

LEGISLATIVE FACT SHEET

DATE: 11/24/20

BT or RC No: N/A

(Administration & City Council Bills)

SPONSOR: Office of Economic Development

(Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: Office of Economic Development

Provide Name: Ed Randolph, Director of Business Development Contact No: 255-5450

Email edr@coj.net

PURPOSE: White Paper (Explain why this legislation is necessary. Provide, who, what, when where, how and the impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation. (Minimum of 350 words – Maximum of 1 page)

Robalo is a national distributor of medical devices, equipment, and pharmaceuticals. They are evaluating establishing a new distribution and fulfillment center in the Southeastern United States. Their location choices are either Jacksonville, Florida or Savannah, Georgia. If Jacksonville is selected, they propose to lease 131,000 square feet of newly developed warehouse space within Northwest Jacksonville. Robalo proposes to create at least 25 new full-time jobs at an average annual wage of \$58,594 (\$28.17 per hour), plus benefits. The average annual wage exceeds the Florida average wage of \$49,472.

The private capital investment associated with the project is \$6,720,000, comprising \$2.4 million of leasehold improvements and \$4.3 million of machinery, equipment, furniture, fixtures, and IT infrastructure.

Robalo has indicated that the City of Jacksonville’s financial incentive proposed is a material factor in the decision to locate their new distribution and fulfillment center in Jacksonville versus Savannah, Georgia.

The public investment proposed is a Recaptured Enhanced Value (REV) Grant at the level of 50% of the incremental net increase in the ad valorem portion of the real and tangible property taxes resulting from the leasehold improvements costing \$2,420,000 and purchase and installation of machinery, equipment, furniture, fixtures and IT infrastructure costing \$4,300,000 for a total of \$6,720,000. The term of the proposed REV Grant is ten (10) years. The estimated value of the REV Grant over the ten (10) year period is \$260,000.

APPROPRIATION: Total Amount Appropriated \$0 as follows: List the source name and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in the title of the legislation)

Name of Federal Funding Source(s)

From: _____ Amount: _____

To: _____ Amount: _____

Name of State Funding Source(s)

From: _____ Amount: _____

To: _____ Amount: _____

Name of COJ Funding Source(s)

From: _____ Amount: _____

To: _____ Amount: _____

Name of In-Kind Contributions:

From: _____ Amount: _____

To: _____ Amount: _____

Name & No. of Bond Account(s):

From: _____ Amount: _____

To: _____ Amount: _____

PLAIN LANGUAGE OF APPROPRIATION/FINANCIAL IMPACT/OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be ongoing maintenance and staffing obligation? Per Chapter 122 & 106 regarding funding of anticipated post-construction operation costs. (Minimum of 350 words – maximum of 1 page.

The City of Jacksonville proposes to provide:

A REV grant based on 50 percent of the increase in tangible personal property taxes generated at the project site, for 10 years up to a maximum of \$260,000; provided the private capital investment is not less than \$3 million for the purchase of machinery and equipment and leasehold improvements no later than December 31, 2022. The project has a positive Return on Investment for the City of Jacksonville.

The total amount of City incentives would be up to \$260,000.

ACTION ITEMS: Purpose/Check List. If "Yes" please provide detail by attaching justification and code provisions for each.

ACTION ITEMS:

Emergency? Yes _____ No X _____

Justification of Emergency: If yes, explanation must include detailed nature of emergency.

Federal or State Mandate? Yes _____ No X _____

Explanation: If yes, explanation must include detailed nature of mandate include Statue or Provision.

Fiscal Year Carryover? Yes _____ No X _____

Note: If yes, note must include explanation of all-year subfund carryover language.

CIP Amendment? Yes _____ No X _____

Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.

Contract/Agreement Approval? Yes X _____ No _____

Attachment & Explanation: If yes, attach the Contract/Agreement & provide name of the Department and include contact name and telephone number of the person r that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed/drafted? OED will provide oversight and administration.

Related RC/BT? Yes _____ No X _____ If yes, attach appropriate RC/BT form(s)

Waiver of Code? Yes _____ No X _____

Code Reference: If yes, identify code section(s) in space below & provide detailed explanation (including impacts) within white paper.

The project meets the requirements of the Public Investment Policy.

Code Exception: Yes _____ No X _____

Code Reference: If yes, identify code section(s) in space below & provide detailed explanation (including impacts) within white paper.

Related Enacted Ordinances? Yes _____ No X _____

Code Reference: If yes, identify related code section(s) and ORD reference number in the space below & provide detailed explanation and any changes necessary within whitepaper.

ACTION ITEMS CONTINUED: Purpose/Check List. If "Yes" please provide detail by attaching justification and code provisions for each.

ACTION ITEMS:

Continuation of Grant? Yes _____ No X _____

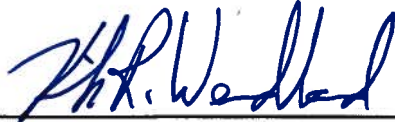
Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant. Are there long-term implications for the General Fund?

Surplus Property Certification? Yes _____ No X _____ Attachment: If yes, attach appropriate form(s)

Reporting Requirements? Yes _____ No X _____

Explanation: List agencies (including City Council/Auditor) to receive reports and frequency of reports, including when reports are due. Provide name of the Department and include contact name and telephone number of the person responsible for generating.

Director BD:



(Signature)

Date: 11/24/2020

Prepared By:



(Signature)

Date: 11/24/2020