

## LEGISLATIVE FACT SHEET

DATE: 07/19/2024

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, Executive Director

Contact No: 255-5455

Email EdwardR@coj.net

: 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)

Ordinance 2019-652-E was approved on 10/22/19, appropriating \$250,000 from the Northwest Jacksonville Economic Development Fund (NWJEDF) to support the expansion of AA Auto Parts, Inc. The purpose of the funding was to provide a \$100,000 Business Infrastructure Grant and a \$150,000 Loan in connection with infrastructure improvements needed to accommodate the installation of an Italian manufactured Ing. Bonfiglioli Drake Model 8 metal shredder system on the company's property, located at 6641 West Beaver Street. The project is in compliance with the NWJEDF Guidelines.

The original Economic Development Agreement dated 11/22/19 provided for a completion date of 7/1/21 and provided for time extensions up to 1 year. The company experienced several delays, including environmental issues identified that needed to be addressed before the infrastructure work could begin; the Covid-19 outbreak began delaying construction, delivery of building materials, and finally the Italian installation team was delayed by the pandemic. Ordinance 2022-560-E extended the performance schedule by an additional 6 months, through 12/31/2022. Amendment Four extended the completion date by nine months from December 31, 2022, to September 30, 2023 and was approved by Ordinance 2023-78-E, enacted on March 14, 2023. Amendment Five, approved via Ordinance 2024-102-E, extended the performance schedule by twelve months, from 9/30/23 to 9/30/2024.

The installation crew arrived at the site in December 2023 and there has been a delay of a critical electrical component: the "transformer". The COVID pandemic resulted in a global disruption in the manufacture and delivery of electrical transformers, extending delivery dates from 50 to 100 weeks. JEA has indicated that the transformer needed to operate the proposed shredder system is on order but is not anticipated to be shipped to them until August 30, 2024, at the earliest. As a result, this Amendment Six is being requested to allow time to receive/install the transformer and ultimately complete the project. This would extend the completion date of the project to September 30, 2025.

The delays encountered in the installation of the shredder system have added considerable cost to the project. The initial cost was estimated to be \$5.15 million, however the delays encountered, and cost

increases incurred has the project cost to be \$7.02 million. Except for the arrival and installation of the transformer, all of the necessary building materials and other equipment is available on site. The shredder system won't be able to be completed until the installation crew from Italy arrives on site to complete the final installation and test the system. The installer has indicated they will not be able to schedule a site visit until the electrical transformer has been delivered to the project site.

This project will result in the expansion of an existing small minority owned business, creating at least 5 new full-time jobs, increasing the ad valorem tax base, and transforming a site located within a Level 1 Economically Distressed area from an auto junk yard into a modern metal shredding business.

APPROPRIATION: Total Amount Appropriated N/A 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.)

Funding for the project was previously appropriated under Ordinance 2019-652-E and will be disbursed upon completion of the project and receipt of necessary documentation.

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.

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 \_\_\_

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.

**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 **X** \_\_\_\_\_ No \_\_\_\_\_

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.

2019-652-E, 2020-560-E, 2023-078-E and 2024-102-E.

**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.

### **BUSINESS IMPACT ESTIMATE**

Pursuant to Section 166.041(4), F.S., the City is required to prepare a Business Impact Estimate for ordinances that are NOT exempt from this requirement.

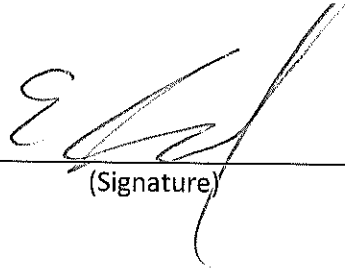
A list of ordinance exemptions are provided below. Please check all exemption boxes that apply to this ordinance. If an exemption is applicable, a Business Impact Estimate IS NOT required.

- The proposed ordinance is required for compliance with Federal or State law or regulation;
- The proposed ordinance relates to the issuance or refinancing of debt;
- The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- 
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- The proposed ordinance relates to the issuance or refinancing of debt;
- The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- 
- The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;
- 
- The proposed ordinance is an emergency ordinance;
- The ordinance relates to procurement;
- The proposed ordinance is enacted to implement any of the following:
- a. Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
  - b. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
  - c. Section 553.73, Florida Statutes, relating to the Florida Building Code;
  - d. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

If none of the boxes above are checked, then a Business Impact Estimate IS REQUIRED to be prepared by the using agency/office/department and submitted in the MBRC filing packet along with the memorandum request, legislative fact sheet, etc. A Business Impact Estimate form can be found at:

<https://www.coi.net/departments/finance/budget/mayor-s-budget-review-committee>

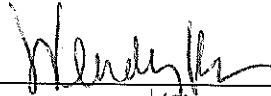
Director:



(Signature)

Date: 07/17/2024

Prepared By:



(Signature)

Date: 07/17/2024

**ADMINISTRATIVE TRANSMITTAL**

To: MBRC, c/o Budget Office, St. James Bldg., Suite 325

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

From: Ed Randolph, Executive Director, Office of Economic Development (OED)  
Initiating Department Representative (Name, Job Title, Department)

Phone: 255-5455 E-Mail: EdwardR@coj.net

Primary Contact: Joe Whitaker, Project Manager, Office of Economic Development (OED)  
(Name, Job Title, Department)

Phone: 255-5456 E-Mail: josephw@coj.net

CC: Brittany Norris, Intergovernmental Liaison, Office of the Mayor

Phone: 255-5024 E-Mail: bnorris@coj.net

**COUNCIL MEMBER/INDEPENDENT AGENCY/CONSTITUTIONAL OFFICER TRANSMITTAL**

To: Mary Staffopoulos, Office of General Counsel, St. James Bldg., Suite 480

Phone: 255-5062 E-Mail: Mstaff@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: Brittany Norris, Intergovernmental Liaison, Office of the Mayor

Phone: 255-5006 E-Mail: bnorris@coj.net

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**