

**LEGISLATIVE FACT SHEET**

DATE: 02/09/22

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: **Kirk Wendland, Executive Director** Contact No: **255-5455**

Email: kwendland@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)

Pritchard Hospitality, LLC desires to develop an 82-room limited-service Tru by Hilton Worldwide motel at 4142 Perimeter Industrial Parkway, W within the KingSoutel Crossing Community Redevelopment Area (KSC/CRA). The 1.8-acre site was purchased in March 2020 and shortly after the Covid-19 outbreak occurred delaying the construction of the motel. The Covid disruption delayed the project and in the interim the cost of construction materials and scarcity of labor resulted in substantial cost increases of 17% increasing the cost from \$11.4 million up to \$13.3 million. That factor coupled with credit tightening and ever-changing lending requirements have negatively affected the financial viability of the project. The proposed Tru hotel by Hilton Worldwide will be the first new motel developed within the KingSoutel Crossing CRA. The proposed project meets the development goals outlined in the Community Redevelopment Plan for a branded hotel/motel along I-295 within Northwest Jacksonville.

The City is proposing to offer a 5 year 50% REV Grant, based on the proposed \$13.3 million investment and the addition 10 new full-time equivalent jobs, by the end of 2024. The average wage of the jobs is \$38,000. The REV Grant would be capped at \$290,000.

The Company has stated the REV Grant is a material factor in its decision to complete the project.

The KingSoutel Crossing Advisory Board reviewed and approved the request at their January 27, 2022, meeting. The KingSoutel Crossing CRA Board reviewed and approved Resolution KSC/CRA-2022-01 at their February 8, 2022, meeting.

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:

To:

Name of COJ Funding Source(s)

From:

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.

Project Incentives:

The City of Jacksonville proposes to provide:

- A Recaptured Enhanced Value (REV) Grant equal to 50% of the incremental increase in the county portion of ad valorem taxes generated from the private capital investment in real and tangible personal property for five years. The estimated REV Grant based upon the proposed \$13.3 million private capital investment over the five (5) year period is \$290,000.
- The project has a positive Return On Investment of (4.19:1) for the City of Jacksonville.

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 **X** \_\_\_\_\_ No \_\_\_\_\_

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

Project requires the waiver of the Public Investment Policy (PIP) Ordinance 2016-382-E. The waiver of the PIP is required as the project is not a "Target Industry" and the wages for the 10 full-time equivalent jobs to be created do not average or exceed the State of Florida average wage. The project is located within the KingSoutel Crossing Community Redevelopment Area and consistent with CRA redevelopment plan.

**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.

Executive Director:



(Signature)

Date: 02/09/2022

Prepared By:

(Signature)

Date: 02/09/2022

**ADMINISTRATIVE TRANSMITTAL**

To:

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: Kirk Wendland, Executive Director, Office of Economic Development  
(Name, Job Title, Department)

Phone: 255-5455 E-Mail: kwendland@coj.net

CC: Rachel Zimmer, Director of Intergovernmental Affairs, Office of the Mayor

Phone: 255-5006 E-Mail: rachelz@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: Rachel Zimmer, Director of Intergovernmental Affairs, Office of the Mayor  
Phone: 255-5006 E-Mail: rachelz@coj.net

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**