

LEGISLATIVE FACT SHEET

DATE: 10/12/2022

BT or RC No: BT23-016

(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)

Sports Addix, LLC is a Michigan Limited Liability Company providing amateur sports outfits for a variety of team sports which includes the design, embroidery, screen printing and manufacturing. The business was founded in 2006 in Lowell, Michigan and in 2019 was acquired by current owner Mr. Steve Dean. Mr. Dean desires to relocate the company from Michigan to Jacksonville, Florida. Mr. Dean acquired Great Atlantic Outfitters, a Jacksonville company located in Arlington, and is consolidating the two businesses in a leased facility located at 1708 Marshall Street within the stadium district.

The 23,500 square foot building is a metal prefabricated warehouse building constructed in 1973 and it must be upgraded to accommodate the manufacturing needs of the business. Renovations include a new roof, electrical infrastructure upgrades, and other fire and safety improvements necessary to adhere to current building code requirements. The project costs associated with the expansion is \$679,000, comprising leasehold and infrastructure improvements totaling \$366,000; purchases of new machinery and equipment costing \$276,000; and purchase of additional furniture, fixtures and equipment costing \$37,000.

The Company seeks to expand their sports apparel design and manufacturing business, proposes to retain their existing 43 employees at an average wage of \$38,854 (\$18.67 hr) and create another 25 new full-time jobs at an average wage of \$51,000 (\$24.51 hr) plus benefits within 24 months after the renovations are completed. Annual payroll of the new jobs being created is \$1,275,000 per year, plus benefits.

Sports Addix indicated that the financial incentive proposed is a material factor in their selection of Jacksonville for their proposed sports apparel manufacturing business.

To support the project the city is proposing to offer a \$50,000 Northwest Jacksonville Economic Development Fund (NWJEDF) Business Infrastructure Grant (BIG) to offset a portion of the cost to renovate the building an upgrade the interior infrastructure to support their multi-line apparel manufacturing shop. The total amount of City incentive recommended is \$50,000.

The funding request for the NWJEDF Business Infrastructure Grant was unanimously approved by the Northwest Economic Development Fund Advisory Committee at their October 11, 2022, meeting.

APPROPRIATION: Total Amount Appropriated \$50,000 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 / Northwest JEDC Fund/ Transfer from Fund Balance Amount: \$50,000

To: Northwest OED Fund / Northwest JEDC Fund / Subsidies & Contributions to Private Org
Amount: \$50,000

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:

- NWJEDF Business Infrastructure Grant in the amount of \$50,000 to offset a portion of the infrastructure costs associated with the interior renovation and conversion of the former warehouse constructed in 1973 into a manufacturing facility and in accordance with current building code requirements.
- Funding will be appropriated from Fund Balance to Subsidies and Contributions to Private Org, which originated from principal loan repayments in prior years.
- The project has a positive Return on Investment of (1.65:1) 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.

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** _____ No _____ If yes, attach appropriate RC/BT form(s) **BT23-016**

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)

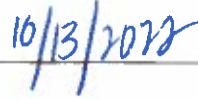
Reporting Requirements? Yes _____ No X

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: _____



Prepared By: _____


(Signature)

Date: _____



ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o 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: Mary Staffopoulos, Office of General Counsel, St. James Bldg., Suite 480

Phone: 255-5062 E-Mail: MStaff@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?

Approved unanimously at the NWJEDF Advisory Committee meeting held October 11, 2022.

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED