

Economic Development Incentives Report FY 2010-2011

Prepared for: Walton County Board of County Commissioners, City of DeFuniak Springs, City of Freeport, City of Paxton

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Abstract: During the 2010 Regular Session, the Florida Legislature enacted Committee Substitute for Senate Bill 1752, relating to economic development, which was later codified as Chapter 2010-147, Laws of Florida. This act imposes new economic development reporting requirements on county and municipal governments. The new legislation requires that a contract between a local government (or an economic development agency acting on behalf of the local government) and an economic development agency or organization (EDO) must require the EDO to submit a report to the local government detailing how the funds were spent and the results of the agency's efforts. The following report includes areas of interest such as: amount of funds received from the local government; amount of funds received from private investors; administrative costs of the WCEDA; the number of businesses assisted by the EDO and the type of assistance.

Attachments:

- I. Walton County Economic Development Alliance Financial Report Profit & Loss Budget vs. Actual October 2010 through September 2011
- II. Walton County Economic Development Alliance Profit and Loss Budget Overview October 2010-September 2011

The Walton County Economic Development Alliance (WCEDA) is a 501(c)6 non-profit, organization devoted to providing a unified voice for economic development in Walton County. Formed in 2008 the organization is primarily funded by the County and its three cities: DeFuniak Springs, Freeport and Paxton and featured private sector membership during the 2011 fiscal year.

The WCEDA's mission is to be Walton County's driving force for a collaborative leadership, leveraged by public and private stakeholders, working to retain and attract businesses, promote sustainable development, address infrastructure challenges and improve quality of life.

The full service economic development organization serves the County and its three cities and focuses on the following: business retention and expansion, business recruitment/attraction, product development, community development, and marketing the business brand of Walton County.

The following report chronicles the WCEDA's funding/budget for Fiscal Year 2010-2011 as well as the uses of and outcomes of public and private funds. Areas of interest included in this report are income and budget information, customized business assistance efforts and outcomes, general assistance efforts and outcomes, financial assistance information, and marketing efforts and outcomes.

Areas of Interest:

- I. Funding and Budget:
 - a. Public Funds Received From Local Government – 10/2010-9/2011:
 - i. Walton County Board of County Commissioners: \$165,000.00
 - ii. City of DeFuniak Springs: \$15,400.00
 - iii. City of Freeport: \$3,600.00
 - iv. City of Paxton: \$1,000.00
 - b. Amount of Funds Received From Private Investors – 10/2010-9/2011: \$24,450.00
 - c. Administrative Costs of the WCEDA – 10/2010-9/2011:
 - i. Payroll Expenses (including taxes and benefits): \$60,855.77
 - ii. Other Administrative Costs (including rent, insurance, telephone, supplies/postage, equipment, payroll processing, professional service (managing contract with the Chamber of Commerce), legal fees, website/IT services, miscellaneous, printing): \$91,764.92
 - iii. Total Administrative Costs (Payroll and Other): \$152,620.69
 - d. Marketing Expenses of the WCEDA – 10/2010-9/2011: \$208.99
 - e. Additional costs of the WCEDA - During FY 2010-2011:

For information regarding additional costs such as travel, dues/subscriptions, tradeshow/conferences, training & development, projects, small business, business recruitment, and business retention please reference Attachment I.

II. Customized Business Assistance:

a. Site Selection:

- i. Assisted over 11 local businesses, seeking to expand their operations, with site selection information.
- ii. Provided site selection and local demographic information to over 28 outside businesses.

b. Permitting and Licensing:

- i. Assisted at least 2 local businesses with information on permitting and licensing.
- ii. Coordinated with Walton County Planning and Development Services regarding implementation of expedited permitting and streamlining regulations for economic development projects.

c. Incentives Education and Referral:

- i. Provided technical assistance to four local businesses wishing to expand within Walton County regarding application to the State's Qualified Target Industry Tax Refund (QTI). The aggregate amount of tax refund incentives that these businesses were approved for was \$635,000.00.
- ii. Provided technical assistance to two businesses in submitting a grant proposal to the University of West Florida's Industry Recruitment and Expansion Fund (oil spill grant). Proposals are still under review.
- iii. Assisted a business that was approved for QTI incentives in FY2010 with securing an economic extension on their benefits.
- iv. Provided information to at least 8 local businesses regarding state incentives.
- v. Provided information regarding Rural Enterprise Zone benefits to at least 8 eligible businesses.
- vi. Co-hosted a local Rural Enterprise Zone workshop to educate leadership, business owners, and enterprise zone coordinators regarding the benefits and application process.

III. General Assistance:

- a. Demographics and Market Research: Provided County/City demographics, market research, and economic impact information to over 28 interested parties (elected officials, members of the public, and businesses owners).
- b. Workforce Assistance: Referred over 6 local business owners to JobsPlus and the Workforce Development Board of Okaloosa and Walton Counties.

IV. Financial Assistance:

- a. The WCEDA does not provide direct loans to businesses.
- b. The WCEDA does assist local businesses (at least 8 during FY2010-1011) through referrals to commercial lenders, USDA rural development, the SBDC who also assist business owners with financing, and SBA programs.

V. Results of the Efforts outlined in Areas of Interest and Other Information:

Although the tangible outcomes, capital investments, and job creation of many of the businesses that the WCEDA assisted throughout FY2010-2011 will be evidenced in subsequent fiscal years, 3 of the businesses that the WCEDA assisted during this year have already received incentives and committed to capital investments and job creation within Walton County.

The businesses that were assisted by the WCEDA in making application to the State's Qualified Target Industry Tax Refund program were approved for the QTI incentive and are scheduled to receive \$635,000.00, distributed on average over a five year period. The local match, typically required by the QTI program, was waived for Walton County due to the County's rural designation. The total capital investment pledged from these companies was \$4,330,000.00, and the total number of new jobs pledged was over 95.

Another business that was supported by the WCEDA in site selection assistance throughout FY2010-2011 has pledged to construct a 20,000 square foot re-distribution facility and locate 60 jobs in Walton County. Facility construction and job creation will most likely occur between the years of 2012-2013.

a. Product Development:

Last year, the City of Freeport was approved for a \$260,000.00 reimbursement grant through the Economic Development Transportation Fund grant program administered by the State of Florida. The City was successful in obtaining the grant due to the pledged creation of new private sector jobs. Unfortunately, our prospective private sector tenant was unable

to move forward with its proposed project in the timelines specified by the grant. Therefore, the City of Freeport was not able to utilize the grant funds for the construction of the Industrial Access road in Phase II of the Walton County Industrial Park at Freeport.

However, the WCEDA, in coordination with the City of Freeport and Walton County, plans to move forward with infrastructure development in Phase II of the Industrial Park at Freeport. The WCEDA plans to fund the project by utilizing dollars set aside for improvements in the Park and with assistance from Walton County Public Works and the City of Freeport.

The WCEDA has also been assisting the Walton County Board of County Commissioners with the development of shovel ready sites in the Mossy Head Industrial Park.

b. Marketing:

In 2010-2011 the WCEDA continued its efforts to market and promote Walton County as an ideal business location. Email marketing, direct mailings, website maintenance, attendance at industry trade shows and conferences, chamber membership, memberships in regional and state economic development organizations, speaking engagements, and other marketing strategies were utilized during the fiscal year. The following is a list of marketing events in 2010-2011:

- Sponsorship of Walton Area Chamber of Commerce Power of Business Luncheon and First Friday Breakfast
- Florida Rural Economic Development Summit
- CoreNet Global Summit – Chicago, IL
- Defense Support Initiative Fly In to Washington D.C.
- Workforce Development Board of Walton and Okaloosa Counties Military Spouses Appreciation Day
- Florida Economic Development Council Annual Conference
- Speaking engagement at the Emerald Coast Association of Realtors Membership Luncheon
- Site Selection Consultant Mission with Enterprise Florida to Atlanta, GA

- Aerospace Alliance Annual Conference
 - Gulf Power Symposium on Economic Development
 - Florida's Great Northwest Annual Focus Event (in-bound site selection mission)
 - FSU Real Estate Conference
 - St. Joe In-Bound Site Selection Mission
1. Other Marketing Ventures:
In the summer of 2011, the WCEDA partnered with Rowland Publishing to produce a featured insert in 850 Magazine that focused solely on economic development in Walton County. The magazine was distributed to a readership of over 22,000.

Conclusion:

The Walton County Economic Development Alliance is primarily funded through contributions of the four municipalities in Walton County (Walton County, DeFuniak Springs, Freeport, and Paxton) and private sector membership dues. Those funds allow the WCEDA to provide services for County-wide business retention and expansion, product development ("shovel-ready" industrial sites), business branding/marketing, community development, small business development, and business attraction/recruitment.

The budget of the Walton County Economic Development Alliance includes administrative/office, marketing, traveling, programs and events, training and development of staff, and dues and subscriptions costs. Please see Attachment II for more information regarding the budget of FY2010-2011.

