CITY OF TALLAHASSEE
ECONOMIC & COMMUNITY DEVELOPMENT

MEMORANDUM

TO: Targeted Business Program Committee Members
(See Attachment 1)

FROM: Rick McCraw 31 Jan 11
850-891-6459 (Office)
850-879-0631 (Cell)
850-891-6455 (Fax)
rick.mccraw@talgov.com

DATE: January 31, 2011

SUBJECT: Red Hills Surgical Center - Targeted Business Program Application Review

The Red Hills Surgical Center, LLC, has submitted a Targeted Business Program (TBP) application to the City. Under the TBP, eligible business can receive (1) reimbursement of up to 100 percent of all eligible City of Tallahassee and Leon County development fees; and (2) up to 100 percent of city ad valorem taxes from real and tangible personal property, with an equivalent amount from the county, for up to 10 years. A review of the application is scheduled for Tuesday, February 1st, at 4:00 PM in the Planning Department's Conference Room on the 3rd floor of the Renaissance Building on Macomb Street.

City staff have reviewed the application, and determined it meets the program guidelines. In addition, staff has tentatively scored the application based on the information provided by the applicant. Based on staff's review, the application scores 50 points, making Red Hills Surgical Center eligible for reimbursement of 60 percent of applicable permit fees and 60 percent of ad valorem taxes for six years.

A copy of the application, supporting materials, staff assessment and the program guidelines are provided to assist you in the review. Staff will discuss these materials at application review meeting.

If the application is approved by the review committee, the application will be forwarded to the Tallahassee City Commission and Leon County Board of County Commissioners for approval. If approved by the commissions, the city, county and Red Hills will enter into a formal reimbursement agreement.

If you have any questions about the applications or review materials, please call or email Sherri Baker (850-891-6464, sherri.baker@talgov.com) or me at your convenience.

Two Attachments
1. TBPP Committee Membership
2. Meeting Agenda
3. Red Hills Surgical Center Application
4. Red Hills Real Estate and Red Hills Surgical Center Statement of Assets, Liabilities and Member's Equity
5. Red Hills Surgical Center Economic Impact Analysis
6. Application Review and Staff Recommendation
7. Targeted Business Program Guidelines and Application

ATTACHMENT 1

Targeted Business Program
Red Hills Surgical Center Application Review Committee Members

1. Beth Kirkland - Executive Director, Economic Development Council of Tallahassee-Leon County
2. Michael Parker - Assistant Director, Department of Economic and Community Development, City of Tallahassee
3. Karen Jumonville - Director, Growth Management Department, City of Tallahassee
4. Rick Feldman - Director, Accounting Services Division, City of Tallahassee
5. Fred Goodrow - Acting Director, Tallahassee/Leon County Planning Department
6. Gary Herndon - City Treasurer-Clerk, City of Tallahassee
7. Ken Morris - Director, Legislative Affairs and Economic Development, Leon County (County Administrator Designee)

Attachment 2

CITY OF TALLAHASSEE
Economic & Community Development

Red Hills Surgical Center, LLC
Targeted Business Program Application
Meeting Agenda
February 1, 2011

1. Introductions and Overview
2. Review of Red Hills Surgical Center Project and Economic Impact Analysis by Beth Kirkland, Economic Development Council
3. Staff Review of Red Hills Application
4. Staff Recommendation
5. Review Committee Discussion and Recommendation
6. Follow-On Actions
7. Planned Review of Program Guidelines
8. Wrap-Up

Preliminary Application for Targeted Business Program Application

1. **Date of Application:** ~~11/3/2010~~ ~~12-21-10 (Rev1)~~ 1-28-11 (Rev2)
2. **Name of Business:** Red Hills Surgical Center, LLC
3. **Type of Business (see targeted industry list):** Healthcare
4. **Mailing Address:** 3334 Capital Medical Blvd. Ste. 400., Tallahassee, FL 32308
5. **Contact Person and Phone Number:** Martin Shipman (850)219-1964
6. **Name of Parent/Partner Company (if applicable):** Tallahassee Memorial Hospital
7. **Business's federal employer identification number:** 26-4736988
8. **Business's Florida sales tax registration number:** - In'application process.
9. **Is the business new to Leon County?** Yes

   An expansion of an existing business? No

10. a. **Proposed location of the business or expansion (a map would be helpful):**

    1608 Surgeons Drive – corner of Surgeons Drive & Miccosukee Road

    b. **Is this within the Central City Area?** Yes
    The Southern Strategy Area? No

11. **If an expansion, how many persons are currently employed within Leon County?**

    N/A

12. **Please fully describe the proposed project (attach additional sheets as necessary):**

    Red Hills Surgery Center (RHSC) will be a multi-specialty ambulatory surgery center. The center is a joint-venture between local physicians and Tallahassee Memorial Healthcare. RHSC will feature several pre-op, operating and recovery rooms that will be used by physicians representing four specialties including: ENT, Orthopedic Surgery, General Surgery, and OB/GYN. RHSC will focus its attention on ensuring patient comfort, privacy and a swift recovery - devoted to quick case turnaround and minimal patient waiting time. The building design includes an Educational Observation Room adjacent to one of its operating rooms. The Observation Room allows students and or other selected groups to visualize operations that are taking place from different specialties via picture windows, video screens and cameras mounted over the patient. This would allow them to stay in street clothes and not impede the flow of operations in the center itself. Healthcare is and will continue to be one of this region's economic drivers and this education model will have

a direct impact on the development of the workforce pipeline. RHSC's clinical and business office staff will be trained to maintain a sterile and professional environment and thus a safe atmosphere. As a physician owned facility, RHSC is committed to fostering a highly productive and efficient care delivery setting. The facility will generate approximately 89 new positions for the Tallahassee workforce.

13. **Please list the NAICS and SIC codes of all activities of the business to be located or expanded, the estimated number of employees, and the annualized average wage (not including benefits) for activities for all new positions*:**

NAICS/SIC 6214 Est. Employment:_____ Annualized Wage _____
NAICS/SIC_____ Est. Employment: _____Annualized Wage _____
NAICS/SIC_____ Est. Employment: _____Annualized Wage _____

Projection of Annual Employment and Benefits for Red Hills Surgical Center

	Avg. Annual Wage	Staff Count Year 1	Staff Addition Year 2	Staff Addition Year 3	Avg. Annual Total Year 1	Avg. Annual Total Year 2	Avg. Annual Total Year 3
Clinical Staff							
Director of Nursing	$80,000	1	0	0	$80,000	$0	$0
OR Nurses - RN	$55,750	3	2	1	$167,250	$111,500	$55,750
OR Scrub Techs - LPN	$34,030	3	2	1	$102,090	$68,060	$34,030
Nurses for Admissions	$40,000	2	0	0	$80,000	$0	$0
PACU - RN	$47,500	3	0	1	$142,500	$0	$47,500
Post Op Nurses	$45,000	2	2	2	$90,000	$90,000	$90,000
Pre Op Interview Nurses	$40,000	1	1	0	$40,000	$40,000	$0
Orderly's	$19,060	1	1	0	$19,060	$19,060	$0
Scheduling Personnel	$35,500	1	0	0	$35,500	$0	$0
Materials Management	$30,860	1	0	0	$30,860	$0	$0
X-Ray Tech	$47,240	1	0	0	$47,240	$0	$0
Business Office Staff							
Administrator	$100,000	1	0	0	$100,000	$0	$0
Business Office Manager	$50,000	1	0	0	$50,000	$0	$0
Insurance Verification	$36,900	1	0	0	$36,900	$0	$0
A/P	$37,900	1	0	0	$37,900	$0	$0
A/R	$37,900	1	0	0	$37,900	$0	$0
Receptionist	$27,010	1	1	0	$27,010	$27,010	$0
Medical Records Personnel	$26,850	1	0	0	$26,850	$0	$0
Collection	$37,900	1	1	0	$37,900	$37,900	$0
Clerical Assistant	$28,910	1	0	0	$28,910	$0	$0
Annual Totals		28	10	5	$1,217,870	$393,530	$227,280
Cumulative Totals (3 Year timeframe)		28	38	43	$1,217,870	$1,611,400	$1,838,680
Annual Average Wage					$43,495	$42,405	$42,760
Average Value of Benefits (20%)					$8,699	$8,481	$8,552

14. **Please list the anticipated annualized average wage (not including benefits) of the new positions:**

