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**To:** Santa Rosa County Board of County Commissioners  
**From:** Tina Stewart, Business Development Manager  
**Through:** Shannon Ogletree, CEcD, Director  
**Subject:** Pricing Guidelines for Existing Industry  
**Date:** January 11, 2016

### **RECOMMENDATION**

Approval of new pricing guidelines for existing industries for purchasing county owned property needed for expanding.

### **BACKGROUND**

Current pricing guidelines have been in place since December 1, 2006 and are being used as an incentive for new companies as well as existing companies that want to expand.

Business retention plays a very important role in economic development. Most of our community's job growth and capital investment comes from companies already located here. In order to offer additional incentives for our existing industries, staff would like to offer separate pricing guidelines to be used in the retention of our companies that would like to expand but are being recruited by other states offering additional incentives.



**Price Discounts on County Owned Industrial Property for existing industries located in Santa Rosa County**

**Project Name:** \_\_\_\_\_

<b>1. Total Capital Investment for Expansion</b>			
_____ Under \$500,000	5	→	<input type="text"/>
_____ \$500,000 - \$1M	20	→	<input type="text"/>
_____ >\$1M	25	→	<input type="text"/>
<b>2. Number of New Jobs</b>			
_____ 1 – 9	10	→	<input type="text"/>
_____ 10 – 24	20	→	<input type="text"/>
_____ >25	25	→	<input type="text"/>
<b>3. Number of Current Jobs</b>			
_____ 1-9	10	→	<input type="text"/>
_____ 10-24	20	→	<input type="text"/>
_____ >25	25	→	<input type="text"/>
<b>4. Employee Wage Rate* (at proposed facility)</b>			
_____ 85% to 115%	5	→	<input type="text"/>
_____ 115% to 135% Above Avg	20	→	<input type="text"/>
_____ >150%	25	→	<input type="text"/>
<b>Total Discount Points</b>		→	<input type="text"/>



<b>A.</b> Number of Acres Needed	→	<input type="text"/>
		<b>X</b>
<b>B.</b> Price per Acre before discount	→	\$ <input type="text"/>
		<b>=</b>
<b>C.</b> Total price before discount	<b>A x B</b> →	\$ <input type="text"/>
<b>D.</b> Discount Points	<b>From page 1</b> →	% <input type="text"/>
<b>E.</b> Per Acre Discount	<b>B x D</b> →	\$ <input type="text"/>
<b>F.</b> Price per Acre after discount	<b>B - E</b> →	\$ <input type="text"/>
<b>G.</b> Total Savings	<b>A x E</b> →	\$ <input type="text"/>
<b>H.</b> Estimated Final Price After Discount	<b>A x F</b> →	\$ <input type="text"/>

To qualify for this pricing discount you must be an industry physically located in Santa Rosa County for at least three years.

If points associated with criteria 1, 2, 3 and 4 are summed to 100 points, this will equate to 100% reduction in dollars per acre. If points associated with criteria 1, 2, 3 and 4 are summed to 0 points, this will equate to 0% reduction in dollars per acre. It is also recommended that the County staff and Santa Rosa EDO be responsible for recommending to the Board any additional criteria applicable on a case-by-case basis.

With respect to expanding industries proposing to purchase County owned industrial zoned property, the base rate for land shall be \$50,000 an acre for property with rail access and for property located in the area served by County provided regional stormwater management, and \$35,000 for that property not having rail access or County provided stormwater management.



With respect to expanding businesses proposing to be located on County owned property within the Whiting Aviation Park, the base rate for land shall range from \$35,000 to \$75,000 an acre depending on its location within the Park. If the parcel to be purchased is adjacent to Marty Martin Way, the base price shall be \$50,000 per acre. If the parcel is adjacent to or has direct access to the taxiway or public tarmac, the base price shall be \$75,000 per acre, all remaining parcels will have a base price of \$35,000 per acre. All County owned parcels within Whiting Aviation Park will be eligible for the same discounts as outlined above.

*This incentive shall be limited to those businesses which sell greater than 50% of their product or service outside the region (Okaloosa, Santa Rosa and Escambia Counties) or provide their product or service to local "industry", thereby bringing in new dollars to the County, unless by special exception by the Board of County Commission.*

\*Average wage rate is determined by Enterprise Florida's *Annual Incentives Average Wage Requirements* Information Sheet. Santa Rosa County's final wage rate is determined at time of closing.

To be competitive in locating good businesses to Santa Rosa County, there needs to be flexibility in these land costs. The flexibility should be related to the financial benefit the business has on the County. These guidelines provide a scale where the increase in points allows a larger reduction in land costs from the previously mentioned base value, and the points are accumulated based on capital expenditure, number of jobs and wage rate. This system provides a rational, non-arbitrary, non-discriminating basis for determining a cost per acre for a prospect.

Effective date: