

LEGISLATIVE FACT SHEET

DATE: 07/26/2022

BT or RC No: BT22-106

(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: **Kirk Wendland, Executive Director** Contact No: **255-5455**

Email: kwendland@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)

Ferrosorce, LLC, a New York headquartered ferrous metal procurement and distribution company proposes to establish a metal fabricating facility in Jacksonville to manufacture fabricated steel products to support their customer’s needs. They have identified a vacant steel building located at 1011 Blanche Street, Jacksonville, FL 32204. Ferrosorce seeks to lease initially 20,000 SF of the building and convert it into a multi-line steel fabrication facility to manufacture a variety of products desired by their customer base. The building is located within a Level 2 Distressed Area. The cost for Phase I of the project is \$2.269 million. The project will create 15 new full-time manufacturing-based jobs within 18 months at an average wage of \$58,000 plus benefits. Ferrosorce has indicated that within the first five years they propose to expand and create up to 35 additional new jobs and invest another \$7.7 million. The initial annual payroll for the 15 Phase I jobs will total \$870,000 plus benefits.

The Company has indicated that the financial incentive proposed is a material factor in their selection of Jacksonville for their proposed steel fabrication facility.

To support the project the city is proposing to offer a \$100,000 Northwest Jacksonville Economic Development Fund (NWJEDF) Business Infrastructure Grant (BIG) to offset a portion of the cost to reconfigure the building to support their proposed multi-line metal fabrication shop. Additionally, they propose to dedicate a portion of the 20,000 SF as a Free Trade Zone to import and store steel through the Port of Jacksonville before its fabricated into structural steel parts and rebar. The total amount of City incentive would be up to \$100,000.

The funding request for the NWJEDF BIG Grant was unanimously approved by the Northwest Economic Development Fund Advisory Board at their August 16, 2022, meeting.

APPROPRIATION: Total Amount Appropriated \$100,000 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 / Transfer from Fund Balance Amount: \$100,000

To: Northwest OED Fund / Northwest JEDC Fund / Subsidies & Contributions To Private Org

Amount: \$100,000

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.)

Project Incentives:

The City of Jacksonville proposes to provide: a) NWJEDF Business Infrastructure Grant in the amount of \$100,000 to offset a portion of the infrastructure costs associated with the interior renovation and conversion of the former warehouse constructed in 1941 into a manufacturing facility and in accordance with current building code requirements. b) The project has a positive Return on Investment of (2.06:1) 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.

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 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 No If yes, attach appropriate RC/BT form(s)

Waiver of Code? Yes No

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

Code Exception: Yes No

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

Related Enacted Ordinances? Yes 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.

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

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 Attachment: If yes, attach appropriate form(s)

Reporting Requirements? Yes No

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: 07/26/2022

Prepared By:


(Signature)

Date: 07/26/2022

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: 255-5455 E-Mail: kwendland@coj.net

Primary Contact: Kirk Wendland, Executive Director, Office of Economic Development
(Name, Job Title, Department)

Phone: 255-5455 E-Mail: kwendland@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?

NWJEDF Advisory Board meeting scheduled for 8/16/2022

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED