



Memorandum

Memorandum No: 20-070

Date: July 27, 2020

To: Honorable Mayor and Commissioners

From: Chris Lagerbloom, ICMA-CM, City Manager

Re: Expiration of Qualified Target Industry Tax Refund Program (QTI)

The State of Florida Qualified Target Industry Tax Refund Program (QTI) expired on June 30, 2020. The incentive program was used by government affiliated economic development offices throughout the state to provide tax refunds to businesses that create or retain jobs with above-average salaries in target industries. Since its inception, the program has facilitated the creation of thousands of jobs in South Florida.

The QTI program was created in 1995 under Florida Statute 288.106. After June 30, 2020, applications will no longer be accepted, however, a tax refund agreement, existing prior to June 30, shall remain in effect. As of July 20, 2020, the City of Fort Lauderdale has thirteen active QTI agreements. Existing agreements project total corporate investments of approximately \$83.9 million of capital investment, with a minimum of 1,541 new jobs, with a total of \$91.0 million of annual wages.

The QTI program provides a tax refund against corporate taxes, at a refund rate of \$3,000 to \$5,000 per job. The City of Fort Lauderdale's remaining "Local Match" funding obligation is 20 percent of the total incentive; \$1,100,200 is scheduled to be paid to local companies through FY 2027/28.

Enterprise Florida Incentives

The expired QTI program eliminates a well-known resource for business expansion and relocation. Enterprise Florida continues to offer several programs as resources for targeted industry growth in Fort Lauderdale. Existing Enterprise Florida incentive programs are:

- Capital Investment Tax Credit (CITC)
- Workforce Training Incentives
 - Quick Response
 - Incumbent Worker Training
- Special Opportunity Incentives
 - Rural Incentives
 - Urban Incentives
 - Brownfield Incentives

Economic and Community Investment staff will continue to work with our local economic development partners (Greater Fort Lauderdale Alliance, Chamber of Commerce and Broward County) to employ best practices for existing state and local programs and be an active resource for companies looking to expand or locate their operations in Fort Lauderdale.

For more information on the Qualified Target Industry Tax Refund Program (QTI), please contact Anthony Greg Fajardo, Director, Department of Sustainable Development at 954-828-5984 or AFajardo@fortlauderdale.gov.

Attachment:
Financial Analysis of Existing QTI Projects

c: Rob Hernandez, Deputy City Manager
Tarlesha W. Smith, Assistant City Manager
Alain E. Boileau, City Attorney
Jeffrey A. Modarelli, City Clerk
John C. Herbst, City Auditor
Department Directors
CMO Managers

