

Frequently Asked Questions About EDATE and How It Creates Jobs In Okaloosa County

"What is EDATE?"

EDATE is an acronym for Economic Development Ad valorem Tax Exemption. It is an economic development tool that Okaloosa County has successfully used to assist existing businesses with expansion and as an inducement for attracting new, higher paying jobs to the community. EDATE was created by the Florida Legislature for use by local governments, provided that a simple majority of voters approve or reauthorize the program every 10 years through a local referendum.

"What is the purpose of EDATE?"

EDATE helps diversify the county's business base by encouraging businesses to create higher-wage jobs as they locate or expand in Okaloosa County. By providing a temporary exemption on real and tangible personal property, EDATE allows the County to effectively partner with businesses in their growth.

"How does EDATE work?"

EDATE allows Okaloosa County to exempt up to 100% of a company's County property tax for up to 10 years as an incentive to build or expand a facility and create quality jobs for our citizens. Only new facilities, facility improvements and new equipment purchases supporting new jobs (and resulting in new taxable value) are eligible for exemption consideration.

"Is this a new program?"

No, the program was initially approved by Okaloosa County voters in 1981. Florida law requires that the program go before the voters every 10 years. Okaloosa County voters have approved the program three subsequent times – in 1992, 2004 and 2014.

"What determines how much incentive is offered to a company to move or expand here?"

Several items get factored into determining incentive awards, including:

- The amount the company will invest in building new facilities or improving existing facilities.
- The amount the company will spend on new equipment and machinery.
- The number of new jobs that will be created.
- The wages associated with the new positions. (Only businesses paying at least 110% of the county's average wage qualify for EDATE; currently, the average wage in Okaloosa County is \$55,830.)

“How often has the EDATE incentive been used and has it been successful?”

Okaloosa County has been very judicious in utilizing this incentive. The Board of County Commissioners has approved 12 EDATE applications during the 2014-2024 timeframe. Some of the companies who have received temporary EDATE exemptions in the current cycle include Allegiant, Beast Code, Boeing, Fort Walton Machining, GS Gelato and Gulf Air Group. According to the University of West Florida Haas Center, EDATE has helped facilitate **317 direct and indirect jobs** resulting in an additional **\$19.1 million in local payroll** over the past 10 years while providing a **663% Return on Investment** to Okaloosa County.

"Can existing businesses take advantage of this opportunity?"

Yes, provided that an existing employer meets the statutorily-defined job creation requirements.

"What taxes are eligible for exemption?"

Only the portion of the local property tax bill that pertains to Okaloosa County's millage is eligible for exemption consideration. EDATE does not exempt taxes associated with education, fire districts or water districts. The business will still be required to pay those taxes with no adjustments.

"What happens if the company doesn't create the jobs?"

EDATE is a **performance-based** incentive, meaning that the company must create the jobs that they committed to create based upon the agreed upon schedule before they receive the approved exemption. EDATE awardees go through an extensive annual compliance reporting process involving One Okaloosa EDC and Okaloosa County Property Appraiser's Office. If the compliance process reveals that the company didn't create the jobs, they don't receive the benefit of an exemption for the year in question.

"What will happen if voters did not renew the EDATE program?"

Our neighboring counties in Northwest Florida including Escambia, Santa Rosa, Walton and Bay have this incentive in place. Without this tool, Okaloosa County would be at a significant competitive disadvantage in our efforts to attract high-paying employers to the area. Likewise, we would be unable to effectively assist local companies with their expansion, which could result in them opting to relocate to communities with more robust economic programs.

"Who's is in favor of the EDATE program?"

Okaloosa County's business support organizations including the **Crestview Area Chamber of Commerce**, the **Destin Area Chamber of Commerce**, the **Greater Fort Walton Beach Chamber of Commerce**, the **Niceville-Valparaiso Chamber of Commerce**, the **Building Industry Association of Okaloosa and Walton Counties**, the **Emerald Coast Association of Realtors**, and **One Okaloosa Economic Development Council** have all endorsed the program.