

## FISCAL IMPACT STATEMENT

Indicate the **Total Fiscal Impact** of the action requested, including personnel, operating, and capital costs. Indicate costs for the current fiscal year and continuing costs in future years. Include all related costs necessary to place the asset in service.

**1. DESCRIPTION:** Thales USA Inc. Qualified Target Industry Tax Refund Resolution

**COSTS:**

2. Does the acceptance of this action require the hiring of additional or new personnel or the use of overtime?  
 Yes  No (if Yes, include all personnel costs below).

3. Is the action funded in the current year budget and/or through reallocation of existing Department resources:  
 Yes  No If No, how will this item be funded? The City's matching contribution funds will be drawn from the Non-Departmental Economic Development Fund (General Fund 0001 F/EDV/EDV0002 C) and budgeted over seven years, beginning in Fiscal Year 2017/2018 and ending in Fiscal Year 2023/2024. PLEASE NOTE: If the action is funded by a grant received by the City please include the fiscal year of the funding award, grantor name, granting agency or office name (if any), grant name and when the grant agreement was approved by City Council.

Did this item require BRC action?  Yes  No If Yes, BRC Date: \_\_\_\_\_ BRC Item #: \_\_\_\_\_

4. This item will be charged to Fund/Dept/Program/Project: General Fund 0001 F/EDV/EDV0002 C.

	<b>(a) Current Year Estimate</b>	<b>(b) Next Year Annualized</b>	<b>(c) Annual Continuing Costs Thereafter</b>
Personnel	\$0	\$0	\$0
Operating	\$0	0	
Capital	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b><u>\$0</u></b>	<b><u>0</u></b>	<b><u>See below</u></b>

6. If costs do not continue indefinitely, explain nature and expiration date of costs: The City shall pay the "local financial support" for QTI in the following amounts:

<u>2017/2018</u>	<u>\$13,250</u>
<u>2018/2019</u>	<u>\$23,250</u>
<u>2019/2020</u>	<u>\$33,250</u>
<u>2020/2021</u>	<u>\$43,250</u>
<u>2021/2022</u>	<u>\$30,000</u>
<u>2022/2023</u>	<u>\$20,000</u>
<u>2023/2024</u>	<u>\$10,000</u>
<u>Total</u>	<u>\$173,000</u>

**7. OTHER COSTS**

(a). Are there any future costs, one-time payments, lump sum payments, or other costs payable for this item at a later date that are **not** reflected above:  Yes  No

(b) If yes, by Fiscal Year, identify the dollar amount and year payment is due: \$ \_\_\_\_\_ Payment due date \_\_\_\_\_

(c) What is the nature of these costs: n/a

**REVENUE:**

8. What is the estimated increase in "valuation" added to the tax rolls? \$ \_\_\_\_\_. Tax roll increase is:  
 real property,  tangible personal property,  other (identify \_\_\_\_\_).

9. What is source of the revenue and the estimated annual recurring revenue? Source: \_\_\_\_\_ \$ \_\_\_\_\_

10. If non-recurring, what is the estimated Fiscal Year and amount of non-recurring revenue that will be realized?  
 Source n/a Fiscal year \_\_\_\_\_ \$ \_\_\_\_\_ non-recurring revenue

11. What is the Payback period? \_\_\_\_\_ years

**12. JUSTIFICATION:** Document justification for request. Include anticipated economies or efficiencies to be realized by the City, including reductions in personnel or actual cost (cash flow) reductions to be realized in your budget.

Thales USA Inc. is a global leader in providing leading-edge connected in-flight entertainment (IFE) systems and services that enrich the travel experience. The company's years of success in the IFE market have provided it with the ability to keep pace with trends in consumer technologies and cultivate a thorough understanding of passenger behaviors, preferences and expectations.

If the Qualified Target Industry (QTI) program incentive is made available to the company, Thales will create 173 new-to-Florida jobs by December 31, 2020, paying an average annual wage of \$53,255, which is at least 125% of the 2013 Orange County annual wage. The average value of benefits that will be available to employees is \$20,294, which includes health and dental insurance, life and accidental death/dismemberment insurance, flexible spending account, short term and long term disability, employee assistance program and legal and brokerage services. Thales' total capital investment is estimated to be \$6.43 million in construction and equipment. In addition to the City of Orlando, the company is considering California for this project.

The City of Orlando will provide \$173,000 as an incentive over a seven-year period.

**13. APPROVED:** Lillian Scott-Payne (Submitting Director or authorized Division Mgr **Only**)

FIS 3/14/08