



BOARD OF COUNTY COMMISSIONERS AGENDA ITEM SUMMARY

PLACEMENT: Public Hearings		PRESET:
AGENDA ITEM DATES:		
MEETING DATE:8/12/2008	COUNTY ATTORNEY:7/21/2008	
COMPLETE BY:7/16/2008	DCA AND ACA:7/28/2008	
TITLE: PUBLIC HEARING OF AN ORDINANCE CREATING AN ECONOMIC DEVELOPMENT IMPACT FEE MITIGATION PROGRAM		
REQUESTED BY: Business Development Board of Martin County	Commissioners:	PREPARED BY: Jeff Oris Community Development Director
DOCUMENT(S) REQUIRING ACTION: Ordinance		
QUASI-JUDICIAL: NO		

EXECUTIVE SUMMARY:

This ordinance provides for payment of impact fees for qualified target industry businesses based on set criteria related to creation of jobs and capital investment in the County. The ordinance also provides for a method of payment from the County's Economic Development Fund and methods to replenish the Fund.

APPROVAL:

GMD

COUNTY ADMINISTRATOR
ASSISTANT COUNTY ADMINISTRATOR
COUNTY ATTORNEY

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AGENDA ITEM SUMMARY**

TITLE

Public Hearing of an Ordinance creating the Economic Development Impact Fee Mitigation Program

BACKGROUND/RELATED STRATEGIC GOAL

In an effort to meet the County's strategic goal of increasing high paying jobs and broadening the tax base in selected economic sectors, County staff and the Business Development Board of Martin County have reviewed the economic development efforts of other counties in the State. An item of deficiency found in Martin County that is available in other counties that have had successful economic development efforts is the lack of any kind of financial incentives that can be offered to assist in attracting new businesses and retaining expanding businesses. With this in mind, staff and the BDB have replicated an impact fee mitigation program used by other communities. Specifically through this program, payment of County impact fees due to the construction of new or expanded facilities for Qualified Target Industry Businesses (QTIB) (utilizing the same State of Florida list that defines the business types as used in the expedited permitting process) may, at the Board of County Commissioners' discretion, become the responsibility of the County to pay. The County can pay for these fees from an Economic Development Fund that can be created as authorized in Chapter 71, Finance and Taxation, Article 2, Economic Development Fund. This ordinance provides for the criteria and amounts that the County would be willing to put forth towards impact fee payment with amounts based on the number of jobs created at various average wage rates over the average private sector wage in the County or MSA, or the number of jobs created and the value of Capital Investment in the County. Also provided for is the deferment of the payment of impact fees assumed by the County for up to 10 years. The Ordinance then provides for replenishment of the Economic Development Fund through a payment to the Economic Development Fund from County revenues but in an amount not to annually exceed the additional ad valorem taxes generated by the business. When coupled with the deferment, a payment from new County revenues attributable to the business would negate any significant up-front payment of impact fees by the County. Examples are included in the backup materials. One example is a scenario of mitigation based on jobs created with an average of over 115% of average private sector wage, the second shows mitigation based on capital investments with jobs at 100% average private sector wage.

ISSUES

This ordinance provides for:

- The expansion of the use of the existing Economic Development Fund to fund payment of impact fees through the Economic Development Impact Fee Mitigation Program.

- A method to fund any payments incurred by the program over a period of up to 10 years.
- Funding and replenishment of expended funds from the Economic Development Fund to insure program viability and solvency of the Fund for the future.
- Approval of this Ordinance will also serve to authorize staff to activate and create the Economic Development Fund.
- An agreement for the provision of impact fee mitigation between the Qualified Target Industry Business, the Property Owner (if different from the business) and the County. Each agreement would provide for specific provisions for discontinuance or payback of funds should the business leave the facility prior to full repayment of the Economic Development Fund from County collected revenues.

RECOMMENDED ACTION

RECOMMENDATION

Adopt the Ordinance as presented including the Impact Fee Mitigation Program, criteria for consideration and replenishment of and funding for the Economic Development Fund and authorize staff to create and activate the Economic Development Fund.

ALTERNATIVE RECOMMENDATIONS

- 1) Do not adopt the ordinance and offer no impact fee related economic development incentives.
- 2) Alter criteria for consideration as deemed appropriate.
- 3) Identify an alternate source of funding for the impact fee payments.

FISCAL IMPACT

RECOMMENDATION

It is believed that participation in the Impact Fee Mitigation Program will be based on the “but for” this mitigation, a Qualified Target Industry Business would not locate to Martin County, thus no County revenues would be attributable to this business. Thus, payment from future County revenue collected would render the program fiscally neutral.

Funding Source	County Funds	Non-County Funds	Authorization
Subtotal	\$0		

Project Total	\$0
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ALTERNATIVE RECOMMENDATIONS

Identify alternative funding source other than post-location revenues collected by the County.