

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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Bill Type and Number: Resolution 2024-836

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

Date of Introduction: October 22, 2024

Committee(s) of Reference: F, R

Date of Analysis: October 24, 2024

Type of Action: Authorizing execution of an economic development agreement; authorization of REV grant; approval of employment retention grant; authorization of targeted industry employment grant; designation of oversight agency; Public Investment Policy waiver; request for fast-track approval

Bill Summary: The resolution authorizes execution of an economic development agreement between the City and Project Paper (corporate identity temporarily confidential) to support the company's expansion in Jacksonville and the establishment of the national headquarters of one of its divisions here. It authorizes a Recapture Enhanced Value (REV) grant of not to exceed \$10 million, a Business Expansion Grant of not to exceed \$5 million, an Employment Retention Grant of not exceed \$3 million and a Local Targeted Industry Employment Grant of not to exceed \$3 million. The bill designates the Office of Economic Development as the City's oversight agency for the project and authorizes the execution of documents and contracts to fulfill the agreements. The City's Public Investment Policy is waived to authorize the Business Expansion Grant and the Employment Retention Grant that are not authorized pursuant to the Policy, and to authorize the Local Targeted Industry Employment Grant at a rate of \$6,000 per new job which is above the \$5,000 per new job permitted by the Policy. Fast-track approval on two readings is requested.

Background Information: Project Paper is a financial services company that employs approximately 1,500 in Jacksonville currently. The company proposes to establish its national information technology/mortgage division here, retaining the 1,500 jobs and creating a minimum of 500 additional jobs with average compensation (salary plus benefits) of \$125,000 per year within 7 years. The company intends to spend a minimum of \$173 million in initial capital investment, and possibly \$216 million over 5 years, in construction, building and equipment purchases.

The REV grant represents an amount equal to 50% of the City taxes generated over 13 years. The Business Expansion Grant would be paid out at \$500,000 per year over 10 years, beginning in the sixth year after execution of the economic development agreement. The Job Creation Grant represents \$6,000 per job for up to 500 new jobs at an average base salary of \$100,000. The Job Retention Grant represents retention of the 1,500 existing employees at a rate of \$2,000 per job.

Policy Impact Area: Economic development

Fiscal Impact: The deal commits the City to total incentives of \$21 million payable over a period of 16 years.

Analyst: Clements