

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: The Newport Group, Inc. Qualified Targeted Industry (QTI) Resolution

DEPARTMENT: Economic Development **DIVISION:** Economic Development

AUTHORIZED BY: Don Fisher **CONTACT:** William J. McDermott **EXT.** 7132

Agenda Date 03/28/06 Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Work Session <input type="checkbox"/> Briefing <input type="checkbox"/> Public Hearing – 1:30 <input type="checkbox"/> Public Hearing – 7:00 <input type="checkbox"/>

MOTION/RECOMMENDATION:

Approve and authorize the Chairman to execute a resolution recognizing The Newport Group, Inc. as a QTI and providing an appropriation of \$60,000 as local participation in the QTI tax refund program.

BACKGROUND:

Founded in 1984, The Newport Group, Inc. is a leading retirement services and asset management firm, specializing in the creative design, funding and administration of qualified and non-qualified retirement plans. The company is headquartered in Heathrow with its operations and client service center in Charlotte, NC. They are nearing capacity at both locations and must make a strategic decision on where new growth should occur in order to meet and serve their rapidly growing client base. The company is considering a 35% expansion of its present location in Heathrow to include 60 new jobs with an average salary of \$70,000, which is 200% above the county's average annual wage.

The anticipated capital investment is \$8,017,400, which includes comprehensive new equipment purchases and the addition of 7,674 sf to their current 22,116 sf located at 300 International Parkway.

The Board of County Commissioners is being asked to consider a Qualified Target Industry Incentive (QTI) Award for The Newport Group. The total award is \$300,000. In accordance with the QTI program, local governments are required to provide a 20% match, which in this case would be \$60,000 for Seminole County. Funds are available in the JGI Trust Fund to cover this request.

The project is consistent with stated economic development priorities of Seminole County in several respects;

- The job creation is consistent with the development of high value added job opportunities within the county as stated in the JGI Ordinance, Section 1, (b).
- The project location and industry sector is consistent with the

Reviewed by:
Co Atty: <i>[Signature]</i>
DFS: <i>[Signature]</i>
Other: _____
DCM: <i>[Signature]</i>
CM: <i>[Signature]</i>
<i>RED46</i>
File No.

stated objectives of Seminole County's Economic Development Strategy, and the Metro Orlando EDC and Enterprise Florida Economic Development goals and is a corporate headquarters.

Attachments: QTI Resolution, QTI Refund (exhibits A & B)

Name of Company	The Newport Group, Inc	
Taxable Value/Capital Investment		\$8,017,400
Company Information:	Corporate HQ	
Proposed Location:	300 International Parkway, Suite 270	
Incentive Award / QTI 20% Local Match		\$ 60,000
Taxing Entities (Ad Valorem):	*Rate	Tax (\$)
Countywide/General Fund	0.0049989	\$ 40,078
Countywide/Transportation	0.0001228	\$ 985
Countywide/Debt Service	0.0002041	\$ 1,636
St. Johns River Water Management District	0.0004620	\$ 3,704
School Board	0.0079650	\$ 63,859
		\$ -
Total		<u>\$ 110,262</u>
*Note: Based on 2005 millage rates. Sales tax on new lease: \$300,000		

County Only	Return of Ad Valorem	
Seminole County/General Fund Only	1.5	Years
Seminole County/All BCC Millages	1.4	Years

All countywide	Return of Ad Valorem	
Countywide	0.5	Years

QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM

RESOLUTION NO: _____

A RESOLUTION BY THE GOVERNING BOARD OF SEMINOLE COUNTY, FLORIDA FINDING THAT THE NEWPORT GROUP, INC. BE APPROVED AS A QUALIFIED APPLICANT PURSUANT TO S.288.106, FLORIDA STATUTES; AND PROVIDING AN APPROPRIATION OF \$60,000.00 AS LOCAL PARTICIPATION IN THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2006/07 THROUGH 2010/11, AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNING BOARD OF SEMINOLE COUNTY, FLORIDA as follows:

WHEREAS, the business is a Corporate Headquarters, *specifically*, **THE NEWPORT GROUP, INC;** and

WHEREAS, THE NEWPORT GROUP, INC will be located in Colonial Heathrow, Lake Mary, FL; and

WHEREAS, THE NEWPORT GROUP, INC intends to expand the current operations in Seminole County located in Heathrow. Anticipated capital investment will include \$8,017,400.00 for the purchase of equipment and the addition of new facilities; and

WHEREAS, THE NEWPORT GROUP, INC will conservatively create 60 high-level new jobs over a three year period beginning in 2006. These jobs will be professional and specialized with an average salary of \$70,000.00; and

WHEREAS, It is acknowledged that local participation, of which Seminole County will provide a 20% match for a total not to exceed \$60,000.00;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF SEMINOLE COUNTY, FLORIDA that the Board hereby recommends, **THE NEWPORT GROUP, INC** be approved as a Qualified Target Industry Business pursuant to S.288-106, Florida Statutes.

BE IT FURTHER RESOLVED that the necessary commitment of local financial support for the Qualified Target Industry Business for the Qualified Target Industry Tax Refund Program exists in an amount not to exceed \$60,000, that this amount will be paid to the Florida Economic Development Trust Fund as required, in accordance with the Office of Tourism, Trade and Economic Development guidelines, with the stipulation that these funds are intended to represent the "local participation" pursuant to S. 288-106, Florida Statutes.

This resolution shall take effect immediately upon its adoption.

DULY ADOPTED BY THE GOVERNING BOARD OF SEMINOLE COUNTY, FLORIDA THIS 28TH DAY OF MARCH, 2006.

ATTEST:

**BOARD OF COUNTY COMMISSIONERS
SEMINOLE COUNTY, FLORIDA**

Chairman

Clerk

Total Refund / Exhibit A Calculation of Phased QTI Refunds for The Newport Group, Inc

Potential Per Job Award Amt.

\$ 5,000.00

	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total Jobs
Jobs	60						60
	12/31/2006						

Potential Total QTI Refunds

	Yr. 1-2007	Yr. 2-'08	Yr. 3-'09	Yr. 4-'10					
Phase 1	75,000	75,000	75,000	75,000					
Phase 2		-	-	-	-				
Phase 3			-	-	-	-			
Phase 4				-	-	-	-		
Phase 5					-	-	-	-	
Phase 6						-	-	-	
Total:	75,000	75,000	75,000	75,000	-	-	-	-	
State:	60,000	60,000	60,000	60,000	-	-	-	-	
Local:	15,000	15,000	15,000	15,000	-	-	-	-	
Total QTI: \$		300,000		State: \$		240,000		Local: \$ 60,000	