

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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Bill Type and Number: Ordinance 2023-310

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

Date of Introduction: May 9, 2023

Committee(s) of Reference: F, TEU

Date of Analysis: May 11, 2023

Type of Action: Appropriation; CIP amendment; budget ordinance amendment; authorization to execute redevelopment agreement; authorization of property sale; authorization of REV grant; designation of oversight agency; affirming compliance with Public Investment Policy; request for one cycle emergency passage

Bill Summary: The bill appropriates \$5.5 million from the Debt Management Fund to provide \$3 million to a new CIP project entitled "Logistics Lane Road Extension" and \$2.5 million as a City contribution to JEA to assist in funding water and sewer infrastructure improvements at the site. It amends the 2023-27 Capital Improvement Plan to add the new project and amends the FY22-23 budget ordinance to replace the 7th Revised Schedule B4 to reflect the appropriation of borrowed funds to the two projects. It authorizes the execution of a redevelopment agreement between the City and Cosentino Industrial USA, LLC for a sale of City property at the Cecil Commerce Center "mega-site" to the company and its development of a large manufacturing facility. The bill authorizes a Recapture Enhanced Value (REV) grant of up to \$12 million, payable over 10 years. It designates the Office of Economic Development as the City's oversight agency for the project. It affirms that the incentives offered comply with the City's Public Investment Policy and requests fast-track approval on one committee cycle.

Background Information: Cosentino is a Spanish family-owned international manufacturer and distributor of high-value natural stone and composite surfaces (countertops, tables, flooring, walls, architectural pieces). The company is seeking a location for its first North American production facility and has proposed purchasing approximately 350 acres for over \$20 million (with an option for an additional 150 acres) of the Mega Site at Cecil Commerce Center. The project would include construction of a 408,000-square-foot manufacturing facility and 734,000 square feet of support area at an estimated cost of \$270 million. It anticipates creation of 180 jobs by the end of 2028, with an average wage of \$56,600.

The development of the Mega Site will require the City to provide roadway improvement to access the site; install utilities to the site; construct rail to the site (utilizing the State's Job Growth Grant Fund); ensure the property is predominantly free of wetlands; and ensure stormwater drainage on site is adequate. The REV grant represents 50% of the increased county taxes generated by the project over 10 years, up to a maximum of \$12 million.

Policy Impact Area: Economic development

Fiscal Impact: The Debt Management Fund is being utilized as a vehicle for this legislation to move forward with the capital improvements; however, it is expected that the estimated \$20.5 million proceeds from the sale of the land will be utilized to fund the above referenced improvements upon the closing of the land sale, relieving the Debt Management Fund obligation in this legislation. The REV grant is capped at \$12 million.

Analyst: Clements