

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Resolution 2021-437

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

Date of Introduction: July 27, 2021

Committee(s) of Reference: F, R

Date of Analysis: July 29, 2021

Type of Action: Appropriation; approval of loan and grant; authorization to execute economic development agreement; designation of oversight agency; affirming compliance with the Northwest Jacksonville Economic Development Fund program guidelines; affirming compliance with the Public Investment Policy; requesting fast-track approval on two readings

Bill Summary: The bill appropriates \$250,000 from the Northwest Jacksonville Economic Development Fund (\$150,000 from fund balance and \$100,000 from miscellaneous sales and charges) for the purpose of making a \$150,000 Small Business Development Initiative Loan and a \$100,000 Northwest Economic Development Fund Business Infrastructure Grant to Eastern Wire Products, Inc. to assist the company in the purchase of a building to relocate from its currently leased premises. The bill affirms the loan's and grant's compliance with the Northwest Jacksonville Economic Development Fund program guidelines and the City's Public Investment Policy. Fast-track approval on two readings is requested.

Background Information: Eastern Wire Products is a manufacturer of steel wire and related products used primarily in the recycling and construction industries. The company has been operating in Jacksonville since 1971 in a leased building in the Paxon area, but wants to purchase and renovate a building of its own in order to better control its future facility costs. The proposed new location is on Longleaf Street in the Grand Park area and the estimated project cost for site acquisition and demolition, infrastructure improvements, building renovations and machinery and equipment purchases is \$4,461,905. The company has 42 full-time employees and plans to create an additional 10 jobs at an average wage of \$32,500 plus benefits. The City proposes to provide a NWJEDF business infrastructure grant of \$100,000 and a Small Business Development initiative loan of \$150,000, amortized over 20 years with a balloon payment due at the end of the 10th year. The proposal was approved by the NWJEDF Board at its June meeting.

Policy Impact Area: Economic development

Fiscal Impact: The City would commit to a NWJEDF business infrastructure grant of \$100,000 and a Small Business Development initiative loan of \$150,000.

Analyst: Clements