LEGISLATIVE FACT SHEET

DATE: <u>6/15/21</u>

BT or RC No: N/A BT21-089

(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)

Eastern Wire Products (EWP) is a manufacturer of steel wire and related products. The Company offers single and double loop bale ties, galvanized Hi-tensile tying, ceiling, and automatic tying wire. EWP's products are manufactured to support the recycling and construction industries. The customer base is primarily located east of the Mississippi River. All products are manufactured to meet their customers' requirements. The company was founded in 1971 by Robert Yates, Sr. and Robert Yates, Jr. (father & son) and now is owned and managed by Robert Jr's two sons Mark and Scott Yates. The Company has been leasing a portion of the multi-tenant building owned by a national Real Estate Investment Trust located at 5301 W 5th Street for the last thirty years. The cost of occupancy has continued to escalate, and they desire to purchase a facility enabling them to expand their business and better control their occupancy costs.

The building they are negotiating to purchase is located at 5415 Longleaf Street, Jacksonville, FL 32209. The location is within a Level 2 Distress Area. Constructed in 1964 the 78,000 SF building requires significant updating to meet the current building code requirements and to retrofit the interior for manufacturing. Presently 21,200 SF is being leased to Wrist Ship Supply Company. Wrist has 5 years remaining on the lease. Eastern Wire proposes to initially occupy the remaining 56,800 SF of the building. Once the lease expires or Wrist chooses to terminate the lease then Eastern Wire will expand into the space. The costs associated with upgrading the building to meet current building code and install the infrastructure to convert the interior space from a warehouse to manufacturing use create a material factor for Eastern Wire Products. EWP prefers to remain in Northwest Jacksonville and upgrade the building to meet health and safety codes and their manufacturing infrastructure needs.

Estimated costs associated with this manufacturing expansion project is estimated to be \$4,461,905 and are summarized as follows:

Site Acquisition & Demolition	\$3,055,000
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- <u>Infrastructure Improvements</u> 522,239
- <u>Building Renovations</u> 645,242

•	Machinery & Equipment Purchases	239,424
	Total Estimated Cost	\$4,461,905

Eastern Wire estimates that the expansion would result in the creation of an additional 10 new full-time jobs at an average wage of \$32,500 (\$15.62 per hour) plus benefits. EWP currently employs 42 full time persons at an average wage of \$38,000 plus benefits. Annual payroll averages \$1.6 million plus benefits.

The Northwest Jacksonville Economic Development Advisory Committee reviewed and approved the request at their June 15, 2021.

APPROPRIATION: Total Amount Appropriated <u>\$250,000</u> as follows: List the source <u>name</u> 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:	Northwest OED Fund / Northwest JEDC Fund / Fund Balance Amount: \$150,000
From:	Northwest OED Fund / Northwest JEDC Fund / Miscellaneous Services and Charges Amount:
\$100,0	<u>00</u>
To:	Northwest OED Fund / Northwest JEDC Fund / Subsidies & Contributions To Private Org
Amour	t: <u>\$100,000</u>
То:	Northwest OED Fund / Northwest JEDC Fund / Loans Amount: \$150,000
Name	& No. of Bond Account(s):
From:_	Amount:
	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 the following:

To assist Eastern Wire Products a Northwest Economic Development Fund Business Infrastructure Grant (BIG) in the amount of \$100,000. A Small Business Development Initiative (SBDI) loan of \$150,000

amortized over 20 years with a balloon payment (\$86,153) at the end of the tenth year. The SBDI loan would be subordinate to the first mortgage loan provided by Wells Fargo Bank guaranteed by the US Small Business Administration 7 (a) Program. The level of assistance recommended is within the Public Investment Policy Guidelines. This request is scheduled to be presented to the Northwest Board for their consideration on 6/15/2021. The level of assistance requested is within the City of Jacksonville Public Investment Guidelines for a NW Business Infrastructure Grant and SBDI Loan. The project has a positive Return On Investment for the City of Jacksonville.

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. The Northwest Fund (1Cloud Fund 00117) is an all years fund. 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 X No ______ 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. 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) a provide detailed explanation and any changes necessary ACTION ITEMS CONTINUED: Purpose/Check List. If "Yes"	within whitepaper.
and code provisions for each.	
ACTION ITEMS:	
Continuation of Grant? Yes No X No X No will the funds be used? Does the fund specific time frame and/or multi-year? If multi-year, note implications for the General Fund?	ing require a match? Is the funding for a e year of grant. Are there long-term
Surplus Property Certification? Yes No X	Attachment: If yes, attach appropriate form(s)
Reporting Requirements? Yes No X	partment and include contact name and
Executive Director: (Signature)	Date: 6/15/2021
Prepared By: (Signature)	Date: 6/15/2021

ADMINISTRATIVE TRANSMITTAL

То:	MBRC, c/o Jasmine Jordan, Budget Office, St. James Bldg., Suite 325
Thru:	N/A (Name, Job Title, Department)
From:	Kirk Wendland, Executive Director, Office of Economic Development (OED) Initiating Department Representative (Name, Job Title, Department)
	Phone: 255-5455 E-Mail: kwendland@coj.net
Primar	y Contact: <u>Ed Randolph, Director Business Development</u> (Name, Job Title, Department)
Phone:	255-5454 E-Mail: edr@coj.net
CC:	Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor
	Phone: 255-5015 E-Mail: leeannk@coj.net
	COUNCIL MEMBER/INDEPENDENT AGENCY/CONSTITUTIONAL OFFICER TRANSMITTAL
То:	Peggy Sidman, Office of General Counsel, St. James Bldg., Suite 480
	Phone: 255-5055 E-Mail: psidman@coj.net
From:	N/A Initiating Council Member/Independent Agency/Constitutional Officer
Phone:	E-Mail:
Primary	/ Contact: <u>N/A</u> (Name, Job Title, Department)
Phone:	E-Mail:
CC:	<u>Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor</u> Phone: E-Mail:
approvi	ion from Independent Agencies requires a resolution from the Independent Agency Board ing the legislation ndent Agency Board adent Agency Action Item:
	Board(s) Action/Resolution? Yes No X
Attachr	ment: If yes, attach appropriate documentation. If no, when is board action scheduled?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED

(Z) OU-21-2021

City of Jacksonville, Florida Request for Budget Transfer Form

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Office of Economic Development Department or Area Responsible for Contract / Compliance / Oversight	A/N	Fund / Center / Account / Project * / Activity / Interfund / Future	ed (if applicable):			Of Transfer:	Eastern Wire Products is seeking public investment through the Northwest Jacksonville Economic Development Fund. The total amount of public investment proposed is \$250,000, which includes: a Northwest Business Infrastructure Grant (BIG) in the amount of \$100,000 and a Northwest Small Business Development Initiative (SBDI) Loan totaling \$150,000 to assist with costs associated with building renovations and infrastructure improvements.	.nd/or Transferred: \$250,000.00	CITY COUNCIL	er:	er:	J By:	OFFICE OF THE MAYOR **BUDGET ORDINANCE TRANSFER DIRECTIVE DISERPROVED **Date Rec'd. Date Fwd.	6/16/21 6/16/21 / W.	3-21 6-24-21 (JUN 2 1 2021 Approved:	pui	u	other than Department):
	Reversion of Finds:	(if applicable)	Section of Code Being Waived (if applicable):	Justification for Waiver	N/A	Justification for / Description of Transfer:	Eastern Wire Products is set \$250,000, which includes: a totaling \$150,000 to assist w	Net Amount Appropriated and/or Transferred:		Requesting Council Member:	Requesting Council Member:	Prepared By:	EUDGET (Date Rec'd.	Department Head 6/ Mayor's Office Accounting Division (0/23	tion By N	Division Chief: Kirk Wendland	Prepared By: Wendy Khan	Initiated / Requested By (if other than Department):

Budget Transfer Line Item Detail

* This element of the account string is titled project but it houses both projects and grants.

TRANSFER FROM: (Revenue line items in this area are being appropriated and expense line items are being de-appropriated.)

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TRANSFER TO: (Revenue line items in this area are being de-appropriated and expense line items are being appropriated.)

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City of Jacksonville, Florida

Lenny Curry, Mayor

City Hall at St. James 117 W. Duval St. Jacksonville, FL 32202 (904) 630-CITY www.coj.net

ONE CITY. ONE JACKSONVILLE.

MEMORANDUM

TO:

Brian Hughes, Chairman, MBRC

FROM:

Kirk Wendland, Executive Director, Office of Economic Development

SUBJECT: Eastern Wire Products, Inc.

DATE:

June 15, 2021

OED is requesting MBRC consideration at your June 21, 2021 meeting to authorize the introduction of a Resolution to the City Council at their July 27, 2021 meeting to provide a Northwest Economic Development Business Infrastructure Grant (BIG) and SBDI Loan to Eastern Wire Products and authorize the Mayor and Corporate Secretary to execute an Economic Development Agreement (EDA) by and between the City and Eastern Wire Products, Inc. The legislation will include the EDA.

The NWJEDF Advisory Committee approved the request at their June 15, 2021 meeting.

Attached for MBRC review and consideration are the following:

- Summary of Eastern Wire Products
- Legislative Fact Sheet
- BT Form