

LEGISLATIVE FACT SHEET

DATE: 10/26/2022

BT or RC No: **BT 23-023**

(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: **Paul Crawford** Contact No: **255-5446**

Email paulc@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)

The Project Cashew Company is a global food manufacturer with an existing presence in the Jacksonville area. The Company is looking to expand its manufacturing operations to include additional products and varying sizes of existing product offerings. This expansion includes the reconfiguration of the existing property to accommodate additional production equipment which could double output from current levels. Currently, the Company is considering options in other states to create and package its product.

The Company plans to expand its existing facility with a capital investment exceeding \$65 million (\$15 million of site improvements/buildings, \$10 million in utility upgrades and \$40 million in manufacturing equipment). Furthermore, it will maintain its 110 existing jobs and add 40 new jobs at an average wage of \$50,000 per year exclusive of lucrative benefit packages. The Jacksonville facility would manufacture the products that serve consumers throughout the southeastern US.

The Project Cashew Company has stated that the City of Jacksonville incentives are a material factor in its decision to expand its manufacturing operation in Jacksonville in lieu of locating in one of their other US locations.

APPROPRIATION: Total Amount Appropriated \$500,000 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: N/A Amount: \$0

To: _____ Amount: _____

Name of State Funding Source(s)

From: _____ Amount: _____

To: _____ Amount: _____

Name of COJ Funding Source(s)

From: Northwest OED Fund – Fund Balance Amount: \$500,000

To: Northwest OED Fund – Subsidies & Contributions to Private Org. Amount: \$500,000

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.

The City incentive is composed of two primary components, a Northwest Economic Development Large Scale Grant and a Recapture Enhanced Value (REV) Grant. These grants combine to equal \$3.6 million used to entice a Company to expand its operations in Jacksonville.

The Large Scale Grant is coming from the Northwest OED Fund – Fund Balance. They will be going to the Northwest OED Fund – Subsidies & Contributions to Private Org. The \$500,000 grant will be part of the incentive package. The funding will be paid in 2024 based on the Company meeting the obligations in a redevelopment agreement to be drafted and attached.

The second component to the incentive package is a REV Grant. This Grant will be disbursed annually based upon 75 percent of the taxes paid by the company. The term of the grant is 10 years or until the maximum payout of \$3.1 million is paid to the company. The REV Grant will be subject to future budgetary appropriation.

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 **X** _____ No _____

Note: If yes, note must include explanation of all-year subfund carryover language.

Note if fund is all-years fund – **This 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?

OGC is drafting the contract agreement to be jointly approved by the Company. OED will provide oversight and administration.

Related RC/BT? Yes **X** ___ No ___ If yes, attach appropriate RC/BT form(s)

Waiver of Code? Yes **X** ___ No ___

Code Reference: If yes, identify code section(s) in space below & provide detailed explanation (including impacts) within white paper.

A waiver is required of the Public Investment Policy – Northwest Economic Development Large Scale Program is required.

This Public Investment Policy Program requires the creation of 50 new jobs. However, the justification for the proposed incentive is:

- 1) The Company will retain 110 jobs.
- 2) The Company will invest significant capital in an existing facility on a major corridor in the Northwest part of Jacksonville.
- 3) This project will solidify the Company's presence in this location and will grow its presence in Jax.

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: 10/31/22

Prepared By: 
(Signature)
PAUL R. CRAWFORD

Date: 10/31/22

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o 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: 255-5445 E-Mail: kwendland@coj.net

Primary Contact: Paul Crawford, Director of Business Development, Office of Economic Development
(Name, Job Title, Department)

Phone: 255-5446 E-Mail: paulc@coj.net

CC: Rachel Zimmer, Director of Intergovernmental Affairs, Office of the Mayor

Phone: 255-5006 E-Mail: rachelz@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: Rachel Zimmer, Director of Intergovernmental Affairs, Office of the Mayor

Phone: 255-5006 E-Mail: rachelz@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