

**INDIAN RIVER COUNTY, FLORIDA**

**M E M O R A N D U M**

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TO: Board of County Commissioners

THROUGH: John A. Titkanich, Jr. County Administrator

PREPARED BY: Chris Balter; Planning & Development Services Director

DATE: December 31, 2024

RE: **Treasure Coast Diagnostic Laboratory, Inc.'s Request for a Local Jobs Grant**

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It is requested that the information herein presented be given formal consideration by the Board of County Commissioners at its meeting of January 14<sup>th</sup>, 2025.

**EXECUTIVE SUMMARY**

The following memorandum outlines Treasure Coast Diagnostic Laboratory, Inc.'s request for a local jobs grant. This grant supports the County's economic development initiatives by providing financial incentives to businesses that create high-paying, full-time jobs within Indian River County.

Treasure Coast Diagnostic Laboratory, Inc. proposes to establish a targeted business in the County, creating seven (7) new positions, of which all meet the minimum wage requirements under the County's Local Jobs Grant Program. The company qualifies for a grant of up to \$27,000, payable in phases over a five-year period.

**DESCRIPTION AND CONDITIONS**

Established in 1996, the Local Jobs Grant Program was designed to attract targeted businesses and encourage existing businesses to expand their operations within Indian River County. The program was subsequently revised in 2000, 2006, and 2009 to adapt to changing economic conditions. To qualify, applicants must create at least five (5) new jobs with wages equal to or exceeding 75% of the County's average annual wage (\$53,863). As of this application, 75% of the County's average annual wage is \$40,397. Four (4) of the proposed positions meet this threshold, while three (3) meet or exceed 100% of the average annual wage.

## **ANALYSIS**

### **Company Overview**

Treasure Coast Diagnostic Laboratory, Inc., founded in 2023, is a leading provider of diagnostic services, performing lab tests for patients, medical offices, and individual clients. The company plans to expand its operations within Indian River County, creating seven (7) full-time positions.

### **Due Diligence**

As part of the process of evaluating Treasure Coast Diagnostic Laboratory for participation in the County's Local Jobs Grant Program, County staff and Chamber of Commerce staff conducted research on Treasure Coast Diagnostic Laboratory, Inc., its officers, and its agents. Actions taken as part of this due diligence process included:

- Obtaining and evaluating a Dun and Bradstreet credit/financial report for Treasure Coast Diagnostic Laboratory;
- Conducting a general internet search for Treasure Coast Diagnostic Laboratory and its officers using key words such as, but not limited to, "foreclosure", "lawsuit", "crime", "criminal", and "defendant";
- Checking the Florida Department of State Division of Corporations website for corporate registrations and liens;
- Searching County official records for tax liens, judgments, and pending litigation;
- Using Public Access to Court Electronic Records (PACER) to search for federal civil and federal bankruptcy actions; and
- Other searches as needed

Staff focused their due diligence research on the main sources of data readily available. Based upon that research and an evaluation by the Chamber's project review committee, Treasure Coast Diagnostic Laboratory appears to be financially acceptable and appears not to have significant legal problems among its principals and officers that might raise concerns for providing Treasure Coast Diagnostic Laboratory with public funds through the Local Jobs Grant Program. Under the jobs grant program, public funds are expended only after performance is verified (new jobs created at adequate wage levels).

### **Local Jobs Grant Eligibility Review**

- Industry Classification of Business

To qualify for the County's Local Job Grant Program, a company must be one of the county's

targeted industries. Under the County’s targeted industry list, Treasure Coast Diagnostic Laboratory, Inc. qualifies for the jobs grant program under the “Life Sciences Industry.”

➤ Job Creation Threshold

As structured, the county’s jobs grant program provides \$3,000 for each new position created that pays from 75% to 99.99% of the County’s average annual wage; \$5,000 for each new position created that pays from 100% to 149.99% of the County’s average annual wage; and \$7,000 for each new position created that pays 150% or more of the County’s average annual wage.

Currently, the County’s average annual wage is \$53,863. It is anticipated that Treasure Coast Diagnostic Laboratory will create 7 new jobs in Indian River County, and all 7 of the proposed jobs will meet the minimum job grant qualification of having wages that are above 75% of the County’s average annual wage (\$40,397.25).

Grant Calculation

The following table indicates the number of proposed jobs in each wage category, the amount of job grant associated with that wage category, and the total jobs grant amount.

Category	Qualified Jobs	Amount per Job	Total
75% of county average wage	4	\$3,000	\$12,000
100% of county average wage	3	\$5,000	\$15,000
150% of county average wage	N/A	N/A	N/A
<b>Sub-Total Grant Amount</b>			<b>\$27,000</b>

Jobs Grant Agreement

If the Economic Development Council recommends that the Board of County Commissioners approve Treasure Coast Diagnostic Laboratory, Inc.’s Local Job Grant Application, staff will prepare a local job grant agreement to be executed between the County and Treasure Coast Diagnostic Laboratory, Inc. That agreement will stipulate various requirements, including that:

- The grant will be payable over a two-year period by phase.
- Treasure Coast Diagnostic Laboratory, Inc. will provide copies of its quarterly reemployment compensation reports (RT – 6 forms) to the County so that the County can verify that the number of jobs claimed for each local job grant payment level is being provided.

- Treasure Coast Diagnostic Laboratory Inc. will supply documentation to the County showing that employees reside within the County or in adjacent counties.

The agreement will also include automatic termination provisions that are dependent upon performance (or lack thereof) by Treasure Coast Diagnostic Laboratory, Inc. Under those provisions, automatic termination will occur either on the date the County has made the last jobs grant payment or upon failure of Treasure Coast Diagnostic Laboratory Inc. to meet the minimum of 5 jobs hiring deadline or upon failure to provide quarterly reports for a period of three years.

**FUNDING & PROPOSED PAYMENT SCHEDULE**

If approved, the local jobs grant will be funded from the County’s General Fund via budget amendment in two separate County fiscal years starting in Fiscal Year (FY) 2025/26, considering all qualifications are met and sustained, as shown in the below table:

<b>Fiscal Year</b>	<b>Proposed Job Grant Payments</b>
2025/26	\$13,500
2026/27	\$13,500
<b>Total</b>	<b>\$27,000</b>

The proposed payment dates and payment amounts stated will vary, depending upon the actual performance by Treasure Coast Diagnostic Laboratory Inc. Since there may be unanticipated delays in hiring new employees, an allowance for an administratively approved extension of up to one year will be included in the jobs grant agreement. That allowance could shift grant payments out by up to one year.

**CONCLUSION**

Based on the analysis conducted, staff have determined that Treasure Coast Diagnostic Laboratory Inc. qualifies for a local job grant of up to \$27,000.00.

**ECONOMIC DEVELOPMENT COUNCIL ACTION**

At its regular meeting on November 19, 2024, the Economic Development Council voted unanimously to recommend that the Board of County Commissioners approve a local jobs grant of up to \$27,000 for Treasure Coast Diagnostic Laboratory, Inc.

## **RECOMMENDATION**

Staff and the Economic Development Council recommends that the Board of County Commissioners:

1. Approve a local job grant of up to \$27,000 for Treasure Coast Diagnostic Laboratory, Inc.
2. Authorize the Chair to sign the Jobs Grant Agreement for Treasure Coast Diagnostic Laboratory Inc. after approval of the agreement by appropriate county staff and the county attorney's office (draft agreement attached)

## **ATTACHMENTS**

1. Jobs Grant Application
2. Draft Jobs Grant Agreement