Year 1: $43,495

Year 2: $42,405

Year 3: $42,760

15. **Please list the capital investment of the project:**

	Capital Investment
Design Development (BBL Medical Facilities)	$4,909,208.00
Land	$1,110,000.00
Construction / Renovations	$513,175.00
Medical Equipment	$2,774,911.00
Development Costs	$145,596.00
Total Capital Investment	**$9,452,890.00**

16. a. **When is construction expected to start?**

4/14/2010

b. **When do you expect to receive a Certificate of Occupancy?**

1/13/2011

17. **Please list all projected major suppliers and their location:**

- Fire & Security Monitoring: Sonitrol, Tallahassee, FL
- Cable: Network Cabling Solutions, Tallahassee, FL
- IT: Aegis, Tallahassee, FL
- Phones: CSU & Electronet, Tallahassee, FL
- Furniture: DOCS, Tallahassee, FL
- Med Gases: Airgas, Inc., Tallahassee, FL

18. **Please list the projected providers of goods and services and which, if any, are Certified Minority Business Enterprises with Leon County or the City of Tallahassee:**

- Landscape Maintenance: Conrad, Tallahassee, FL
- IT: Aegis, Tallahassee, FL
- Fire & Security Monitoring: Sonitrol, Tallahassee, FL
- Phones: CSU & Electronet, Tallahassee, FL

19. **Please list the projected construction contractors and which, if any, are Certified Minority Business Enterprises within Leon County or the City of Tallahassee?**

Please see ATTACHED vendor form

20. **Please list all charitable contributions and/or services projected to be provided to the Leon County community on an annual basis:**

The Educational Observation Room will serve as a contribution to area high schools and institutions including, but not limited to: Wakulla High School Medical Academy, Leon County public high schools, TCC, Ghazvini Center, FSU and FAMU.

Additionally, RHSC will promote and support local charitable organizations within our community. Charitable organizations will include:

Florida Disabled Outdoors Association; United Way of the Big Bend; BigBendHealth.com, Capital Medical Society, American Cancer Society; American Heart Association.

21. **Please list all efforts projected to be made by the business to encourage employee volunteerism:**

Red Hills Surgical Center's (RHSC) community impact extends beyond our policies and processes to include the actions of our employees. RHSC will encourage employees to volunteer their time and donate money to benefit good causes. Supporting community organizations improves morale and helps employees develop new skills. It also increases awareness of RHSC and strengthens our relationships with local communities and other stakeholders.

RHSC will work to inform employees about opportunities to make donations and volunteer their time. Business office and clinical staff employees will be encouraged to choose projects that complement their professional skills in order to bring the most benefit to organizations.

22. **Please attach audited financial statements for the past two years.**

Business Pro Forma and financial projections have been provided to the EDC and are available for review upon request.

23. **Please include any other information about your company that is relevant to this program:**

The incentives sought are directly related to workforce development. Funds are required to construct the Educational Observation Room, which amounts to about 5%-6% of the total project cost or $400,000. Workforce training incentives will also improve indirect medical costs (i.e. absenteeism and productivity) and therefore reduce direct medical costs.

Healthcare is and will continue to be one of this region's economic drivers. As a new multi-specialty ambulatory surgery center with the ability to enhance it's offering with an educational model, Red Hills Surgery Center (RHSC) will have a direct impact on the development of the workforce pipeline. RHSC is committed to fostering a highly productive and efficient care delivery setting. The facility will generate between 40 and 70 new

positions for the Tallahassee workforce. The development of the local workforce is a priority for the center and as such, will make strides to cultivate and educate those hired.

RHSC will feature several pre-op, operating and recovery rooms that will be used by physicians representing four specialties including: ENT, Orthopedic Surgery, General Surgery, and OB/GYN. RHSC will focus its attention on ensuring patient comfort, privacy and a swift recovery - devoted to quick case turnaround and minimal patient waiting time. The building design includes an Educational Observation Room adjacent to one of its operating rooms. The Observation Room allows students and or other selected groups to visualize operations that are taking place from different specialties via picture windows, video screens and cameras mounted over the patient. This would allow them to stay in street clothes and not impede the flow of operations in the center itself. RHSC's clinical and business office staff will be trained to maintain a sterile and professional environment and thus a safe atmosphere.

I certify that the above is a correct and accurate representation of the project to the best of my knowledge.

Signature of Authorized Officer: Signed – Martin Shipman

Title: Treasurer, Red Hills Surgical Center

This form should be returned to the Economic Development Department, City Hall, Tallahassee, FL 32301. If you have any questions, please call the City of Tallahassee Economic Development Department at 850-891-8886 or the Economic Development Council at 224-8116.

MOORE, ELLISON & MCDUFFIE, CPA's, PA
2627 MITCHAM DRIVE
TALLAHASSEE, FL 32308
January 26, 2011

STATEMENTS DO NOT REFLECT YEAR-END ADJUSTMENTS

To the Members
Red Hill Real Estate, LLC
3334 Capital Medical Blvd.
Tallahassee, FL 32308

We have compiled the accompanying statement of assets, liabilities and members' equity – income tax basis of Red Hill Real Estate, LLC (a partnership) as of December 31, 2010, and the related statement of income and expenses – income tax basis for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting.

Management is responsible for the fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The Objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and statement of changes in members' equity ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, income and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

MOORE, ELLISON & MCDUFFIE, CPA'S, PA

RED HILL REAL ESTATE, LLC
Statement of Assets, Liabilities & Members' Equity-Income Tax Basis

	Dec 31, 10
ASSETS	
Current Assets	
Checking/Savings	
COMPASS BANK - ESCROW	198,455.54
COMPASS BANK - PREFERRED MM	52,884.02
Total Checking/Savings	251,339.56
Total Current Assets	251,339.56
Other Assets	
START-UP/CONST PROGRESS COST	5,061,467.64
LOAN COSTS	73,338.50
Total Other Assets	5,134,806.14
TOTAL ASSETS	5,386,145.70
LIABILITIES & MEMBERS' EQUITY	
Liabilities	
Long Term Liabilities	
M/P COMPASS BANK	4,045,545.42
N/P RED HILL SURGICAL CENTER LL	400,000.00
Total Long Term Liabilities	4,445,545.42
Total Liabilities	4,445,545.42
Members' Equity	
Members' Capital	930,000.00
Retained Earnings	8,596.86
Net Income	2,003.42
Total Members' Equity	940,600.28
TOTAL LIABILITIES & MEMBERS' EQUITY	5,386,145.70

STATEMENTS DO NOT REFLECT YEAR-END ADJUSTMENTS

See Accountants' Compilation Letter

RED HILL REAL ESTATE, LLC
Statment of Income & Revenues - Income Tax Basis
January through December 2010

	Jan - Dec 10
Other Income/Expense	
Other Income	
INTEREST INCOME	
COMPASS	268.47
PREMIER BANK	2.99
SUNTRUST	1,731.96
Total INTEREST INCOME	2,003.42
Total Other Income	2,003.42
Net Other Income	2,003.42
Net Income	2,003.42

STATEMENTS DO NOT REFLECT YEAR-END ADJUSTMENTS

See Accountants' Compilation Letter

MOORE, ELLISON & MCDUFFIE, CPA's, PA
2627 MITCHAM DRIVE
TALLAHASSEE, FL 32308
January 26, 2011

STATEMENTS DO NOT REFLECT YEAR-END ADJUSTMENTS

To the Members
Red Hills Surgical Center, LLC
3334 Capital Medical Blvd., Ste. 600
Tallahassee, FL 32308

We have compiled the accompanying statement of assets, liabilities and members' equity – income tax basis of Red Hills Surgical Center, LLC (a partnership) as of December 31, 2010, and the related statement of Income and expenses – income tax basis for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the income tax basis of accounting.