Walton County Economic Development Alliance
Profit & Loss Budget vs. Actual
October 2010 through September 2011

	<u>Oct '10 - Sep 11</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Income				
40 - Member Investment				
4000 - Membership Dues	24,450.00	22,750.00	1,700.00	107.47%
Total 40 - Member Investment	<u>24,450.00</u>	<u>22,750.00</u>	<u>1,700.00</u>	<u>107.47%</u>
41 - Public Funding				
4100 - Walton County	165,000.00	165,000.00	0.00	100.0%
4105 - City of DeFuniak Springs	15,400.00	15,400.00	0.00	100.0%
4110 - City of Freeport	3,600.00	3,600.00	0.00	100.0%
4115 - City of Paxton	1,000.00	1,000.00	0.00	100.0%
Total 41 - Public Funding	<u>185,000.00</u>	<u>185,000.00</u>	<u>0.00</u>	<u>100.0%</u>
46 - Other Income				
4660 - Other Income	504.84	2,400.00	-1,895.16	21.04%
4665 - Program & Events	2,202.04	3,750.00	-1,547.96	58.72%
4670 - Grant Income	0.00	0.00	0.00	0.0%
4675 - Interest Income	0.00	0.00	0.00	0.0%
Total 46 - Other Income	<u>2,706.88</u>	<u>6,150.00</u>	<u>-3,443.12</u>	<u>44.01%</u>
Total Income	<u>212,156.88</u>	<u>213,900.00</u>	<u>-1,743.12</u>	<u>99.19%</u>
Expense				
50 - Payroll Expenses				
5000 - Payroll	53,419.83	50,000.08	3,419.75	106.84%
5010 - Payroll Taxes	4,880.62	4,371.15	509.47	111.66%
5020 - Employee Benefits	2,555.32	3,250.00	-694.68	78.63%
Total 50 - Payroll Expenses	<u>60,855.77</u>	<u>57,621.23</u>	<u>3,234.54</u>	<u>105.61%</u>
51 - Office/Administration				
5110 - Insurance	3,216.68	2,142.29	1,074.39	150.15%
5115 - Telephone	6,289.71	2,800.00	3,489.71	224.63%
5120 - Marketing	208.99	30,000.00	-29,791.01	0.7%
5135 - Supplies/Postage	853.34	600.00	253.34	142.22%
5140 - Equipment	786.01	0.00	786.01	100.0%
5145 - Payroll Processing	1,322.03	1,501.50	-179.47	88.05%
5155 - Dues/Subscriptions	16,295.00	10,700.00	5,595.00	152.29%
5160 - Professional Service	27,750.00	54,900.00	-27,150.00	50.55%
5161 - Legal Fees	13,812.50	15,000.00	-1,187.50	92.08%
5165 - Website/IT Services	1,770.95	1,800.00	-29.05	98.39%
5170 - Travel	7,839.89	9,500.00	-1,660.11	82.53%
5175 - Trade Shows/Conferences	1,396.00	2,150.00	-754.00	64.93%
5176 - Programs & Events	5,014.93	5,250.00	-235.07	95.52%
5180 - Miscellaneous	577.21	1,200.00	-622.79	48.1%
5185 - Printing	1,598.15	2,250.00	-651.85	71.03%
5190 - Training & Development	275.00	380.00	-105.00	72.37%
5195 - Projects	0.00	10,000.00	-10,000.00	0.0%
5197 - Small Business	0.00	3,000.00	-3,000.00	0.0%
5198 - Business Recruitment	2,758.53	7,500.00	-4,741.47	36.78%
5199 - Business Retention	0.00	2,000.00	-2,000.00	0.0%
Total 51 - Office/Administration	<u>91,764.92</u>	<u>162,673.79</u>	<u>-70,908.87</u>	<u>56.41%</u>
Total Expense	<u>152,620.69</u>	<u>220,295.02</u>	<u>-67,674.33</u>	<u>69.28%</u>
Net Income	<u><u>59,536.19</u></u>	<u><u>-6,395.02</u></u>	<u><u>65,931.21</u></u>	<u><u>-930.98%</u></u>

Walton County Economic Development Alliance
Profit & Loss Budget Overview
October 2010 through September 2011

	<u>Oct 10</u>	<u>Nov 10</u>	<u>Dec 10</u>	<u>Jan 11</u>	<u>Feb 11</u>	<u>Mar 11</u>	<u>Apr 11</u>	<u>May 11</u>	<u>Jun 11</u>	<u>Jul 11</u>	<u>Aug 11</u>	<u>Sep 11</u>	<u>TOTAL</u> <u>Oct '10 - Sep 11</u>	
Income														
40 - Member Investment														
4000 - Membership Dues	13,000.00	6,000.00	1,000.00	500.00	250.00	500.00	250.00	250.00	250.00	250.00	250.00	250.00	22,750.00	
Total 40 - Member Investment	13,000.00	6,000.00	1,000.00	500.00	250.00	500.00	250.00	250.00	250.00	250.00	250.00	250.00	22,750.00	Anticipated Drops from Oil Spill
41 - Public Funding														
4100 - Walton County	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	13,750.00	165,000.00	
4105 - City of DeFuniak Springs	0.00	0.00	7,700.00	0.00	0.00	0.00	0.00	7,700.00	0.00	0.00	0.00	0.00	15,400.00	
4110 - City of Freeport	0.00	0.00	900.00	0.00	0.00	900.00	0.00	0.00	900.00	0.00	0.00	900.00	3,600.00	
4115 - City of Paxton	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	
Total 41 - Public Funding	14,750.00	13,750.00	22,350.00	13,750.00	13,750.00	14,650.00	13,750.00	21,450.00	14,650.00	13,750.00	13,750.00	14,650.00	185,000.00	
46 - Other Income														
4660 - Other Income	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00	EDC/EDA Contract
4665 - Program & Events	750.00	750.00	0.00	0.00	750.00	0.00	0.00	750.00	0.00	0.00	750.00	0.00	3,750.00	Annual Dinner/QRT
4670 - Grant Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4675 - Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total 46 - Other Income	950.00	950.00	200.00	200.00	950.00	200.00	200.00	950.00	200.00	200.00	950.00	200.00	6,150.00	
Total Income	28,700.00	20,700.00	23,550.00	14,450.00	14,950.00	15,350.00	14,200.00	22,650.00	15,100.00	14,200.00	14,950.00	15,100.00	213,900.00	
Expense														
50 - Payroll Expenses														
5000 - Payroll	3,846.16	3,846.16	5,769.24	3,846.16	3,846.16	3,846.16	3,846.16	3,846.16	3,846.16	3,846.16	3,846.16	5,769.24	50,000.08	
5010 - Payroll Taxes	313.36	313.36	470.04	483.34	440.85	313.36	313.36	313.36	313.36	313.36	313.36	470.04	4,371.15	
5020 - Employee Benefits	250.00	250.00	375.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	375.00	3,250.00	
Total 50 - Payroll Expenses	4,409.52	4,409.52	6,614.28	4,579.50	4,537.01	4,409.52	4,409.52	4,409.52	4,409.52	4,409.52	4,409.52	6,614.28	57,621.23	Managing Director Salary
51 - Office/Administration														
5110 - Insurance	65.00	65.00	65.00	65.00	65.00	65.00	1,481.44	54.17	54.17	54.17	54.17	54.17	2,142.29	
5115 - Telephone	400.00	400.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,800.00	
5120 - Marketing	5,000.00	20.00	3,020.00	5,000.00	3,020.00	20.00	5,000.00	20.00	3,020.00	20.00	5,840.00	20.00	30,000.00	See Worksheet
5135 - Supplies/Postage	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	600.00	
5140 - Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5145 - Payroll Processing	115.50	173.25	115.50	115.50	115.50	115.50	115.50	173.25	115.50	115.50	115.50	115.50	1,501.50	
5155 - Dues/Subscriptions	0.00	0.00	0.00	0.00	10,000.00	0.00	0.00	0.00	0.00	0.00	700.00	0.00	10,700.00	FEDC/FGNW
5160 - Professional Service	4,500.00	4,500.00	4,500.00	5,400.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	54,900.00	Chamber Contract/Acct Fees
5161 - Legal Fees	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	15,000.00	Legal Fees
5165 - Website/IT Services	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	Same as last year
5170 - Travel	450.00	1,500.00	450.00	450.00	450.00	450.00	450.00	3,500.00	450.00	450.00	450.00	450.00	9,500.00	Mileage/USFDC/Corenet
5175 - Trade Shows/Conference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,950.00	0.00	0.00	200.00	0.00	2,150.00	DC/Corenet/GP Symposium
5176 - Programs & Events	750.00	750.00	0.00	0.00	2,250.00	0.00	0.00	750.00	0.00	0.00	750.00	0.00	5,250.00	Chamber POBL Sponsor/QRT/Annual Dinner
5180 - Miscellaneous	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00	
5185 - Printing	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	750.00	0.00	0.00	2,250.00	Business Cards/Letterhead
5190 - Training & Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	380.00	0.00	0.00	0.00	0.00	380.00	IEDC Basic Course @USF/FEDC Conference
5195 - Projects	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	10,000.00	See Worksheet
5197 - Small Business	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00	See Worksheet
5198 - Business Recruitment	2,000.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	7,500.00	See Worksheet
5199 - Business Retention	0.00	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	0.00	500.00	0.00	2,000.00	See Worksheet
Total 51 - Office/Administration	16,580.50	15,208.25	10,650.50	13,530.50	23,400.50	7,650.50	14,046.94	19,327.42	10,639.67	8,389.67	15,609.67	7,639.67	162,673.79	
Total Expense	20,990.02	19,617.77	17,264.78	18,110.00	27,937.51	12,060.02	18,456.46	23,736.94	15,049.19	12,799.19	20,019.19	14,253.95	220,295.02	
	7,709.98	1,082.23	6,285.22	-3,660.00	-12,987.51	3,289.98	-4,256.46	-1,086.94	50.81	1,400.81	-5,069.19	846.05	-6,395.02	