

Chapter 11.5 - ECONOMIC DEVELOPMENT

Footnotes:

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Editor's note— Ord. No. 2003-12, adopted June 3, 2003, set out provisions intended for use as Ch. 10.6. To preserve the style of the Code, and at the editor's discretion, these provisions have been included as Ch. 11.5.

ARTICLE I. - IN GENERAL

Secs. 11.5-1—11.5-25. - Reserved.

ARTICLE II. - HERNANDO COUNTY TARGETED INDUSTRY JOB CREATION AND INCENTIVE PROGRAM

Sec. 11.5-26. - Short title.

This article shall be known as and may be cited as the "Hernando County Targeted Industry Job Creation and Incentive Program."

(Ord. No. 2008-21, § 1, 10-21-08)

Sec. 11.5-27. - Finding of facts and purpose.

- (a) It is the intent of the board of county commissioners to establish and further a sound business and industrial tax base in Hernando County and which tax base will benefit all residents in Hernando County by better redistributing the burden of taxes. This is accomplished by attracting targeted industries and businesses to locate within the county and through expansion of existing industries and businesses and through the creation of new jobs. This is further accomplished by attracting those businesses and industries that pay equal to or greater than the average annual wage to locate in the county.
- (b) It is the intent and purpose of this article to provide the authority and mechanisms within the parameters of judicial, federal, state and local laws for such promotions and to allow the expenditure of public funds for such purposes.

(Ord. No. 2008-21, § 1, 10-21-08)

Sec. 11.5-28. - Definitions.

As used in this article:

Exhibit "A"

Above average annual wage means one hundred fifteen (115) percent or greater of the average annual wage for Hernando County.

Average annual wage means the average annual wage paid to workers in Hernando County as published by the State of Florida, Agency for Workforce Innovation, Labor Market Statistics, for the most current year published.

Applicant means the industrial or business entity seeking to be certified by the county office of business development as a targeted industry pursuant to this article.

Attributable tax increment means the increased increment in the county's ad valorem and tangible property tax base attributable or apportionable to new development, redevelopment or expansion of a targeted industry.

Building permit fees are those fees charged by Hernando County for construction, erection, modification, repair and demolition activities within the county which are governed under the Florida Building Code and charged pursuant to section 553.80, Florida Statutes, and chapter 8, article II, division 4 of this Code.

Full-time or full-time job means any job where the individual performing that job is employed a minimum of forty (40) hours per week.

Impact fees are those fees charged by Hernando County relating to new development and redevelopment activities within the county and charged pursuant to chapter 23, article III of this Code.

Industrial development means the development, and redevelopment or expansion of any commercial or industrial facilities.

New job means the addition of a new full-time job which is wholly based in Hernando County and which previously did not exist as part of the county's total job base.

Office of business development (OBD) is a department within Hernando County under the county administrator that is responsible for promoting and furthering business and economic development within the county including, without limitation, engaging in marketing, advertising, promotional and other efforts to attract new businesses and industries to locate within the county, and further engaging in such efforts to encourage existing business and industries located within the county to expand, and further engaging in such efforts to improve the county's industrial and business property tax base, and further engaging in such efforts which further the creation of new jobs within the county which pay equal to or greater than the average annual wage for Hernando County.

Qualified targeted industry (QTI) are those industries and businesses serving multi-state and/or international markets and that are able to create new jobs at greater than the average annual wage for Hernando County (and specifically excluding all retail activities, utilities, mining and other extraction or

processing business, and activities regulated by the division of hotels and restaurants of the department of business and professional regulation) and which have been further approved by the state as a QTI pursuant to section 288.106, Florida Statutes.

Targeted industry (TI) are those industries and businesses primarily serving markets outside of Hernando County and that are able to create new jobs at equal to or greater than average annual wage for Hernando County (and specifically excluding all retail activities, utilities, mining and other extraction or processing business, and activities regulated by the division of hotels and restaurants of the department of business and professional regulation) and which have been certified as a TI by the Hernando County Office of Business Development. Examples of TIs include, but are not limited to:

- Aviation and aerospace industry (examples include aircraft manufacturing, maintenance, air freight and passenger charter services);
- Clean manufacturing;
- Corporate headquarters;
- Emerging technologies;
- Financial and professional services (exclusive of retail consumer services);
- Green technologies and energy (examples include solar energy, biomass energy and bio-fuels, water energy, fuel cells, hydrogen, energy conservation waste reduction, and conversion technologies);
- Information technologies (examples include information technology products/services/training, software development, modeling/simulation, photonics/lasers/optics, microelectronics, and telecommunications);
- Life sciences (examples include biotechnology, medical device manufacturing, pharmaceuticals, and health care equipment);
- Logistics and distribution warehousing.

In determining whether an industry or business initially qualifies as a TI, the director of the county office of business development may take into consideration whether said industry or business is listed in the list of target industries prepared by Enterprise Florida, Inc. in connection with the QTI program; however, certification as a TI by the county office of business development is not dependent on whether the same industry or business is approved or listed as a QTI by Enterprise Florida, Inc. or the State of Florida.

Sec. 11.5-29. - Expenditure of public funds.

- (a) The county administrator or his designee may expend funds, pursuant to chapters 125 and 129, Florida Statutes, which are budgeted for business and industrial promotion purposes in furtherance of this article.
- (b) In addition, the county office of business development is authorized to expend funds for the following:
 - (1) To publicize, advertise and promote Hernando County;
 - (2) To make known the advantages, facilities, resources, products, attractions, attributes, employer opportunities, and business and development incentives, of the county;
 - (3) To create a favorable climate of opinion concerning industrial and business development in the county;
 - (4) To cooperate with other agencies, public and private, including the State of Florida Agency for Workforce Innovation and Enterprise Florida, Inc., to accomplish these purposes;
 - (5) To provide meals, hospitality and entertainment of persons in the interest of promoting industrial or business development or engendering goodwill toward new industrial or business development;
 - (6) To further the operations and activities of the office of business development;
 - (7) To encourage and facilitate the creation of new jobs within the county which pay equal to or greater than the average annual wage for the county;
 - (8) To attract qualified targeted industries and targeted industries to locate to, relocate in, or expand within the county; and for the county, through office of business development, to participate with the State of Florida Office of Tourism, Trade and Economic Development (OTTED) and Enterprise Florida, Inc. in the local match requirements offered to qualified targeted industries regarding the creation of new jobs;
 - (9) To further the "economic element" of the county's comprehensive plan pursuant to chapter 163, part II, Florida Statutes;
 - (10) To identify and define specific or targeted areas within the county where new industrial and business development should be promoted or where county-based incentives are provided.

(Ord. No. 2008-21, § 1, 10-21-08)

Sec. 11.5-30. - Incentives for attracting targeted industries to locate, relocate or expand within the county.

(a) *Application and administration.*

- (1) The office of business development shall be responsible for administering all applications and agreements under this article.

- (2) Any industry or business seeking to be certified as a TI under this article shall complete and file an application with the office of business development. The office of business development shall be responsible for preparing application forms relative to the incentives in this article.
- (3) Following receipt, the office of business development will review the application for completeness and sufficiency. If the application is incomplete or additional information is required, the office of business development will advise the applicant what is required for completeness or sufficiency. It shall be the sole responsibility of the applicant to timely correct all completeness and sufficiency deficiencies.
- (4) Upon the office of business development determining that an application is complete and sufficient, it shall make a determination whether the applicant qualifies as a TI and shall advise the applicant in writing of its determination. If the applicant is rejected as a TI, then the applicant may appeal such determination to the board of county commissioners by filing a written request with the county administrator within thirty (30) days of receiving its written notification. The appeal shall set forth in particularity all grounds upon which the applicant relies. Failure to timely appeal a decision of the office of business development pursuant to this article shall constitute a waiver of such review.
- (5) If the office of business development determines that the applicant is qualified as a TI, then it shall prepare a written recommendation and report to the board of county commissioners regarding what incentives under this article, if any, should be offered to the applicant. The recommendation and report to the board of county commissioners will include a project summary (based upon the application and any other information provided to the office of business development), the number of anticipated new jobs created by the project, and the total gross square feet of new development or expansion that will be constructed in connection with the project. The recommendation and report will also include in its analysis:
 - (i) The anticipated total ad valorem and tangible property taxes to be received by the county as a consequence of the location, relocation or expansion of the TI;
 - (ii) The TIs anticipated overall fiscal impact to the county's economy;
 - (iii) Any grants, deferrals or incentives the TI has previously received from the county;
 - (iv) Other incentive applications which may be pending;
 - (v) The projected cost to the county associated with any grants, deferrals and/or incentives which may be proposed to the applicant under this article;
 - (vi) Availability of general revenue funds; and,
 - (vii) Any budgetary or fiscal constraints of the county.

In addition, the office of business development will prepare the appropriate agreement or agreements between the county and the TI applicant regarding all grants, deferrals or incentives proposed under this article.

- (6) At a duly noticed public hearing, the board of county commissioners shall consider the proposed incentive agreement or agreements under this article. Following discussion, the board of county commissioners, in its legislative discretion, may vote to approve, amend or deny any agreement hereunder. The approval of any incentives under this article shall be subject to funding availability as determined by the county administrator in conjunction with the office of management and budget.
- (7) Any TI approved under this article must be in full compliance with this article and all terms and conditions of its agreement or agreements with the county as a pre-condition of receiving any grants, deferrals and/or incentives from the county.
- (8) Twelve (12) months after any agreement under this article is concluded or terminated, the office of business development will prepare a written report for the board of county commissioners which outlines the present and anticipated economic impacts that the approved TI has had on the county.

(b) *Incentives relating to building permit fees.*

- (1) Any industry or business that has been certified as a TI under this article by the office of business development and which through new development, redevelopment or expansion create at least ten (10) new full-time jobs within the county which have an average salary equal to or greater than the average annual wage for the county will be eligible to apply to the office of business development to have up to a maximum of one hundred (100) percent of its building permit fees deferred for seven (7) years, and at the end of the deferral period, have all of the building permit fees which were deferred forgiven by the county providing the TI still meets all of the original eligibility requirements for a TI (the requirements will be specified in an agreement between the TI and the county in such form and manner acceptable to the county in its sole discretion). The office of business development will be responsible for reviewing each application it receives for building permit fee deferral/forgiveness and shall prepare a recommendation and report to the board of county commissioners as to whether any incentive under this provision should be awarded to the TI applicant and, if so, at what amount or percentage. The office of business development, in making its recommendation to the board, may take into account all of the factors listed in subsection (a) above. The board of county commissioners, acting in their sole legislative discretion, shall make the final decision as to whether to award any incentive to the TI under this provision and, if so, the amount of any such award.

(2)

The amount of building permit fees deferred for all eligible targeted industries in any given fiscal year shall be capped as provided herein. The total amount of building permit fees deferred by the county building department shall not exceed one (1) percent of the department's total operating budget for each fiscal year without obtaining the approval of the board of county commissioners.

- (3) Funds necessary to replace the building permit fees deferred in any given fiscal year shall be replaced by the county from any lawful funds other than building permit fees.
- (4) In the event the TI closes its business, moves out of the county, or loses its status as a TI at any time during the seven-year deferral period, the TI will be required to pay to the county all building permit fees which have been deferred. As a condition for receiving the deferral of building permit fees, the TI, and the landowner as may be appropriate, will provide the county with a performance bond, letter of credit, or promissory note and mortgage in favor of the county (in such manner and form acceptable to the county in its sole discretion) to enable the county to enforce the restrictions and conditions in this article. The covenants described in this section may, at the county's option, be part of the developer's agreement described above, and may be recorded against the subject property in the public records of the county.

(c) *Incentives relating to impact fees.*

- (1) Any industry or business that has been certified as a TI under this article by the office of business development and which through new development, redevelopment or expansion create at least ten (10) new full-time jobs within the county which have an average salary equal to or greater than the average annual wage for the county will be eligible to apply to the office of business development to have up to a maximum of one hundred (100) percent of its impact fees deferred for seven (7) years, subject to the cap in subsection (2) below, and at the end of the deferral period, have all of the deferred impact fees forgiven by the county providing the TI still meets all of the original eligibility requirements for a TI (the requirements will be specified in an agreement between the TI and the county in such form and manner acceptable to the county in its sole discretion). The office of business development will be responsible for reviewing each application it receives for impact fee deferral/forgiveness and shall prepare a recommendation and report to the board of county commissioners as to whether any incentive under this provision should be awarded to the TI applicant and, if so, at what amount or percentage. The office of business development, in making its recommendation to the board, may take into account all of the factors listed in subsection (a) above. The board of county commissioners, acting in their sole legislative discretion, shall make the final decision as to whether to award any incentive to the TI under this provision and, if so, the amount of such award.
- (2) Notwithstanding anything to the contrary, the total amount of impact fees deferred under subsection (1) above shall be capped at, and not exceed, fifty thousand dollars (\$50,000.00) for each and every eligible targeted industry. This cap shall apply to each TI and is not

intended as a cumulative cap where there are two (2) or more eligible TIs in any given year. In the event that an eligible TI has impact fees in excess of fifty thousand dollars (\$50,000.00), said TI shall be required to pay to the county all impact fees calculated in excess of fifty thousand dollars (\$50,000.00) "non-deferred impact fees") at time of building permitting. As part of the TI's application, the TI can request to have its non-deferred impact fees (as anticipated) refunded by the county over a five-year period (refunding being evenly prorated over years two through six). If the board of county commissioners, in their legislative discretion, approves to refund all or any portion of the non-deferred impact fees, then the amount and terms of such refund shall be part of the approval process and be included in the agreement between the TI and the county. Each year hereunder, the TI shall be responsible for insuring that it is in full compliance with this article and its agreement with the county as a precondition of receiving any award or funds from the county.

(3) Funds necessary to replace the impact fees deferred and/or refunded in any given fiscal year shall be replaced by the county from any lawful funds other than impact fees.

(4) In the event the TI closes its business, moves out of Hernando County, or loses its status as a TI at any time during the seven-year deferral period, the TI will be required to pay to the county all impact fee which have been deferred and/or refunded. As a condition for receiving the deferral and/or refund of impact fees, the TI, and the landowner as may be appropriate, will provide the county with a performance bond, letter of credit, or promissory note and mortgage in favor of the county (in such manner and form acceptable to the county in its sole discretion) to enable the county to enforce the restrictions and conditions in this article. The covenants described in this article may, at the county's option, be part of the developer's agreement described above, and may be recorded in the public records in the county.

(d) *Incentives relating to creation of new jobs.*

(1) *Jobs creation grant.* Any industry or business that has been certified as a TI under this article by the office of business development and which through new development, redevelopment or expansion create at least ten (10) new full-time jobs within the county which pay equal to or greater than the average annual wage for the county, will be eligible to apply for jobs creation grants from the county. The amount of the jobs creation grant shall be based on the number of verifiable new jobs created by the TI taking into account the factors listed in this article. Once the amount of the proposed jobs creation grant is determined, payment of the grant shall be prorated and paid over a five (5) year period. The TI shall be responsible for meeting all of the original eligibility requirements during each of the years (one through five) that the grant is disbursed to the TI.

(2) *Calculation of jobs creation grant award.*

a.

Up to two thousand dollars (\$2,000.00) per eligible new job created by a TI that pays equal to or greater than the average annual wage for the county (i.e. the average of the new jobs created pay at or above one hundred (100) percent of the average annual wage for the county); or,

- b. Up to three thousand dollars (\$3,000.00) per eligible new job created by a TI that pays equal to or greater than the above average annual wage for the county (i.e. the average of the new jobs created pay at or above one hundred fifteen (115) percent of the average annual wage for the county).
- c. For industries that have been certified as TI's by the office of business development and through which new development, redevelopment, or expansion create at least twenty-five (25) new full-time jobs:
 - (i) Up to five thousand dollars (\$5,000.00) per eligible new job created by a TI that pays equal to or greater than one hundred twenty-five (125) percent of the average annual wage for the county; and,
 - (ii) Up to six thousand dollars (\$6,000.00) per eligible new job created by a TI that pays equal to or greater than one hundred fifty (150) percent of the average annual wage for the county; and,
 - (iii) An existing targeted industry bonus of one thousand two hundred dollars (\$1,200.00) per eligible new job created by a TI that pays equal to or greater than one hundred twenty-five (125) percent of the average annual wage for the county.
- d. The maximum grant award shall be calculated by multiplying the number of eligible new jobs created by the TI by the appropriate multiplier above (the average pay of all new jobs created by the TI will determine if the applicant met threshold average annual wage for the county and which multiplier applies).

(3) *Limitations and conditions on jobs creation grant award.*

- a. The maximum term of any grant award shall be five (5) years. The total grant award shall be evenly prorated over the term of the grant [for example, a five-year grant shall be paid out in five (5) equal installments of twenty (20) percent].
- b. The maximum grant award under subsection (d)(2) above shall not exceed the attributable tax increment directly resulting from the location, relocation or expansion of the TI within the county. The TI applicant shall be responsible for providing all documentation necessary for the office of business development to reasonably estimate the attributable tax increment amount.
- c. The maximum grant award available to a TI applicant may be subject to reduction or offset based upon:
 - (i) The final recommendation and report of the office of business development;
 - (ii)

The anticipated total ad valorem and tangible property taxes to be received by the county as a consequence of the location, relocation or expansion of the TI;

- (iii) The TIs anticipated overall fiscal impact to the county's economy;
 - (iv) The TI previously receiving incentives relating to building permit fees and/or incentives relating to impact fees under this article;
 - (v) Availability of general revenue funds; and,
 - (vi) Any budgetary or fiscal constraints of the county, without limitation.
 - d. A jobs creation grant award approved under this article requires the TI to enter into a grant award agreement with the county ("grant agreement"), in such manner and form as is acceptable to the county attorney's office, setting forth all terms and conditions of the grant award and its acceptance.
 - e. Grant funding under this article is subject to approval and award by the board of county commissioners, in its sole discretion, and execution of a grant agreement by the TI and the county.
- (4) *Performance demonstration.* Following execution of a grant agreement, as a prerequisite of receiving grant funds from the county in year one and each year thereafter, the TI shall demonstrate:
- a. That it has fully satisfied all terms and conditions contained in the grant agreement up through the subject funding period;
 - b. That it has not been, nor is, in breach or default of the grant agreement or any other incentive agreement with the county pursuant to this article; and,
 - c. That it has created the number of eligible new jobs promised within the time frames set forth below:
 - (i) For any new construction or expansion of a building or facility to be used and occupied by the TI, the TI shall demonstrate that it has created the number of eligible new jobs promised no later than twelve (12) months from receiving the certificate of occupancy for its primary building or facility, or from the date of completing its expansion.
 - (ii) For any existing building or facility, the TI shall demonstrate that it has created the number of eligible new jobs promised no later than twelve (12) months from moving into its building or facility and commencing operations.
- (5) *Performance review.* The office of business development may periodically conduct site visits and audits of the TI to ensure that the TI is satisfactorily performing under the grant agreement and this article.

(6)

Cessation of operations during grant term. In the event the TI ceases its operations, closes its business, moves out of the county, loses its status as a TI at any time during the five-year grant agreement period, or is in breach or default of any incentive agreement with the county under this article, then the TI shall forfeit any and all funding/incentives which may be remaining under its grant agreement and any other incentive agreement(s) pursuant to this article.

- (e) *Eligibility for expedited plan review and permitting.* Targeted industries that qualify under this article shall also be eligible for expedited plan review and permitting by the applicable county departments.
- (f) *Incentives non-exclusive.* The incentives in this article are not exclusive and eligible targeted industries may apply for as many incentives as they qualify for in this article or other provisions of the Code. Further, the incentives in this article do not preclude an industry or business from applying or qualifying for or participating in other federal, state or local programs. The board of county commissioners, in its sole discretion, reserves the right to limit or restrict the number of applicants and the total number and dollar amount of all grants, deferrals and incentives under this article which may be awarded in any given county fiscal year.

(Ord. No. 2008-21, § 1, 10-21-08; Ord. No. 2022-10, § 1, 4-12-22)

Sec. 11.5-31. - Reserved.

Editor's note— Ord. No. 2009-13, § 1, adopted November 10, 2009, specified that Section 11.5-31 was repealed by operation of law on the third anniversary of its adoption (i.e. November 20, 2012).

ARTICLE III. - ECONOMIC DEVELOPMENT INVESTMENT INCENTIVE PROGRAM

Sec. 11.5-32. - Short title.

This article shall be entitled the "Hernando County Economic Development Investment Incentive Program Ordinance."

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-33. - Statement of statutory authority.

The board enacts this article pursuant to F.S. § 125.045, which authorizes boards of county commissioners to enter into contracts with business entities providing for grant funding and other measures in support of economic development within their respective counties.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-34. - Statement of legislative purpose and intent.

The board has enacted this article for the purpose of creating an incentive to private industries to make capital investments and create quality jobs in Hernando County by helping to defray the cost of capital investments that increase the taxable value of real and tangible property.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-35. - Creation of the economic development investment incentive program.

The Economic Development Investment Incentive Program is hereby created as a mechanism by which Hernando County can provide grants to both new and existing businesses engaged in certain targeted industries to provide funding for capital investments in commercial projects, the completion of which will increase Hernando County's ad valorem real property and tangible personal property tax bases.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-36. - Definitions.

As used in this article, the following words and phrases will have the following meanings, unless the context clearly indicates otherwise:

Ad valorem tax means a tax based upon the assessed value of either real property or tangible personal property.

Applicant means a natural person or business entity that submits an application for an Economic Development Investment Incentive Grant pursuant to this Program.

Application means an application for an Economic Development Investment Incentive Grant.

Average annual wage, or *AAW*, shall have the same meaning as provided for in Hernando County Code § 11.5-28, as it may be amended from time-to-time.

Base year means the tax year during which construction of the Capital Investment Project described in the Application commences.

Base year taxable value means the value of real and/or tangible personal property owned by an applicant for assistance under this article as determined by the Hernando County Property Appraiser during the base year.

Board means the Board of County Commissioners of Hernando County, Florida.

Capital investment project, or *project*, means a plan of investment at a project site for the acquisition, construction, renovation, or repair of buildings, machinery, or equipment, or for capitalized costs of basic research and new product development determined in accordance with generally accepted accounting

principles, the completion of which will result in an increase in ad valorem taxes on real property or tangible personal property.

Confidentiality provisions means the provisions of F.S. § 288.075, regarding the confidentiality of information concerning an applicant's plans, intentions, or interests to locate, relocate, or expand any of its business activities within the County.

County means Hernando County, a political subdivision of the State of Florida.

County administrator means the individual appointed by the board to be the administrative head of the County pursuant to Hernando County Code § 2-28 and F.S. § 125.73.

