

LEGISLATIVE FACT SHEET

DATE: 08/16/19

BT or RC No: B T 19-117
(Administration & City Council Bills)

SPONSOR: Office of Economic Development
(Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: Office of Economic Development

Provide Name: Ed Randolph, Director of Business Development Operations

Contact Number: 255-5450

Email Address: edr@coj.net

PURPOSE: White Paper (Explain Why this legislation is necessary? Provide: Who, What, When, Where, How and the Impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation.

(Minimum of 350 words - Maximum of 1 page.)

AA Auto Parts, Inc. is a Florida, Sub Chapter S Corporation created in 2011 engaged in the sale of used auto parts and ferrous and non-ferrous metal recycling. Since 2008 the principals of the company began assembling their project site. The site comprises 14.45 upland acres on the north side of West Beaver Street just west of Lane Avenue. Initially the company operated as a buyer and seller of used auto parts. In 2010 they purchased a car crusher and began recycling ferrous metals for sale to the commercial marketplace. In 2014 AA Auto Parts began to evaluate an expansion of their operations to incorporate a commercial metal shredding operation enabling them to increase production. The cost to purchase and deliver the shredder system was \$2.5 million. The cost to install and complete the necessary site improvements is \$2.65 million. Total cost of the metal shredding system installed and ready to operate is \$5.15 million.

To install the shredder on the 14.45 acre project site required rezoning from Industrial Light (IL) to a Planned Unit Development (PUD) District. The scope of improvements necessary to prepare the site, assemble and install the shredder system dramatically exceeded the original \$150,000 cost estimate. Ordinance 2015-684-E rezoning the site was enacted on March 22, 2016. The cost of the site improvements to meet the requirements of the regulatory agencies was estimated to be \$1.6 million. Subsequently the construction cost has been value engineered and reduced to \$1.17 million.

With the financial assistance from the Northwest Economic Development Fund totaling \$250,000 the lenders have agreed to restructure and refinance the project to include the required site improvements.

APPROPRIATION: Total Amount Appropriated: \$250,000 as follows:
 List the source name and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in title of legislation)

Name of Federal Funding Source(s)	From: _____	Amount: _____
	To: _____	Amount: _____
Name of State Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name of City of Jacksonville Funding Source(s):	From: Northwest JEDC Fund - Interest Income	Amount: \$250,000
	To: Northwest JEDC Fund - Subsidies & Contributions to Private Org	Amount: \$100,000
	To: Northwest JEDC Fund - Loans	Amount: \$150,000
Name of In-Kind Contribution(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name & Number of Bond Account(s):	From: _____	Amount: _____
	To: _____	Amount: _____

PLAIN LANGUAGE OF APPROPRIATION / FINANCIAL IMPACT / OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)

To assist AA Auto Parts, Inc. the following assistance from the Northwest Jacksonville Economic Development Fund is recommended:

- Northwest Business Infrastructure Grant (BIG) in the amount of \$100,000 to offset a portion of the site improvement costs associated with the storm water construction, curb and guttering 1,550 linear feet and sidewalk improvements along W. Beaver Street. The construction cost for these infrastructure improvements is \$242,800.
- Northwest Small Business Development Initiative (SBDI) Loan totaling \$150,000 to finance a portion of the remaining cost of the site improvements costing \$931,453 to install the metal shredding system on the project site. The interest rate for the NW SBDI loan is 3% per annum the loan term and amortization is 20 years to comply with the Small Business Administration 504 Program Guidelines for subordinate financing. The SBA 504 loan term proposed is 25 years.

Overall the Northwest Fund Assistance proposed of \$250,000 represents 9.5% of the remaining \$2.6 million of remaining project cost. The NW BIG Grant proposed is \$20,000 per new full-time job created. The project has a positive ROI of 1.94:1 for the City of Jacksonville.

ACTION ITEMS: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:	Yes	No	
Emergency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Justification of Emergency: If yes, explanation must include detailed nature of emergency.</p> <div style="border: 1px solid black; height: 60px;"></div>
Federal or State Mandate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision.</p> <div style="border: 1px solid black; height: 60px;"></div>
Fiscal Year Carryover?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Note: If yes, note must include explanation of all-year subfund carryover language.</p> <p>75C is an all years subfund</p> <div style="border: 1px solid black; height: 60px;"></div>
CIP Amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.</p>
Contract / Agreement Approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Attachment & Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted?</p> <p>Office of Economic Development to provide oversight and administration.</p> <div style="border: 1px solid black; height: 60px;"></div>
Related RC/BT?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Attachment: If yes, attach appropriate RC/BT form(s).</p>
Waiver of Code?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper.</p> <div style="border: 1px solid black; height: 30px;"></div>
Code Exception?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper.</p> <div style="border: 1px solid black; height: 30px;"></div>
Related Enacted Ordinances?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper.</p> <div style="border: 1px solid black; height: 30px;"></div>

ACTION ITEMS CONTINUED: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:

	Yes	No
Continuation of Grant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant? Are there long-term implications for the General Fund?

Surplus Property Certification?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Requirements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Attachment: If yes, attach appropriate form(s).

Explanation: List agencies (including City Council / Auditor) to receive reports and frequency of reports, including when reports are due. Provide Department (include contact name and telephone number) responsible for

Division Chief: /s/ Ed Randolph
(signature)

Date: 8/16/2019

Prepared By: /s/ Ed Randolph
(signature)

Date: 8/16/2019

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Roselyn Chall, Budget Office, St. James Suite 325

Thru: Brian Hughes, Chief Administrative Officer, Mayors Office, Fourth Floor, City Hall at St. James
(Name, Job Title, Department)
Phone: _____ E-mail: _____

From: Kirk Wendland, Executive Director, Office of Economic Development (OED)
Initiating Department Representative (Name, Job Title, Department)
Phone: 255-5455 E-mail: kwendland@coj.net

Primary Contact: Ed Randolph, Director of Business Development Operations, Office of Economic Development
(Name, Job Title, Department)
Phone: 255-5450 E-mail: edr@coj.net

CC: Jordan Elsbury, Director of Intergovernmental Affairs, Office of the Mayor
E-mail: jelsbury@coj.net

COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL

To: Peggy Sidman, Office of General Counsel, St. James Suite 480
Phone: 904-255-5055 E-mail: psidman@coj.net

From: _____
Initiating Council Member / Independent Agency / Constitutional Officer
Phone: _____ E-mail: _____

Primary Contact: _____
(Name, Job Title, Department)
Phone: _____ E-mail: _____

CC: Jordan Elsbury, Director of Intergovernmental Affairs, Office of the Mayor
904-255-5013 E-mail: jelsbury@coj.net

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation.

Independent Agency Action Item: Yes No

Boards Action / Resolution? Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED