

# CITY COUNCIL RESEARCH DIVISION

## LEGISLATIVE SUMMARY

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**Bill Type and Number:** Ordinance 2019-596

**Introducer/Sponsor(s):** Council President at the request of the Downtown Investment Authority

**Date of Introduction:** August 13, 2019

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

**Date of Analysis:** August 15, 2019

**Type of Action:** Approval of economic development agreement; commitment to QTI match; authorization of REV grant; authorization of closing fund grant; designation of oversight agency; affirmation of compliance with Public Investment Policy

**Bill Summary:** The bill approves an economic development agreement between the City, the Downtown Investment Authority and Project Sharp (corporate name temporarily kept confidential) for construction of a new corporate headquarters building and parking garage in the Northbank Downtown Community Redevelopment Area. It commits the City to providing a local Qualified Targeted Industry grant match of up to \$600,000 to the state's \$2.4 million commitment to the project for the creation of 500 new full-time jobs. The bill authorizes a Recapture Enhanced Value grant of up to \$23.4 million payable over 20 years and a City Closing Fund grant of \$3.5 million payable upon substantial completion of the project. The bill designates the DIA as the City's oversight agency for the project and affirms that the incentives covered in the bill conform to the guidelines of the City's Public Investment Policy.

**Background Information:** Project Sharp is a company currently doing business in Jacksonville that has 1,216 existing employees in a state targeted industry. The company proposes to create 500 new full-time jobs paying an average wage of \$85,000 by June of 2029 and to construct a new 300,000 square foot office building and associated parking structure within the Downtown Northbank Combined CRA at an estimated cost of \$145 million (combined land value, building values, and FF&E). The City's QTI match represents 20% of the total \$3 million commitment for the creation of the 500 jobs, to be verified by the state over a 10-year payout period beginning in 2020. The REV grant will be equal to 75% of the increase in ad valorem taxes paid by the Company over the 20 years following completion of the improvements, but not later than 2043, and will be paid from the revenues of the Northbank Downtown CRA.

**Policy Impact Area:** Economic development

**Fiscal Impact:** The City commits to providing a local QTI match of up to \$600,000, a REV grant of up to \$23.4 million, and a City Closing Fund grant of \$3.5 million.

**Analyst:** Clements