

Maker of Ryobi, Milwaukee tools chooses Fort Lauderdale for new U.S. headquarters

By MARCIA HEROUX POUNDS, SOUTH FLORIDA SUN SENTINEL, MAY 07, 2019

Techtronic Industries, maker of tool and appliance brands including Ryobi and Milwaukee power tools, and Hoover, Oreck and Dirt Devil vacuum cleaners, is moving its U.S. headquarters to Fort Lauderdale.

Techtronic Industries — the maker of many tools and popular appliance brands — is moving its U.S. headquarters to Fort Lauderdale, which business development officials say is another corporate headquarters win for the region.

The Hong Kong-based company is behind brands such as Ryobi and Milwaukee power tools, as well as Hoover, Oreck and Dirt Devil vacuum cleaners.



The company, which employs more than 20,000 worldwide, has leased offices at 450 E. Las Olas Blvd. and plans to create 75 jobs, according to the Greater Fort Lauderdale Alliance, the county's economic development group. Techtronic, which was previously based outside Baltimore, is moving some top executives to Fort Lauderdale and hiring for finance, human resources, audit, legal and other professional jobs.

Techtronic's biggest customer is Home Depot. The company also makes and sells brands including Vax, AEG, Stiletto, HomeLite and Empire.

Kristine Zenkewicz, assistant general counsel for Techtronic Industries North America, said the Fort Lauderdale office will be a corporate one overseeing U. S. operations. The global company has more than 40 locations around the world including the U.S., Canada, Asia, Europe and South America.

"We thought Fort Lauderdale would be a fabulous place to host clients, investors and team members," she said.

Techtronic is a "powerhouse group of companies," said Bob Swindell, president and CEO of the Greater Fort Lauderdale Alliance. He said attracting a corporate headquarters is

"incredibly important" to Broward because it brings high-paying jobs and tends to invest in the community.

Swindell said Broward County was competing with Miami and New England to attract the headquarters. One factor was hangar space for the company's corporate aircraft, which it secured at the Fort Lauderdale Executive Airport. The company's top executives frequently travel overseas, he said.

The company is renovating and will be moving into the 15th floor of 450 E. Las Olas Blvd., the same building where the late entrepreneur H. Wayne Huizenga once had his office.

In November, state and local government incentive awards totaling \$210,000 were approved for the company, if it meets job and investment requirements. In October, the Fort Lauderdale Commission agreed to provide tax refunds of \$7,000 per job for at least 30 jobs with average annual salaries of \$97,374, according to a memo from City Manager Lee Feldman.

The incentives were awarded to help ensure the company relocation wouldn't be lost to New England, where Techtronic has its current U.S. headquarters, or Miami, according to the memo.

Techtronic was founded in 1985 by Horst Julius Pudwill and Roy Chi Ping Chung with the goal of building a portfolio of globally recognized brands, according to the company's site. It opened its first factory in 1988 in Dongguan, China.

Based in Hong Kong, Techtronic reported 2018 revenue of more than \$7 billion, up from \$6 billion a year earlier. The CEO is Joseph Galli Jr., who is renting while he builds a home in the Fort Lauderdale area, according to Zenkewicz.

The company is listed on the Hong Kong Stock Exchange. Techtronic's stock also is traded in the U.S. over-the-counter market, where it has a 52-week stock price range of \$22.52 to \$38.72 a share.



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#18-1119

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: October 23, 2018

TITLE: Resolution Authorizing Qualified Target Industry Tax Refund Incentive for
Project Momentum

Recommendation

It is recommended that the City Commission adopt a resolution approving Project Momentum for the City's Local Match Program in support of a Florida Qualified Target Industry (QTI) company pursuant to Section 288.106, Florida Statutes, and providing funds are available as local financial support through the QTI program.

Background

Project Momentum is a leading developer and manufacturer of both residential and industrial products. The company is a market leader and the US headquarters is presently in New England now planning to relocate in Fort Lauderdale.

