

1 Introduced by the Council President at the request of the Mayor:
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4 **RESOLUTION 2020-259**

5 A RESOLUTION MAKING CERTAIN FINDINGS, AND
6 APPROVING AND AUTHORIZING THE EXECUTION OF AN
7 ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE
8 CITY OF JACKSONVILLE ("CITY") AND PROJECT
9 CYCLONE ("COMPANY"), TO SUPPORT THE EXPANSION
10 OF THE COMPANY'S OPERATIONS IN JACKSONVILLE,
11 FLORIDA (THE "PROJECT"); RECOMMENDING THAT THE
12 COMPANY BE APPROVED BY THE STATE OF FLORIDA'S
13 DEPARTMENT OF ECONOMIC OPPORTUNITY AS A
14 QUALIFIED TARGET INDUSTRY ("QTI") BUSINESS
15 WITH A HIGH IMPACT SECTOR BONUS, PURSUANT TO
16 SECTIONS 288.106-108, FLORIDA STATUTES;
17 EVIDENCING A COMMITMENT OF CITY SUPPORT IN AN
18 AMOUNT NOT TO EXCEED \$100,000 AS THE LOCAL
19 FINANCIAL SUPPORT UNDER THE QUALIFIED TARGET
20 INDUSTRY TAX REFUND PROGRAM PAYABLE OVER
21 MULTIPLE YEARS PER GUIDELINES SET BY THE STATE
22 DEPARTMENT OF ECONOMIC OPPORTUNITY, WITH A
23 STATE MATCH OF \$400,000, FOR A TOTAL CITY AND
24 STATE QTI AMOUNT OF \$500,000 FOR 100 JOBS;
25 APPROVING AND AUTHORIZING EXECUTION OF
26 DOCUMENTS BY THE MAYOR OR HIS DESIGNEE AND
27 CORPORATION SECRETARY; AUTHORIZING APPROVAL OF
28 TECHNICAL AMENDMENTS BY THE EXECUTIVE DIRECTOR
29 OF THE OED; PROVIDING FOR CITY OVERSIGHT BY
30 THE OED; TIMELINE FOR EXECUTION OF AGREEMENT
31 BY THE COMPANY; AFFIRMING THE PROJECT'S

1 COMPLIANCE WITH THE PUBLIC INVESTMENT POLICY
2 ADOPTED BY ORDINANCE 2016-382-E, AS AMENDED BY
3 ORDINANCE 2018-370-E AND ORDINANCE 2019-243-E;
4 REQUESTING TWO READING PASSAGE PURSUANT TO
5 COUNCIL RULE 3.305; PROVIDING AN EFFECTIVE
6 DATE.

7
8 **WHEREAS**, Section 288.075, Florida Statutes, allows certain
9 confidentiality regarding economic development projects and the
10 Company has requested confidentiality in accordance with such law
11 and the OED has approved the Project Cyclone and advised that the
12 Economic Development Agreement is necessary to effectuate the
13 Project; and

14 **WHEREAS**, the Company has committed to retain 168 existing jobs
15 and create 100 permanent full-time equivalent new jobs in
16 Jacksonville with an average salary, exclusive of benefits, of
17 approximately \$60,000 per annum by December 31, 2021, all as
18 further described in the Project Summary attached hereto as **Exhibit**
19 **1**; and

20 **WHEREAS**, such \$60,000 average salary is at least 115% of the
21 average private-sector wage in the State effective as of January 1,
22 2020; and

23 **WHEREAS**, the City of Jacksonville ("City") wishes to support
24 tax refunds for the Company in the maximum amount available under
25 Sections 288.106-108, Florida Statutes, relating to qualified
26 target industry High Impact Sector businesses (the "QTI Refunds");
27 and

28 **WHEREAS**, the City is required to fund 20% of the amount of the
29 basic QTI Refunds with a High Impact Sector bonus (20% of \$500,000,
30 or \$1,000 for each of 100 new jobs, for a total City contribution
31 of \$100,000) granted to the Company as the City's "local financial

1 support", while the State of Florida provides 80% of the basic QTI
2 Refunds at the 115% salary level with High Impact Sector bonuses;
3 and

4 **WHEREAS**, a combined City and State grant of up to \$5,000 per
5 job in QTI Refunds (of which \$3,000 are QTI refunds at the 115%
6 salary level, and \$2,000 are High Impact Sector bonuses) is a pre-
7 condition essential to the willingness and ability of the Company
8 to expand its business in Jacksonville; and

9 **WHEREAS**, for the reasons more fully described in the Project
10 Summary, the grant of QTI Refunds with High Impact Sector bonuses
11 in such amounts serves a paramount public purpose; and

12 **WHEREAS**, the City's Office of Economic Development ("OED") has
13 reviewed the application submitted by the Company for community
14 development, and, together with representatives of the City,
15 negotiated the Economic Development Agreement and, based upon the
16 contents of the Economic Development Agreement, has determined the
17 Economic Development Agreement and the uses contemplated therein to
18 be in the public interest, and has determined that the public
19 actions and financial assistance contemplated in the Economic
20 Development Agreement take into account and give consideration to
21 the long-term public interests and public interest benefits to be
22 achieved by the City; and

23 **WHEREAS**, the Company has requested the City to enter into an
24 Economic Development Agreement in substantially the form placed **On**
25 **File** with the Legislative Services Division; now therefore,

26 **BE IT RESOLVED** by the Council of the City of Jacksonville:

27 **Section 1. Findings.** It is hereby ascertained,
28 determined, found and declared as follows:

29 (a) The recitals set forth herein are true and correct.

30 (b) The location of the Company's project in Jacksonville,
31 Florida, ("Project") is more particularly described in the Economic

1 Development Agreement. The Project will promote and further the
2 public and municipal purposes of the City.

3 (c) Enhancement of the City's tax base and revenues, are
4 matters of State and City policy and State and City concern in order
5 that the State and its counties and municipalities, including the
6 City, shall not continue to be endangered by unemployment,
7 underemployment, economic recession, poverty, crime and disease, and
8 consume an excessive proportion of the State and City revenues
9 because of the extra services required for police, fire, accident,
10 health care, elderly care, charity care, hospitalization, public
11 housing and housing assistance, and other forms of public
12 protection, services and facilities.

13 (d) The provision of the City's assistance as identified in
14 the Economic Development Agreement is necessary and appropriate to
15 make the Project feasible; and the City's assistance is reasonable
16 and not excessive, taking into account the needs of the Company to
17 make the Project economically and financially feasible, and the
18 extent of the public benefits expected to be derived from the
19 Project, and taking into account all other forms of assistance
20 available.

21 (e) The Company is qualified to carry out and complete the
22 construction and equipping of the Project, in accordance with the
23 Economic Development Agreement.

24 (f) Recommendation for QTI Refunds. The Council, acting in
25 its capacity as a county, hereby recommends to the State of Florida
26 Department of Economic Opportunity that the Company be approved as a
27 "qualified target industry business" pursuant to Section 288.106-
28 108, Florida Statutes, with High Impact Sector bonuses.

29 (g) The authorizations provided by this Resolution are for
30 public uses and purposes for which the City may use its powers as a
31 county, municipality and as a political subdivision of the State of

1 Florida and may expend public funds, and the necessity in the public
2 interest for the provisions herein enacted is hereby declared as a
3 matter of legislative determination.

4 (h) This Resolution is adopted pursuant to the provisions of
5 Chapters 163, 166 and 125, Florida Statutes, as amended, the City's
6 Charter, and other applicable provisions of law.

7 **Section 2. Economic Development Agreement Approved.** There
8 is hereby approved, and the Mayor and Corporation Secretary are
9 authorized to enter into an Economic Development Agreement
10 ("Agreement") between the City and the Company, substantially in
11 the form placed **On File** with the Legislative Services Division
12 (with such "technical" changes as herein authorized), for the
13 purpose of implementing the recommendations of the OED, as are
14 further described in the Project Summary attached hereto as **Exhibit**
15 **1.**