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Management has elected to omit substantially all of the disclosures and statement of changes in members' equity ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, income and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

MOORE, ELLISON & MCDUFFIE, CPA'S, PA

RED HILLS SURGICAL CENTER, LLC
Statement of Assets, Liabilities & Members' Equity
As of December 31, 2010

ASSETS	
Current Assets	
Checking/Savings	
COMPASS BANK	755,494.51
SUN TRUST - OPERATING ACCOUNT	195,000.00
Total Checking/Savings	950,494.51
Other Current Assets	
NIR - RED HILL REAL ESTATE, LLC	400,000.00
Total Other Current Assets	400,000.00
Total Current Assets	1,350,494.51
Other Assets	
START-UP COSTS/WORK IN PROGRESS	419,324.45
Total Other Assets	419,324.45
TOTAL ASSETS	1,769,818.96
LIABILITIES & MEMBERS' EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
DUE TO 49% OPERATING CO., LLC	14,873.00
Total Other Current Liabilities	14,873.00
Total Current Liabilities	14,873.00
Total Liabilities	14,873.00
Members' Equity	
Members' Capital	1,795,918.00
Retained Earnings	(3,367.90)
Net Income	(37,604.14)
Total Members' Equity	1,754,945.96
TOTAL LIABILITIES & MEMBERS' EQUITY	1,769,818.96

STATEMENTS DO NOT REFLECT YEAR-END ADJUSTMENTS

See Accountants' Compilation Letter

RED HILLS SURGICAL CENTER, LLC
Statement of Income and Expenses - Income Tax Basis
January through December 2010

	Jan - Dec 10
Income	0.00
Expense	
ADVERTISING	3,367.36
BANK CHARGES	78.00
CONTRACT LABOR	13,470.00
INSURANCE	6,916.36
LEGAL & ACCOUNTING	3,040.00
MEETING EXPENSE	651.09
MISC EXPENSE	5,182.00
OFFICE SUPPLIES	4,899.33
Total Expense	37,604.14
Net Income	(37,604.14)

STATEMENTS DO NOT REFLECT YEAR-END ADJUSTMENTS

Economic Impact Analysis

Background

The Red Hills Surgical Center project in Leon County was divided into 4 years. The first year was assumed to be a construction and development phase which takes place in 2010 since the facility will not open until 2011. The years 2011 and 2012 will have both construction and operation of the facility. In 2013 construction will be completed and there will only be the operation of the facility. Using IMPLAN Economic Modeling Software and the given project information, the effect on employment, labor income, and county gross domestic product have been determined.

Results

Employment (Jobs)

Effect	2010	2011	2012	2013
Direct	20.1	50.9	42.5	34
Indirect	5.9	12.3	9.5	6.6
Induced	6.6	16.3	13.6	10.8
Total	32.6	79.4	65.6	51.4
Multiplier	1.62	1.56	1.54	1.51

- In 2011, the total contribution to employment from operation of the surgical center is 37.5 jobs, while continued construction generates 41.9 jobs.
- In 2012, construction contributes 20.2 jobs to the total employment effect and operation of the center provides 45.4 jobs.

Labor Income (Employee Compensation and Proprietor Income)

Effect	2010	2011	2012	2013
Direct	$914,079	$2,521,665	$2,249,491	$1,918,913
Indirect	$316,274	$625,492	$468,789	$305,338
Induced	$229,105	$579,194	$497,582	$404,227
Total	$1,459,458	$3,726,351	$3,215,862	$2,628,479
Multiplier	1.60	1.48	1.43	1.37

- In 2010, Labor income includes $1,235,848 in employee compensation and $223,610 in self-employed income.
- In 2011, labor income includes $3,360,327 in employee compensation and $366,025 in self-employed income.

See Revised Handout

Economic Impact Analysis

- The total labor income contribution from operation of the surgical center amounts to $1,806,014.
- Construction contributes $1,920,337 to total labor income.

- In 2012, labor income includes $2,980,500 in employee compensation and $235,363 in self-employed income.
  - Total labor income contribution from operation of the surgical center amounts to $2,268,820.
  - Construction contributes $947,043 to total labor income.
- In 2013, labor income includes $2,523,909 in employee compensation and $104,570 in self-employed income.

Value Added (Contribution to County Gross Domestic Product)

Effect	2010	2011	2012	2013
Direct	$1,040,313	$2,753,932	$2,414,502	$2,015,184
Indirect	$419,438	$953,380	$777,640	$585,594
Induced	$423,234	$1,069,171	$918,202	$745,585
Total	$1,882,985	$4,776,483	$4,110,345	$3,346,363
Multiplier	1.81	1.73	1.70	1.66

- The 2010 value added includes labor income and $423,528 in other income and taxes resulting from the project expenditures.
- Value added in 2011 includes labor income and $1,050,132 in other income and taxes resulting from the project expenditures.
  - The operation of the surgical center provides $2,298,874 of the total contribution to the economy and construction provides $2,477,610.
- The 2012 value added includes labor income and $894,482 in other income and taxes resulting from the project expenditures.
  - The operation of the surgical center provides $2,888,475 of the total contribution to the economy and construction provides $1,221,870.
- The 2013 total contribution to the county economy includes labor income and $717,884 in other income and taxes.

CITY OF TALLAHASSEE
Economic & Community Development

Red Hills Surgical Center, LLC
Targeted Business Program Application
Summary and Staff Recommendation

January 30, 2011

Background

In April, 2002, the City of Tallahassee established the Targeted Business Program (TBP). The goal of the program is to promote the growth of targeted industries either through the expansion of existing business or the attraction of new businesses. Under the TBP eligible business can receive (1) reimbursement of up to 100 percent of all eligible City of Tallahassee and Leon County development fees; and (2) up to 100 percent of city ad valorem taxes from real and tangible personal property, with an equivalent amount from the county, for up to 10 years. To date, only one company, Fringe Benefits Management Company, has taken advantage of the program.

In November 2010, staff received a TBP application from Red Hills Surgical Center, LLC. Working with the Economic Development Council of Tallahassee-Leon County, Inc., staff from the City's Department of Economic and Community Development identified sections of the application that needed to be revised before the application could be formally evaluated. Red Hills submitted a revised application towards the end of December, and a final revised application on January 28, 2011. Staff has determined the application is substantially complete, although some additional information or commitments by the applicant may be needed before a final scoring of the application can be completed.

The role of the review committee is to determine if an application is complete, identify if additional information is needed and score the application. By the time an application is presented to the review committee, the EDC will already have determined the applicant qualifies as one of the 11 targeted industries, and will have prepared an economic impact analysis to determine if the proposed project will have a positive return on investment for the community. The EDC has determined Red Hills qualifies as a Healthcare Delivery and Related Products/Services industry, and they have submitted an economic impact analysis (Attachment 5 of this package).

The city is responsible for determining that the business is located within the city limits, whether or not the business has received a certificate of occupation (CO) prior to submitting an application to the city, that all required application materials have been submitted, and conducting an initial scoring of the application. City staff has determined

the business is located within the city limits. Although Red Hills received a CO, it was received in early January, after the application was submitted to the city. According to the program guidelines, an applicant is required to submit audited financial statements from the previous two years as evidence that they are a strong and growing company. For new companies without two years of operations, the audited financial statements of a parent company or partner should be provided. The applicant has submitted a statement of assets, liabilities and members' equity as of December 31, 2010 instead of the audited financial statements. As part of the application review, staff is recommending the application be reviewed in the absence of the audited financial statements. — why?

If the application is approved by the review committee, the application will be forwarded to the Tallahassee City Commission and Leon County Board of County Commissioners for approval. As part of that recommendation, staff will ask for a waiver of the audited financial statements requirement. If approved by the commissions, the city, county and Red Hills will enter into a formal reimbursement agreement.

Staff Analysis of Red Hills Application

Staff reviewed the application and makes the following recommendations:

a. Threshold Items

1. The company is eligible as one of the 11 targeted industries identified in the program guidelines.
2. The company location is within the city limits.
3. The application was received by the city before the receipt of a Certificate of Occupancy for the improvements.
4. The EDC has prepared an economic impact analysis showing a positive rate of return for the project.

b. Staff Scoring (also see attached spreadsheet and scoring system in program guidelines)

1. Job Creation. To qualify for any points, a minimum of 10 jobs must be created within three years for a new company. Red Hills has identified 43 new jobs that will be created over a three year period. This qualifies for 15 points.
2. Salary Levels. To qualify for any points, at least 20 percent of the new jobs, in this case 9 of the 43, must have salaries at or above the area average. In addition, the average salary of the new jobs must at the current area average to 25 percent above the area average, 25 to 50 percent above the area average, 50 to 100 percent above the area average, or more than 100 percent above the area average. The area average is based on data provided by Enterprise Florida. Currently, the area average for private sector jobs, which is based on 2008 salaries (see page 6 of this Attachment), is $35,729. This is the average used by the state for incentive applications received after January 1, 2010 and before January 1, 2011. Based on the information provided by Red Hills, the average annual wage for the 43 new

jobs created over the three-year period will be $42,760. This is approximately 20 percent above the area average of $35,729. A total of 35 of the 43 new jobs, or 81 percent, will earn salaries above the area average. This qualifies for 10 points.

3. Capital Investment. The applicant has indicated they are making a total capital investment of $9,452,890 over a three year period. This qualifies for 15 points.
4. Location. The Planning Department has verified that the Red Hills Surgical Center is not located within the boundaries of either the Southern Strategy Area or the Central City Area. They are not eligible for any points in this category.
5. Environmental Sensitivity (New Construction). The Growth Management Department has verified that construction did not exceed the minimum of the five environmental sensitivity categories listed in the application. They are not eligible for any points in this category.
6. Local Business Promotion. In this category, applicants can receive up to 10 points for purchasing at least 25 percent of their major supplies from local vendors, 10 percent of goods and services from certified Minority Business Enterprise (MBE) firms, and if 10 percent of the building construction (as a value of the project) was done by a certified MBE firm. Based on the information provided in the application, it does not appear that the MBE participation in the building construction would reach the 10 percent threshold, so no points were awarded for construction. In addition, no MBEs were listed as providing goods and services, so no points were awarded for providing goods and services. However, a number of local firms were listed as providing a range of supplies. For purposes of scoring the application, staff is assuming they will provide at least 25 percent of the Red Hills operating supplies each year. This qualifies for 5 points.
7. Good Corporate Citizenship. Red Hills has indicated a number of activities they plan to undertake to promote charities, community service and volunteerism by employees. For purposes of scoring the application, staff is assuming these activities will meet the standards envisioned by the review committee. This qualifies for 5 points.

Staff Recommendation

Based on the staff review, the Red Hills application received a tentative score of 50 points. Applications scoring 50 to 59 points are eligible to receive a reimbursement of 60 percent in permit fees and a 60 percent reimbursement of city ad valorem taxes from real and tangible personal property, with an equivalent amount from the county, for 6 years.

It is important to note that the staff scoring recommendation is based on the application as submitted. At this point, the review committee is simply being asked to determine the score based on the information provided in the application. Red Hills has not been required to provide any verification of the information in the application. If Red Hills enters into a reimbursement agreement with the city and county, detailed information will be required with any reimbursement request to document the number of jobs created, the salaries of the new jobs, the capital investment, local and MBE business promotion, and good corporate citizenship.

Targeted Business Pilot Program Business Profile Scoring:
Red Hills Surgical Center, LLC
Staff's Initial Application Scoring
January 29, 2011

Category	From Original Application Commitment	Points		Reimbursement Application		
1. Number of New Employees w/in 3 Years (Maximum of 25 points)						
- 10 to 20 new jobs for a new business -- 10 points						
- 21 to 60 new jobs for a new business -- 15 points						
- 61 to 99 new jobs for a new business -- 20 points						
- 100 or more new jobs for a new business -- 25 points						
Per Application	43	15				
2. Annualized Average Salary (Maximum of 25 points)[1]						
More than 20% of new jobs (9 of 43) at or above the area average ($35,729), AND the average salary of the new jobs is:						
- Average to 25% above average ($35,729 to $44,661) -- 10 points						
- 25 to 50 percent above average ($44,661 to $53,594) -- 15 points						
- 50 to 100 percent above average ($53,594 to 71,458) -- 20 points						
- More than 100 percent above average ($71,458 and above) -- 25 points						
Per Application:						
- Average salary over the three-year period	$42,760					
- Projected # of jobs w/salary average ($35,729) to 25% ($44,661) above average. Must exceed 20% of total new jobs; minimum of 9)	35	10				
3. Capital Investment (Maximum of 15 points)[2]						
- $0 to $1,000,000 -- 5 points						
- $1,000,001 to $5,000,000 -- 10 points						
- $5,000,001 and up -- 15 points						
Per Application	$9,452,890	15				
4. Location (Maximum of 10 points)[3]						
- Within Southern Strategy Area -- 10 points, or	No	0				
- Within Central City Area -- 10 points	No	0				
5. Environmental Sensitivity (Maximum of 10 points)[4]						
- Urban forest protection above the minimum -- 2 points	No	0				
- Preservation of significant grades above the minimum -- 2 points	No	0				
- Canopy coverage above the minimum -- 2points	No	0				
- Tree preservation - 2 points	No	0				
- Exceed mimimum pervious surface - 2 points	No	0				
6. Local Business Promotion (Maximum of 10 points)[5]						
- 25 percent of supplies are local - 5 points	Yes	5				
-10 percent of goods and services from certified MBE's -- 2.5 points	None	0				
-10 percent of construction contractor from certified MBE's -- 2.5 points	None	0				
7. Good Corporate Citizenship (Maximum of 5 points)[6]						
-Support community charities/community service -- 2.5 points	Yes	2.5				
-Encourage employee volunteerism -- 2.5 points	Yes	2.5				
Total Points[7]		50				

Total scores between 50 and 59 points qualify for a 60 percent reimbursement of applicable permit fees and ad valorem taxes for six years. County's ad valorem reimbursement will match the City's reimbursement. Ad valorem reimbursement included both real and personal property ad valorem taxes.

Notes:
1. Based on 2008 Private Sector Average Wages from the Agency for Workforce Innovation. Used for all state-sponsored incentive packages received on or after January 1, 2010.
2. Applicant proposes to make this investment over a three-year period.
3. The property is not located in either area.
4. The approved site plan did not exceed any of these minimum standards.
5. Based on the information submitted in the application, the percentage of supplies to be purchased locally, percent of goods and services from certified MBEs and percent of construction from certified MBEs could not be determined. It does not appear certified MBEs participated in 10 percent of construction. Points can be awarded to the local purchase of supplies and goods and services from certified MBEs if applicant makes a commitment to meet the requirements. As noted in 7. below, all points/scores awarded in this review will have to be verified as part of any reimbursement application.
6. Scores are based on staff's assessment of described good corporate citizenship activities. Review Committee determines final ranking.
7. At this point, all points are based on targets identified by the applicant. The actual reimbursement will be based on the scores achieved in each category at the time the reimbursement request is submitted.

Adding 2 points due to urban forest

STATE OF FLORIDA INCENTIVES AVERAGE WAGE REQUIREMENTS

eflorida.com

Incentive Information Sheet

2008 Average Annual County Wage Data

Effective January 1, 2010[1]

	Average Annual Wage	Hourly Wage	115% of Avg Annual Wage	Hourly Wage	150% of Avg Annual Wage	Hourly Wage	200% of Avg Annual Wage	Hourly Wage
STATEWIDE	$39,621	$19.05	$45,564	$21.91	$59,432	$28.57	$79,242	$38.10
ALACHUA	$32,799	$15.77	$37,719	$18.13	$49,199	$23.65	$65,598	$31.54
BAKER	$25,957	$12.48	$29,851	$14.35	$38,936	$18.72	$51,914	$24.96
BAY	$32,626	$15.69	$37,520	$18.04	$48,939	$23.53	$65,252	$31.37
BRADFORD	$28,579	$13.74	$32,866	$15.80	$42,869	$20.61	$57,158	$27.48
BREVARD	$41,057	$19.74	$47,216	$22.70	$61,586	$29.61	$82,114	$39.48
BROWARD	$41,494	$19.95	$47,718	$22.94	$62,241	$29.92	$82,988	$39.90
CALHOUN	$23,980	$11.53	$27,577	$13.26	$35,970	$17.29	$47,960	$23.06
CHARLOTTE	$30,965	$14.89	$35,610	$17.12	$46,448	$22.33	$61,930	$29.77
CITRUS	$31,268	$15.03	$35,958	$17.29	$46,902	$22.55	$62,536	$30.07
CLAY	$29,570	$14.22	$34,006	$16.35	$44,355	$21.32	$59,140	$28.43
COLLIER	$39,285	$18.89	$45,178	$21.72	$58,928	$28.33	$78,570	$37.77
COLUMBIA	$29,631	$14.25	$34,076	$16.38	$44,447	$21.37	$59,262	$28.49
DESOTO	$27,172	$13.06	$31,248	$15.02	$40,758	$19.60	$54,344	$26.13
DIXIE	$24,717	$11.88	$28,425	$13.67	$37,076	$17.82	$49,434	$23.77
DUVAL	$42,826	$20.59	$49,250	$23.68	$64,239	$30.88	$85,652	$41.18
ESCAMBIA	$34,347	$16.51	$39,499	$18.99	$51,521	$24.77	$68,694	$33.03
FLAGLER	$28,681	$13.79	$32,983	$15.86	$43,022	$20.68	$57,362	$27.58
FRANKLIN	$25,845	$12.43	$29,722	$14.29	$38,768	$18.64	$51,690	$24.85
GADSDEN	$28,832	$13.86	$33,157	$15.94	$43,248	$20.79	$57,664	$27.72
GILCHRIST	$27,537	$13.24	$31,668	$15.22	$41,306	$19.86	$55,074	$26.48
GLADES	$33,389	$16.05	$38,397	$18.46	$50,084	$24.08	$66,778	$32.10
GULF	$31,269	$15.03	$35,959	$17.29	$46,904	$22.55	$62,538	$30.07
HAMILTON	$38,440	$18.48	$44,206	$21.25	$57,660	$27.72	$76,880	$36.96
HARDEE	$26,364	$12.68	$30,319	$14.58	$39,546	$19.01	$52,728	$25.35
HENDRY	$28,533	$13.72	$32,813	$15.78	$42,800	$20.58	$57,066	$27.44
HERNANDO	$28,359	$13.63	$32,613	$15.68	$42,539	$20.45	$56,718	$27.27
HIGHLANDS	$26,074	$12.54	$29,985	$14.42	$39,111	$18.80	$52,148	$25.07
HILLSBOROUGH	$42,764	$20.56	$49,179	$23.64	$64,146	$30.84	$85,528	$41.12
HOLMES	$23,087	$11.10	$26,550	$12.76	$34,631	$16.65	$46,174	$22.20
INDIAN RIVER	$35,879	$17.25	$41,261	$19.84	$53,819	$25.87	$71,758	$34.50
JACKSON	$26,341	$12.66	$30,292	$14.56	$39,512	$19.00	$52,682	$25.33
JEFFERSON	$27,359	$13.15	$31,463	$15.13	$41,039	$19.73	$54,718	$26.31
LAFAYETTE	$22,484	$10.81	$25,857	$12.43	$33,726	$16.21	$44,968	$21.62
LAKE	$31,578	$15.18	$36,315	$17.46	$47,367	$22.77	$63,156	$30.36

STATE OF FLORIDA INCENTIVES AVERAGE WAGE REQUIREMENTS

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Incentive Information Sheet

	Average Annual Wage[2]	Hourly Wage	115% of Avg Annual Wage	Hourly Wage	150% of Avg Annual Wage	Hourly Wage	200% of Avg Annual Wage	Hourly Wage
LEE	$35,805	$17.21	$41,176	$19.80	$53,708	$25.82	$71,610	$34.43
LEON	$35,729	$17.18	$41,088	$19.75	$53,594	$25.77	$71,458	$34.35
LEVY	$25,803	$12.41	$29,673	$14.27	$38,705	$18.61	$51,606	$24.81
LIBERTY	$34,853	$16.76	$40,081	$19.27	$52,280	$25.13	$69,706	$33.51
MADISON	$25,645	$12.33	$29,492	$14.18	$38,468	$18.49	$51,290	$24.66
MANATEE	$33,582	$16.15	$38,619	$18.57	$50,373	$24.22	$67,164	$32.29
MARION	$31,671	$15.23	$36,422	$17.51	$47,507	$22.84	$63,342	$30.45
MARTIN	$37,051	$17.81	$42,609	$20.48	$55,577	$26.72	$74,102	$35.63
MIAMI-DADE	$43,573	$20.95	$50,109	$24.09	$65,360	$31.42	$87,146	$41.90
MONROE	$34,198	$16.44	$39,328	$18.91	$51,297	$24.66	$68,396	$32.88
NASSAU	$31,039	$14.92	$35,695	$17.16	$46,559	$22.38	$62,078	$29.85
OKALOOSA	$33,807	$16.25	$38,878	$18.69	$50,711	$24.38	$67,614	$32.51
OKEECHOBEE	$28,430	$13.67	$32,695	$15.72	$42,645	$20.50	$56,860	$27.34
ORANGE	$40,410	$19.43	$46,472	$22.34	$60,615	$29.14	$80,820	$38.86
OSCEOLA	$30,040	$14.44	$34,546	$16.61	$45,060	$21.66	$60,080	$28.88
PALM BEACH	$43,846	$21.08	$50,423	$24.24	$65,769	$31.62	$87,692	$42.16
PASCO	$31,203	$15.00	$35,883	$17.25	$46,805	$22.50	$62,406	$30.00
PINELLAS	$38,598	$18.56	$44,388	$21.34	$57,897	$27.84	$77,196	$37.11
POLK	$34,694	$16.68	$39,898	$19.18	$52,041	$25.02	$69,388	$33.36
PUTNAM	$30,107	$14.47	$34,623	$16.65	$45,161	$21.71	$60,214	$28.95
ST JOHNS	$35,016	$16.83	$40,268	$19.36	$52,524	$25.25	$70,032	$33.67
ST LUCIE	$32,828	$15.78	$37,752	$18.15	$49,242	$23.67	$65,656	$31.57
SANTA ROSA	$30,458	$14.64	$35,027	$16.84	$45,687	$21.96	$60,916	$29.29
SARASOTA	$37,238	$17.90	$42,824	$20.59	$55,857	$26.85	$74,476	$35.81
SEMINOLE	$38,434	$18.48	$44,199	$21.25	$57,651	$27.72	$76,868	$36.96
SUMTER	$29,269	$14.07	$33,659	$16.18	$43,904	$21.11	$58,538	$28.14
SUWANNEE	$26,245	$12.62	$30,182	$14.51	$39,368	$18.93	$52,490	$25.24
TAYLOR	$33,621	$16.16	$38,664	$18.59	$50,432	$24.25	$67,242	$32.33
UNION	$26,652	$12.81	$30,650	$14.74	$39,978	$19.22	$53,304	$25.63
VOLUSIA	$31,537	$15.16	$36,268	$17.44	$47,306	$22.74	$63,074	$30.32
WAKULLA	$31,130	$14.97	$35,800	$17.21	$46,695	$22.45	$62,260	$29.93
WALTON	$29,012	$13.95	$33,364	$16.04	$43,518	$20.92	$58,024	$27.90
WASHINGTON	$24,516	$11.79	$28,193	$13.55	$36,774	$17.68	$49,032	$23.57

[1] Florida Agency for Workforce Innovation, Labor Market Statistics Center, Quarterly Census of Employment and Wages Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

[2] All incentives applications received on or after January 1, 2010 will be subject to the new 2008 wages

CITY OF TALLAHASSEE/LEON COUNTY
TARGETED BUSINESS PILOT PROGRAM
WITHIN THE CORPORATE LIMITS OF TALLAHASSEE

ADOPTED OCTOBER 10, 2001(CITY)
NOVEMBER 27, 2001 (COUNTY)

City of Tallahassee Economic Development Department
City Hall, 300 South Adams Street
Tallahassee, FL 32301
850-891-8886

Approved by: _____
On 4/1/02

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Section I
Program Summary
City of Tallahassee/Leon County
Within The Corporate Limits of Tallahassee

The Targeted Business Pilot Program (TBPP) is an initiative to induce business growth that is beneficial to our City and County. It is designed to help implement the City and County's long-term vision for economically viable and environmentally sustainable growth. The TBPP offers incentives to new and existing businesses that create value-added jobs within the City of Tallahassee and Leon County. The program seeks to reward businesses that will diversify the economy, are suited to the City and County's business mix, and will generate revenue growth from the sales of goods and services outside the local economy. The program also seeks to reward businesses that locate in designated target areas for economic growth and development; that build environmentally sensitive projects; that do business with other local businesses; and that practice good corporate citizenship. Funds awarded under this program would be used to reimburse 1) up to 100% of the cost of development fees and 2) a portion of the capital investment of the business project based on ad valorem taxes paid. The amount of funding would be based on a scoring system evaluated by a review committee with final approval and award granted by the City and County Commissions, respectively. The program is being implemented as a three-year pilot program that will be evaluated on an annual basis.

An outline of the TBPP is presented below.

I. ELIGIBILITY – New and Existing Businesses

Companies which are Target Industries of the Economic Development Council (e.g., value-added jobs that will diversify the economy and are suited to the City and County's business mix—refer to Attachment #1).

II. INCENTIVES/USE OF FUNDS

a. Reimbursement *of up to* 100% of ***all eligible City of Tallahassee/Leon County development fees***
b. Reimbursement *of up to* 100% of an amount equivalent to the City ad valorem taxes paid on land, improvements, and tangible personal property for up to 10 years—***as a means to reimburse a part of the capital investment cost required to relocate or expand a business*** and reimbursement of the County ad valorem taxes equal to the amount reimbursed by the City. Expansion projects would qualify only for the incremental increase in ad valorem taxes.

III. APPLICATION PROCESS/PAYMENT METHOD

a. A business submits a preliminary application to determine eligibility when development/building permits are filed. For projects already under construction, the preliminary application must be filed prior to receipt of the first certificate of occupancy for the building.

b. If the preliminary application is approved, a Reimbursement Agreement with the City and County is executed to finalize the inducement and performance requirements.

c. Twelve months after receiving its Certificate of Occupancy, the business can file its first application for reimbursement.

d. Reimbursement of development fees (up to 100%) are paid in lump sum.

e. Annual payments of the funds that are equivalent to the City ad valorem taxes paid (up to 100%) and an equal dollar amount from the County will be made one year in arrears over a period of time up to ten years (refer to Attachment #2, Business Profile Scoring Sheet). The amount of award is subject to reduction if performance measures are not met.

f. Annual applicant performance reports are submitted to the City of Tallahassee and Leon County.

IV. SCORING SYSTEM/AWARD APPROVAL

a. As a screening mechanism, prior to being admitted into the scoring phase of the evaluation process, businesses must provide with their application audited financial statements for the previous two years to evidence that they are a strong, growing company in which the City and County should invest.

b. A business profile score for the application is determined on a rating system (Reference Attachment #2—Business Profile Scoring System) that gives points to the following categories:

1) **Number of employees** – 25 Points
2) **Salary levels** – 25 Points
3) **Amount of capital investment** – 15 Points
4) **Location in designated target areas** – 10 Points
5) **Environmental sensitivity of project design/redevelopment achievements** – 10 Points
6) **Local business promotion** – 10 Points
7) **Corporate citizenship** – 5 Points

c. Additionally, the Economic Development Council will prepare an economic impact analysis to determine whether the project shows a return on investment to the community.

d. A committee made up of representatives from City staff and the Economic Development Council, as well as the Treasurer-Clerk and County Administrator, will score the applications and forward its recommendation to the City and County Commissions.

e. The City and County Commissions, individually, will make a final determination on the award of inducements under this program for their respective jurisdictions.

f. The program is a three-year pilot program with annual evaluations. This will provide an opportunity to eliminate the program if it proves ineffective or to modify it to improve results based on experience in the Tallahassee market.

Most Asked Questions

1) What if a business expects to have 20 jobs in two years, but only 10 jobs after one year?

The business could submit a Reimbursement Application after the first year and would be scored based on having 10 jobs. When they submit after the second year, they would be scored based on 20 jobs. As an alternative, the business could choose to not submit its first application until after all 20 jobs are in place.

2) What if a business expects to have 20 jobs after two years, but actually hires 30?

The business could request an amendment to their Preliminary Application which would have to be approved by the City and County Commissions.

3) What if a company builds a spec building with no tenant known for several months after receipt of a Certificate of Occupancy?

The company should submit a Preliminary Application prior to receipt of the first Certificate of Occupancy with the amount of capital investment, and any other known information. The City will hold the Application and set aside for potential reimbursement the development fees that have been paid. Once the tenant is known, the company will complete the Preliminary Application. The company will be given up to two years from the date of the first Certificate of Occupancy to find qualified tenants and provide the requested information.

4) What if a business hires numerous employees just before filing the Reimbursement Application? Should they be counted?

For reimbursement, scoring is based on full time, permanent positions on the date of the application. If recently added positions are temporary, they should not be counted by the Review Committee. If any of the positions that the Committee counted as permanent are eliminated shortly after reimbursement has been approved, they should be treated as temporary the next year.

5) What if a business requests confidentiality?

Any written information that is provided to or from a City or County employee, including meeting notes, is subject to Florida's public records laws. A business may request that specific information such as employee Social Security numbers, home addresses, etc., only be provided to the Economic Development Council. This request must be sent to the City Attorney's Office.

6) What about new businesses with no past history?

Businesses must provide with their application audited financial statements for the previous two years to evidence that they are a strong, growing company in which the City and County should invest. Therefore, the business or a parent company or partner of the business must have been in business for at least two years prior to application.

Section II
Application Procedures for Targeted Business Pilot Program*

The Targeted Business Pilot Program is an initiative to induce business growth that is beneficial to the City of Tallahassee and Leon County. It is designed to help implement the City and County's long-term vision for economically viable and environmentally sustainable growth. This is a three-year pilot program which offers incentives to new and existing businesses that create value-added jobs within the City and County. The Program rewards businesses that locate in target areas designated for economic growth and development; that build environmentally sensitive projects; that do business with other local businesses; and that practice good corporate citizenship.

In order to qualify for this Program, businesses must be on the Target Industry List and must be proposing to locate or expand within Leon County.* Businesses are then eligible for a certain amount of ad valorem tax and development fee reimbursements based on a Scoring System. All projects must receive approval from the City and County Commissions. The following procedures will be used for determining eligibility and amount of reimbursement:

I. Preliminary Application

1) Preliminary applications shall be filed with the City's Economic Development Department at any time prior to receipt of a Certificate of Occupancy for a new building or expansion, and then sent to the Economic Development Council (EDC).

2) A preliminary application may be filed prior to receiving site plan approval. However, points for Environmental Sensitivity will not be determined until after the site plan is approved.

3) The EDC shall determine if the business is one of those on the Target Industry List. If so, they will notify the City's Economic Development Department, and copies of the application will be sent to Growth Management, Planning, Accounting Services, the Treasurer-Clerk and the County Administrator. The EDC shall also prepare an economic impact analysis to determine whether the project shows a return on investment to the community.

4) A Committee made up of the President of the EDC, the Directors of Economic Development, Growth Management, Accounting Services, and Planning, the Treasurer-Clerk and the County Administrator, or their designees, shall meet within 30 days of receipt of the notification from the EDC. The Committee may make a recommendation at this time or may ask for any additional information it determines is needed. If additional information is requested, the Committee shall reconvene within 30 days of receipt of the additional information.

*These procedures are for projects with the City Limits of the City of Tallahassee. For projects outside the City Limits, the Leon County Administrator should be contacted.

5) Accounting Services shall review the audited financial statements and make a recommendation as to the financial strength of the company. The Planning Department shall be responsible for assuring that the project is proposed to be located within the City Limits, and determining whether it is located within the Southern Strategy Area and/or the Central City Area; the Growth Management Department shall assess the Environmental Sensitivity.

6) Economic Development, in coordination with the EDC, shall be responsible for verifying the projected Number of Employees, Salary Levels, Capital Investment, and Local Business Promotion. The number of new employees shall include those hired after the date permits are obtained, provided they are due to the new building or expansion.

7) The Committee as a whole shall make a recommendation concerning projected Good Corporate Citizenship.

8) The Committee will make a recommendation to the City Commission and the County Commission at the next available Commission meetings. The City Commission and the County Commission, individually, will make the final determination as to eligibility, and preliminary approval of scoring, percentage of development fee reimbursement, percentage of tax reimbursement, and length of tax reimbursement.

9) Following Commission approval, a Reimbursement Agreement will be written specifying the fees, percentage of ad valorem taxes, and number of years for which reimbursement can be requested. In the event that a project is approved by one Commission but not the other, the Reimbursement Agreement shall be between the Applicant and that local government. If approval is from the County only, see the County Administrator for reimbursement procedures.

II. Reimbursement Agreement

10) Once the building or expansion has been open for at least 12 months, an Applicant that has an approved Reimbursement Agreement with the City may file an application for reimbursement of development fees. An Applicant may file an application for reimbursement of ad valorem taxes at any time after April 1st of the year after ad valorem taxes have been paid on the new building or expansion. Each application shall include verification of the number of employees working at the new business or expanded business for the past year, the annualized salary levels of these employees, the capital investment made, the local business promotion for the past year, and the good corporate citizenship for the past year.

