

1 Introduced by the Council President at the request of the DIA:  
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4 **RESOLUTION 2019-596**

5 A RESOLUTION MAKING CERTAIN FINDINGS, AND  
6 APPROVING AND AUTHORIZING THE EXECUTION OF AN  
7 ECONOMIC DEVELOPMENT AGREEMENT ("AGREEMENT")  
8 AMONG THE CITY OF JACKSONVILLE ("CITY"), THE  
9 DOWNTOWN INVESTMENT AUTHORITY ("DIA"), AND  
10 PROJECT SHARP ("COMPANY"), TO SUPPORT THE  
11 CONSTRUCTION BY COMPANY OF A NEW CORPORATE  
12 HEADQUARTERS AND STRUCTURED PARKING FACILITY  
13 LOCATED IN THE NORTHBANK DOWNTOWN COMMUNITY  
14 REDEVELOPMENT AREA ("PROJECT"); RECOMMENDING  
15 THAT THE COMPANY BE APPROVED BY THE STATE OF  
16 FLORIDA'S DEPARTMENT OF ECONOMIC OPPORTUNITY  
17 AS A QUALIFIED TARGET INDUSTRY ("QTI")  
18 BUSINESS PURSUANT TO SECTIONS 288.106-108,  
19 FLORIDA STATUTES; EVIDENCING A COMMITMENT OF  
20 CITY SUPPORT IN AN AMOUNT NOT TO EXCEED  
21 \$600,000 AS THE LOCAL FINANCIAL SUPPORT UNDER  
22 THE QUALIFIED TARGET INDUSTRY TAX REFUND  
23 PROGRAM PAYABLE OVER MULTIPLE YEARS PER  
24 GUIDELINES SET BY THE STATE DEPARTMENT OF  
25 ECONOMIC OPPORTUNITY, WITH A STATE MATCH OF  
26 \$2,400,000, FOR A TOTAL CITY AND STATE QTI  
27 AMOUNT OF \$3,000,000 FOR 500 JOBS; AUTHORIZING  
28 A RECAPTURE ENHANCED VALUE (REV) GRANT OF  
29 \$23,400,000; AUTHORIZING A CITY CLOSING FUND  
30 GRANT IN THE AMOUNT OF \$3,500,000; APPROVING  
31 AND AUTHORIZING EXECUTION OF DOCUMENTS BY THE

1 MAYOR OR HIS DESIGNEE AND CORPORATION  
2 SECRETARY, AND AUTHORIZING APPROVAL OF  
3 TECHNICAL AMENDMENTS BY THE CHIEF EXECUTIVE  
4 OFFICER OF THE DIA; PROVIDING FOR OVERSIGHT BY  
5 THE DOWNTOWN INVESTMENT AUTHORITY; PROVIDING A  
6 DEADLINE FOR THE COMPANY TO EXECUTE THE  
7 AGREEMENT; AFFIRMING THE PROJECT'S COMPLIANCE  
8 WITH THE PUBLIC INVESTMENT POLICY ADOPTED BY  
9 ORDINANCE 2016-382-E, AS AMENDED; PROVIDING AN  
10 EFFECTIVE DATE.

11  
12 **WHEREAS**, Section 288.075, Florida Statutes, allows certain  
13 confidentiality regarding economic development projects and Company  
14 has requested confidentiality in accordance with such law and the  
15 DIA has approved the Sharp Project and advised that the Economic  
16 Development Agreement is necessary to effectuate the Project; and

17 **WHEREAS**, Project Sharp (the "Company") has committed to create  
18 500 permanent full-time equivalent new jobs in Jacksonville with an  
19 average salary, exclusive of benefits, of approximately \$85,000 per  
20 annum by June 30, 2029, all as further described in the Project  
21 Summary attached hereto as **Exhibit 1**; and

22 **WHEREAS**, such average salary is at least 150% of the average  
23 private-sector wage in the State effective as of January 1, 2019;  
24 and

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

30 **WHEREAS**, the City is required to fund 20% of the amount of the  
31 basic QTI Refunds at the 150% average private-sector wage level

1 with High-Impact Sector bonuses (20% of \$3,000,000, or \$1,200 for  
2 each of 500 new jobs, for a total City contribution of \$600,000)  
3 granted to the Company as the City's "local financial support",  
4 while the State of Florida provides 80% of the basic QTI Refunds  
5 with High-Impact Sector bonuses; and

6 **WHEREAS**, a combined City and State grant of up to \$6,000 per  
7 job in QTI Refunds (of which \$4,000 are standard QTI refunds at the  
8 150% average private-sector wage and \$2,000 are High-Impact Sector  
9 bonuses) is a pre-condition essential to the willingness and  
10 ability of the Company to expand its business in Jacksonville; and

11 **WHEREAS**, the DIA has considered the Company's requests and has  
12 determined that the grant of QTI Refunds with High-Impact Sector  
13 bonuses, REV Grant and City Closing Fund Grant in such amounts  
14 serves a paramount public purpose and will enable the Company to  
15 develop the Project; and

16 **WHEREAS**, the REV Grant authorized hereby is consistent with  
17 the Public Investment Policy authorized by 2016-382-E, as amended  
18 by Ordinance 2019-243-E (the "Public Investment Policy") in that  
19 the Project not only creates 500 jobs but also will cause private  
20 capital investment of \$145,000,000; and

21 **WHEREAS**, the Project is consistent with the DIA BID Plan, and  
22 furthers Redevelopment Goal 1 (Reinforce Downtown as the City's  
23 unique epicenter for business, history, culture, education and  
24 entertainment), Redevelopment Goal 3 (simplify the approval process  
25 for downtown development and improve departmental and agency  
26 coordination), and Goal 4 (improve walkability/bikeability and  
27 connectivity to adjacent neighborhoods and the St. Johns River  
28 while creating highly walkable nodes); and

29 **WHEREAS**, on August 7, 2019, the DIA Board approved a  
30 resolution (the "Resolution") to enter into the Redevelopment  
31 Agreement, said Resolution being attached hereto as **Exhibit 2**; and

1           **WHEREAS**, it has been determined to be in the interest of the  
2 City to enter into the Agreement and approve of and adopt the  
3 matters set forth in this Resolution; now, therefore,

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

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

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

8           (b) The location of the Company's project in Jacksonville,  
9 Florida, ("Project") is more particularly described in the Economic  
10 Development Agreement. The Project will promote and further the  
11 public and municipal purposes of the City.

12           (c) Enhancement of the City's tax base and revenues, are  
13 matters of State and City policy and State and City concern in order  
14 that the State and its counties and municipalities, including the  
15 City, shall not continue to be endangered by unemployment,  
16 underemployment, economic recession, poverty, crime and disease, and  
17 consume an excessive proportion of the State and City revenues  
18 because of the extra services required for police, fire, accident,  
19 health care, elderly care, charity care, hospitalization, public  
20 housing and housing assistance, and other forms of public  
21 protection, services and facilities.

22           (d) The provision of the City's assistance as identified in  
23 the Economic Development Agreement is necessary and appropriate to  
24 make the Project feasible; and the City's assistance is reasonable  
25 and not excessive, taking into account the needs of the Company to  
26 make the Project economically and financially feasible, and the  
27 extent of the public benefits expected to be derived from the  
28 Project, and taking into account all other forms of assistance  
29 available.

30           (e) The Company is qualified to carry out and complete the  
31 construction and equipping of the Project, in accordance with the

1 Economic Development Agreement.

2 (f) Recommendation for QTI Refunds. The Council, acting in  
3 its capacity as a county, hereby recommends to the State of Florida  
4 Department of Economic Opportunity that the Company be approved as a  
5 "qualified target industry business" pursuant to Section 288.106,  
6 Florida Statutes, with a High-Impact Sector bonus.

7 (g) The authorizations provided by this Resolution are for  
8 public uses and purposes for which the City may use its powers as a  
9 county, municipality and as a political subdivision of the State of  
10 Florida and may expend public funds, and the necessity in the public  
11 interest for the provisions herein enacted is hereby declared as a  
12 matter of legislative determination.

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

16 **Section 2. Economic Development Agreement Approved.** There is  
17 hereby approved, and the Mayor and Corporation Secretary are  
18 authorized to enter into an Economic Development Agreement  
19 ("Agreement") between the City and the Company, substantially in  
20 the form placed **On File** with the Legislative Services Division  
21 (with such "technical" changes as herein authorized), for the  
22 purpose of implementing the recommendations of the DIA, as are  
23 further described in the Project Summary attached hereto as **Exhibit**  
24 **1.**

25 The Agreement may include such additions, deletions and  
26 changes as may be reasonable, necessary and incidental for carrying  
27 out the purposes thereof, as may be acceptable to the Mayor, or his  
28 designee, with such inclusion and acceptance being evidenced by  
29 execution of the Agreement by the Mayor or his designee. No  
30 modification to the Agreement may increase the financial obligations  
31 or the liability of the City and any such modification shall be

1 technical only and shall be subject to appropriate legal review and  
2 approval of the General Counsel, or his or her designee, and all  
3 other appropriate action required by law. "Technical" is herein  
4 defined as including, but not limited to, changes in legal  
5 descriptions and surveys, descriptions of infrastructure  
6 improvements and/or any road project, ingress and egress, easements  
7 and rights of way, performance schedules (provided that no  
8 performance schedule may be extended for more than one year without  
9 City Council approval unless required to align the Performance  
10 Schedule with any changes to performance schedules set forth in the  
11 agreement between the Company and the State of Florida Department of  
12 Economic Opportunity) design standards, access and site plan, which  
13 have no financial impact.

14 **Section 3. QTI Local Financial Support Approved.** By this  
15 Resolution, the City is authorized and directed to provide "local  
16 financial support," as defined in Section 288.106, Florida  
17 Statutes, in the aggregate amount of up to \$600,000 or 20% of the  
18 amount of the basic QTI Refunds at the 150% average private-sector  
19 wage level with a High-Impact Sector bonus granted to the Company  
20 by the State, whichever is less. Such local financial support  
21 shall be made available in the amount of up to \$1,200 per new job  
22 for up to 500 new jobs created by the Company in connection with  
23 the Project. The funding for such local financial support will be  
24 made available by future appropriation of the Council over the time  
25 period described in the guidelines referenced in the heading of  
26 this Resolution if such new jobs are created.

27 **Section 4. Payment of REV Grant.**

28 (a) The REV Grant shall not be deemed to constitute a debt,  
29 liability, or obligation of the City or of the State of Florida or  
30 any political subdivision thereof within the meaning of any  
31 constitutional or statutory limitation, or a pledge of the faith and

1 credit or taxing power of the City or of the State of Florida or any  
2 political subdivision thereof, but shall be payable solely from the  
3 funds provided therefor as provided in this Section. The Economic  
4 Development Agreement shall contain a statement to the effect that  
5 the City shall not be obligated to pay any installment of its  
6 financial assistance to the Company except from the non-ad valorem  
7 revenues or other legally available funds provided for that purpose,  
8 that neither the faith and credit nor the taxing power of the City  
9 or of the State of Florida or any political subdivision thereof is  
10 pledged to the payment of any portion of such financial assistance,  
11 and that the Company, or any person, firm or entity claiming by,  
12 through or under the Company, or any other person whomsoever, shall  
13 never have any right, directly or indirectly, to compel the exercise  
14 of the ad valorem taxing power of the City or of the State of  
15 Florida or any political subdivision thereof for the payment of any  
16 portion of such financial assistance.

17 (b) The Mayor, or his designee, is hereby authorized to and  
18 shall disburse the annual installments of the REV Grant as provided  
19 in this Section in accordance with this Resolution and the Economic  
20 Development Agreement.

21 **Section 5. City Closing Fund Grant Approved.** A City  
22 Closing Fund Grant in the amount of \$3,500,000 is hereby approved,  
23 the disbursement of which shall be pursuant to the Agreement.

24 **Section 6. Designation of Authorized Official and DIA as**  
25 **Contract Monitor.** The Mayor is designated as the authorized  
26 official of the City for the purpose of executing and delivering  
27 any contracts and documents and furnishing such information, data  
28 and documents for the Agreement and related documents as may be  
29 required and otherwise to act as the authorized official of the  
30 City in connection with the Agreement, and is further authorized to  
31 designate one or more other officials of the City to exercise any

1 of the foregoing authorizations and to furnish or cause to be  
2 furnished such information and take or cause to be taken such  
3 action as may be necessary to enable the City to implement the  
4 Agreement according to its terms. The DIA is hereby required to  
5 administer and monitor the Agreement and to handle the City's  
6 responsibilities thereunder, including the City's responsibilities  
7 under such Agreement working with and supported by all relevant  
8 City departments.

9 **Section 7. Further Authorizations.** The Mayor, or his  
10 designee, and the Corporation Secretary, are hereby authorized to  
11 execute the Agreement and all other contracts and documents and  
12 otherwise take all necessary action in connection therewith and  
13 herewith. The Chief Executive Officer of the DIA, as contract  
14 administrator, is authorized to negotiate and execute all necessary  
15 changes and amendments to the Agreement and other contracts and  
16 documents, to effectuate the purposes of this Resolution, without  
17 further Council action, provided such changes and amendments are  
18 limited to amendments that are technical in nature (as described in  
19 Section 2 hereof), and further provided that all such amendments  
20 shall be subject to appropriate legal review and approval by the  
21 General Counsel, or his or her designee, and all other appropriate  
22 official action required by law.

23 **Section 8. Oversight Department.** The DIA shall oversee  
24 the Project described herein.

25 **Section 9. Execution of Agreement.** If the Agreement  
26 approved by this Resolution has not been signed by the Company  
27 within ninety (90) days after the DIA delivers or mails the  
28 unexecuted Agreement to the Company for execution, then the City  
29 Council approvals in this Resolution and authorization for the  
30 Mayor to execute the Agreement are automatically revoked, provided  
31 however, that the Chief Executive Officer of the DIA shall have the



1 authority to extend such ninety (90) day period in writing at his  
2 discretion for up to an additional ninety (90) days.

3 **Section 10. Public Investment Policy.** This Resolution  
4 conforms to the guidelines provided in the Public Investment Policy  
5 adopted by City Council Ordinance 2016-382-E.

6 **Section 11. Effective Date.** This Resolution shall become  
7 effective upon signature by the Mayor or upon becoming effective  
8 without the Mayor's signature.

9  
10 Form Approved:

11  
12 /s/ John Sawyer

13 Office of General Counsel

14 Legislation Prepared By: John Sawyer

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