16 The Agreement may include such additions, deletions and
17 changes as may be reasonable, necessary and incidental for carrying
18 out the purposes thereof, as may be acceptable to the Mayor, or his
19 designee, with such inclusion and acceptance being evidenced by
20 execution of the Agreement by the Mayor or his designee. No
21 modification to the Agreement may increase the financial
22 obligations or the liability of the City and any such modification
23 shall be technical only and shall be subject to appropriate legal
24 review and approval of the General Counsel, or his or her designee,
25 and all other appropriate action required by law. "Technical" is
26 herein defined as including, but not limited to, changes in legal
27 descriptions and surveys, descriptions of infrastructure
28 improvements and/or any road project, ingress and egress, easements
29 and rights of way, performance schedules (provided that no
30 performance schedule may be extended for more than one year unless
31 required to align the Performance Schedule with any changes to

1 performance schedules set forth in the agreement between the
2 Company and the State of Florida Department of Economic
3 Opportunity) design standards, access and site plan, which have no
4 financial impact.

5 **Section 3. QTI Local Financial Support Approved.** By this
6 Resolution, the City is authorized and directed to provide "local
7 financial support," as defined in Section 288.106, Florida
8 Statutes, in the aggregate amount of up to \$100,000 or 20% of the
9 amount of the basic QTI Refunds with High Impact Sector bonuses
10 granted to the Company by the State, whichever is less. Such local
11 financial support shall be made available in the amount of up to
12 \$1,000 per new job for up to 100 new jobs created by the Company in
13 connection with the Project. The funding for such local financial
14 support will be made available by future appropriation of the
15 Council over the time period described in the guidelines referenced
16 in the heading of this Resolution if such new jobs are created.

17 **Section 4. Designation of Authorized Official/OED Contract**
18 **Monitor.** The Mayor is designated as the authorized official of the
19 City for the purpose of executing and delivering any contracts,
20 notes and documents and furnishing such information, data and
21 documents for the Agreement as may be required and otherwise to act
22 as the authorized official of the City in connection with the
23 Agreement, and is further authorized to designate one or more other
24 officials of the City to exercise any of the foregoing
25 authorizations and to furnish or cause to be furnished such
26 information and take or cause to be taken such action as may be
27 necessary to enable the City to implement the Agreement according
28 to its terms. The OED is hereby required to administer and monitor
29 the Agreement and to handle the City's responsibilities thereunder,
30 including the City's responsibilities under the Agreement working
31 with and supported by all relevant City departments.

1 **Section 5. Further Authorizations.** The Mayor, or his
2 designee, and the Corporation Secretary, are hereby authorized to
3 execute the Agreement and all other contracts and documents and
4 otherwise take all necessary action in connection therewith and
5 herewith. The Executive Director of the OED, as contract
6 administrator, is authorized to negotiate and execute all necessary
7 changes and amendments to the Agreement and other contracts and
8 documents, to effectuate the purposes of this Resolution, without
9 further Council action, provided such changes and amendments are
10 limited to amendments that are technical in nature as described in
11 Section 2 hereof, and further provided that all such amendments
12 shall be subject to appropriate legal review and approval by the
13 Office of General Counsel, or his or her designee, and all other
14 appropriate official action required by law.

15 **Section 6. Oversight Department.** The OED shall oversee the
16 project described herein.

17 **Section 7. Execution of the Agreement.** If the Agreement
18 approved by this Resolution has not been signed by the Company
19 within ninety (90) days after the OED delivers or mails the
20 unexecuted Agreement to the Company for execution, then the City
21 Council approval of the Project and authorization for the Mayor to
22 execute the Agreement is automatically revoked, provided however,
23 that the Executive Director of the OED shall have the authority to
24 extend such ninety (90) day period in writing at his discretion for
25 up to an additional ninety (90) days.

26 **Section 8. Public Investment Policy.** This Resolution conforms
27 to the guidelines provided in the Public Investment Policy adopted
28 by City Council Ordinance 2016-382-E as amended by Ordinance 2018-
29 370-E and Ordinance 2019-243-E.

30 **Section 9. Requesting Two Reading Passage Pursuant to Council**
31 **Rule 3.305.** Two reading passage of this legislation is requested

1 pursuant to Council Rule 3.305.

2 **Section 10. Effective Date.** This Resolution shall become
3 effective upon signature by the Mayor or upon becoming effective
4 without the Mayor's signature.
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10 Form Approved:

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12 /s/ John C. Sawyer, Jr.

13 Office of General Counsel

14 Legislation prepared by: John Sawyer

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