

OCT 19 2004 KSL/ES

RESOLUTION

of the
ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS
regarding
AETNA SPECIALTY PHARMACY, LLC.
QUALIFIED TARGET INDUSTRY TAX REFUND

Resolution No. 2004-M-43

PREMISES

WHEREAS, in 1994, the Florida legislature passed legislation establishing a “Qualified Target Industry Tax Refund Program” (“QTI Program”) to encourage the creation of new high-wage job opportunities in Florida by providing “tax refunds” to qualified target industries; and

WHEREAS, Aetna Specialty Pharmacy, LLC. (“Aetna”) is a joint venture of Aetna, Inc. and Priority Healthcare Corporation; and

WHEREAS, Priority Healthcare Corporation is headquartered in Lake Mary, Florida, currently employing 450 persons in the region, and recently committing to create approximately 456 additional high-wage jobs in the region over the next five years; and

WHEREAS, Aetna seeks to establish its international headquarters in unincorporated Orange County at 503 Sunport Lane, Orlando, Florida 32809; and

WHEREAS, Aetna’s international headquarters would serve the biotech and healthcare industries and would include a clean room to manufacture pharmaceuticals; clinical support services; and a warehousing and distribution center; and

WHEREAS, Aetna anticipates creating 300 new jobs in Orange County at an average salary of at least \$50,240, which is 150% of the prevailing average wage of \$33,493 in Orange County; and

WHEREAS, Aetna anticipates that these jobs will be created according to the following schedule: two hundred fifty (250) jobs by December 31, 2005, and fifty (50) jobs by December 31, 2006; and

WHEREAS, Aetna anticipates that the new jobs to be created will include thirteen (13) management and administrative positions; thirty-nine (39) human resources, legal, business development, finance, and IT positions; twenty-four (24) clinical positions; and two hundred twenty-four (224) operations and production positions; and

WHEREAS, Aetna estimates that it will add \$16.9 million in capital investment to the Orange County tax roll between January 1, 2005 and January 1, 2008; and

WHEREAS, Aetna has applied to the Executive Office of the Governor, Office of Tourism, Trade, and Economic Development for approval as a qualified QTI Program applicant, and has applied for \$1.2 million in tax refunds from the State of Florida under the QTI Program, representing \$4,000 per job; and

WHEREAS, in order for Aetna to be approved as a “qualified applicant” under the QTI Program, the Orange County Board of County Commissioners (“Board”) must adopt a resolution recommending the approval of Aetna as a “target industry business,” and committing “local financial support” in an amount equal to 20% of the annual tax refund, representing a total amount equal to \$240,000; and

WHEREAS, it is estimated that direct additional property taxes from this project during the course of Aetna’s eligibility for QTI tax refunds will be approximately \$1,037,900, of which \$542,300 will be paid to Orange County Government (“County”), \$433,300 will be paid to Orange County Public Schools, and \$62,300 will be paid to other taxing entities in Orange County, and

WHEREAS, competition for Aetna exists outside of Florida, and financial incentives are necessary to ensure that Aetna grows in Orange County rather than elsewhere.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY:

Section 1. The Board hereby recommends that the State of Florida Office of Tourism, Trade, and Economic Development approve Aetna as a “qualified applicant” under the QTI Program.

Section 2. Subject to the terms of this Resolution, the Board hereby agrees to pay up to, but not to exceed, \$240,000 as the “local financial support” required under the QTI Program. Such amount shall be payable to the Economic Development Incentives Account within the Economic Development Trust Fund as specified herein.

Section 3. The County’s promise to pay the amounts specified in this Resolution is contingent upon (i) the Board appropriating and authorizing, in each applicable year, payment of the revenues hereunder; (ii) Aetna receiving the designation as a “qualified applicant” in connection with the QTI program; (iii) the State of Florida, on an annual basis, awarding tax refunds under the QTI program, and (iv) the County’s receiving property taxes directly from this project that equal or exceed the amount of the “local financial support” payment for each relevant fiscal year as outlined in Section 4 below.

Section 4. Unless provided otherwise in this Resolution, the County shall pay the “local financial support” in the following amounts:

| | |
|--------------|-----------|
| FY 2006-2007 | \$ 50,000 |
|--------------|-----------|

| | |
|--------------|-------------------|
| FY 2007-2008 | \$ 60,000 |
| FY 2008-2009 | \$ 60,000 |
| FY 2009-2010 | \$ 60,000 |
| FY 2010-2011 | \$ 10,000 |
| Total | <u>\$ 240,000</u> |

Such sums shall be paid from any legally available source or sources of revenue other than those specified in the QTI Program (or rules promulgated thereunder) as being ineligible for such purpose.

Section 5. In the event Aetna is approved by the State of Florida for tax refunds in an amount less than the \$1.2 million requested, the local financial support to be paid by the County shall be proportionately reduced so that at no time will the County contribution exceed twenty percent (20%) of the annual tax refund and twenty percent (20%) of the total tax refund awarded to Aetna under the QTI Program.

Section 6. This Resolution shall take effect upon receipt by the County of evidence that Aetna has been approved as a "qualified applicant" and has become eligible for tax refunds under the QTI program, as described herein.

ADOPTED THIS 19 15 DAY OF October 2004.

ORANGE COUNTY, FLORIDA

BY: *Richard T. Crotty*

Richard T. Crotty
 County Chairman
 Board of County Commissioners

ATTEST: Martha O. Haynie, County Comptroller
 As Clerk to the Board of County Commissioners

BY: *Martha O. Haynie*
 Deputy Clerk

