

LEGISLATIVE FACT SHEET

DATE: **6/17/2020**

BT or RC No: **N/A**

(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: **Ed Randolph, Director of Business Development** Contact No: **255-5450**

Email edr@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)

UPS, an international distribution company, has been making strategic investments in various markets around the U.S. in recent years, to keep up with the demands of the ecommerce marketplace. In 2017, the City of Jacksonville approved a REV Grant for UPS related to a proposed investment of \$196 million at its Imeson Road facility. Of that projected \$196 million, by the end of 2019 UPS had invested approximately \$173 million. UPS is now evaluating its Imeson Road location for an additional \$138 million investment (above the original projection of \$196 million), totaling an overall investment of \$334 million, over a 4 year period.

UPS is evaluating sites in several other states to invest the additional \$138 million in proposed improvements. If Jacksonville is selected, they propose to create an additional 240 new full-time jobs no later than December 31, 2024. The average annual wage is \$50,000 plus benefits. UPS has stated that the City of Jacksonville’s financial incentive proposed is a material factor in their decision to further develop the logistics, warehouse and distribution center in Jacksonville.

The City is proposing to revise the 2017 REV Grant so that it reflects a total investment of \$334 million by the company. The terms of the REV Grant, 5 years at 50%, would remain the same. The cap would be increased from \$4.3 million to \$6.8 million.

APPROPRIATION: Total Amount Appropriated \$0 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: Amount:

To: Amount:

Name of In-Kind Contributions:

From: _____ Amount: _____

To: _____ Amount: _____

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.)

The City of Jacksonville proposes to provide:

A REV grant based on 50 percent of the increase in real and personal property taxes generated at the project site, for 5 years up to a maximum of \$6,800,000; provided the private capital investment is not less than \$300 million and the company creates a minimum of 240 jobs by the end of 2024.

The total amount of City incentives would be up to: \$6,800,000.

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.

CIP Amendment? Yes ___ No **X** ___

Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.

Contract/Agreement Approval? Yes **X** ___ 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 **X** ___ If yes, attach appropriate RC/BT form(s)

Waiver of Code? Yes ___ No **X** ___

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

Code Exception: Yes ___ No **X** ___

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

Related Enacted Ordinances? Yes ___ No **X** ___

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 **X** ___

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 **X** ___ Attachment: If yes, attach appropriate form(s)

Reporting Requirements? Yes ___ No **X** ___

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.

Director BD: _____
(Signature)

Date: 6/17/2020 _____

Prepared By: _____

Date: 6/17/2020 _____

Director BD:

(Signature)

Date: 6/17/2020

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Roselyn Chall, 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: Ed Randolph, Director Business Development
(Name, Job Title, Department)

Phone: 255-5454 E-Mail: edr@coj.net

CC: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor

Phone: 255-5015 E-Mail: leeannk@coj.net

COUNCIL MEMBER/INDEPENDENT AGENCY/CONSTITUTIONAL OFFICER TRANSMITTAL

To: Peggy Sidman, Office of General Counsel, St. James Bldg., Suite 480

Phone: 255-5055 E-Mail: psidman@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: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor
Phone: _____ E-Mail: _____

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?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED