

APPROVED
BY ORANGE COUNTY BOARD
OF COUNTY COMMISSIONERS

OCT 04 2005



RESOLUTION

of the
ORANGE COUNTY BOARD OF COUNTY COMMISSIONERS
regarding
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION
QUALIFIED TARGET INDUSTRY TAX REFUND

Resolution No. 2005-M-42

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, Science Applications International Corporation (SAIC), headquartered in San Diego, California, is the largest employee-owned research and engineering company in the United States, has annual revenues of over \$7 billion, and has more than 43,000 employees in more than 150 cities worldwide; and

WHEREAS, SAIC is in the business of providing information technology, systems integration, and e-solutions to commercial and government customers; and

WHEREAS, SAIC established operations in Orange County in 1978, and currently employs approximately 400 people in the Central Florida Research Park; and

WHEREAS, SAIC seeks to expand its Training and Simulation Solutions Business Unit in the Central Florida Research Park; and

WHEREAS, SAIC anticipates that this expansion will create 300 new jobs in Orange County at an average salary of at least \$68,882, which is twice the prevailing average wage of \$34,411 in Orange County; and

WHEREAS, SAIC anticipates that these jobs will be created according to the following schedule: fifty (50) jobs by December 31, 2005, one hundred (100) jobs by December 31, 2006; one hundred (100) jobs by December 31, 2007; and fifty (50) jobs by December 31, 2008; and

WHEREAS, SAIC anticipates that the new jobs to be created will include thirty (30) management positions, forty-five (45) administrative positions, and two-hundred twenty five (225) engineering positions, and also anticipates that the average salary within each of these categories of jobs will be twice the prevailing average wage in Orange County; and

WHEREAS, SAIC 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 a total of \$1.5 million in tax refunds from the State of Florida under the QTI Program, representing \$5,000 per job; and

WHEREAS, in order for SAIC 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 SAIC 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 a total amount of \$300,000; and

WHEREAS, SAIC estimates that this project will add approximately \$14.5 million in capital investment to the Orange County tax roll, including the addition of an 85,000 square foot building that will contain office space, lab rooms, demonstration rooms, conference rooms, a high bay area, and break rooms; and

WHEREAS, it is estimated that direct additional property taxes from this project during the course of SAIC’s eligibility for QTI tax refunds will be approximately \$1,206,151, of which \$650,380 will be paid to Orange County Government, \$496,671 will be paid to Orange County Public Schools, and \$59,100 will be paid to other taxing entities in Orange County; and

WHEREAS, this project will bring new opportunities for professors and graduate students at the University of Central Florida to collaborate with SAIC on its research activities; and

WHEREAS, alternative sites for this expansion exist in Virginia and Georgia, financial incentives are necessary to ensure that expansion of the SAIC Training and Simulation Solutions Business Unit occurs in Orange County rather than outside the state of Florida.

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 SAIC 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, \$300,000 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) appropriation by the Board in each applicable year authorizing payment of the revenues hereunder, (ii) SAIC receiving the designation as a “qualified applicant” in connection with the QTI program, and (iii) 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:

FY 2006-2007	\$ 12,500
FY 2007-2008	\$ 37,500
FY 2008-2009	\$ 62,500
FY 2009-2010	\$ 75,000
FY 2010-2011	\$ 62,500
FY 2011-2012	\$ 37,500
FY 2012-2013	\$ 12,500
Total	<u>\$300,000</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 SAIC is approved by the State of Florida for tax refunds in an amount less than the \$1.5 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 awarded to SAIC under the QTI Program.

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

ADOPTED THIS 4 15 DAY OF OCTOBER 2005.

ORANGE COUNTY, FLORIDA
By: Board of County Commissioners



 Richard T. Crotty
County Mayor

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

BY: 
Deputy Clerk

