



**Okeechobee County  
Board of County Commissioners**

304 NW 2nd Street  
Okeechobee, FL 34972

Department: Administration  
Category: General Business  
Prepared By: Robbie Chartier  
Initiator: Robbie Chartier

**SCHEDULED  
ACTION ITEM (ID # 2471)**

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**SUBJECT:** PROPOSAL TO FLORIDA POWER & LIGHT (FPL) REGARDING NATURAL GAS POWER PLANT

**MEETING:** Regular Session July 24, 2014

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**FINANCIAL IMPACT:**

to be determined

Funding for Impact Fees from funds received for Economic Development from Waste Management

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**REQUESTED ACTION:**

That the Board of County Commissioners discuss and approve to offer Florida Power & Light for locating a Natural Gas Power Plant in the northeastern corner of Okeechobee County, an Ad Valorem Tax Exemption percentage for 10 years, Payment of Impact Fee related to the project on behalf of FPL, relocation of an Enterprise Zone boundary for State tax credits and consideration of an Industrial overlay for compatible Industrial activity.

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**BACKGROUND:**

Okeechobee County advocates that this power plant would be a tremendous economic benefit to the Okeechobee community, from the 300 plus jobs created during construction to the reduced tax burden on the citizens by reductions in millage rates for both Okeechobee County School Board and Okeechobee County BOCC.

FPL's customers in the southeast would see a reduction in transmission losses.

Okeechobee County supports a solid partner like FPL and encourages and advocates for FPL to locate their next natural gas power plant in Okeechobee County. To that end, the Board will need to finalize their proposal to FPL for presentation on July 25th. John Rhodes, with Moran, Stahl and Boyer, with will be available to guide the Board's discussion.

- **IRSC:** a commitment letter about modifying the Power Plant Training
- **School Board Millage Rate:** they are seeking to reduce the millage rate where they can while complying with state requirements.
- **Water Usage:** Working to understand what actions/investigations FPL has to do, to date. Also, determining types of groundwater will they be drawing from for make-up cooling and process water.

A final presentation will be updated prior to the July 24<sup>th</sup> meeting. Below are the areas the presentation will address:

## Items for Board consideration:

1. **Ad Valorem Taxes for County Portion:** County should consider the 20-year depreciated value of the property with an initial valuation of 20% of total that is ramped up by 8%/year on total value for ten years; year 11 would be 100%. This is not the maximum exemption the Board is allowed to offer. The County should show how the impact will adjust millage rates over the ten years and potentially reduce ad valorem taxes to the current tax payers. This exemption is available only if the Referendum passes in November.
2. **Impact Fees:** County should consider a one-time, project-related impact fee payment on behalf of FPL for the power plant project so as not to impact other development projects. This could be funded from the one time funds received from Waste Management in lieu of property and set-aside for Economic Development type projects. If there are 100,000 square feet of the project that the county considers buildings subject to the impact fee, that would be an impact fee of \$100,700 if defined as institutional or \$70,200 if defined as industrial.
3. **Planning for an Industrial Site:** consider establishing a 1,000 acre site near the proposed power plant for compatible industrial activity. We can offer that intention as a long-term strategy and see how FPL responds.
4. **Enterprise Zone:** establish an enterprise zone on the 2,800 acre site to be situated where the power plant will be located to make available Enterprise Zone tax credits.

Letters of support have been received as well from other governmental agencies, which will also be included.

Staff recommends the BOCC discuss and make a determination on the items for consideration, to be offered to Florida Power & Light for locating a Natural Gas Power Plant in the northeastern corner of Okeechobee County.

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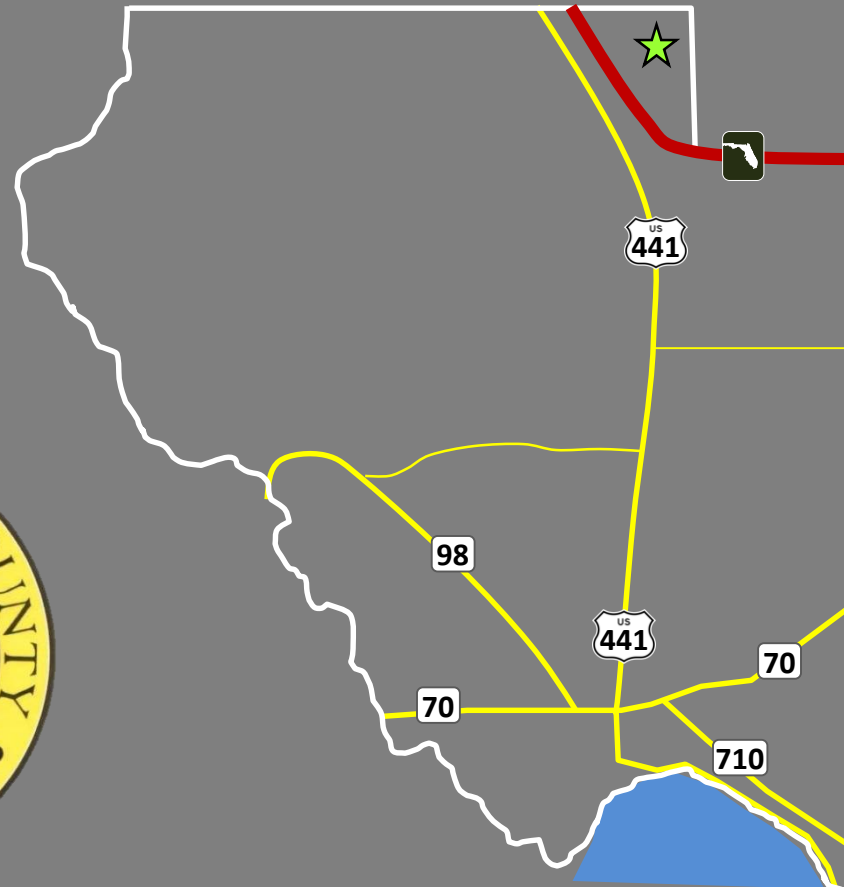
**ATTACHMENTS:**