The establishment of a Fort Lauderdale Corporate Headquarters, average wage at 200% of County average, industry classification, and number of net new jobs being created qualifies Momentum for \$7,000 per net new job, which includes \$5000 per job for the QTI, plus \$2000 per job for the High Impact Performance Incentive (HIPI) Grant bonus. Project Momentum is a joint effort between the State of Florida, the Greater Fort Lauderdale Alliance, and the City of Fort Lauderdale. The total QTI incentive award will not exceed \$210,000, of which the State of Florida would provide 80% (\$168,000) and the City of Fort Lauderdale would provide 20% (\$42,000). The award will be paid annually, in amounts not to exceed the values depicted in Exhibit 1. The City's share of the QTI award in the first year (FY2019/20) is estimated to be \$10,500.00.

Highlights of the incentive award:

- Project Momentum will create 30 new, high-skill, and high-wage jobs with an average annual wage of \$97,374, which is 200% of the private sector average wage in Broward County.
- Secures a conservatively estimated capital investment of \$900,000 for tenant improvements and the purchase of office equipment.
- Ensures the project would not be lost to a competitor state or country, namely the New England area and Miami.

- Demonstrates that the City of Ft Lauderdale and the State of Florida are committed to facilitating employment opportunities within new and existing industries.
- Project Momentum will further enhance the City of Ft Lauderdale's reputation as a desirable destination for Headquarter locations of national and global reach.

Resource Impact

There is no budgetary impact for this Fiscal Year associated with this action. Funding for Fiscal Year 2019/20 through Fiscal Year 2022/23 is subject to approval and appropriation of the annual operating budget.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Business Development Cylinder of Excellence, specifically advancing:

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, port, and rail connections.
- Objective 1: Define, cultivate, and attract targeted and emerging industries.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We are Prosperous*.

Attachments

Exhibit 1 – Projected Funding Analysis

Exhibit 2 – Resolution

Prepared by: Michael Chen, Economic & Business Development Manager, Department of Sustainable Development

