From: County Ordinances

To: <u>Ordinances; County Ordinances</u>
Cc: <u>Darlene Christensen; Heidi Kurppe</u>

Subject: RE: Hernando County Ordinance No. 2022-10 - Adopted on April 12, 2022

 Date:
 Thursday, April 14, 2022 10:48:57 AM

 Attachments:
 Hernando20220414 Ordinance2022 10 Ack.pdf

Please see attached.

From: Ordinances [mailto:ord@hernandoclerk.org]

Sent: Thursday, April 14, 2022 9:49 AM

To: County Ordinances < CountyOrdinances@dos.myflorida.com>

Cc: Darlene Christensen dchristensen@hernandoclerk.org; Heidi Kurppe hkurppe@hernandoclerk.org;

Subject: Hernando County Ordinance No. 2022-10 - Adopted on April 12, 2022

EMAIL RECEIVED FROM EXTERNAL SOURCE

The attachments/links in this message have been scanned by Proofpoint.

| Sender Full Name: | Heidi Kurppe |
|----------------------|--------------|
| Sender Phone number: | 352-754-4970 |
| County Name: | Hernando |
| Ordinance Number: | 2022-10 |

Thank You,

Heidi Kurppe

Administrative Services | Deputy Clerk

Office of Doug Chorvat Jr., Clerk of Circuit Court and Comptroller

Phone: (352)754-4970 | Email: ord@hernandoclerk.org

20 N Main Street, Brooksville, FL 34601

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RON DESANTISGovernor

LAUREL M. LEESecretary of State

April 14, 2022

Honorable Doug Chorvat, Jr. Hernando County Clerk's Office 20 North Main Street, Rm. 362 Brooksville, Florida 34601

Attention: Ms. Heidi Kurppe, Deputy Clerk

Dear Mr. Chorvat:

Pursuant to the provisions of Section 125.66, Florida Statutes, this will acknowledge receipt of your electronic copy of Hernando County Ordinance No. 2022-10, which was filed in this office on April 14, 2022.

Sincerely,

Anya Owens Program Administrator

AO/lb

1 ORDINANCE NO.: 2022-2 ORDINANCE AMENDING HERNANDO COUNTY CODE AN 3 ORDINANCES SECTION 11.5-30 REGARDING JOB CREATION INCENTIVES AND CORRECTING SCRIVENER'S ERRORS; PROVIDING FOR 4 5 SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS: AND PROVIDING FOR 6 7 AN EFFECTIVE DATE. NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY 8 9 COMMISSIONERS OF HERNANDO COUNTY: 10 Section 1. Amending Provisions of Section 11.5-30 Regarding Job Creation Incentives 11 and Correcting Scrivener's Errors. Hernando County Code § 11.5-30, Incentives for Attracting 12 Targeted Industries to Locate, Relocate, or Expand within the County, is hereby amended to read as 13 follows: Sec. 11.5-30. Incentives for Attracting Targeted Industries to Locate, Relocate or 14 Expand within the County. 15 16 (a) Application and Administration. The office of business development shall be responsible for 17 (1) 18 administering all applications and agreements under this article. 19 **(2)** Any industry or business seeking to be certified as a TI under this 20 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,

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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; The TI's anticipated overall fiscal impact to the county's (ii) economy; Any grants, deferrals or incentives the TI has previously (iii) received from the county; (iv) Other incentive applications which may be pending; the projected cost to the county associated with any grants, (v) 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 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.

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Targeted industries that have been certified as a TI Any industry or (1) 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 creates 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 100% 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 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 by 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 section 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.

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Targeted industries that have been certified as a TI Any industry or (1) 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 creates 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 100% 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.

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(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.

- 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 fees 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.

a TI 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 five (5) 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 for a 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 \$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 100% of the average annual wage for the county); or,
- b. Up to \$3,000 per eligible new job created by a TI whose business is located in or will be located within the Brooks ville/Hernando Enterprise.

 Zone and that pays equal to or greater than the average annual wage for the country (i.e. the average of the new jobs created within the Enterprise Zone pay at or above 100% of the average annual wage for the country); or,
- e. Up to \$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 115% of the average annual wage for the county); or,

1 <u>c</u>. For industries that have been certified as TI's by the office of 2 business development and through which new development, redevelopment, or 3 expansion create at least twenty-five (25) new full-time jobs: 4 (i) Up to \$5,000.00 per eligible new job created by a TI 5 that pays equal to or greater than 125% of the average annual wage for the county; 6 and, 7 (ii) Up to \$6,000.00 per eligible new job created by a TI 8 that pays equal to or greater than 150% of the average annual wage for the county; 9 and, 10 (iii) An existing Targeted Industry bonus of \$1,200.00 per 11 eligible new job created by a TI that pays equal to or greater than 125% of the 12 average annual wage for the county. 13 d. The maximum grant award shall be calculated by multiplying 14 the number of eligible new jobs created by the TI by the appropriate multiplier above 15 (the average pay of all new jobs created by the TI will determine if the applicant met 16 threshold average annual wage for the county and which multiplier applies). 17 (3) Limitations and Conditions on Jobs Creation Grant Award. 18 The maximum term of any grant award shall be five (5) years. a. 19 The total grant award shall be evenly prorated over the term of the grant [for 20 example, a 5 year grant shall be paid out in five equal installments of 20%].

| 1 | b. The maximum grant award under subsection (d)(2) above shall |
|----|------------------------------------------------------------------------------------|
| 2 | not exceed the Attributable Tax Increment directly resulting from the location, |
| 3 | relocation or expansion of the TI within the county. The TI applicant shall be |
| 4 | responsible for providing all documentation necessary for the office of business |
| 5 | development to reasonably estimate the Attributable Tax Increment amount. |
| 6 | c. The maximum grant award available to a TI applicant may be |
| 7 | subject to reduction or offset based upon: |
| 8 | (i) The final recommendation and report of the office of |
| 9 | business development; |
| 10 | (ii) The anticipated total ad valorem and tangible property |
| 11 | taxes to be received by the county as a consequence of the location, relocation or |
| 12 | expansion of the TI; |
| 13 | (iii) The TI's anticipated overall fiscal impact to the |
| 14 | county's economy; |
| 15 | (iv) The TI previously receiving incentives relating to |
| 16 | building permit fees and/or incentives relating to impact fees under this article; |
| 17 | (v) Availability of general revenue funds; and, |
| 18 | (vi) Any budgetary or fiscal constraints of the county, |
| 19 | without limitation. |

d. 1 A jobs creation grant award approved under this article 2 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 3 4 office, setting forth all terms and conditions of the grant award and its acceptance. Grant funding under this article is subject to approval and 5 e. 6 award by the board of county commissioners, in its sole discretion, and execution of 7 a grant agreement by the TI and the county. (4) Performance Demonstration. Following execution of a grant 8 9 agreement, as a prerequisite of receiving grant funds from the county in year one and each year thereafter, the TI shall demonstrate: 10 11 a. That it has fully satisfied all terms and conditions contained 12 in the grant agreement up through the subject funding period; 13 b. That it has not been, nor is, in breach or default of the grant 14 agreement or any other incentive agreement with the county pursuant to this article; 15 and, 16 c. That it has created the number of eligible new jobs promised within the time frames set forth below: 17 18 (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 19 20 created the number of eligible new jobs promised no later than twelve months from

receiving the certificate of occupancy for its primary building or facility, or from the 1 2 date of completing its expansion. 3 (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 4 twelve (12) months from moving into its building or facility and commencing 5 6 operations. 7 (5) Performance Review. The office of business development may 8 periodically conduct site visits and audits of the TI to ensure that the TI is 9 satisfactorily performing under the grant agreement and this article. 10 (6) Cessation of Operations During Grant Term. In the event the TI 11 ceases its operations, closes its business, moves out of the county, loses its status as 12 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 13 14 any and all funding/incentives which may be remaining under its grant agreement and 15 any other incentive agreement(s) pursuant to this article. 16 Eligibility for Expedited Plan Review and Permitting. Targeted industries that $(\mathbf{d} \mathbf{e})$ 17 qualify under this article shall also be eligible for expedited plan review and 18 permitting by the applicable county departments. 19 Incentives Non-Exclusive. The incentives in this article are not exclusive and (ef) eligible targeted industries may apply for as many incentives as they qualify for in 20

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.

Section 2. Severability. It is declared to be the intent of the Board of County Commissioners that if any section, subsection, clause, sentence, phrase, or provision of this ordinance is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of the remaining portions of this ordinance.

Section 3. Inclusion in the Code. It is the intention of the Board of County Commissioners of Hernando County, Florida, and it is hereby provided, that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of Hernando County, Florida. To this end, the sections of this Ordinance may be renumbered or re-lettered to accomplish such intention, and that the word "ordinance" may be changed to "section," "article," or to any other appropriate designation.

Section 4. Conflicting Provisions Repealed. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Effective Date. This ordinance shall take effect immediately upon receipt of official acknowledgment from the office of the Secretary of State of Florida that this ordinance has been filed with said office.

DRAFT DOCUMENT: F:\1 COUNTY ATTORNEY'S OFFICE\JAJ\Ordinances\2022 ED Job Creation Incentives\Amendment-EconomicDevelopment-JobIncentives 2022-2-10 - Draft 3.wpd, March 4, 2022 (4:51pm) NOTE: additions/deletions = language proposed for addition/deletion to existing Code provisions.

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF HERNANDO COUNTY in Regular Session this 12th day of April **BOARD OF COUNTY COMMISSIONERS** HERNANDO COUNTY, FLORIDA STEVE CHAMPION Clerk and Comptroller Chairman Approved for Form and Legal Sufficiency County Attorney