



LEGISLATIVE MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Scott Morgan, Interim City Manager

THRU: Joan Junkala-Brown, Deputy City Manager

DATE: April 3, 2025

RE: Consideration of accepting the 2024 Annual Reports from L3Harris Technologies Inc., Project LEO, Project SAMT, and Rogue Valley Microdevices, Inc. for the City's Ad Valorem Tax Abatement Program.

SUMMARY:

Palm Bay City Council adopted Resolution 98-55 approving an economic development Ad Valorem Tax (AVT) Exemption Program of the City. The Program was subsequently approved for another 10 years by the residents of Palm Bay by a referendum vote at the Regular Municipal Election held on November 6, 2018, authorizing the City to grant economic development ad valorem tax exemptions to eligible new and expanding businesses in Palm Bay.

In order to qualify for their approved AVT abatement, the company shall submit to the City an annual report relating to the company's performance to receive their approved abatement of ad valorem taxes for the prior year's property taxes. The City shall review and confirm compliance and submit such to Brevard County Property Appraiser's Office prior to March 31st of each year.

L3Harris Technologies, Inc.

On December 15, 2011, City Council adopted Ordinance 2011-67 granting L3Harris (formerly Harris Corp) an economic development AVT Abatement of 100 percent for a period of 10 years; however, the base year (completion of construction and acquisition of tangible personal property) of the abatement was 2016. The 10-year abatement will extend through the 2025 property tax year. Per the Ordinance, L3Harris shall submit to the City an annual report providing evidence of continued compliance with the definition of an existing business planning to expand, per Section 196.012, Florida Statutes.

The 2024 Annual Report for L3Harris indicates a slight decrease in the company's total local employment since the 2023 Annual Report. The Report also notes total sales in Florida at \$1,904,216,526 and across the globe at \$5,313,661,466 from this facility in 2024. The estimated taxable value lost to the City for improvements to real property and personal property is

\$68,065,550 and \$5,383,500, respectively. On March 05, 2025, the Brevard County Property Appraiser certified that the estimated revenue which will be lost to the City during the current fiscal year is \$494,766.90.

Project LEO

On July 20, 2023, City Council adopted Ordinance 2023-53 granting to L3Harris Technologies Inc. an economic development AVT Abatement for a period of ten (10) years on a sliding scale, beginning at 100 percent for the first five (5) years and decreasing thereafter. Per the Ordinance, Project LEO shall submit to the City an annual report providing evidence of continued compliance with the definition of an existing business planning to expand, per Section 196.012, Florida Statutes. The abatement would take effect upon completion of construction and acquisition of tangible personal property.

On March 05, 2025, the Brevard County Property Appraiser certified that the estimated revenue which will be lost to the City during the current fiscal year is zero.

Project SAMT

On July 20, 2023, City Council adopted Ordinance 2023-54 granting to L3Harris Technologies Inc. an economic development AVT Abatement for a period of ten (10) years on a sliding scale, beginning at 100 percent for the first five (5) years and decreasing thereafter. Per the Ordinance, Project SAMT shall submit to the City an annual report providing evidence of continued compliance with the definition of an existing business planning to expand, per Section 196.012, Florida Statutes. The abatement would take effect upon completion of construction and acquisition of tangible personal property.

On March 05, 2025, the Brevard County Property Appraiser certified that the estimated revenue which will be lost to the City during the current fiscal year is zero.

Rogue Valley Microdevices, Inc.

On March 2, 2023, City Council adopted Ordinance 2023-04 granting to Rogue Valley Microdevices, Inc. an economic development AVT Abatement for a period of seven (7) years on a sliding scale, beginning at 70 percent for the first four (4) years and decreasing thereafter. Per the Ordinance, Rogue Valley Microdevices, Inc. shall submit to the City an annual report providing evidence of continued compliance with the definition of an existing business planning to expand, per Section 196.012, Florida Statutes. The abatement would take effect upon completion of construction and acquisition of tangible personal property.

On March 06, 2025, the Brevard County Property Appraiser certified that the estimated revenue which will be lost to the City during the current fiscal year is zero.

REQUESTING DEPARTMENT:

Community & Economic Development

FISCAL IMPACT:

The City is expected to realize a loss of \$494,766.90 in ad valorem tax revenue for the Fiscal Year 2024.

STAFF RECOMMENDATION:

Motion to accept the 2024 Annual Reports for the City's Ad Valorem Tax Abatement Program from L3Harris Technologies Inc., Project LEO, Project SAMT, and Rogue Valley Microdevices Inc. as certified by the Brevard County Property Appraiser.

ATTACHMENTS:

1. 2024 AVT Annual Report for L3Harris Technologies, Inc.
2. 2024 AVT Annual Report for L3Harris Technologies, Inc. - Project LEO
3. 2024 AVT Annual Report for L3Harris Technologies, Inc. - Project SAMT
4. 2024 AVT Annual Report for Rogue Valley Microdevices, Inc.