund Resolution - ONESIXTYOVERNINETY, INC. (B)

This item seeks City Commission approval for a QTI contribution for the prospective location of a regional headquarters within the City of Gainesville for ONESIXTYOVERNINETY, INC, a branding and public relations agency.

ONESIXTYOVERNINETY, INC., a branding and public relations agency, is currently considering the establishment of a regional headquarters within the City of Gainesville that would create 35 branding/advertising jobs. If the firm chooses to select Gainesville/Alachua County for this particular project site location will take place 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, ONESIXTYOVERNINETY, INC. is indicating that it will create up to 35 net new jobs at an average wage of approximately \$90,000 at a location in southeast Gainesville. This firm has pledged a capital investment of approximately \$500,000 over three 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 and \$2,000 for creation of wages at 200% of the average Alachua County wage), the total incentive would be \$280,000. Of this, the City would be asked to provide a 10% match (\$28,000) over a period of four years with an equal 10% match (\$28,000) coming from Alachua County for a total local match of \$56,000.

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

If this item is approved, the City Commission agrees to budget and appropriate up to \$28,000 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 ONESIXTYOVERNINETY, INC.; and 3) direct the City Manager to forward the

executed QTI Resolution to Enterprise Florida.

Alternative Recommendation

The City Commission deny the Qualified Target Industry Refund Resolution.