

LEGISLATIVE FACT SHEET

DATE: **6/15/21**

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
- Infrastructure Improvements 522,239
- Building Renovations 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 \$250,000 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: Northwest OED Fund / Northwest JEDC Fund / Fund Balance Amount: \$150,000

From: Northwest OED Fund / Northwest JEDC Fund / Miscellaneous Services and Charges Amount: \$100,000

To: Northwest OED Fund / Northwest JEDC Fund / Subsidies & Contributions To Private Org
Amount: \$100,000

To: Northwest OED Fund / Northwest JEDC Fund / Loans Amount: \$150,000

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 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) 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.

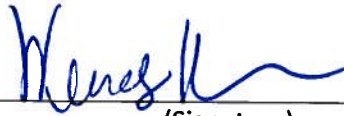
Executive Director: _____



(Signature)

_____ Date: 6/15/2021

Prepared By: _____



(Signature)

_____ Date: 6/15/2021

ADMINISTRATIVE TRANSMITTAL

To: 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

Primary Contact: Ed Randolph, Director Business Development
(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

To: 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: N/A
(Name, Job Title, Department)

Phone: _____ E-Mail: _____

CC: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor
Phone: _____ E-Mail: _____

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation

Independent Agency Action Item:

Board(s) Action/Resolution? Yes _____ No **X** _____

Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED

12 06-21-2021

City of Jacksonville, Florida
Request for Budget Transfer Form

Office of Economic Development
Department or Area Responsible for Contract / Compliance / Oversight

10
Council District(s)

Reversion of Funds:
(if applicable) _____ Fund / Center / Account / Project * / Activity / Interfund / Future

This is an all-years fund
Fiscal Yr(s) of carry over (all-years funds do not require a carryover)

Section of Code Being Waived (if applicable): _____ N/A

CIP (yes or no): _____ N

Justification for Waiver
N/A

Justification for / Description 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.

Net Amount Appropriated and/or Transferred: \$250,000.00

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

CITY COUNCIL

Requesting Council Member: _____

CM's District: _____

Requesting Council Member: _____

CM's District: _____

Prepared By: _____

Ordinance: _____

OFFICE OF THE MAYOR

BUDGET ORDINANCE TRANSFER DIRECTIVE

Date Rec'd.	Date Fwd.	Approved	Disapproved
6/16/21	6/16/21	<i>[Signature]</i>	
6/23/21	6/24/21	<i>[Signature]</i>	
6-23-21	6-24-21		

Date of Action By Mayor: _____

Approved: _____

Division Chief: Kirk Wendland

Date Initiated: 6/16/21

Prepared By: Wendy Khan

Phone Number: 904-255-5448

Initiated / Requested By (if other than Department): _____

APPROVED BY: MAYOR'S BUDGET REVIEW COMMITTEE
DATE JUN 21 2021

TD / BT Number: BT21-0889

[Signature]

369050 at FYE20

Fund balance unassigned per Actg

CITY OF JACKSONVILLE

Review Budgetary Control Balances

Control Budget: COJ Detail Budget

Amount Type: Year to Date
 Budget Period: Sep-20
 Funds Available: All amounts
 Currency: USD

* Fund: 00117
 * Center: 105102
 * Account: 369050
 * Project: All Project Values

* Activity: 0000747
 * Interfund: All Interfund Values
 * Future: All Future Values

Search Reset Save

Budget Balances

Fund	Center	Account	Project	Activity	Interfund	Future	Total Budget	Commitments	Other Consumption	Expenditures	Total Funds Available
00117	105102	369050	000000	0000747	00000	0000000	20,000.00	0.00	0.00	237,754.99	-157,754.99
Total							20,000.00	0.00	0.00	237,754.99	-157,754.99

Columns Hidden: 10 Columns Frozen: 8

369050 at Jun-21

CITY OF JACKSONVILLE

Review Budgetary Control Balances

Control Budget: COJ Detail Budget

Amount Type: Year to Date
 Budget Period: Jun-21
 Funds Available: All amounts
 Currency: USD

* Fund: 00117
 * Center: 105102
 * Account: 369050
 * Project: All Project Values

* Activity: 0000747
 * Interfund: All Interfund Values
 * Future: All Future Values

Search Reset Save

Budget Balances

Fund	Center	Account	Project	Activity	Interfund	Future	Total Budget	Commitments	Other Consumption	Expenditures	Total Funds Available
00117	105102	369050	360200	0000747	80050	2000000	9.30	0.00	0.00	124,113.43	-24,113.43
Total							9.30	0.00	0.00	124,113.43	-24,113.43

Columns Hidden: 10 Columns Frozen: 8



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