

Miami DDA Incentive Fund: Guidelines
2020-2021 Fiscal Year

Section 1 - Title

This article shall be cited as the Miami Downtown Development Authority (“Miami DDA”) Incentive Fund Program (“Program”).

Section 2- Definitions

As used in this article, unless the context otherwise requires:

- a. *Average Annual Wage* means the average of all wages and salaries in the City of Miami, or Miami-Dade County, or State of Florida as determined by the City of Miami, or Miami-Dade County, or State of Florida, or US. Bureau of Labor Statistics using the most currently available data as determined by the Miami DDA and by choosing the higher number.
- b. *Expanding Business* means a company with a commercial business, excluding residential development, that increases operations on a site within the Miami DDA District.
- c. *Incentive or Incentives* means the funds paid to a company under this Program.
- d. *Miami DDA Project or Project* means the associated new jobs that are the basis of the application for a Miami DDA award.
- e. *Miami DDA* is a semi-autonomous agency of the City of Miami with a mission statement to “grow, strengthen and promote the economic health and vitality of Downtown Miami.”
- f. *New Job or New Jobs* means jobs created by a local Expanding Business or a New-to-Market Business which are being added to the company's roster of employees and that did not exist within the last twelve (12) months prior to the date the company submits the application to the Miami DDA’s Board of Directors.
- g. *New-to-Market Business* is a company that relocates to the Miami DDA District or is a start-up company setting up operations in the Miami DDA District.

Section 3 - Eligible applicants

The Miami DDA Program will only be available to New-to-Market Businesses or Expanding Businesses that will either relocate, or hire, a minimum of ten (10) new employees to the Miami DDA District within a three (3) year period. The Program is available to the following industries:

- a. Financial/Professional Services
- b. Technology
- c. Headquarters including regional headquarters; and

The Board of Directors, at its discretion, may waive the eligible industry requirement at the request and recommendation of the Executive Director.

Section 4 - Program requirements

- a. *New-to-Market or Expanding Businesses:* Companies applying for Miami DDA incentives must be New-to-Market or Expanding Businesses.
- b. *Living Wage Requirement:* The Miami DDA Program will not be available to companies that pay any of their employees less than the Living Wage Rate as defined by either the City of Miami or in Section 2-8.9 of the Code of Miami-Dade County, as adjusted annually by the Department of Small Business Development or its successor department, and by choosing the higher rate of both.
 - i. Miami-Dade County: Miami-Dade, 2019-2020 fiscal year = \$35,484.80 (\$17.06 per hour x 40 hours x 52 weeks)
- c. *Living Wage Eligibility:* Companies receiving Miami DDA Incentives must continue to pay all its employees no less than the Living Wage Rate to remain eligible for the Program.
- d. *Wages of New Jobs Created:* In addition, the New Jobs promised under the Miami DDA application/agreement (“Application” or “Agreement”) must pay an estimated Average Annual Wage at least equal to 125% that of the average of all wages and salaries in the City of Miami, or Miami-Dade County, or the State of Florida as determined by the City of Miami, or Miami-Dade County, or State of Florida, or US. Bureau of Labor Statistics using the most currently available data as determined by the Miami DDA and by choosing the higher rate.
 - i. US. Bureau of Labor Statistics: Miami MSA, May 2019 - \$50,060 across all occupations
 - ii. Department of Economic Opportunity: State of FL, Q4 2019 - \$54,288 across all industries
 - i. $125\% \times \$54,288 = \$67,860$ threshold to qualify as of June 2020
- e. *Wage Calculation:* In determining the Average Annual Wage for the Company, only New Jobs are to be included and wages for existing jobs shall be excluded from the calculation. The Board of Directors, at its discretion, may waive the Average Annual Wage requirement upon receipt of a written request and justification from the Company.
- f. *Job Creation:* New-to-Market or Expanding Businesses must create at least ten (10) New Jobs within three (3) years of starting operations or executing this agreement, whichever is later, in the Miami DDA District and maintain those new jobs for a minimum of one (1) additional year. Miami DDA staff, under the Executive Director, must verify compliance with New Job creation and wage requirements as specified in the Board of Directors approved Miami DDA application/agreement prior to any disbursement of a Miami DDA Incentives. The Company must agree to furnish all documents necessary for Miami DDA staff to verify the Company's compliance with the New Job and salary requirements pursuant to the Miami DDA application/agreement.
- g. *Taxes & Other Monies:* Where a Company is delinquent in paying its taxes, or any other monies due to the City of Miami, the Miami DDA shall withhold Incentive funds until the Company is current. Where a Company is more than one (1) year delinquent, the Company's Miami DDA award shall be canceled, and the Company shall be disqualified from participating in the Program.
- h. *Media Announcement:* Applicant must (a) mention the Miami DDA by name within its initial press release announcing the new office location, (b) at least forty-eight (48) hours in advance, provide the exact date and time of when the press release will be published, and (c) at least forty-eight (48) hours in advance, provide a copy of the press release.
- i. *Media Appearances:* The company must provide an employee, at a minimum a senior executive, for a minimum of four (4) engagements in year 1, two (2) engagements year 2, and two (2) engagements in year 3 to assist with recruitment efforts of the Miami DDA attracting additional companies to Downtown Miami. Required engagements will consist of a presentation, panel discussion, interview, quote for media story, or comparable engagement.

