

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Resolution 2022-863

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: November 22, 2022

Committee(s) of Reference: R, F

Date of Analysis: November 24, 2022

Type of Action: Authorizing execution of economic development agreement; authorizing Headquarters Retention Grant; authorizing Employment Creation Grant; designation of oversight agency; Public Investment Policy waiver; requesting two-reading fast track approval

Bill Summary: The bill authorizes execution of an economic development agreement between the City and Paysafe Payment Processing Solutions LLC to support the relocation of the company's national headquarters to Jacksonville. It authorizes a Headquarters Relocation Grant in the maximum amount of \$1.5 million and a Headquarters Retention Grant in the maximum amount of \$5 million. It authorizes an Employment Creation Grant in the maximum amount of \$3.6 million for up to 600 new jobs. The Office of Economic Development is designated as the City's oversight agency for the project. The Public Investment Policy (PIP) is waived to authorize the three grants, which are not currently PIP programs. Fast track passage on two readings is requested.

Background Information: Paysafe Payment Processing Solutions LLC is a leading specialized payments platform. Its core purpose is to enable businesses and consumers to connect and transact seamlessly through industry-leading capabilities in payment processing, digital wallet, and online cash solutions. The company has over 20 years of online payment experience, an annualized transactional volume of over US \$120 billion in 2021, and approximately 3,500 employees located in 12+ global locations. The Company proposes to combine office locations throughout the US and establish its North American headquarters in Jacksonville. The Jacksonville workforce will be a combination of new hires and relocation of existing employees. The physical location of the offices is being determined but will house the initial 200 employees with projected growth/expansion to 600 employees. The estimated capital investment in the project is \$51.5 million and the average annual salary of the new employees will be \$150,000.

The proposed employment creation grant, headquarters relocation grant, and \$5 million headquarters retention grant are not incentives currently authorized by the PIP, so a waiver is requested to authorize their use. The \$1.5 million headquarters relocation grant would be paid out over the first five years the company is in operation and the \$5 million headquarters retention grant would be paid over 10 years provided that the company continues to demonstrate that its Jacksonville location serves as its corporate headquarters.

Policy Impact Area: Economic development

Fiscal Impact: The City proposes to provide up to \$10.1 million in incentives, as follows: \$3.6 million employment creation grant; \$1.5 million headquarters relocation grant; and \$5 million headquarters retention grant.

Analyst: Clements