

1 Introduced by the Council President at the request of the Mayor:
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4 **ORDINANCE 2023-310**

5 AN ORDINANCE MAKING CERTAIN FINDINGS AND
6 APPROPRIATING \$5,500,000 FROM THE DEBT
7 MANAGEMENT FUND TO: (1) PROVIDE \$3,000,000 TO A
8 NEW CIP PROJECT ENTITLED "LOGISTICS LANE ROAD
9 EXTENSION" (THE "ROAD PROJECT"); AND (2) PROVIDE
10 \$2,500,000 AS THE CITY OF JACKSONVILLE'S
11 CONTRIBUTION TO JEA FOR PARTIAL FUNDING FOR
12 SEWER AND WATER INFRASTRUCTURE IMPROVEMENTS TO
13 BE CONSTRUCTED BY OR ON BEHALF OF JEA PURSUANT
14 TO THE JEA FUNDING AGREEMENT AUTHORIZED HEREBY
15 (THE "JEA CONTRIBUTION"), AS INITIATED BY B.T.
16 23-086; PURPOSE OF APPROPRIATION; AMENDING THE
17 2023-2027 FIVE-YEAR CAPITAL IMPROVEMENT PLAN
18 APPROVED BY ORDINANCE 2022-505-E TO ADD THE
19 PROJECT ENTITLED "LOGISTICS LANE ROAD EXTENSION"
20 AND TO REFLECT THIS APPROPRIATION OF FUNDS TO
21 THE ROAD PROJECT; AMENDING ORDINANCE 2022-504-
22 E, THE FISCAL YEAR 2022-2023 BUDGET ORDINANCE,
23 TO REPLACE SEVENTH REVISED SCHEDULE B4 TO
24 REFLECT THE APPROPRIATION OF FUNDS TO THE ROAD
25 PROJECT AND THE JEA CONTRIBUTION; APPROVING AND
26 AUTHORIZING THE MAYOR, OR HIS DESIGNEE, AND THE
27 CORPORATION SECRETARY TO EXECUTE AND DELIVER,
28 FOR AND ON BEHALF OF THE CITY OF JACKSONVILLE
29 ("CITY"), THE REDEVELOPMENT AGREEMENT BETWEEN
30 COSENTINO INDUSTRIAL USA, LLC ("COMPANY") AND
31 THE CITY, PURSUANT TO WHICH THE COMPANY MAY

1 PURCHASE APPROXIMATELY 330 ACRES OF THE CITY-
2 OWNED MEGA SITE AT CECIL COMMERCE CENTER AT AN
3 ESTIMATED PURCHASE PRICE OF \$20,520,000, ON
4 WHICH COMPANY INTENDS TO CONSTRUCT A NEW, MULTI-
5 PHASED MANUFACTURING FACILITY (THE "PROJECT"),
6 WITH THE OPTION TO PURCHASE UP TO AN ADDITIONAL
7 150 ACRES FOR A TERM OF SEVEN YEARS FOLLOWING
8 SUBSTANTIAL COMPLETION OF THE INITIAL
9 IMPROVEMENTS, AT A PURCHASE PRICE OF 75% OF THE
10 THEN APPRAISED VALUE FOR THE OPTION PARCEL;
11 AUTHORIZING A FIFTY PERCENT, TEN YEAR RECAPTURE
12 ENHANCED VALUE GRANT IN THE MAXIMUM AMOUNT NOT
13 TO EXCEED \$12,000,000 ("REV GRANT"); DESIGNATION
14 OF AUTHORIZED OFFICIAL AND CONTRACT MONITOR;
15 AUTHORIZING APPROVAL OF TECHNICAL AMENDMENTS BY
16 THE EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC
17 DEVELOPMENT ("OED"); PROVIDING FOR CITY OF
18 JACKSONVILLE OVERSIGHT BY THE OED; PROVIDING A
19 DEADLINE FOR THE COMPANY TO EXECUTE THE
20 AGREEMENT; AFFIRMING THE PROJECT'S COMPLIANCE
21 WITH THE PUBLIC INVESTMENT POLICY ADOPTED BY
22 ORDINANCE 2022-372-E, AS AMENDED; REQUESTING
23 ONE-CYCLE EMERGENCY PASSAGE; PROVIDING AN
24 EFFECTIVE DATE.

25
26 **WHEREAS,** Cosentino Industrial USA, LLC (the "Company") is
27 proposing to purchase an approximately 330 acre portion of the City-
28 owned Mega Site within Cecil Commerce Center, and the Company intends
29 to construct thereon as its initial phase of improvements a 408,000
30 square foot manufacturing facility, with an additional 734,000 square
31 feet of adjacent support area, with two production lines, with an

1 estimated private capital investment of \$270,000,000, and the Company
2 has committed to the creation of 180 new jobs with an average wage
3 of \$56,594 by December 31, 2028 (the "Project"), all as further
4 described in the Project Summary attached hereto as **Exhibit 1**; and

5 **WHEREAS**, in support of the Project, the City has agreed to extend
6 Logistics Lane by approximately a quarter mile at an estimated cost
7 of \$3,000,000, and has also agreed to provide a contribution to JEA
8 in the amount of \$2,500,000, with JEA providing \$6,000,000 of its own
9 funds, for the JEA or its designee to construct certain water and
10 sewer infrastructure improvements (the "Utility Improvements") in
11 support of the Project, as further detailed in the Redevelopment
12 Agreement authorized hereby; and

13 **WHEREAS**, in addition, the City has agreed to design and construct
14 a Rail Extension Project (as defined in the Redevelopment Agreement)
15 to be owned by the City, to provide a rail spur from the existing CSX
16 main line, beginning north of I-10 and terminating at the south
17 western edge of the Project Parcel to provide direct rail access to
18 the Project Parcel, with an estimated cost of \$8,000,000, funded in
19 part from a State of Florida grant in the amount of \$5,500,000 and
20 \$2,500,000 of City funds appropriated via separate legislation, with
21 the Company responsible for routine maintenance and repairs thereof
22 and the City responsible for capital improvements and capital repairs,
23 in accordance with the Rail Extension Maintenance Agreement
24 authorized hereby and pursuant to the Redevelopment Agreement; and

25 **WHEREAS**, the Redevelopment Agreement also authorizes the Company
26 to purchase approximately 330 acres of the City-owned Mega Site at
27 Cecil Commerce Center at an estimated purchase price of \$20,520,000
28 (the "Sale Proceeds"), and upon the closing on the property and
29 receipt of the Sale Proceeds the City intends to file legislation to
30 appropriate portions of the Sale Proceeds in substitution of the
31 other City funding authorizations referenced herein; and

1 **WHEREAS**, for the reasons more fully described in the Project
2 Summary, the payment of the REV Grant in such amounts and other City
3 funds as set forth herein and in the Redevelopment Agreement serves
4 a paramount public purpose; and

5 **WHEREAS**, the City's Office of Economic Development ("OED") has
6 reviewed the application submitted by the Company for community
7 development, and, together with representatives of the City,
8 negotiated the Redevelopment Agreement and, based upon the contents
9 of the Redevelopment Agreement, has determined the Redevelopment
10 Agreement and the uses contemplated therein to be in the public
11 interest, and has determined that the public actions and financial
12 assistance contemplated in the Redevelopment Agreement and hereby
13 take into account and give consideration to the long-term public
14 interests and public interest benefits to be achieved by the City;
15 and

16 **WHEREAS**, the Company has requested the City to enter into the
17 Redevelopment Agreement in substantially the form placed **On File** with
18 the Office of Legislative Services; now therefore,

19 **BE IT ORDAINED** by the Council of the City of Jacksonville:

20 **Section 1. Findings.** It is hereby ascertained, determined,
21 found and declared as follows:

22 (a) The recitals set forth herein are true and correct.

23 (b) The location of the Company's Project at Cecil Commerce
24 Center in Jacksonville, Florida, is more particularly described in
25 the Redevelopment Agreement. The Project will promote and further
26 the public and municipal purposes of the City.

27 (c) Enhancement of the City's tax base and revenues are matters
28 of State and City policy and State and City concern in order that the
29 State and its counties and municipalities, including the City, shall
30 not continue to be endangered by unemployment, underemployment,
31 economic recession, poverty, crime and disease, and consume an

1 excessive proportion of the State and City revenues because of the
2 extra services required for police, fire, accident, health care,
3 elderly care, charity care, hospitalization, public housing and
4 housing assistance, and other forms of public protection, services
5 and facilities.

6 (d) The provision of the City's assistance as identified in
7 the Redevelopment Agreement is necessary and appropriate to make the
8 Project feasible; and the City's assistance is reasonable and not
9 excessive, taking into account the needs of the Company to make the
10 Project economically and financially feasible, and the extent of the
11 public benefits expected to be derived from the Project, and taking
12 into account all other forms of assistance available.

13 (e) The Company is qualified to carry out and complete the
14 construction and equipping of the Project, in accordance with the
15 Redevelopment Agreement.

16 (f) The authorizations provided by this Ordinance are for
17 public uses and purposes for which the City may use its powers as a
18 county, municipality and as a political subdivision of the State of
19 Florida and may expend public funds, and the necessity in the public
20 interest for the provisions herein enacted is hereby declared as a
21 matter of legislative determination.

22 (g) This Ordinance is adopted pursuant to the provisions of
23 Chapters 163, 166 and 125, Florida Statutes, as amended, the City's
24 Charter, and other applicable provisions of law.

25 **Section 2. Appropriation.** For the 2022-2023 fiscal year,
26 within the City's budget, there are hereby appropriated the indicated
27 sum(s) from the account(s) listed in subsection (a) to the account(s)
28 listed in subsection (b): (B.T. 23-086, attached hereto as **Exhibit 2**
29 and incorporated herein by this reference):

30 (a) Appropriated from:

31 See B.T. 23-086 \$5,500,000

1 (b) Appropriated to:

2 See B.T. 23-086 \$5,500,000

3 (c) **Explanation of Appropriation**

4 The funding above appropriates \$5,500,000 from the City's
5 Debt Management Fund to provide funding for the Road
6 Project and assist with costs related to water and sewer
7 infrastructure improvements for the Project.

8 **Section 3. Purpose.** The purpose of the appropriation in
9 Section 2 is to provide funding for the Road Project, which is
10 estimated to cost \$3,000,000, as well as to provide \$2,500,000 to JEA
11 to partially offset costs for water and sewer infrastructure
12 improvements to be constructed by or on behalf of JEA related to the
13 Project. This appropriation will constitute a loan from the City's
14 Debt Management Fund that will accrue interest beginning on the date
15 it is funded. The loan will be repaid, in full, with accrued interest,
16 upon the sale of the Project Parcel to the Company or may be repaid
17 sooner in the event the Cecil Commerce Center Trust Fund receives
18 sufficient revenues from additional consideration payments, land
19 sales, or other sources.

20 **Section 4. CIP Amendment.** Ordinance 2022-505-E, adopting
21 the 2023-2027 Five-Year Capital Improvement Plan for the City and
22 certain of its independent agencies, is hereby amended to provide
23 funding for the Project more fully described in the Project
24 Information Sheet attached hereto as **Exhibit 3** and incorporated herein
25 by this reference. The Council finds that the deferral of this
26 amendment of the CIP until the next annual budget and CIP review will
27 be detrimental to the best interests of the community because such
28 deferral will unnecessarily delay completion of the Project.

29 Pursuant to Section 122.605(c), *Ordinance Code*, enactment of
30 this ordinance requires the affirmative vote of two-thirds of the
31 Council members present at the meeting because of the CIP amendment

1 set forth in this section. This ordinance shall constitute an
2 amendment to Ordinance 2022-505-E. In all other respects, the Five-
3 Year Capital Improvement Program approved by Ordinance 2022-505-E
4 shall continue in full force and effect.

5 **Section 5. Amending 2022-504-E, the FY 2022-2023 Budget**
6 **Ordinance, to replace Seventh Revised Schedule B4 to provide funding**
7 **for the Logistics Lane Road Extension Project and JEA Contribution.**

8 2022-504-E, the FY 2022-2023 Budget Ordinance, is hereby amended to
9 replace Seventh Revised Schedule B4, entitled "FY 22-23 Debt
10 Management Fund Detail" to provide \$3,000,000 in funding to the Road
11 Project and \$2,500,000 in funding for the JEA Contribution in the
12 current fiscal year. The Eight Revised Schedule B4 is attached hereto
13 as **Exhibit 4.**

14 **Section 6. Redevelopment Agreement Approved.** The Mayor, or
15 his designee, and the Corporation Secretary are hereby authorized to
16 execute and deliver, for and on behalf of the City, the Redevelopment
17 Agreement substantially in the form placed **On File** with the Office
18 of Legislative Services (with such "technical" changes as herein
19 authorized), for the purpose of implementing the recommendations of
20 the OED, as are further described in the Project Summary attached
21 hereto as **Exhibit 1.**

22 The Redevelopment Agreement may include such additions,
23 deletions, and changes as may be reasonable, necessary, and incidental
24 for carrying out the purposes thereof, as may be acceptable to the
25 Mayor or his designee, with such inclusion and acceptance being
26 evidenced by execution of the Redevelopment Agreement by the Mayor
27 or his designee. No modification of the Redevelopment Agreement may
28 increase the financial obligations or the liability of the City and
29 any such modification shall be technical only and shall be subject
30 to appropriate legal review and approval of the General Counsel or
31 his or her designee and all other appropriate action required by law.

1 "Technical" is herein defined as including, but not limited to,
2 changes in legal descriptions and surveys, descriptions of
3 infrastructure improvements and/or any road project, ingress and
4 egress, easements and rights of way, performance schedules (provided
5 that no performance schedule may be extended for more than one year
6 without City Council approval), design standards, access and site
7 plans which have no financial impact.

8 **Section 7. JEA Sewer and Water Infrastructure Improvements**
9 **Funding Agreement authorized.** The Mayor, or his designee, and the
10 Corporation Secretary, are hereby authorized to enter into a funding
11 agreement (the "JEA Funding Agreement"), whereby the City will provide
12 \$2,500,000 to the JEA within thirty days of execution thereof, with
13 JEA providing \$6,000,000 of its own funds, to be used exclusively for
14 the design and construction of the Utility Improvements (as defined
15 in the Redevelopment Agreement). The Funding Agreement shall provide
16 the City has no responsibility for any cost overruns related to the
17 design and construction of the Utility Improvements, and shall also
18 provide that if the total cost of the Utility Improvements is less
19 than \$8,500,000 any cost savings shall accrue to the JEA and the City
20 on a pro rata basis (the "Excess Funds"), and shall also provide the
21 Excess Funds will be refunded to the City within thirty days of
22 notification thereof.

23 **Section 8. Payment of the Recapture Enhanced Value (REV)**
24 **Grant.**

25 (a) The REV Grant shall not be deemed to constitute a debt,
26 liability, or obligation of the City or of the State of Florida or
27 any political subdivision thereof within the meaning of any
28 constitutional or statutory limitation, or a pledge of the faith and
29 credit or taxing power of the City or of the State of Florida or any
30 constitutional or any political subdivision thereof but shall be
31 payable solely from the funds provided therefor as provided in this

1 Section. The Agreement shall contain a statement of the effect that
2 the City shall not be obligated to pay any installment of its
3 financial assistance to the Company except from the non-ad valorem
4 revenues or other legally available funds provided for that purpose,
5 that neither the faith and credit nor the taxing power of the City
6 or of the State of Florida or any political subdivision thereof is
7 pledged to the payment of any portion of such financial assistance,
8 and that the Company, or any person, firm or entity claiming by,
9 through or under the Company, or any other person whomsoever, shall
10 never have any right, directly or indirectly, to compel the exercise
11 of the ad valorem taxing power of the City or of the State of Florida
12 or any political subdivision thereof for the payment of any portion
13 of such financial assistance.

14 (b) The Mayor, or his designee, is hereby authorized to and
15 shall disburse the annual installments of the REV Grant as provided
16 in this Section in accordance with this Ordinance and the Agreement.

17 **Section 9. Designation of Authorized Official/OED Contract**

18 **Monitor.** The Mayor is designated as the authorized official of the
19 City for the purpose of executing and delivering any contracts and
20 documents and furnishing such information, data and documents for the
21 Agreement and related documents as may be required and otherwise to
22 act as the authorized official of the City in connection with the
23 Agreement, and is further authorized to designate one or more other
24 officials of the City to exercise any of the foregoing authorizations
25 and to furnish or cause to be furnished such information and take or
26 cause to be taken such action as may be necessary to enable the City
27 to implement the Agreement according to its terms. The OED is hereby
28 required to administer and monitor the Agreement and to handle the
29 City's responsibilities thereunder, including the City's
30 responsibilities under such Agreement working with and supported by
31 all relevant City departments.

1 **Section 10. Further Authorizations.** The Mayor, or his
2 designee, and the Corporation Secretary, are hereby authorized to
3 execute the Redevelopment Agreement and all other contracts and
4 documents and otherwise take all necessary action in connection
5 therewith and herewith. The Executive Director of the OED, as contract
6 administrator, is authorized to negotiate and execute all necessary
7 changes and amendments to the Redevelopment Agreement and other
8 contracts and documents, to effectuate the purposes of this Ordinance,
9 without further Council action, provided such changes and amendments
10 are limited to amendments that are technical in nature (as described
11 in Section 4 hereof), and further provided that all such amendments
12 shall be subject to appropriate legal review and approval by the
13 General Counsel, or his or her designee, and all other appropriate
14 official action required by law.

15 **Section 11. Oversight Department.** The Office of Economic
16 Development shall oversee the Project described herein.

17 **Section 12. Execution of the Redevelopment Agreement.** If
18 the Redevelopment Agreement approved by this Ordinance has not been
19 signed by the Company within ninety (90) days after the OED delivers
20 or mails the unexecuted Redevelopment Agreement to the Company for
21 execution, then the City Council approvals in this Ordinance and
22 authorization for the Mayor to execute the Agreement are automatically
23 revoked; provided, however, that the Executive Director of the OED
24 shall have the authority to extend such ninety (90) day period in
25 writing at his discretion for up to an additional ninety (90) days.

26 **Section 13. Public Investment Policy.** This Ordinance
27 conforms to the guidelines provided in the Public Investment Policy
28 adopted by City Council Ordinance 2022-372-E, as amended.

29 **Section 14. One-cycle emergency passage requested pursuant**
30 **to Council Rule 4.901.** One-cycle emergency passage is requested for
31 this legislation. The nature of the emergency is that because of the

1 CIP amendment authorized hereby, an ordinance rather than a resolution
2 was required, and thus the two reading process for economic
3 development investment incentives was unavailable and the Company has
4 assumed such two-reading cycle in planning its project timelines.
5 One-cycle emergency passage of this Ordinance will allow the Company
6 to commence with its development without any unnecessary delays.

7 **Section 15. Effective Date.** This Ordinance shall become
8 effective upon signature by the Mayor or upon becoming effective
9 without the Mayor's signature.

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11
12
13 Form Approved:

14
15 /s/ John Sawyer

16 Office of General Counsel

17 Legislation prepared by: John Sawyer

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