RESOLUTION
of the
ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS
regarding
ELECTRONIC ARTS, INC.
QUALIFIED TARGET INDUSTRY TAX REFUND

Resolution No. 2004-M-51

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, growth in the interactive entertainment/video gaming industry in the United States is outpacing growth in all other entertainment sectors, with $11.2 billion in sales in 2003 compared to $9.3 billion in motion picture box office sales; and

WHEREAS, Electronic Arts, Inc., headquartered in Redwood City, California and hereinafter referred to as “EA,” was founded in 1982 and is the world’s leading independent developer and publisher of interactive entertainment software for advanced entertainment systems such as the PlayStation®, PlayStation®2, Xbox™, Nintendo GameCube™, and Game Boy® Advance, as well as the personal computer; and

WHEREAS, more than twenty-two EA titles each sold over one million units in 2003, including The Sims™, Medal of Honor Frontline™, Harry Potter and the Chamber of Secrets™, James Bond 007™, Nightfire™, FIFA Soccer 2003™, NBA LIVE 2003 and Madden NFL™ Football 2003; and

WHEREAS, EA had revenues in 2003 of $2.5 billion and a worldwide employment of 4,400 persons; and

WHEREAS, in addition to its Redwood City, California headquarters and development studio, EA has development studios in Austin, Texas; Los Angeles and Walnut Creek, California; Vancouver and Montreal, Canada; Tokyo, Japan; London, England; and Maitland, Florida; and

WHEREAS, EA currently employs 266 persons in the City of Maitland in Orange County, and seeks to consolidate these jobs and expand at 1950 and 1991 Summit Park Drive in the City of Maitland; and
WHEREAS, EA anticipates creating 650 new jobs at an average salary of at least $67,000, which is twice the prevailing wage of $33,493 in Orange County; and

WHEREAS, EA anticipates that these jobs will be created according to the following schedule: two hundred (200) jobs by December 31, 2005, seventy-five (75) jobs by December 31, 2006; one hundred (100) jobs by December 31, 2007; one hundred twenty-five (125) jobs by December 31, 2008; and one hundred fifty (150) jobs by December 31, 2009; and

WHEREAS, EA anticipates that the new jobs to be created will include thirty-eight (38) administrative and support positions; two hundred fifteen (215) artists, two hundred thirty-seven (237) engineers, twelve (12) management positions, eighty-eight (88) production positions, and sixty (60) quality assurance positions; and

WHEREAS, EA’s proposed expansion in Orange County would increase its total local employment to over 900 persons, making it the fastest growing development studio among EA’s worldwide studio network; and

WHEREAS, according to the East Central Florida Regional Planning Council and a regional economic model specifically built for Central Florida, the 650 jobs to be created by EA will result in approximately 454 additional jobs being created in Maitland and Orange County, namely in the construction, retailing and service sectors; and

WHEREAS, EA estimates that its expansion will include an initial capital investment of approximately $8.4 million, which will generate approximately $940,000 in additional property taxes in Orange County during the course of EA’s expansion; and

WHEREAS, EA 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 $3,250,000 in tax refunds from the State of Florida under the QTI Program, representing $5,000 per job; and

WHEREAS, in order for EA to be approved as a “qualified applicant” under the QTI Program, a city and/or county commission must adopt a resolution or resolutions which recommend that the applicant be approved as a target industry business and commit “local financial support” in an amount equal to 20% of the annual tax refund; and

WHEREAS, EA’s QTI application will require a commitment of local financial support of $650,000 (20%); and

WHEREAS, Orange County and the City of Maitland are being asked to share this commitment equally in an amount of $325,000 each; and

WHEREAS, competition for EA exists outside of Florida, and financial incentives are necessary to ensure that the company grows in the City of Maitland and Orange County rather than elsewhere; and
WHEREAS, to develop a local talent pool and provide high-wage job opportunities for the citizens Maitland, Orange County and Central Florida, EA anticipates working closely with the University of Central Florida School of Film and Digital Media; and

WHEREAS, in partnership with the UCF School of Film and Digital Media ("SFDM"), EA will be a sponsor of the International Digital Media & Arts (iDMA) Conference 2005, which will be held from March 15 through March 19 at the new SFDM headquarters in downtown Orlando; and

WHEREAS, the expansion of EA in Maitland will serve as a catalyst for the further development of the local modeling, simulation and training industry; and

WHEREAS, EA and its employees support many local charitable and educational programs; and

WHEREAS, EA was named by Fortune magazine as one of the “100 Best Companies to Work For” in 2003.

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 Office of Tourism, Trade, and Economic Development approve EA 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, three hundred twenty-five thousand dollars ($325,000) as half of 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 Board’s promise to pay the amount specified in this Resolution is contingent upon (i) approval by the City of Maitland of a resolution committing $325,000 of the $650,000 in “local financial support” for this project, (ii) appropriation by the Board in each applicable year authorizing payment of the revenues hereunder, (iii) EA receiving the designation as a “qualified applicant” in connection with the QTI program, and (iv) on an annual basis, award by the State of Florida of tax refunds under the QTI program.

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
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<tr>
<td>FY 2006-2007</td>
<td>$ 50,000</td>
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<tr>
<td>FY 2007-2008</td>
<td>$ 68,750</td>
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<tr>
<td>FY 2008-2009</td>
<td>$ 93,750</td>
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<tr>
<td>FY 2009-2010</td>
<td>$112,500</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$325,000</strong></td>
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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 EA is approved by the State of Florida for tax refunds in an amount less than the $3,250,000 requested, the local financial support to be paid by the County to the Economic Development Incentives Account shall be proportionately reduced so that the County contribution will not exceed ten percent (10%) of the total tax refund awarded to EA under the QTI Program.

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

ADOPTED THIS 14TH DAY OF DECEMBER 2004.

ORANGE COUNTY, FLORIDA
By: Board of County Commissioners

BY: Richard T. Crotty
County Chairman
Board of County Commissioners

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

BY: Deputy Clerk