



MIAMI-DADE COMMISSION ON ETHICS AND PUBLIC TRUST


19 West Flagler Street, Suite 820 · Miami, Florida 33130

Phone: (305) 579-2594 · Facsimile: (305) 579-0273

Website: ethics.miamidade.gov

MEMORANDUM

TO: Honorable Rebeca Sosa
District 6 Commissioner

FROM: Jose Arrojo, Executive Director
Commission on Ethics 

SUBJECT: INQ 19-91, Voting Conflict – TJIF Funding for Project ESTEEL and Adult Education Training to New Hires in Partnership with Miami-Dade Public Schools, Section 2-11.1(d)

DATE: October 2, 2019

CC: All COE Legal Staff

Thank you for contacting the Miami-Dade Commission on Ethics and Public Trust and requesting our guidance regarding the following proposed transaction.

Facts:

You have advised Item No. 192299 is scheduled to be heard before the Board of County Commissioners (BCC) on Thursday, October 3, 2019. You inquire whether you would have a voting conflict of interest under Section 2-11.1(d) of the Miami-Dade Ethics Code, in voting or otherwise participating in the discussion of the item.

The item consists of a resolution approving Project ESTEEL as a Targeted Jobs Incentive Fund Program (TJIF) business and thus eligible to receive funding from Countywide General Fund Revenues for FY 22-23 through 2031-32. TJIF provides funding to businesses that make significant capital investments in the County and create new jobs. Project ESTEEL is a micro steel and rolling mill company that plans to operate in South Dade.

While not readily apparent in the materials accompanying the agenda item, you have advised that Miami-Dade County Public Schools (MDCPS) has partnered with Project ESTEEL to provide training to prospective hires through its adult and technical education program.

Discussion:

You are employed as a Curriculum/Program Facilitator at Lindsey Hopkins Technical Center, an adult educational facility located in Allapattah, which is part of Miami-Dade County Public Schools (MDCPS).

In the past, the Commission on Ethics has opined that your employment with MDCPS does not create an automatic voting or participation conflict for you on BCC items affecting that government agency. The issue of a voting conflict on such matters is more narrowly described as whether you might, directly or indirectly, profit or be enhanced by the item in question. Our review of Item No. 192299 did not present any likelihood that you would, personally or professionally, be affected in any way by the item.

More specifically, your position with the public schools at an adult educational facility would not be affected by the adoption of this resolution which seeks to provide funding to a micro steel plant – that in turn has agreed to partner to MDCPS to provide job training to some of its hires. While MDCPS may benefit, any possible or potential benefit to you personally or professionally, is at best, very remote and it cannot be said that you would profit or be enhanced personally in any way in the event this resolution is passed.

Opinion:

Under the details provided to me concerning this proposal to approve Project ESTEEL as a Targeted Jobs Incentive Fund Program (TJIF) business eligible to receive funding from Countywide General Fund Revenues for FY 22-23 through 2031-32, I do not believe that you will profit or be enhanced, and therefore, I do not believe that you are prohibited under Section 2-11.1(d) from participating or voting on this item.

This opinion is limited to the facts as you presented them to the Commission on Ethics and is limited to an interpretation of the County Ethics Code only and is not intended to interpret state laws. Questions regarding state ethics laws should be addressed to the Florida Commission on Ethics.

INQs are informal ethics opinions provided by the legal staff after being reviewed and approved by the Executive Director. INQs deal with opinions previously addressed in public session by the Ethics Commission or within the plain meaning of the County Ethics Code. RQOs are opinions provided by the Miami-Dade Commission on Ethics and Public Trust when the subject matter is of great public importance or where there is insufficient precedent. While these are informal opinions, covered parties that act contrary to the opinion may be referred to the Advocate for preliminary review or investigation and may be subject to a formal Complaint filed with the Commission on Ethics and Public Trust.

Arrojo, Jose (COE)

From: Fernandez, Alejandro J. (DIST6)
Sent: Wednesday, October 2, 2019 11:17 AM
To: Arrojo, Jose (COE)
Cc: Aguirre, Betty (DIST6); Castro, Vivian (DIST6)
Subject: Conflict of Interest Opinion for Project ESTEEL (items 192299 & 192301)
Attachments: 192299.pdf; 192301.pdf

Good morning, Mr. Arrojo:

I write to you on behalf of Vice Chairwoman Rebeca Sosa regarding legistar items 192299 & 192301 which appear on the agenda for tomorrow's Board of County Commissioners meeting. I apologize for requesting this opinion at such short notice, however, it has just been brought to our attention that ESTEEL has partnered with Miami-Dade County Public Schools (as a result of its existing Adult/Technical Educational Program) to help meet the training needs of ESTEEL's prospective new hires.

In anticipation of the consideration of these two items at tomorrow's BCC, we would appreciate your opinion as to whether or not a voting conflict would exist. For your convenience, it have attached the two items to this email. As always we appreciate your assistance.

