

**LEGISLATIVE FACT SHEET**

DATE: 03/08/22

BT or RC No: **BT22-063**

(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](mailto: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)

Florida Mechanical Systems, Inc. proposes to construct a corporate headquarters and administrative building for lease to W. W. Gay Mechanical Contractor, Inc. The 49,200 square foot office building is being constructed to replace the previous headquarters building destroyed by fire in August 2020. The project site is located within a Level 2 Distressed Area. The cost of the project is \$15.3 million. Retaining the corporate headquarters of W. W. Gay within the Urban Core retains approximately 600 full time jobs and creates 60 new full-time jobs within five years after construction is completed. The average wage of the jobs to be created is \$83,700 plus benefits, adding \$5 million in annual payroll.

The Company has indicated that the financial incentives proposed are a material factor in the corporate headquarters remaining in the Urban Core versus selecting a greenfield site for the project.

The support the project the city is proposing to offer 10-year 50% REV Grant, based on the proposed \$15.3 million investment and the addition 60 new full-time equivalent jobs, by the end of 2028. The average wage of the jobs is \$83,700. The REV Grant would be capped at \$700,000. Additionally, a Large-Scale Economic Development Fund Grant in the amount of \$500,000 is recommended to offset a portion of the site development expenses associated with the project. The total amount of City incentives would be up to \$1,200,000.

The funding request for the Large-Scale Economic Development Fund Grant is scheduled to be presented to the Northwest Economic Development Fund Advisory Board at their March 22, 2022, meeting.

APPROPRIATION: Total Amount Appropriated \$500,000 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: \_\_\_\_\_

From: Northwest OED Fund / JXSF Citywide Industry Development / Transfer from Fund Balance

Amount: \$500,000

To: Northwest OED Fund / Northwest JEDC Fund / Subsidies & Contributions To Private Org

Amount: \$500,000

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 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 ten years. The estimated REV Grant based upon the proposed \$15.3 million private capital investment over the five (5) year period is capped at \$700,000. The REV Grant will be budgeted annually during the City's budget process.
- A Northwest Large Scale Economic Development Fund (LSEDF) Grant in the amount of \$500,000 to offset a portion of the site development expenses associated with the project. The LSEDF Grant will be funded via a transfer from Fund Balance, which originated from prior year investment pool earnings that fell to fund balance – unassigned at fiscal year-end.
- The project has a positive Return On Investment of (1.34:1) 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 Statute or Provision.

**Fiscal Year Carryover?** Yes \_\_\_\_\_ No **X** \_\_\_\_\_

Note: If yes, note must include explanation of all-year subfund carryover language.

Fund 00117 is an all years fund.

**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 X BT22-063 No \_\_\_\_\_ 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.

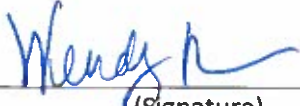
Executive Director:



(Signature)

Date: 03/08/2022

Prepared By:



(Signature)

Date: 03/08/2022

**ADMINISTRATIVE TRANSMITTAL**

To: MBRC, 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: 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**