



Interoffice Memorandum APPROVED


AGENDA ITEM

BY ORANGE COUNTY BOARD
OF COUNTY COMMISSIONERS

July 11, 2014

JUL 29 2014 KH/ls

TO: Mayor Teresa Jacobs
-AND-
Board of County Commissioners

FROM: Eric Ushkowitz, Economic Development Administrator 
Office of Economic, Trade and Tourism Development

SUBJECT: **July 29, 2014 – BCC Consent Agenda Item**
Approval of VOXX International Corporation Qualified Target
Industry (QTI) Tax Refund and Quick Action Closing Fund (QACF) Resolution

VOXX International Corporation (VOXX International) is requesting that Orange County commit a total of \$107,200 as the 20% local share of a \$536,000 financial incentive under Florida's QTI Tax Refund Program and a total of \$330,000 as a 40% local share of an \$825,000 financial incentive under Florida's QACF program. The QTI and QACF awards will induce VOXX International to expand their operations in Orange County. To receive designation as a qualified applicant for the QTI Program, the Board of County Commissioners must adopt a resolution recommending approval of the applicant as a target industry, and stating that the commitment of local financial support of the applicant exists for 20% of the annual tax refunds and 40% of the QACF to be paid out, in equal payments, simultaneously.

VOXX International will be building a 125,000 square foot office and manufacturing facility which will be utilized to manufacture DVD headrest systems for automotive OEMS, as well as GPS antennas. The proposed expansion will create approximately 134 new high-wage jobs in Orange County, with an average salary of at least \$65,559, which is 150% of the overall prevailing average salary in the county. New job functions will consist of engineering, management, production, program management, customer service and administration. Financial incentives will help to ensure that this project expands here in Orange County rather than locating elsewhere.

Approximately \$17M in new investment will be added to the Orange County tax roll. No Orange County incentive payments for the QTI program will be made until new jobs are both created and maintained.

VOXX International products are found virtually anywhere electronics are sold, from household name big box stores to 12-volt specialists and new car dealerships. VOXX International is comprised of eleven wholly owned subsidiaries. Each of these subsidiaries represents a specific product category, a group of categories or geographic regions. For financial reporting, all of the subsidiaries are consolidated and reported as one entity, VOXX International.

For more information about VOXX International, visit: www.voxxintl.com

ACTION REQUESTED: **Approval of Resolution of the Orange County Board of County Commissioners regarding VOXX International Corporation Qualified Target Industry Tax Refund Quick Action Closing Fund.**

EU/ls

APPROVED
BY ORANGE COUNTY BOARD
OF COUNTY COMMISSIONERS
JUL 29 2014 KH/BS

RESOLUTION
of the
**ORANGE COUNTY BOARD OF COUNTY
COMMISSIONERS**
regarding
**VOXX INTERNATIONAL CORPORATION
QUALIFIED TARGET INDUSTRY TAX REFUND
QUICK ACTION CLOSING FUND**

Resolution No. 2014-M-40

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, in 2004, the Florida Legislature passed legislation establishing a “Quick Action Closing Fund (“QACF”) to attract, retain and grow key companies that would provide high quality employment opportunities and allow for the state to remain competitive; and

WHEREAS, VOXX International Corporation (VOXX International) is headquartered in Hauppauge, NY and has 2,033 employees; and

WHEREAS, VOXX International is public company and is traded on the NASDAQ under VOXX; and

WHEREAS, VOXX International has acquired the German manufacturer of GPS and antennas for vehicle communications, Hirschmann Car Communication GmbH and need to expand their existing manufacturing capacity; and

WHEREAS, VOXX International has experienced strong growth and is considering constructing a new manufacturing and office facility in Orange County, Florida; and

WHEREAS, VOXX International’s project will consist of a new 125,000 square foot facility to accommodate the manufacturing of DVD headrest systems for automotive OEMS as well as GPS automotive antennas; and

WHEREAS, VOXX International anticipates creating approximately one hundred and thirty-four (134) new jobs in Orange County at an average annual salary of at least \$65,559, which is over 150% of the prevailing average salary of \$42,336 in Orange County; and

WHEREAS, VOXX International anticipates that the new jobs to be created will include approximately one (1) program manager position; six (6) management positions; one hundred

and eleven (11) production positions; four (4) customer service positions; six (6) engineering positions; two (2) technician positions; and four (4) administrative positions; and

WHEREAS, VOXX International anticipates that these new jobs will be created according to the following schedule: Seventy-four (74) jobs by December 31, 2015; ten (10) jobs by December 31, 2016; fifty (50) jobs by December 31, 2017; and

WHEREAS, VOXX International has applied to the Executive Office of the Governor, Department of Economic Opportunity (DEO) for approval as a qualified QTI Program applicant, and has applied for \$536,000 in tax refunds from the State of Florida under the QTI Program, representing \$4,000 per job; and

WHEREAS, VOXX International has applied to the Executive Office of the Governor, DEO for approval as a qualified QACF Program applicant, and has applied for \$825,000 in funds from the State of Florida under the QACF Program; and

WHEREAS, in order for VOXX International to be approved as a “qualified applicant” under the QTI Program, the Orange County Board of County Commissioners must adopt a resolution recommending the approval of VOXX International as a “target industry business,” and committing “local financial support” in an amount equal to 20% of the annual tax refund up to but not exceeding \$107,200 over the course of VOXX International’s eligibility as a “qualified applicant”; and

WHEREAS, in order for VOXX International to be approved as a “qualified applicant” under the QACF Program, the Orange County Board of County Commissioners must adopt a resolution recommending the approval of VOXX International as a “qualified business,” and committing “local financial support” in an amount equal to 40% of the total award up to but not exceeding \$330,000 over the course of VOXX International’s eligibility as a “qualified applicant”; and

WHEREAS, competition for VOXX International’s expansion exists outside of Florida, and financial incentives are necessary to ensure that this project comes to Orange County.

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

Section 1. The Board of County Commissioners of Orange County, Florida, hereby recommends that the State of Florida Department of Economic Opportunity approve VOXX International as a “qualified applicant” under the QTI and QACF Programs.

Section 2. Subject to the terms of this Resolution, the Board hereby approves payments up to, but not exceeding, four hundred, thirty-seven thousand and two hundred dollars (\$437,200) in “local financial support” required under the QTI and QACF Programs. Such amount shall be payable to the Economic Development Incentives Account within the Economic Development Trust Fund as specified herein.

Section 3. The Board’s promise to pay the amount specified in this Resolution is contingent upon (i) appropriation by the Board in each applicable year authorizing payment of the revenues hereunder, (ii) VOXX International receiving the designation as a “qualified applicant” in connection with the QTI and QACF programs, and (iii) on an annual basis, award by the State of Florida of tax refunds under the QTI and QACF programs.

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

FY 2016-2017	\$ 69,800
FY 2017-2018	\$ 71,800
FY 2018-2019	\$ 81,800
FY 2019-2020	\$ 81,800
FY 2020-2021	\$ 67,000
FY 2021-2022	\$ 65,000
Total	<u>\$ 437,200</u>

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

Section 5. In the event VOXX International is approved by the State of Florida for tax refunds in an amount less than the \$1,253,800 requested, the “local financial support” to be paid by the County to the Economic Development Incentives Account shall be proportionately reduced so that at no time will the County contribution exceed twenty percent (20%) of the annual tax refund awarded to VOXX International under the QTI Program and forty percent (40%) of the total awarded to VOXX International under the QACF Program.

Section 6. This Resolution shall take effect upon receipt by the County of evidence that VOXX International has been approved as a “qualified applicant” and has become eligible for tax refunds under the QTI and QACF programs, as described herein.

ADOPTED THIS JUL 29 2014 DAY OF July, 2014.

ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

BY: *Teresa Jacobs*
Teresa Jacobs
County Mayor

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

BY: *Martha O. Haynie*
Deputy Clerk