Thank you,
Alex

ALEX J. FERNÁNDEZ
Senior Communications Aide & Legislative Assistant
Commissioner Rebeca Sosa, District 6
Miami-Dade County
111 NW 1st Street, Suite 220
Miami, Florida 33128
305.375.5696
alejandro@miamidade.gov

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ALEX J. FERNÁNDEZ
Senior Communications Aide & Legislative Assistant
Commissioner Rebeca Sosa, District 6
Miami-Dade County
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MEMORANDUM

Agenda Item No. 3(B)(2)

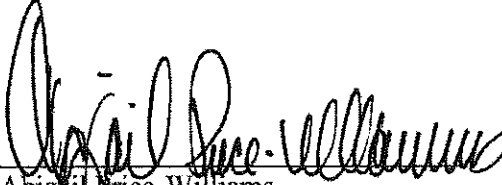
TO: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

DATE: October 3, 2019

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution approving Project ESTEEL as a Targeted Jobs Incentive Fund Program business pursuant to Chapter 2, Article LXXXVI of the Code; confirming that the commitment of incentive awards for Project ESTEEL exists; providing an appropriation of up to \$4,892,000.00 from Countywide General Fund revenues for Fiscal Years 2022-23 through 2031-32; authorizing the County Mayor to make non-substantive modifications or to modify the job creation and disbursement dates timeline, and to execute all contracts, agreements and amendments, and providing for an effective date

The accompanying resolution was prepared by the Regulatory and Economic Resources Department and placed on the agenda at the request of Prime Sponsor Commissioner Dennis C. Moss.


Abigail Price-Williams
County Attorney

APW/uw

Memorandum



Date: October 3, 2019

To: Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

From: Jack Esternhot
Deputy Mayor

Subject: Resolution Approving Targeted Jobs Incentive Fund Tax Refund for Project ESTEEL

Recommendation

The Beacon Council, on behalf of Project ESTEEL, has submitted an application for economic development incentives under the County's Targeted Jobs Incentive Fund (TJIF) Program, Article LXXXVI of the Miami-Dade County Code. It is recommended that the Board of County Commissioners (Board) approve the request for Project ESTEEL to participate in the TJIF Program. It is also recommended that the Board make available \$4,892,000.00 in TJIF assistance from Countywide General Fund Revenues.

Scope

Project ESTEEL is a steel micro and rolling mill company seeking to develop a new facility in Miami-Dade County. The proposed development will be located near Southwest 127th Avenue and Saint Nazaire (Folio Number 30-7901-000-120). The company is committing to create 180 new manufacturing full-time equivalent jobs, as defined in Florida Statute Section 288.106, in Commission District 9, which is represented by Commissioner Dennis C. Moss. The jobs will have a positive Countywide impact through indirect employment and an economic multiplier effect.

Fiscal Impact/Funding Source

Based on a total capital investment of \$224,000,000.00 as stated in the attached application, Project ESTEEL is projected to generate \$7,211,279.00, over a ten-year period, in incremental property tax revenues to the Countywide General Fund. As a result, the business is eligible to receive \$4,892,000.00 in TJIF assistance, to be paid over a ten-year period. The business has also applied for a Qualified Target Industry Refund (QTI) incentive award, as a separate agenda item, in the amount of \$540,000.00, of which \$432,000.00 would be provided by the State and \$108,000 is the local match to be provided by the County. If approved, the County will provide a total of \$5,000,000.00 in economic incentives to this business. The Beacon Council projects that the County will realize a positive fiscal impact of \$2,211,279.00 over the 10-year period of the TJIF award.

The actual disbursement of the TJIF Program award is contingent upon verifying creation of the new jobs and the capital investment appearing on the tax roll. The TJIF Program award may equal up to 2.140 percent of the total real property capital investment and 1.440 percent of the tangible personal property capital investment to remain in compliance with the TJIF Program. Disbursements of the TJIF Program award is capped to not exceed the amount of incremental Countywide General Fund revenues the County generates by the capital investment.

Honorable Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners
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Track Record/Monitor

The TJIF Program specifies that a Board approved TJIF Program project must create at least 10 new jobs, retain those jobs in accordance with the program's criteria, and make a significant capital investment to receive the incentive. Project ESTEEL is promising to make a capital investment of \$224,000,000.00 and create 180 new manufacturing jobs.

Upon the company's request for incentive payment, staff from the Research and Planning Section for the Department of Regulatory and Economic Resources will verify that it has met the required number of new jobs created, at the required wage rate and in accordance with the TJIF Program agreement. Staff will also confirm that the ad valorem and/or the tangible personal property taxes are sufficient to cover the TJIF Program payment

Background

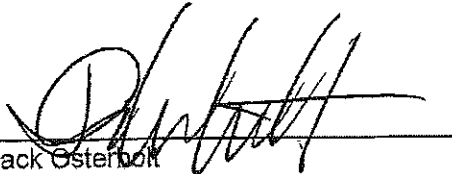
Project ESTEEL is planning to purchase land to construct a new national headquarters for their steel micro and rolling mill facility consisting of 400,000 square feet (North American Industry Classification System Code #331210 and #331110). The company will use over 98 percent recycled scrap material collected by local scrap metal yards, obtained by discarded automobiles and indoor appliances, to manufacture construction steel rebar, merchant bars and wire rods. The company plans to commence construction during FY 2020. Alternative locations include Utah and Navajo Reservation Tribal Lands New Mexico.

As a condition of the TJIF award, Project ESTEEL agrees that the 180 new workers hired will have an average annual salary of \$48,750.00 (excluding benefits) and all employees earn at least the County's Living Wage Rate as defined in Section 2-8.9 of the Code of Miami-Dade County, as adjusted annually by the Internal Services Department, Small Business Development Division or its successor department.

The anticipated dates for job creation and incentive award disbursements are set forth in the resolution, but are subject to change upon the approval of the County Mayor or the County Mayor's designee so long as they remain consistent with the TJIF Program.

The attached documents relating to the application of the incentive have been prepared by The Beacon Council and reviewed by the Department of Regulatory and Economic Resources.

Attachment



Jack Osterholt
Deputy Mayor

