

ECONOMIC DEVELOPMENT INCENTIVES:

INVESTING IN ECONOMIC GROWTH AND DIVERSITY



BUSINESS ATTRACTION TOOLKIT:

**USE INCENTIVES AS A TOOL TO GROW
AND DIVERSIFY THE ECONOMY**

- **LEVERAGE STATE & LOCAL
INCENTIVES**
- **DEVELOP A COMPETITIVE EDGE**
- **ATTRACT TARGETED INDUSTRIES**
- **ENCOURAGE BUSINESS
EXPANSION**
- **GENERATE LONG-TERM REVENUE**
- **FOSTER ECONOMIC RESILIENCE**

JOB CREATION INCENTIVE PROGRAM

- CREATES A BASELINE TO DIRECTLY COMPETE IN LOCAL MARKET (NEW, IMPROVED, NOT NOVEL)
- PERFORMANCE-BASED
 - A. MUST CREATE AT LEAST 10 JOBS
 - B. 125% OF COUNTY AVERAGE WAGES
- FOCUS ON TARGETED INDUSTRIES
 - FINANCIAL/PROFESSIONAL SERVICES
 - TECHNOLOGY
 - HEADQUARTERS
- NEW-TO-MARKET (4 YEARS) OR LOCAL EXPANSION (3 YEARS)
- ADDED BONUS FOR:
 - HIRING LOCAL RESIDENTS
 - HIRING LOCAL GRADUATES
 - MOVE OR EXPANSION IN NORTH BEACH
- MAXIMUM ANNUAL INCENTIVE: \$60K
- MAXIMUM TOTAL INCENTIVE: \$180K - \$240K

JOB CREATION INCENTIVE PROGRAM

- \$600 PER EMPLOYEE FOR FIRST 50 JOBS (MINIMUM OF 10)
- \$400 PER EMPLOYEE FOR EACH JOB ADDED BETWEEN 51 – 100
- \$250 PER EMPLOYEE FOR EACH JOB ADDED ABOVE 100

BONUS

- \$125 PER EMPLOYEE IF IN NORTH BEACH
- \$125 PER EMPLOYEE IF LOCAL GRADUATE
- \$125 PER EMPLOYEE IF PREVIOUSLY BELOW LIVING WAGE
- \$150 PER EMPLOYEE IF CITY OF MIAMI BEACH RESIDENT

	Company A	Company B	Company C
Number of New Jobs	25 25 jobs x \$600 = \$15,000	75 50 jobs x \$600 = \$30,000 25 jobs x \$400 = \$10,000 Subtotal: \$40,000	110 50 jobs x \$600 = \$30,000 50 jobs x \$400 = \$20,000 10 jobs x \$250 = \$ 2,500 Subtotal: \$52,500
Company Located in North Beach	Yes 25 jobs x \$125 = \$3,125	Yes 75 jobs x \$125 = \$9,375	No 110 jobs x \$0 = \$0
Degree from Local Institution	Yes 10 employees x \$125 = \$1,250	Yes 25 employees x \$125 = \$3,125	Yes 50 employees x \$125 = \$6,250
Below Living Wage	Yes 2 employees x \$125 = \$250	No	No
Residence in City	Yes 10 employees x \$150 = \$1,500	Yes 20 employees x \$150 = \$3,000	Yes 25 employees x \$150 = \$3,750
Total Less Amount Above \$60k Annual Cap	\$21,125	\$55,500	\$62,500 - \$2,500 = \$60,000



CAPITAL INVESTMENT INCENTIVE PROGRAM

- CREATES A COMPETITIVE EDGE/ADVANTAGE IN LOCAL MARKET
- PERFORMANCE-BASED
 - A. MUST CREATE AT LEAST 10 JOBS
 - B. 120% OF COUNTY AVERAGE WAGES
 - C. MINIMUM CAPITAL INVESTMENT OF \$500K IN NORTH BEACH OR \$1M CITYWIDE
- INCLUDES REAL AND TANGIBLE PROPERTY
- FOCUS ON TARGETED INDUSTRIES
 - FINANCIAL/PROFESSIONAL SERVICES
 - TECHNOLOGY
 - HEADQUARTERS
- NEW-TO-MARKET OR LOCAL EXPANSION
- 5-YEAR INCENTIVE TIME PERIOD
- ADDED BONUS FOR:
 - LONGER LEASE PERIOD/OWNERSHIP
 - HIGHER NUMBER OF NEW JOBS
 - HIGHER AVERAGE WAGES
 - HIGHER CAPITAL INVESTMENT
- MAXIMUM ANNUAL INCENTIVE: \$50K
- MAXIMUM TOTAL INCENTIVE: \$250K

CAPITAL INVESTMENT INCENTIVE PROGRAM

INCENTIVE CALCULATION: \$1,000 PER POINT (MAX \$50K PER YEAR; 5-YEAR MAX)

CAPITAL INVESTMENT - MINIMUM \$1M OR \$500K IN NORTH BEACH

- REAL ESTATE PROPERTY VALUE (1 POINT PER \$1M OR \$500K)
- TANGIBLE PERSONAL PROPERTY VALUE (1 POINT PER \$1M OR \$500K)

TYPE OF OWNERSHIP

- LEASE - BELOW 5 YEARS (0 POINTS)
- LEASE - 5 TO 9 YEARS (1 POINT)
- LEASE - 10 YEARS OR MORE (2 POINTS)
- OWNER OCCUPIED (3 POINTS)
- HQ IN MIAMI BEACH (1 POINT)

NUMBER OF FULLTIME JOBS CREATED

- LESS THAN 10 (0 POINTS)
- 10 - 19 (1 POINT)
- 20 - 49 (2 POINTS)
- 50 - 99 (3 POINTS)
- 100 - 299 (4 POINTS)
- 300 OR ABOVE (5 POINTS)

AVERAGE WAGES (MIAMI-DADE COUNTY)

- AT OR BELOW 120% (0 POINTS)
- ABOVE 120% TO 124% (1 POINT)
- ABOVE 124% TO 130% (2 POINTS)
- ABOVE 130% (3 POINTS)



	Company A	Points	Company B	Points	Company C	Points
Ownership Type	Lease of 5 – 9 years	1	Lease of 10 or more years	2	Ownership with Occupancy	3
Average Wages	Greater than 124% and up to 130%	2	Greater than 120% and up to 124%	1	Greater than 130%	3
Number of New Jobs	25	2	50	3	100	4
Capital Investment (Real Property)	\$5m	5	\$10m	10	\$20m	20
Capital Investment (Tangible)	\$1m	1	\$1m	1	\$2m	2
Total Points	11		17		32	
Total Annual Incentive	11points x \$1,000 = \$11,000		17 points X \$1,000 = \$17,000		32 points x \$1,000 = \$32,000	
Total Incentive over 5 years	5 x \$11,000 = \$55,000		5 x \$17,000 = \$85,000		5 x \$32,000 = \$160,000	

FISCAL IMPACT & RETURN ON INVESTMENT

- NUMBER OF APPROVED APPLICATIONS CONTINGENT ON CITY COMMISSION
- FISCAL IMPACT IS GRADUAL OVER YEARS
- INCENTIVES WILL BE BUDGETED FOR FOLLOWING FISCAL YEAR(S)
- DISBURSEMENT OCCURS AFTER PROOF OF PERFORMANCE
- IN EXCHANGE FOR THE INCENTIVE, THE CITY BENEFITS FROM:
 - HIGH-WAGE JOB CREATION
 - CAPITAL INVESTMENT LEADING TO NEW OR INCREASED PROPERTY TAXES
 - ECONOMIC DIVERSIFICATION
 - POSITIVE MEDIA