Section 5 – Miami DDA incentives

The amount of the Miami DDA award is tentatively ascertained, pending Board approval, during application processing and is based on the commitment of New Job creation as specified in the Miami DDA application/agreement. The actual Miami DDA award will be determined after the Company has begun operations, and at the end of each fiscal year upon the verification of new hires as specified in the Board of Directors approved Miami DDA application/agreement, and all other obligations set forth in the application/agreement and the Resolution approving the Miami DDA award.

The maximum Miami DDA award is based on the number of employees brought to Miami DDA District during the initial move, and any subsequent new hires. The incentives over the three (3) year period after the applicant's start of operations or the execution of this agreement, whichever is later, may not exceed:

- a. \$500 per employee for the first 50 jobs (minimum of 10);
- b. \$350 per employee for each job added above 50 but less than 100;
- c. \$250 per employee for each job added above 100

Applicant may be eligible for the following bonuses for new hires only:

- a. An additional \$125 per employee if a company is located within the Flagler District as defined by the City of Miami
- b. An additional \$125 per employee if new hire received a degree from a public university, private university, or technical school located within Miami-Dade County and graduated within 3 years of the hire date
- c. An additional \$125 per employee if previously unemployed or employed below the Living Wage Rate immediately preceding employment with company
- d. An additional \$125 per employee if their primary residence is within the Miami DDA District

A Company may not receive more than \$50,000 in awards in any single fiscal year, even if all the New Jobs are created in one (1) year. A Company may not receive more than \$150,000 in award payments over the three (3) year eligibility period. The Board of Directors, at its discretion, may waive the applicable \$150,000 total award cap at the request and recommendation of Executive Director.

Section 6 - Source, claim period and disbursement of Miami DDA incentives

Annual disbursements will be contingent on the verification of the new jobs created. Disbursement will begin in the City of Miami fiscal year following the Project's start of operations. The City of Miami's fiscal year runs from October 1 through September 30 of the following calendar year. Companies will be monitored annually to ensure compliance with the projected number of new jobs and the wages associated with the new jobs. Disbursements to the Company will only be made after it has met all commitments as set forth in the Miami DDA application/agreement and the Board approved Miami DDA Resolution, and disbursements are limited in each year of the disbursement schedule approved in the Miami DDA Resolution to amounts set forth in Section 5. No incentive amounts shall be disbursed after the last fiscal year set forth in the Miami DDA application/agreement and the Board approved Miami DDA Resolution.

To be eligible to claim any award under the Miami DDA Program, an applicant that has entered into an approved application/agreement must annually apply to the Miami DDA by June 15 for such award. An appropriation, if made by the Board, will be paid in the City of Miami fiscal year that begins on October 1 following the June 15 claims-submission date. The claim for award must include a copy of all documents that allow the Miami DDA to verify compliance with all the terms and the Company's commitments set forth in the Board of Directors Resolution approving the Miami DDA incentive award and the accompanying approved application/agreement.

The Miami DDA shall designate staff, or a third party, to administer the Miami DDA Program and determine Company compliance. Any awards determined to be due to Companies and processed by said designated staff shall require written approval and authorization of the Board of Directors.

Section 7 - Application process

A company wishing to participate in the Program will apply to the Miami Downtown Authority. Upon request, a Company's confidentiality will be protected, to the best of the agency's ability, for any information regarding a project's location and/or expansion evaluation of any site in Florida.

The Application will be approved by the Board of Directors and all Miami DDA requirements shall be incorporated therein to ensure all parties comply with the requirements of this Agreement. An Application must be signed by an officer of the applying company.

At the time of Application, the Miami DDA will confirm that the Company has provided information and/or documentation supporting the Company's consideration of other locations and that the requested Miami DDA Incentive is required for the Company to choose the Miami DDA District as the location of its new operations or expansion. Any Company decisions committing the Company to a location within the Miami DDA District prior to the Board of Directors approval of the Miami DDA Application/Agreement will render a Company ineligible to participate in the Miami DDA program. The Executive Director may waive this prior decision rule and forward the Company's Application to the Board of Directors for consideration upon the written request by the Company to preserve the inducement for a limited time. However, the Board of Directors retains the sole and absolute discretion to approve or deny the Company's Application. This prior business decision rule waiver shall not be available to a Company that has already publicly disclosed the intent to locate or expand its operations in the Miami DDA District.

Upon receipt and initial review, the Miami DDA shall contact the Board of Directors to schedule an Application presentation as directed by the Executive Director. Within thirty (30) days of receipt of the Company's Application, The Miami DDA shall prepare its recommendation on the Application, including an economic impact analysis. Each Board approved Application shall serve as the written Agreement between Miami DDA and the Company, and shall include all Application requirements outlined in this Section and, at a minimum, specify:

- a. The total number of New Jobs to be created and that will be dedicated to the project, the Average Annual Wage of those jobs, any capital investment, and a time schedule or plan for when such jobs will be in place and active in the Miami DDA District;
- b. The fiscal impact to the Miami DDA District;
- c. The maximum amount of Miami DDA awards which the Company is eligible to receive and the maximum amount of Miami DDA awards that the Company is eligible to receive for each fiscal year;
- d. That the Miami DDA may review and verify the financial and personnel records of the Company and/or perform on-site visits to verify employment relating to the New Jobs, wages paid, and ascertain whether the Company is in compliance with the terms of the Application/Agreement;
- e. The date (June 15) by which, in each fiscal year, the Company must file a claim to be considered to receive a Miami DDA award for the following fiscal year (October 1 – September 30);
- f. That compliance with the terms and conditions of the approved Application/Agreement is a condition precedent for the receipt of any Miami DDA award in a fiscal year and that the Company's failure to comply with the terms and conditions of the approved Application/Agreement results in the loss of eligibility for receipt of Miami DDA awards and the revocation by the Board of Directors of the certification of the Company as a Miami DDA eligible business;
- g. That payment of Miami DDA Incentives is conditioned on and subject to specific annual appropriations by the City of Miami sufficient to pay amounts under the approved Application/Agreement; and
- h. That the amount of the Incentives received will be based on the Incentive levels specified in Section 5.

Section 8 - Approval process

Applications will be approved by a resolution of the Board of Directors for the Miami DDA. The Board shall have no obligation to approve any application before it. Final determination of an approval of the award of Miami DDA incentives shall be at the sole and absolute discretion of the Board. Upon any Board approval, the Miami DDA shall send the applicant a letter explaining such approval, any attendant conditions, and request the Company's roster of employees.