

CITY COUNCIL RESEARCH DIVISION

LEGISLATIVE SUMMARY



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Bill Type and Number: 2021-854

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: November 23, 2021

Committee(s) of Reference: F, R

Date of Analysis: November 23, 2021

Type of Action: Agreement and Recaptured Enhanced Value (REV) Grant authorization, designation of oversight agency

Bill Summary: This bill authorizes the Economic Development Agreement between the City and Cenntro Automotive Corporation, a New Jersey-based manufacturer of all electric commercial vehicles, to establish their first US-based manufacturing facility. The City is offering a 5 year 50% REV Grant, based on the proposed investment in equipment, and the addition of new jobs, by the end of 2023. The jobs to be created include highly skilled technician positions, research and development specialists and administrative support. The REV Grant would be capped at \$450,000. The Office of Economic Development will oversee the project.

Background Information: Cenntro Automotive has committed to create 34 permanent full-time equivalent new jobs in Jacksonville with an average salary, exclusive of benefits, of approximately \$52,000 per year by December 31, 2023, with an estimated capital investment of \$25,000,000. Cenntro will utilize JAXPORT to handle the import of a large amount of the materials used for the production of their vehicles, as well as the export of some of their finished vehicles. The Company has stated that City of Jacksonville incentives are a material factor in its decision to expand its operation to Jacksonville, as opposed other cities across the US. The project has an ROI of 3.27 for the City of Jacksonville.

Policy Impact Area: Economic development

Fiscal Impact: The total amount of City incentives not to exceed \$450,000

Analyst: Hampsey