

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Resolution 2022-277

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: April 12, 20228

Committee(s) of Reference: F, R

Date of Analysis: April 14, 2022

Type of Action: Appropriation; approval of economic development agreement; grant authorization; designation of oversight agency; affirmation of compliance with NWJEDF guidelines; affirmation of compliance with Public Investment Policy; requesting one-cycle fast-track approval

Bill Summary: The bill appropriates \$500,000 from the Northwest Jacksonville Economic Development Fund – Fund Balance, to provide a \$500,000 Large Scale Economic Development Fund Grant to Florida Mechanical Systems, Inc. to assist in construction of a new office and administrative facility. The bill approves the economic development agreement between the City and the company. It approves the payment of the payment of the Large Scale Economic Development Fund (LSEDF) Grant and approves a Recapture Enhanced Value grant of up to \$700,000. The Office of Economic Development is designated as the City’s oversight agency for the project. The bill declares that the LSEDF grant conforms to the NWJEDF Guidelines and that the incentives conform to the guidelines provided in the Public Investment Policy. Approval of the resolution on second reading after one committee cycle is requested.

NOTE: Due to the fact that this bill appropriates funds, it may need to be converted from a resolution to an ordinance pursuant to the Council Rules and Ordinance Code.

Background Information: Florida Mechanical Systems, provides property management, fleet management, and crane and mechanical equipment rentals, proposes to construct a new 49,200 square foot office and administrative building for its tenant, W.W. Gay Mechanical Contractor, at an estimated capital cost of \$15,313,339. The building would replace W.W. Gay’s headquarters facility that burned down in August 2020. W.W. Gay plans to retain approximately 600 current jobs and create 60 permanent full-time equivalent new jobs in Northwest Jacksonville with an average salary, exclusive of benefits, of at least \$74,000 per year by December 31, 2028. The parcel, located at 5224 Stockton Street, is located in a Level 2 economically distressed area in the urban core.

The REV grant represents 50% of new taxes payable over 10 years, based on the proposed \$15.3 million capital investment. The LSEDF grant will help offset a portion of the site development costs.

Policy Impact Area: Economic development

Fiscal Impact: The bill approves a Large Scale Economic Development Fund grant of \$500,000 and a REV grant of up to \$700,000. The Office of Economic Development calculates the return on investment at 1.34 to 1.

Analyst: Clements