Director means the Hernando County Director of Economic Development.

Fiscal year means the Hernando County Fiscal Year, which runs from October 1 to September 30 each year.

Full-time equivalent (FTE) jobs means full-time equivalent positions, as defined by the Florida Department of Economic Opportunity for purposes of unemployment compensation tax administration and employment estimation, resulting directly from a project in the County. This term does not include temporary construction jobs involved in the construction of facilities for the project or any jobs which have previously been included in any application for tax refunds under F.S. §§ 288.1045 or 288.106.

Grant means an Economic Development Investment Incentive Grant that is awarded pursuant to the program.

Grant agreement, or agreement, means a written agreement between the County and the recipient of an Economic Development Investment Incentive Grant.

Grant recipient, or recipient, means an applicant to which the County has awarded an Economic Development Investment Incentive Grant.

Office of economic development, or department, shall have the same meaning as provided for in Hernando County Code § 11.5-28, as it may be amended from time-to-time.

Program means the Hernando County Business Incentive Program.

Real property shall have the same meaning as provided for in F.S. § 192.001(12), as it may be amended from time-to-time.

Real property assessment roll shall mean the roll annually prepared by each property appraiser pursuant to F.S. § 193.114(2) and Rules 12D-8.007 and 12D-8.008, Florida Administrative Code, as they may be amended from time-to-time.

Qualified targeted industry shall have the same meaning as provided for in Hernando County Code § 11.5-28, as it may be amended from time-to-time.

Tangible personal property shall have the same meaning as provided for in F.S. § 192.001(11)(d), as it may be amended from time-to-time.

Targeted industry shall have the same meaning as provided for in Hernando County Code § 11.5-28, as it may be amended from time-to-time.

Taxable value shall have the same meaning as provided for in Rule 12D-8.007(2)(d), Florida Administrative Code, as it may be amended from time-to-time.

Year 1 taxable value means the value of the property owned by an applicant for assistance under this chapter as determined by the Hernando County Property Appraiser during the first tax roll year following one-hundred percent (100%) completion of the project as defined and outlined in the application and which reflects the full extent of capital investment.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-37. - Targeted industries.

- A. It is the intention of the board in enacting this article to encourage targeted industries, including but not limited to industries such as aviation, aerospace, manufacturing, distribution/logistics, back-office operations, research and development, and corporate relocations.
- B. The board also recognizes the industries identified by Enterprise Florida as qualified target industries.
- C. Notwithstanding the foregoing, other projects of significant impact to Hernando County's economy will be considered on a case-by-case basis; provided, that such projects satisfy the program's eligibility requirements as determined by the department.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-38. - Finding of public purpose.

- A. The establishment of the program, and the corresponding expenditure of public funds, will enhance and increase economic activity in Hernando County by attracting and retaining business activities conducive to economic promotion, preserving and expanding employment opportunities, and improving the welfare and competitive position of the citizens of Hernando County.
- B. Since the economic development supported by the Program is directed toward specific, measurable objectives, the Board's expenditure of public funds pursuant to the Program serves a valid public purpose as contemplated by F.S. § 125.045.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-39. - No entitlement created.

- A. Nothing herein shall require the board to budget county funds for the purpose of providing grants pursuant to the program.
- B. Nothing herein creates an entitlement of any kind to a developer of a capital improvement project to a grant of any size, amount or duration from the county. Nothing in the program or otherwise herein creates a preference or advantage for any particular project over any other project. Even though a project may meet criteria as set forth in the program, an application may be denied at the sole discretion of the board.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-40. - Application procedure.

- A. The department shall be responsible for administering all applications and agreements under this article.
- B. In order to qualify for a grant under this article, an applicant must complete and submit an application to the department. The department shall be responsible for preparing application forms relative to the incentives in this article.
- C. An application fee and other charges may be required for processing the application. The board may establish an application fee and charge schedule by separate resolution, as may be amended from time-to-time.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-41. - Minimum requirements for program.

- A. An applicant's eligibility for incentives, and the amount of incentives awarded by the County, shall be calculated through the accumulation of points upon review of the applicant's grant application. Points shall be calculated within four (4) categories: job creation, wage level, investment in capital assets, and investment in tangible personal property. Each category shall provide defined criteria by which the County will determine a project's eligibility for public investment and the maximum level of any such investment. An application must receive ten (10) points or above in order to be eligible for a grant.
- B. To be eligible for grant, the proposed capital investment project that is the subject of an application must create a minimum of ten (10) new full-time equivalent jobs. Points shall be awarded based on the creation of new full-time equivalent jobs as follows:

Number of New Employees	Points
10 to 20	4

21 to 60	6
61 to 100	9
101 to 149	12
150 or More	15

- C. Points shall be awarded based on the payment of above-average wage rates for new full-time equivalent jobs in Hernando County, according to the Florida Department of Economic Opportunity, as follows:

Percentage of Average Annual Wage (AAW)	Points
100% of AAW	3
115% of AAW	6
125% of AAW	9
150% or More of AAW	10

- D. To be eligible for grant, the proposed Capital Investment Project that is the subject of an application must add at least \$1,000,000.00 of new taxable value Hernando County's real property assessment roll. The value of the property shall be that which is determined by the Hernando County Property Appraiser for the tax rolls. Points shall be awarded based on the total amount of qualifying capital investments as follows:

Total Investment	Points
\$1,000,000 to \$2,000,000	3
\$2,000,001 to \$3,500,000	6
\$3,500,001 - \$5,000,000	9

\$5,000,001 - \$9,000,000	12
\$9,000,001 or More	15

E. Points shall be awarded based on the total amount of qualifying investments in tangible personal property as follows:

Total Investment	Points
\$1,000,000 to \$2,000,000	1
\$2,000,001 to \$3,500,000	2
\$3,500,001 - \$5,000,000	3
\$5,000,001 or More	4

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-42. - Application review and report.

- A. In determining whether to recommend that the board approve an application for an economic development investment incentive program grant, the department will consider whether the project meets the minimum standards set forth in this article and the project's fiscal, community, and employment impact on the county. The department shall perform a cost/benefit analysis to determine the return on public investment based on the level of incentive provided for a project. If the department determines that more information is needed in order to make a recommendation, it may request that the applicant supplement the application with additional information. The department will not recommend an application for approval of other incentives that fall outside the scope of the program unless it finds that the project will have a positive net benefit for the county.
- B. The department shall review all applications. If the department determines that the project meets the minimum criteria for incentive consideration as set forth in this article, the department shall submit a report to the board. The report shall make written findings of fact that compare the

application with applicable portions of the program and shall contain the department's recommendation with respect to whether the application should be approved and the amount and terms of the grant.

- C. If the department determines that a project does not meet minimum criteria for incentive consideration based on the information provided in the application, the department will provide the applicant with a written decision specifying the reason for the denial of the application. the department shall submit a copy of the decision to the board as a non-action item.
- D. If the confidentiality provisions have been requested by an applicant, the department's report shall not contain information that would expressly identify the applicant or disclose the applicant's interest in making capital investments in the county. Except as otherwise provided herein, the department shall not release or disclose the report to anyone other than the applicant unless:
 - 1. The department receives a written request from the applicant to release the report to the board; or,
 - 2. The application and report are no longer exempt from disclosure under the provisions of F.S. § 288.075; or,
 - 3. Disclosure of the Application and report is ordered by a court of competent jurisdiction or by any other state or Federal agency authorized under Florida law to order the disclosure of confidential information.
- E. If the Confidentiality Provisions have been requested by an Applicant, the Department shall inform each Board member of the identity of the Applicant prior to any Board action being taken so that the Board member can determine whether a conflict of interest exists with respect to the Application. A Board member that receives information regarding the identity of an Applicant who has requested the Confidentiality Provisions shall not release or disclose any information regarding the Application, except as provided for herein.
- F. The Department, upon completing its report, shall prepare a grant agreement that provides for the incentives that the Department's report recommends that the Board award for the Applicant's Capital Investment Project.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-43. - Calculation of incentive amounts and duration of grant agreements.

- A. All grants shall be calculated as a percentage of the ad valorem taxes paid on real and/or tangible personal property owned by the applicant in any given year of the agreement time horizon, as set forth herein.
- B. The duration and the grant amounts for each year of the agreement shall be calculated by subtracting the "Hernando County General" portion of ad valorem taxes owed in the base year from that same portion of ad valorem taxes derived from the year 1 taxable value and multiplying

that incremental value by the appropriate percent formula provided in the table set forth below.

Total Points	Grant Value % of Increase in Ad Valorem Tax Base	Length of Eligibility
10 to 15	50%	5 Years
16 to 22	50% for First Five Years 25% for Second Five Years	10 Years
23 to 30	50%	10 Years
31 or More	75% for First Five Years 50% for Second Five Years	10 Years

- C. At no time shall the amount of the grant, in any given fiscal year, exceed the amount derived by multiplying the percent formula for the given year by the actual "Hernando County General" portion of ad valorem taxes paid by the recipient during that same year.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-44. - Board of county commissioners meeting.

- A. At a duly noticed public hearing, the board shall consider the department's report and the proposed grant agreement. Following discussion, the board, in its legislative discretion, may vote to approve, amend or deny the proposed grant agreement. The board, in making this decision, may consider the department's recommendation, the program's minimum standards, the proposed capital investment project's overall impact on Hernando County, or any other relevant factors in the board's exclusive discretion. Nothing herein shall create an entitlement on the part of an applicant for the receipt of a grant, even if the application meets the minimum standards set forth in this article. The approval of any incentives under this article shall be subject to funding availability as determined by the county administrator.
- B. If the board awards a grant to an applicant, the applicant shall be eligible for expedited plan review and permitting pursuant to Hernando County Code § 11.5-30(d), as it may be amended from time-to-time.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-45. - Annual claim for grant payment.

- A. The county shall not make a grant payment to a recipient in any county fiscal year until the grant recipient submits a claim for the grant payment and the claim is approved by the economic development director in the manner set forth in this section.
- B. A grant recipient may submit a claim for a scheduled grant payment to the economic development director once during each county fiscal year. The claim for each year's grant payment shall be made on or after the date specified in the applicable grant agreement.
- C. A grant recipient must provide with its claim for an annual grant payment documentation of its achievement of each performance item that is specified in the applicable grant agreement, including copies of all receipts and any other relevant data. The economic development director may not approve an application for an annual grant payment, and the board may not make any such payment, unless the grant recipient achieves each of the performance items specified in the applicable grant.
- D. Upon receiving a recipient's claim for an annual grant payment, the economic development director shall conduct an appropriate evaluation to confirm that the recipient has met and complied with all of the conditions of the applicable grant agreement and that the board has appropriated the necessary funds to make the payment. If the economic development director confirms that the recipient has satisfied all of the conditions of the applicable grant agreement, the county administrator shall approve the payment of the annual grant.
- E. Notwithstanding the foregoing, a recipient may not apply for an annual grant payment unless it has paid the ad valorem taxes on the capital improvement project for that county fiscal year. The amount paid by the county as a grant payment may not exceed the amount of the increase in the general county portion of the ad valorem taxes paid by a recipient during the county fiscal year.
- F. If a grant recipient does not file a claim for an annual grant payment within one (1) year of the time provided in the applicable grant agreement, only the Board may consider and approve an untimely claim for an annual grant payment upon written request by the recipient; provided, a grant recipient may not receive payment for more than one (1) untimely submitted claim during the term of the applicable grant agreement. Nothing in this subsection shall create any obligation on the part of the board to approve an untimely claim for an annual grant payment.
- G. A grant recipient shall lose the ability to collect an annual grant payment if:
 - 1. The recipient fails to apply for the payment within one (1) year of the time provided in the grant agreement, except as provided in subsection (F) above; and,
 - 2. The recipient either does not submit a written request to the board for payment of an untimely submitted claim or has had its request for payment of an untimely submitted claim denied by the board. Unclaimed grant funds will be released to the county's general fund to be used for any lawful purpose. Notwithstanding the foregoing, a grant recipient that loses

the ability to collect an annual grant payment in a particular fiscal year shall not lose the ability to collect grant payments in subsequent fiscal years if such payments are provided for in the applicable grant agreement.

H. No disbursement of the grant amount to the recipient shall be made unless the payment is first approved by the board. No payment shall be paid by the county to an awarded applicant until the time for an appeal of the assessed value to the value adjustment board has expired.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-46. - Grant awards not enforceable through mandatory levy of ad valorem taxes.

The program shall neither constitute a debt, liability or obligation of the county within the meaning of any constitutional or statutory limitation, nor a pledge of the faith and credit or the taxing power of the county. Instead, the grants awarded pursuant the program shall be payable solely from the funds provided for that purpose. All grant agreements shall state that the county shall not be obligated to pay any grant or any installment thereof except from funds appropriated by the board for that purpose, and that the county has not pledged its faith and credit or its taxing power in awarding the grant. All grant agreements shall also state that no person shall ever have the right, directly or indirectly, to compel the exercise of the ad valorem taxing power of the county for the payment of a grant or any installment thereof.

(Ord. 2021-10, 1, 6-8-21)

Sec. 11.5-47. - Financial reward report.

The economic development director shall prepare an annual report which records any economic development incentives in excess of \$25,000.00 given to any recipient during the county's previous fiscal year. Such report shall be submitted to the board of county commissioners no later than November 1 of any calendar year, and shall report on the previous fiscal year. By January 15 of any given year, the board shall submit such report to the Florida Office of Economic and Demographic Research as required by F.S. § 125.045(5)(a). As required by F.S. § 125.045(4), the board shall post a copy of each such report on the county's website.

(Ord. No. 2021-10, § 1, 6-8-21)