Department Director: Anthony Greg Fajardo, Sustainable Development

QTI / HIPI Local Match Tracking Analysis - Active/Pending Programs

City Reso Date	12/18/2012	4/2/2013	9/17/2013	11/18/2014	11/4/2014	5/19/2015	7/12/2016	2/2/2016	7/12/2016
QTI Number	13-000217	13-00435	13-00597	14-00335	15-00109	15-00172	16-00830	16-00408	16-00690
Code Name	Orange	Vandalay	Repel	Compact	Bamboo	Avery	Washington	Sego	Delta
Company Name	CITRIX	Autonation	Akamai Tech	Charter Sch	SATO Global	Uniform Adv	Matrix Mgmt	CHG Holdings	Content Critical
Local Address	Cypress Crk	SW 1st St	Las Olas Blvd	Corporate Dr	SE 6th St	NE 3rd Ave	TBD	N Federal Hy	Sunrise Blvd
District	Dist 1	Dist 4	Dist 4	Dist 1	Dist 4	Dist 4	TBD	Dist 1	TBD
Capital Invest (\$M)	\$7.5	\$1.8	\$3.0	\$1.3	\$4.2	\$7.5	\$0.1	\$3.9	\$2.2
Jobs Created	200	56	118	73	35	50	60	150	15
Wtd Avg Wage	\$84,678	\$50,000	\$95,000	\$62,250	\$87,798	\$51,266	\$52,938	\$51,266	\$52,938
Tot Wage Value	\$16,935,600	\$2,800,000	\$11,210,000	\$4,544,250	\$3,072,930	\$2,563,300	\$3,176,280	\$7,689,900	\$794,070
2012-2013									
2013-2014	\$17,500								
2014-2015	\$35,000	\$18,400							
2015-2016	\$70,000	\$20,400	\$10,640						
2016-2017	\$70,000	\$22,400	\$21,840	\$6,000	\$12,250				
2017-2018	\$52,500	\$22,400	\$33,040	\$9,750	\$12,250	\$2,500	\$3,000		
2018-2019	\$35,000	\$4,000	\$33,040	\$13,750	\$12,250	\$6,250	\$6,000	\$1,500	\$1,500
2019-2020		\$2,000	\$33,040	\$18,250	\$12,250	\$12,500	\$9,000	\$4,500	\$1,800
2020-2021			\$22,400	\$12,250		\$12,500	\$9,000	\$9,000	\$2,250
2021-2022			\$11,200	\$8,500		\$10,000	\$6,000	\$15,750	\$2,250
2022-2023				\$4,500		\$6,250	\$3,000	\$21,000	\$750
2023-2024								\$18,000	\$450
2024-2025								\$13,500	
2025-2026								\$6,750	
2026-2027									
2027-2028									
COMPANY TOT	\$280,000	\$89,600	\$165,200	\$73,000	\$49,000	\$50,000	\$36,000	\$90,000	\$9,000
Avg Incentive/Job	\$1,400.00	\$1,600.00	\$1,400.00	\$1,000.00	\$1,400.00	\$1,000.00	\$600.00	\$600.00	\$600.00
City Reso Date	1/5/2016	4/4/2017	5/2/2017	5/16/2017	11/7/2017	2/6/2018	10/23/2018		
QTI Number	16-00370	17-00102	Pending DEO	Pending DEO	Pending DEO	Pending DEO	Pending DEO		
Code Name	Blythe	Vista	Pierce	Ace	Iron	Mulligan	Momentum		
Company Name	Hotwire Comm	Sixt	Motus Gl	Kemet	AutoNation				
Local Address	Cypress Crk	NW 49th St	Broward Blvd	Broward Blvd					
District	Dist 1	Dist 1	Dist 2	Dist 2	Dist 4	Dist 1	Dist 1 / 4		
Capital Invest (\$M)	\$27.0	\$10.4	\$1.1	\$3.1	\$12.0	\$0.1	\$0.9		\$86.1
Jobs Created	375	300	50	100	75	100	30		1,787
Wtd Avg Wage	\$51,266	\$69,050	\$95,718	\$71,789	\$55,038	\$95,718	\$97,374		\$67,886
Tot Wage Value	\$19,224,750	\$20,715,000	\$4,785,900	\$7,178,900	\$4,127,850	\$9,571,800	\$2,921,220		\$121,311,750
2012-2013									\$0
2013-2014									\$17,500
2014-2015									\$53,400
2015-2016									\$101,040
2016-2017									\$132,490
2017-2018	\$11,250								\$146,690
2018-2019	\$30,000	\$9,750	\$2,500		\$10,000				\$165,540
2019-2020	\$48,750	\$21,750	\$6,250	\$9,750	\$16,250	\$5,000	\$10,500		\$211,590
2020-2021	\$68,750	\$37,000	\$12,500	\$10,950	\$18,750	\$15,000	\$10,500		\$240,850
2021-2022	\$82,500	\$55,750	\$12,500	\$15,000	\$18,750	\$25,000	\$10,500		\$273,700
2022-2023	\$63,750	\$65,250	\$10,000	\$15,000	\$8,750	\$25,000	\$10,500		\$233,750
2023-2024	\$45,000	\$53,250	\$6,250	\$5,250	\$2,500	\$20,000			\$150,700
2024-2025	\$25,000	\$38,000		\$4,050		\$10,000			\$90,550
2025-2026		\$19,250							\$26,000
2026-2027									\$0
2027-2028									\$0
COMPANY TOT	\$375,000	\$300,000	\$50,000	\$60,000	\$75,000	\$100,000	\$42,000	\$0	\$1,843,800
Avg Incentive/Job	\$1,000.00	\$1,000.00	\$1,000.00	\$600.00	\$1,000.00	\$1,000.00	\$1,400.00	#DIV/0!	\$1,031.79

http://www.floridajobs.org/business/DEO_EDP_PROD.htm