11) Reimbursement applications shall be filed with the City's Economic Development Department and shall be reviewed and approved by the Committee following the same process described above for preliminary applications, except that reimbursement applications do not need approval of the City or County Commissions.

The development fees shall not include reimbursement of any charges related to utilities system fees (i.e.- water and sewer tap fees). A list of eligible fees is attached.

12) The development fees to be reimbursed shall be paid in lump sum following approval by the Committee. If the number of new jobs are to be phased in over several years, an Applicant may request reimbursement of the percentage of development fees applicable to the new employee positions created during each past year or the Applicant may request one reimbursement after the creation of all new jobs.

13) Reimbursement of ad valorem taxes for the previous year may be requested after April 1st of each year for the number of years authorized by the City and County Commissions.

14) The Office of Budget and Policy will be responsible for assuring that the City fees and taxes for which the Applicant can request reimbursement are set aside in the accounting system. The Applicant will have three years from the date of the first Certificate of Occupancy, or from the date the requested reimbursement was paid, whichever is later, to show that they have met the qualifications for reimbursement. If the Applicant has not met the qualifications within three years the applicable account shall be closed.

15) The Economic Development Department shall be responsible for the processing of City reimbursements following approval by the Committee.

Approximate Timeline—Preliminary Application

1) Applicant files Preliminary Application.....Day 1
2) EDC determines it is a Target Industry.....About Day 7
3) Committee meets and makes recommendation.....Day 10-37
4) Commission approves Preliminary Application.....About Day 45-60

Approximate Timeline-Reimbursement Application

1) Building or expansion opens
2) New development is added to tax rolls.....The following January 1st
3) Applicant files Reimbursement Application for development fees.....After 12 months of opening
4) Applicant pays ad valorem taxes.....Nov. thru Mar. after 2), above, occurs
5) Applicant files Reimbursement Application for ad valorem taxes.....The April after 4), above, occurs
6) Committee determines amount of reimbursement.....Within 30 days of application

g://userdata//ecdev/targetbusproced121101

Attachment #1

Target Industry List*
Targeted Business Pilot Program

- Advanced Transportation Systems
- Associations and Corporate Headquarters
- Distribution
- Healthcare Delivery and Related Products/Services
- Financial and Insurance Services
- Information Technology
- Light Manufacturing of Electronics
- Local Expansions of Targeted Industries
- Magnetic Research Commercialization
- Advanced Technology
- Research and Development

*The determination of whether a specific business meets the generalized categories on this List will be made based on the North American Industry Classification System titles and descriptions.

G://userdata/ecdev/targetindustrylist 121101

Attachment #2

City of Tallahassee/Leon County
Targeted Business Pilot Program
Business Profile Scoring System

Option A (New Business): Number of Employees (w/i 3 years)	Points—Max 25	Option B: Existing Business Expansion
10-20	10	10% increase in employees
21-60	15	15% increase in employees
61-99	20	20% increase in employees
100 and up	25	25% increase in employees

Salary Levels	Points—Max 25
20% or less of new jobs at or above area average ($27,143*)	0
More than 20% of new jobs at or above area average and the average salary of the new jobs is:	
Below Area Average ($27,143*)	0
Average to 25% above average (to $33,929*)	10
25% to 50% Above Average (to $40,715*)	15
50% to 100% Above Average (to $54,286*)	20
100% Above Average ($54,286* and above)	25

Capital Investment	Points—Max 15
0-$1,000,000	5
$1,000,001-$5,000,000	10
$5,000,001 and up	15

Location	Points—Max 10
Within Southern Strategy Area	10
Within Central City Area	10

Environmental Sensitivity Option A: New Construction	Points—Max 10
Urban forest protection above minimum	2
Preservation of significant grades above min.	2
Canopy coverage above minimum	2
Tree preservation	2
Exceed minimum pervious surface	2
OR:	
Option B: Redevelopment	
Exceeds Redevelopment Code	10 (maximum)

*This figure will change annually based on area average data provided by Enterprise Florida.

Local Business Promotion	Points—Max 10
25% of Major Supplies are Local	5
10% of Goods & Services from Certified MBE's	2.5
10% of Construction Contractor from Certified MBE's	2.5

Good Corporate Citizenship	Points—Max
Supports community charities/Community Svc.	2.5
Encourages employee volunteerism	2.5

Maximum Possible Points: **100**

Inducement Period

Total Points	Percentage of Inducement	*Length of Inducement (Ad Valorem taxes only)
40 to 49 points	50% exemption	5 years
50 to 59 points	60% exemption	6 years
60 to 69 points	70% exemption	7 years
70 to 79 points	80% exemption	8 years
80 to 89 points	90% exemption	9 years
90 to100points	100% exemption	10 years

*An amount equal to the ad valorem taxes will be paid by city, and matched by the county, to the business over a period of five to ten years. An amount equal to the appropriate development fees will be paid in lump sum.

NOTES ON SCORING CRITERIA

ENVIRONMENTAL SENSITIVITY

OPTION A – NEW CONSTRUCTION

Provide additional urban forest on site above the required minimum of 10%. 2 points for minimum of 5% to maximum of 10% above minimum.

Preservation of additional significant grade areas (10-20%) above the minimum 50% requirement through inclusion within a Conservation Easement. 2 points for minimum of 5% to maximum of 10% above minimum.

Provide additional canopy coverage in vehicular use areas on site above the required minimum of 30%. 2 points for minimum of 5% to maximum of 10% above minimum.

Preservation, through creative parking lot design, of trees in excess of 36 inches (diameter at breast height) that would otherwise be cut through their inclusion in landscape islands in vehicular use areas. 2 points.

Preserve additional pervious (unpaved) area on non-vested sites above the minimum requirement of 45%. 2 points for minimum of 5% to maximum of 10% above minimum.

OR

OPTION B- REDEVELOPMENT

Recognizing that redevelopment does not require sites to be retrofitted for stormwater treatment and attenuation under recently adopted revisions to the *Environmental Management Ordinance*, redevelopment sites that do retrofit for stormwater treatment and attenuation will receive the following bonus points:

2.5 points for 25% retrofit
5 points for 50% retrofit
7.5 points for 75% retrofit
10 points for 100% retrofit

GOOD CORPORATE CITIZENSHIP

Supports community charities/community service activities – prove evidence of corporate contribution to local charities; participation in community service activities; and awards for humanitarian achievements.

Encourage employee volunteerism – provide copy of corporate policy promoting employee volunteerism and records of actual employee participation with local organizations or community service projects.

Attachment #3

Preliminary Application for Targeted Business Pilot Program

1. Date of Application: _____

2. Name of Business: _____

3. Type of Business (see targeted industry list): _____

4. Mailing Address: _____
_____

5. Contact Person and Phone Number: _____

6. Name of Parent/Partner Company (if applicable): _____

7. Business's federal employer identification number: _____

8. Business's Florida sales tax registration number: _____

9. Is the business new to Leon County? _____ Yes _____ No
An expansion of an existing business? _____ Yes _____ No

10. a. Proposed location of the business or expansion (a map would be helpful):
_____
_____
_____

b. Is this within the Central City Area? _____ Yes _____ No
The Southern Strategy Area? _____ Yes _____ No

11. If an expansion, how many persons are currently employed within Leon County?
_____

12. Please fully describe the proposed project (attach additional sheets as necessary):

13. Please list the NAICS and SIC codes of all activities of the business to be located or expanded, the estimated number of employees, and the *annualized* average wage (not including benefits) for activities for all *new* positions*:

NAICS/SIC _____ Est. Employment _____ Annualized Wage _____
NAICS/SIC _____ Est. Employment _____ Annualized Wage _____
NAICS/SIC _____ Est. Employment _____ Annualized Wage _____
NAICS/SIC _____ Est. Employment _____ Annualized Wage _____

14. Please list the anticipated annualized average wage (not including benefits) of the new positions: _____

15. Please list the capital investment of the project:

_____
_____
_____
_____

16. a. When is construction expected to start? _____

b. When do you expect to receive a Certificate of Occupancy? _____

17. Please list all projected major suppliers and their location:

_____
_____
_____
_____
_____
_____
_____

18. Please list the projected providers of goods and services and which, if any, are Certified Minority Business Enterprises with Leon County or the City of Tallahassee:

_____
_____
_____
_____
_____
_____
_____

*"NAICS" is the North American Industry Classification System; "SIC" is the Standard Industry Code; "annualized" means the amount expected to be paid a full time, permanent employee over 12 months, not including benefits.

