

## CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY

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**Bill Type and Number:** Ordinance 2019-471

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

**Date of Introduction:** June 25, 2019

**Committee(s) of Reference:** F

**Date of Analysis:** June 27, 2019

**Type of Action:** Amendment of economic development agreement; designation of oversight agency

**Bill Summary:** The bill authorizes the execution of an amended economic development agreement between the City and Fanatics, Inc. to eliminate the Qualified Targeted Industry (QTI) incentive and to permit the company to receive a portion of the Recapture Enhanced Value (REV) grant for capital investments at a location other than the site originally proposed. The bill designates the Office of Economic Development as the City's oversight agency for the agreement.

**Background Information:** In 2015 the City entered into an economic development agreement with Fanatics, Inc., a world leader in the production of officially licensed sports apparel and other merchandise for professional sports leagues and more than 200 colleges. The agreement required the company to retain 400 permanent jobs and create 80 new jobs with an average annual salary of \$85,808 by December 31, 2019. The City also granted a 50% REV Grant of up to \$300,000, payable over 7 years, for capital improvements valued at \$10 million at 8100 Nations Way and 6800 Southpoint Parkway. The company has made \$9.82 million in capital improvements, but some improvements were made to a building on Financial Way instead of Southpoint Parkway, so no REV grant payments have been made to date. The company has also decided not to participate in the QTI program. This bill amends the economic development agreement to change the location of a portion of the capital improvements qualifying for the REV grant from Southpoint Parkway to Financial Way and extends the payout period from 5 to 6 years, still with the \$300,000 cap. It also removes all references to the QTI program and incentives from the agreement.

**Policy Impact Area:** Economic development

**Fiscal Impact:** The bill authorizes the payment of the \$300,000 REV grant for improvements made at a location not listed in the original agreement and extends the payment period for one year. It removes the City's commitment to a \$240,000 QTI local match.

**Analyst:** Clements