- Presentation for Okeechobee County-July 2014 FPL (PDF)

## DISCUSSION ON OKEECHOBEE COUNTY AS HOST FOR A COMBUSTION TURBINE/COMBINED CYCLE POWER PLANT

### PRESENTATION TO COMMUNITY STAKEHOLDERS

JULY 9, 2014



# DISCUSSION TOPICS



- Project Description . . . Based on What is Known
- Gas Turbine Combined Cycle Power Plant
- Community Assets for Attracting Power Plant
- Impact on Tax Base
- What We Can Do to Win the Project . . .



# PROJECT DESCRIPTION . . . BASED ON WHAT IS KNOWN

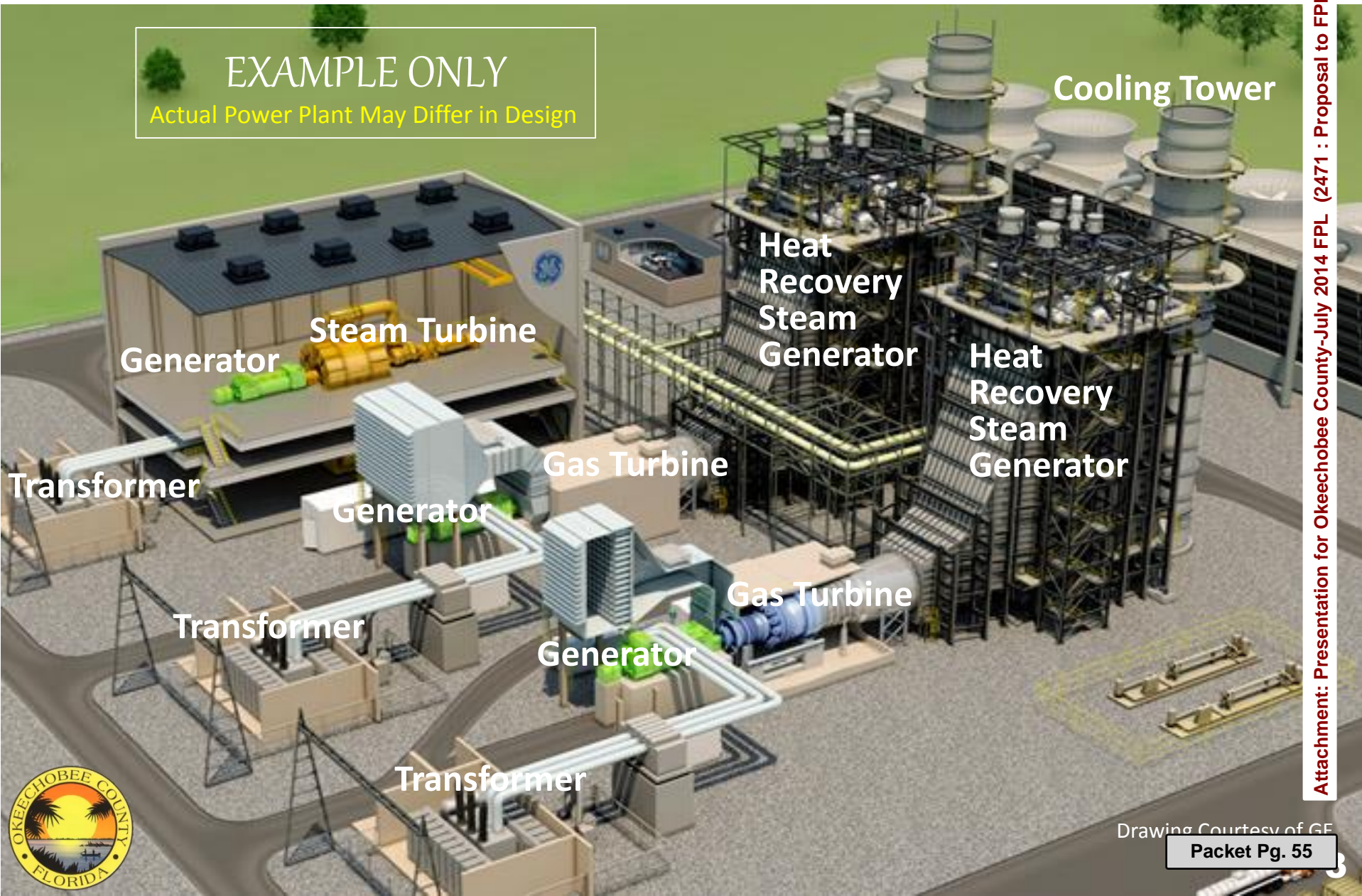
- ☑ FPL is seeking to construct another natural gas-fired power plant with combined cycle capability.
- ☑ They are currently considering sites that they own in both Okeechobee and Putnam (near Palatka) Counties.
- ☑ FPL owns a 2,800-acre site in northeast Okeechobee County, of which, 100 acres would be utilized.
- ☑ The project is scheduled to begin construction in 2017 and be on-line sometime in 2019.
- ☑ Estimated cost of the project is ~\$1 billion with significant tax revenue potential.
- ☑ The project would require ~300 construction workers for the two years and ~40 good-paying permanent jobs to operate the facility.





# GAS TURBINE COMBINED CYCLE POWER PLANT

EXAMPLE ONLY  
Actual Power Plant May Differ in Design



Attachment: Presentation for Okeechobee County-July 2014 FPL (2471 : Proposal to FPL



Drawing Courtesy of GE

# SOLAR PHOTOVOLTAIC (PV) FARM

## Desoto County Farm

- 90,000 solar panels
- 235 acres
- Generates 25 MW of Power

Options to expand to 300 MW





# COMMUNITY ASSETS FOR ATTRACTING POWER PLANT

4.3.b.a

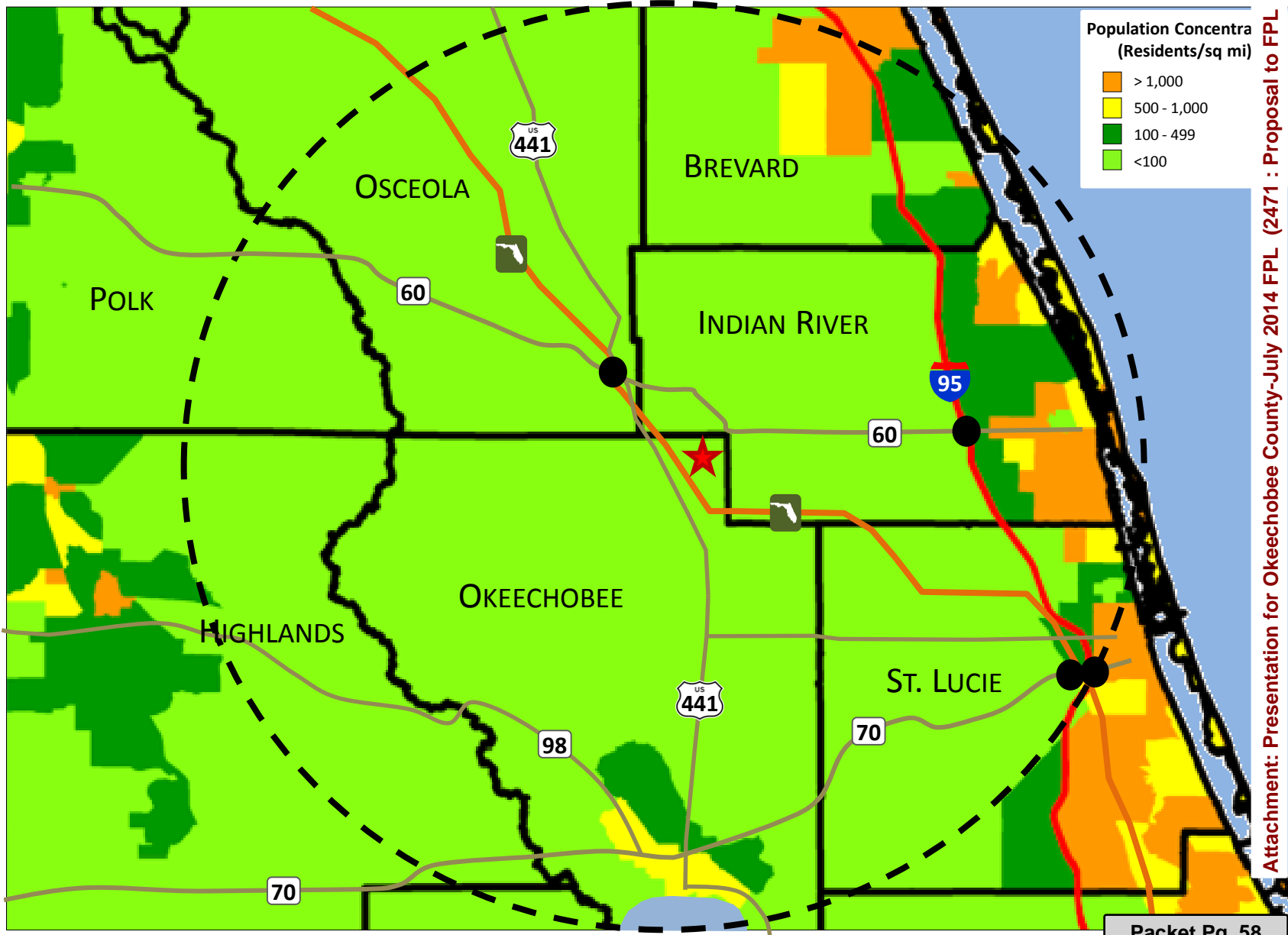
- ☑ Experienced labor force in region (three power plants already located in the region in Indian River, St. Lucie and Martin Counties).
- ☑ IRSC Power Plant Institute has national recognition for its excellence and partnerships with FPL and IBEW.
- ☑ Access to transmission lines and planned new gas pipeline.
- ☑ Transportation to site via. US 441/SR 60 and interstate access.
- ☑ Close proximity to major customer base (reduced cost of power transmission).
- ☑ Access to water for process (steam) and cooling . . . actual capacities will need to be tested.

Attachment: Presentation for Okeechobee County-July 2014 FPL (2471 : Proposal to FPL



# LABOR AND TRANSPORTATION RESOURCES

4.3.b.a



Attachment: Presentation for Okeechobee County-July 2014 FPL (2471 : Proposal to FPL



# INDIAN RIVER STATE COLLEGE



- Four Campuses
- 17,800+ Students
- **Power Plant Institute** Named One of Nation's Top Training Partnerships (with FPL and IBEW)
- ~25 Graduates Each Year in Electric Power Technology



## A.S. DEGREE: ELECTRICAL POWER TECHNOLOGY

### REQUIRED GENERAL SUBJECTS

- College Algebra or Above
- Principles of Physics or Above
- English Composition
- Humanities/Fine Arts Elective
- Social/Behavioral Science Elective

### REQUIRED CORE TECHNICAL SUBJECTS

- Electronics
- DC/AC Circuits
- Power Plant Systems and Fundamentals
- Industrial Plant Tools and Equipment
- Industrial Safety



## A.S. DEGREE: ELECTRICAL POWER TECHNOLOGY

### ELECTIVES: MECHANICAL SYSTEMS

- Rigging and Lifting
- Welding Processes
- Metallurgical Properties & Dynamics
- Mechanical Maintenance for Power Plants
- Pneumatics and Hydraulics
- Power Plant Machines and Components
- Special Topics in Electric Power Technology
- Computer Applications to Business
- Chemistry
- Internship

### ELECTIVES: INSTRUMENTATION, CONTROL AND ELECTRICAL

- Electronic Devices
- Process Control Technology
- Programmable Logic Controllers
- Process Measurement
- Motor Starters, Controllers and Breakers
- Motors and Generators
- Transformers and Power Distribution
- Fluid and Pneumatic Instrumentation
- Chemistry
- Rigging and Lifting
- Internship

Nationally Ranked as a Top Program of Excellence





# COMPOSITION OF LOCAL AD VALOREM TAXES

4.3.b.a

County Operations  
+ County Bond  
(~46%)

School Required  
+ Discretionary  
(~39%)

Water Mgmt.  
+ All Other  
(~16%)



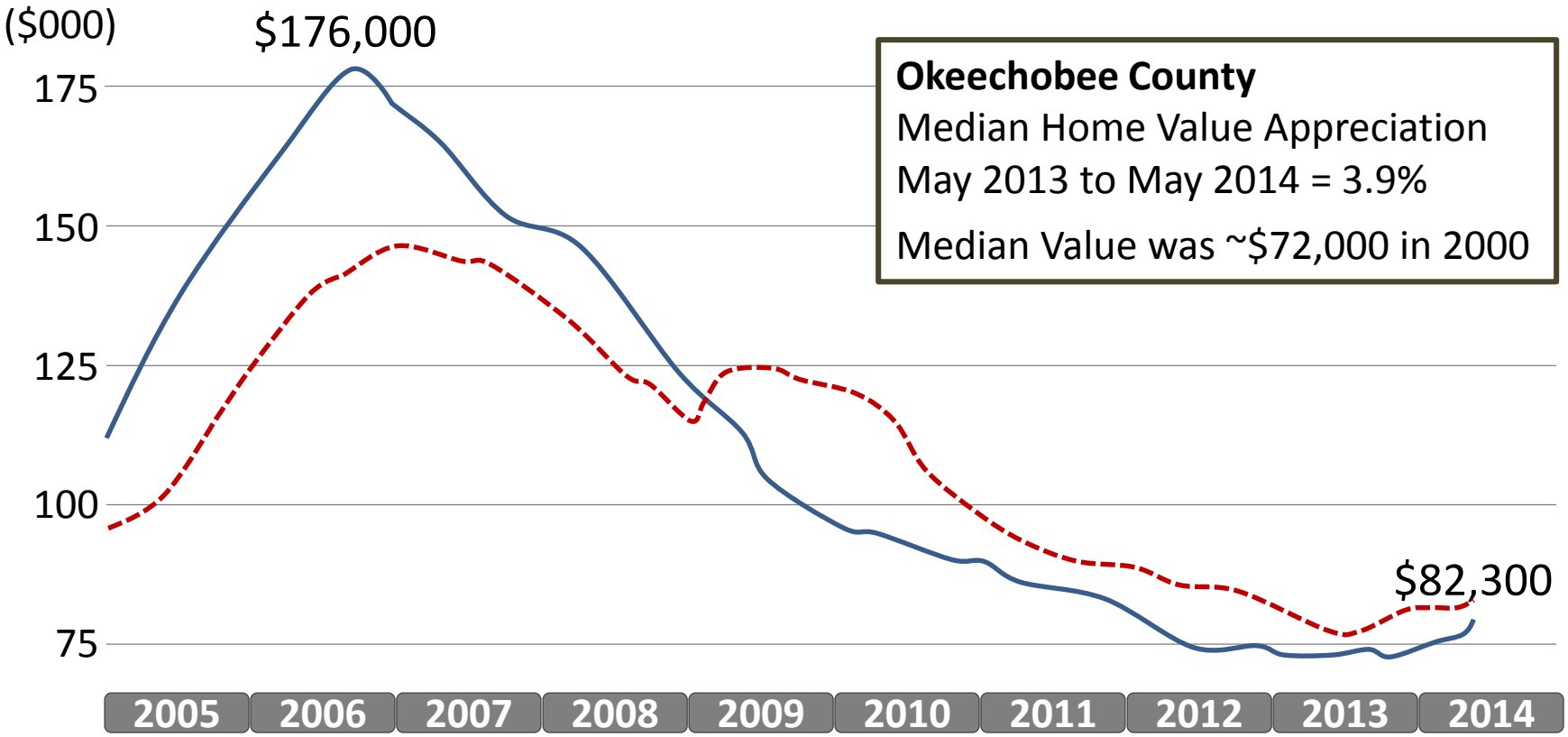
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# COMPARISON OF REAL ESTATE VALUES

Okeechobee Co. ——— Putnam Co. - - - - -

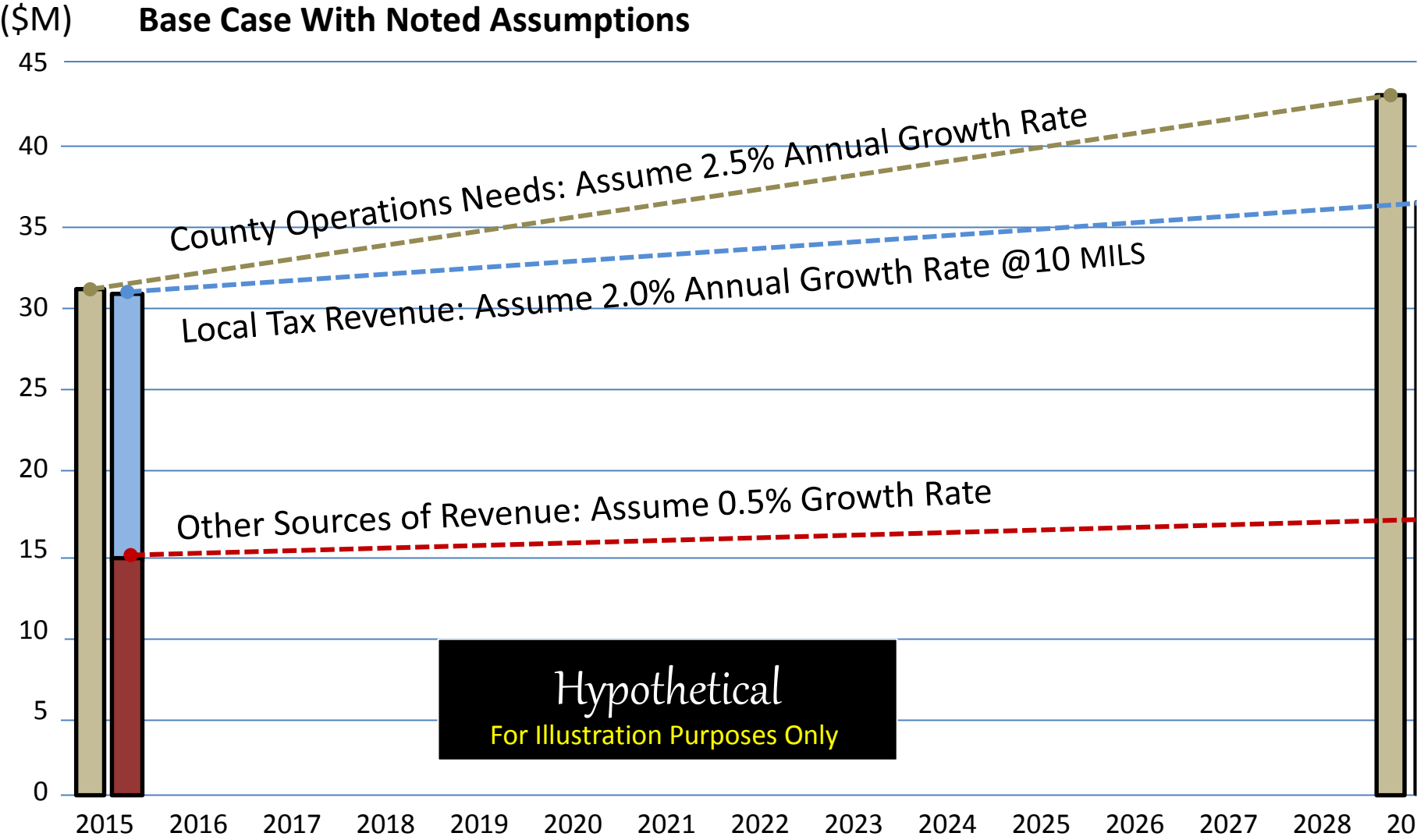


**Okeechobee County**  
 Median Home Value Appreciation  
 May 2013 to May 2014 = 3.9%  
 Median Value was ~\$72,000 in 2000

Based on Zillow Published Data



# PROJECTED ASSUMPTIONS: COST VS. REVENUES

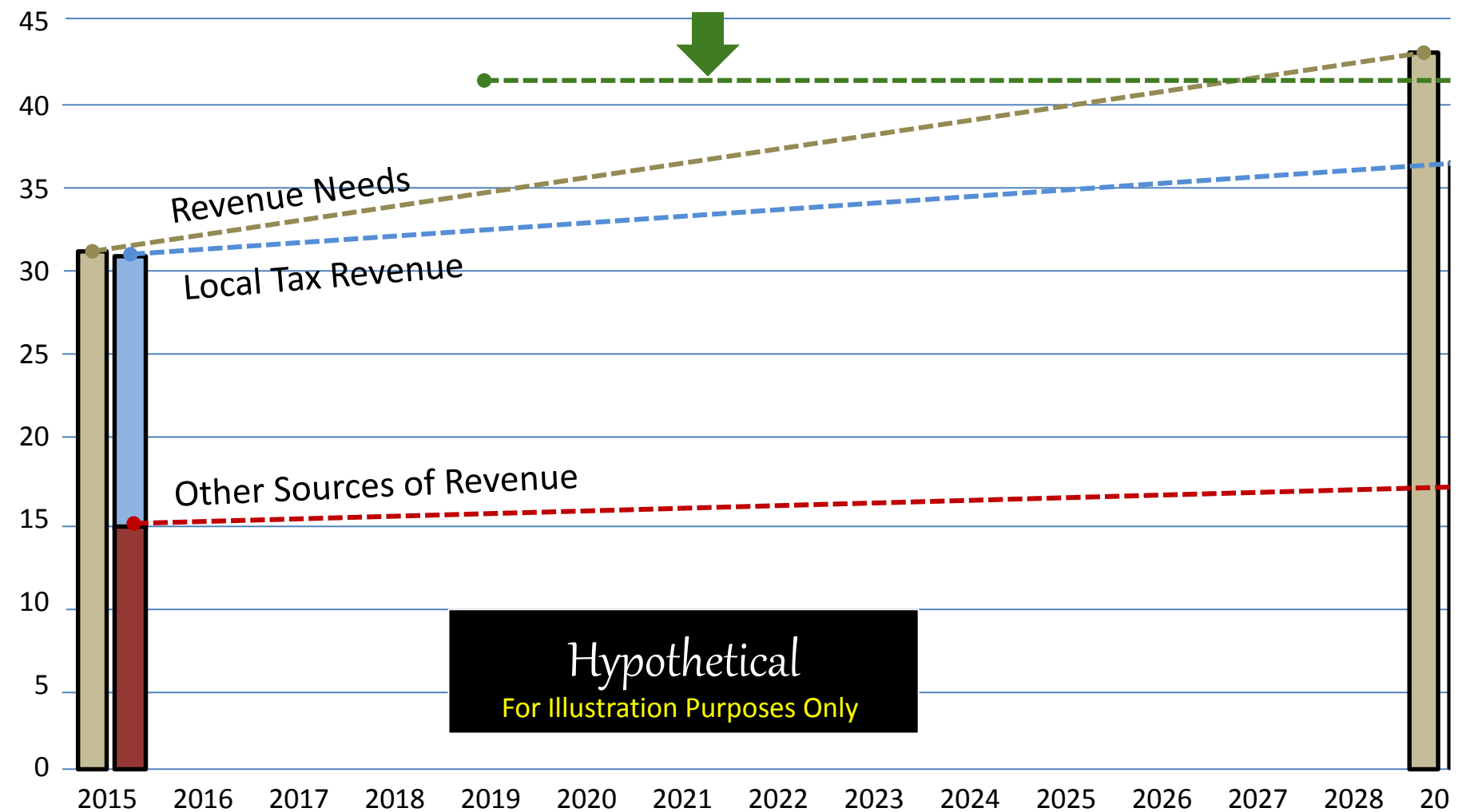


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# PROJECTED ASSUMPTIONS: COST VS. REVENUES