19. Please list the projected construction contractors and which, if any, are Certified Minority Business Enterprises with Leon County or the City of Tallahassee:

20. Please list all charitable contributions and/or services projected to be provided to the Leon County community on an annual basis:

21. Please list all efforts projected to be made by the business to encourage employee volunteerism:

22. Please attach audited financial statements for the past two years.

23. Please include any other information about your company that is relevant to this program:

I certify that the above is a correct and accurate representation of the project to the best of my knowledge.

Signature of Authorized Officer: _____
Title: _____

This form should be returned to the Economic Development Department, City Hall, Tallahassee, FL 32301. If you have any questions, please call the City of Tallahassee Economic Development Department at 850-891-8886 or the Economic Development Council at 224-8116.

Attachment #4

Reimbursement Application for Targeted Business Pilot Program

1. Date of Application: _____

   a. Is this for Development Fee Reimbursement? _____ Yes _____ No
   b. Ad Valorem Tax Reimbursement? _____ Yes _____ No

2. Name of Business: _____

3. Mailing Address: _____
   _____
   _____

4. Contact Person and Phone Number: _____

5. Date of Approval of Preliminary Application: _____

6. Name of Parent Company (if applicable): _____

7. Business's federal employer identification number: _____

8. Business's Florida sales tax registration number: _____

9. Please list the NAICS and SIC codes of all activities of the new or expanded business which received preliminary approval, the actual employment by the new or expanded business for the past year, and the *annualized* average wage (not including benefits) for activities for all *new* positions as shown below*. Please provide verification.

NAICS/SIC _____ Employment _____ Annualized Wage _____
NAICS/SIC _____ Employment _____ Annualized Wage _____
NAICS/SIC _____ Employment _____ Annualized Wage _____
NAICS/SIC _____ Employment _____ Annualized Wage _____

9. Please list the annualized* average wage (not including benefits) of the new positions and provide verification: _____

*"NAICS" is the North American Industry Classification System; "SIC" is the Standard Industry Code; "annualized" means the amount expected to be paid a full time, permanent employee over 12 months, not including benefits.

10: Please list the actual capital investment of the project and provide verification:

11. Please list the dollar amount spent on all major supplies for the past year for the new or expanded business, the location of the supplier, and provide verification:

12. Please list the dollar amount spent on goods and services for the past year for the new or expanded business, the provider, if any, which were Certified MBE's, the percent spent with these MBE providers, and provide verification:

13. Please list the dollar amount spent with construction contractors used to build or expand the business and which, if any, were Certified MBE's, the percent spent with these MBE's, and provide verification:

14. Please list all charitable contributions and/or services provided to the Leon County community within the past year and provide verification:

15. Please list all efforts made by the business to encourage employee volunteerism within the past year, and the success of those efforts and provide verification:

_____
_____
_____
_____
_____

16. What is the amount of the reimbursement requested? $_____

17. Please provide evidence of the amount previously paid. If reimbursement of ad valorem taxes is requested, this request is for the _____ year of a _____ year approval period.

18. Please include any other information you believe should be considered:

I certify that the above is a correct and accurate representation of the project to the best of my knowledge.

Signature of Authorized Officer: _____
Title: _____

This form should be returned to the Economic Development Department, 300 South Adams St., Tallahassee, FL 32301. If you have any questions, please call 850-891-8886.

List of Eligible City of Tallahassee Development Fees*

Building Permits, including electrical, plumbing, roof, foundation, gas/mechanical
Environmental Permits
Concurrency Review
Land Use Review, including Site Plans, Platting, and Certificates
Signs
Fire Review and Inspection

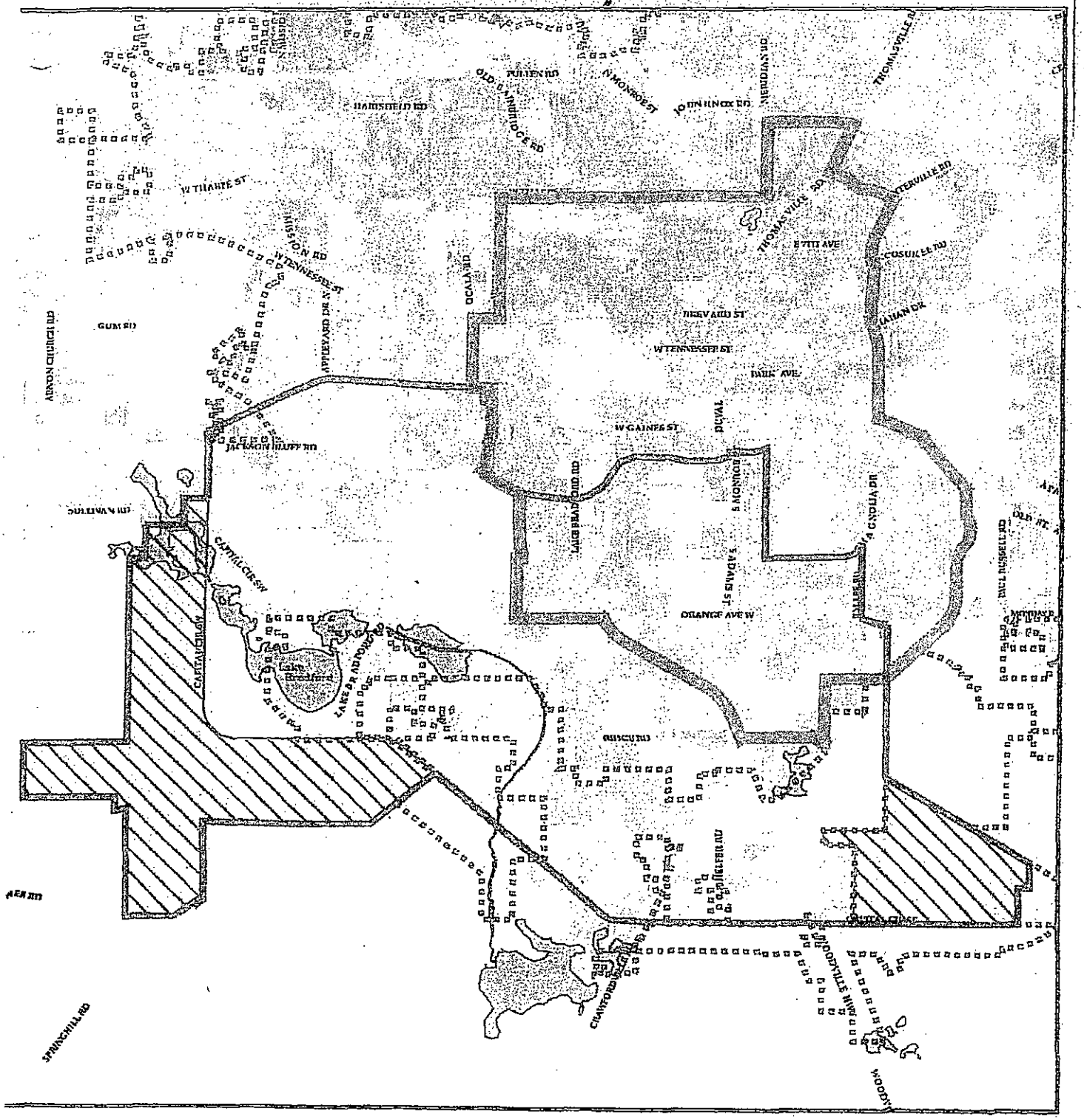
Fees That are Not Eligible

Non-City of Tallahassee permits
Zoning and/or Land Use Changes
Licensing
Appeals
Lost Plans
Mitigation Requirements
Temporary Uses
Variances
Demolition

*Modified to correct errors and provide clarification on August 27, 2002
Modified to add fire fees on April 25, 2003

Attachment #6

City Southern Strategy Area & Central City Area



Inside City Limits

City Limits

Central City Boundary

Southern Strategy Area Boundary

Concurrency Exemption Only

N
W
E
S

Date Printed: 01/08/2002