

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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Bill Type and Number: Resolution 2020-94

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

Date of Introduction: January 28, 2020

Committee(s) of Reference: F

Date of Analysis: January 30, 2020

Type of Action: Authorizing economic development agreement; declaring support for QTI application; authorizing REV grant; authorizing approval of technical amendments; designating oversight agency; affirming compliance with Public Investment Policy

Bill Summary: The bill authorizes a new economic development agreement between the City and Goodrich Corporation, a Collins Aerospace Company (f/k/a "Project Turtle"), originally approved via Resolution 2018-859-A, to extend the timeframe for the company to execute the agreement. It reauthorizes the City's support for the local match up to \$108,000 to a state Qualified Targeted Industry (QTI) grant and reauthorizes a Recapture Enhanced Value (REV) grant not to exceed \$1.1 million. The Office of Economic Development is designated as the City's oversight agency for the project and authorization is granted to make minor technical amendments to documents as may be necessary provided no substantive changes can be made. The bill affirms that the incentives comply with the City's Public Investment Policy.

Background Information: The City Council originally approved the agreement and incentive package with Goodrich Corporation in 2018, with a 90 day required execution date and one available 90 day extension if approved by the OED. The agreement was not executed within the original 90 days, or within the 90 day extension period, and so lapsed as of October 11, 2019. The company desires to renew the agreement on the same terms with a required execution date of 90 days from the day the OED delivers the final agreement to the company, with one 90 day extension available. The company agrees to create 108 new jobs, for which the City will provide a local QTI match of \$108,000 (\$1,000 per job) payable over 5 years and to make private capital investment of \$19.2 million for a new building and \$2.6 million in new machinery and equipment for which the City will provide a REV grant of up to \$1.1 million payable over 10 years.

Policy Impact Area: Economic development

Fiscal Impact: The City commits to a QTI local match up to \$108,000 and a REV grant of up to \$1.1 million.

Analyst: Clements