(\$M) Case 1: FLP With Full Upfront Valuation on a 20-Year Depreciated Basis



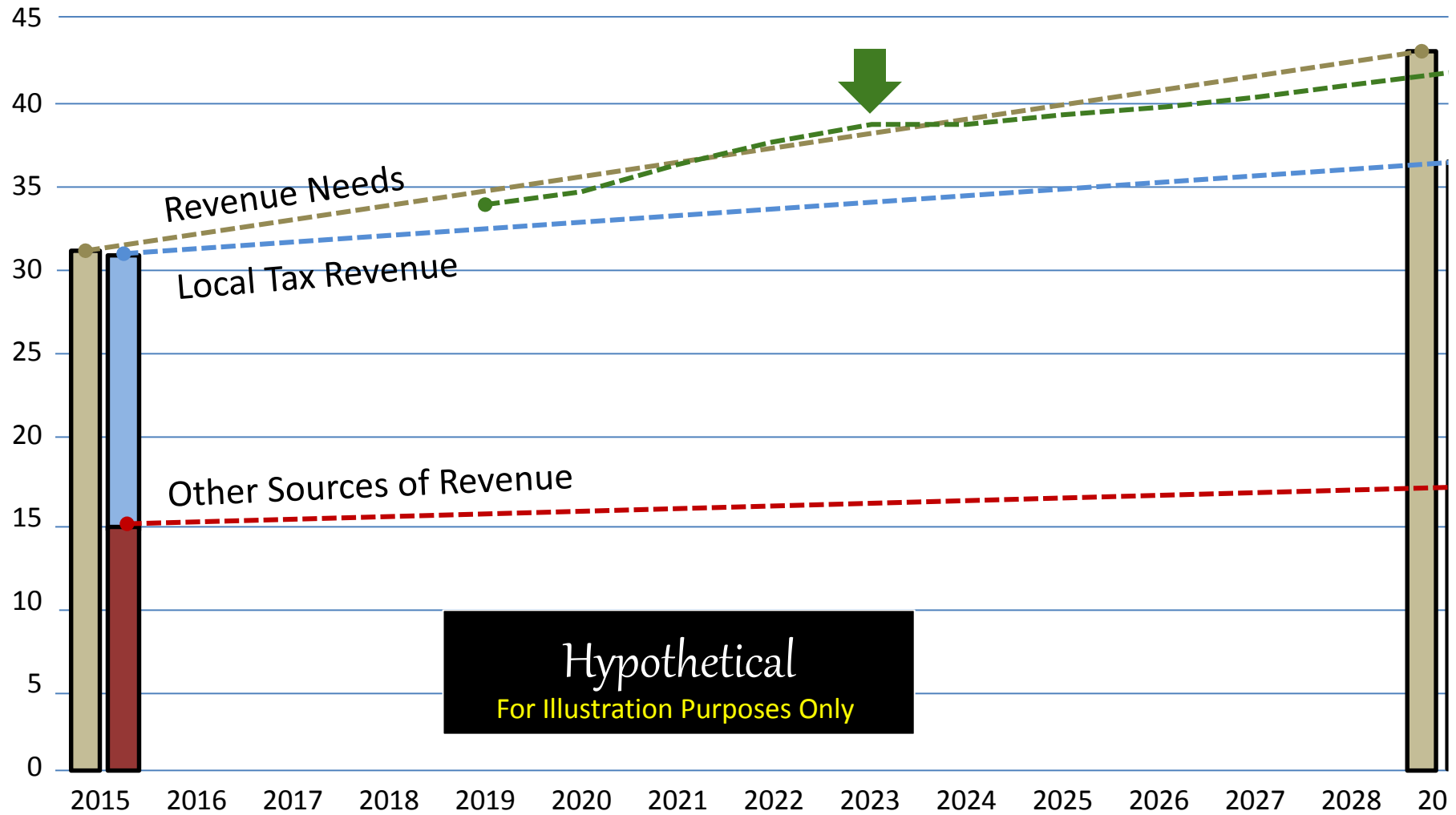
Hypothetical  
For Illustration Purposes Only

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# PROJECTED ASSUMPTIONS: COST VS. REVENUES

(\$M) Case 2: FLP Ramp Up, 20% of Total in 2019 and Depreciated Balance Over 10 Years



Hypothetical  
For Illustration Purposes Only

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# POWER PLANT REVIEW PROCESS

Based on the Florida Power Plant Siting Act (PPSA)

## Pre-Application Filing

Notice of Intent

Need Determination  
(Public Service Commission)

Federally Delegated/Approved Permits  
(Water, Air, Solid Waste, Groundwater Injection)

## Community Actions to Support Project

- Favorable Ag Land Use Ordinance in Place.
- Engage in Positive Public Education.

## Certification Process

Application Filing/Distribution

Public Involvement  
(Input by "Affected Persons")

Review of Application Completeness

Land Use Determination

Public Notices Issued for the Project

Informational Public Hearings

Preliminary Statements of Issues

Agency Reports: Best Public Interest

Project Analysis

Notice of Certification/Hearing

Recommended Order/Approval





# COUNTY LAND USE ORDINANCE: AG LAND

4.3.b.a

Okeechobee County, FL, Code of Ordinances; Part II – Land Development Regulations; Article II – Land Use: Type, Density, Intensity; 2.04.00 Permitted Uses in Zoning Districts:

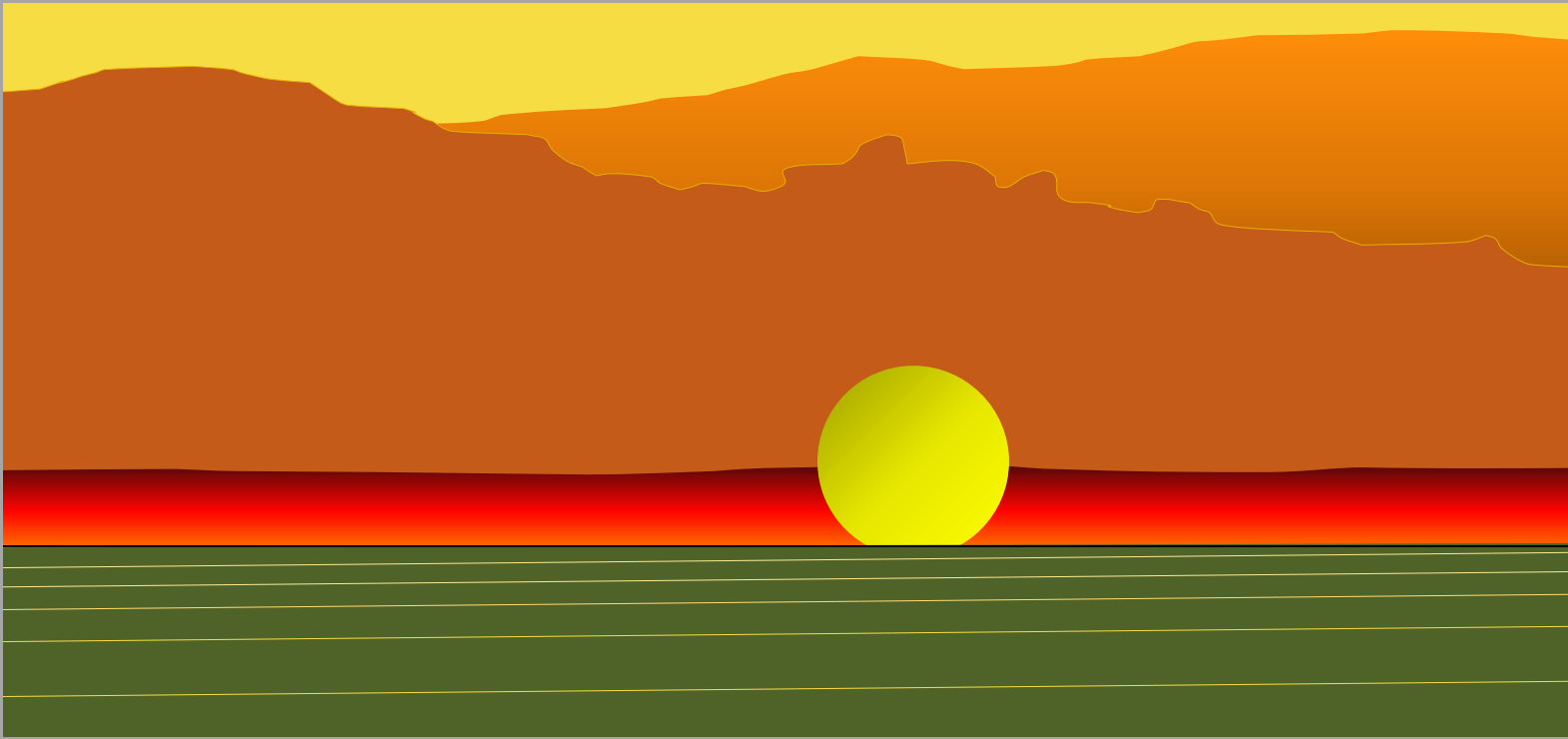


- Railroad, electric power or natural gas line right-of-way.
- Water conservation areas, water reservoirs and control structures, water and drainage wells.
- **Public utility facilities and utility plant sites** including independent power company generation plants and directly associated facilities, and smaller properties related to the distribution of a utility service (such as power substations and sewer lift stations). This use shall permit on-site disposal of waste ash which has been generated on site as a result of power production subject to the provisions of this Code and other applicable state and local regulations.

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# FINAL REFLECTIONS



- This is a significant project with good jobs and tax base.
- Success requires a team effort backed by the community through an effective communications strategy.
- County Commission and School Board Resolutions are important as well as being competitive on ad valorem tax rates.

