

1 Introduced by the Council President at the request of the DIA:
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4 **RESOLUTION 2019-596-A**

5 A RESOLUTION MAKING CERTAIN FINDINGS, AND
6 APPROVING AND AUTHORIZING THE EXECUTION OF AN
7 ECONOMIC DEVELOPMENT AGREEMENT ("AGREEMENT")
8 AMONG THE CITY OF JACKSONVILLE ("CITY"), THE
9 DOWNTOWN INVESTMENT AUTHORITY ("DIA"), AND
10 PROJECT SHARP ("COMPANY"), TO SUPPORT THE
11 CONSTRUCTION BY COMPANY OF A NEW CORPORATE
12 HEADQUARTERS AND STRUCTURED PARKING FACILITY
13 LOCATED IN THE NORTHBANK DOWNTOWN COMMUNITY
14 REDEVELOPMENT AREA ("PROJECT"); RECOMMENDING
15 THAT THE COMPANY BE APPROVED BY THE STATE OF
16 FLORIDA'S DEPARTMENT OF ECONOMIC OPPORTUNITY
17 AS A QUALIFIED TARGET INDUSTRY ("QTI")
18 BUSINESS PURSUANT TO SECTIONS 288.106-108,
19 FLORIDA STATUTES; EVIDENCING A COMMITMENT OF
20 CITY SUPPORT IN AN AMOUNT NOT TO EXCEED
21 \$600,000 AS THE LOCAL FINANCIAL SUPPORT UNDER
22 THE QUALIFIED TARGET INDUSTRY TAX REFUND
23 PROGRAM PAYABLE OVER MULTIPLE YEARS PER
24 GUIDELINES SET BY THE STATE DEPARTMENT OF
25 ECONOMIC OPPORTUNITY, WITH A STATE MATCH OF
26 \$2,400,000, FOR A TOTAL CITY AND STATE QTI
27 AMOUNT OF \$3,000,000 FOR 500 JOBS; AUTHORIZING
28 A RECAPTURE ENHANCED VALUE (REV) GRANT OF
29 \$23,400,000; AUTHORIZING A CITY CLOSING FUND
30 GRANT IN THE AMOUNT OF \$3,500,000; APPROVING

1 AND AUTHORIZING EXECUTION OF DOCUMENTS BY THE
2 MAYOR OR HIS DESIGNEE AND CORPORATION
3 SECRETARY, AND AUTHORIZING APPROVAL OF
4 TECHNICAL AMENDMENTS BY THE CHIEF EXECUTIVE
5 OFFICER OF THE DIA; PROVIDING FOR OVERSIGHT BY
6 THE DOWNTOWN INVESTMENT AUTHORITY; PROVIDING A
7 DEADLINE FOR THE COMPANY TO EXECUTE THE
8 AGREEMENT; AFFIRMING THE PROJECT'S COMPLIANCE
9 WITH THE PUBLIC INVESTMENT POLICY ADOPTED BY
10 ORDINANCE 2016-382-E, AS AMENDED; PROVIDING AN
11 EFFECTIVE DATE.

12
13 **WHEREAS**, Section 288.075, Florida Statutes, allows certain
14 confidentiality regarding economic development projects and Company
15 has requested confidentiality in accordance with such law and the
16 DIA has approved the Sharp Project and advised that the Economic
17 Development Agreement is necessary to effectuate the Project; and

18 **WHEREAS**, Project Sharp (the "Company") has committed to create
19 500 permanent full-time equivalent new jobs in Jacksonville with an
20 average salary, exclusive of benefits, of approximately \$85,000 per
21 annum by June 30, 2029, all as further described in the Project
22 Summary attached hereto as **Exhibit 1**; and

23 **WHEREAS**, such average salary is at least 150% of the average
24 private-sector wage in the State effective as of January 1, 2019;
25 and

26 **WHEREAS**, the City of Jacksonville ("City") wishes to support
27 tax refunds for the Company in the maximum amount available under
28 Sections 288.106-108, Florida Statutes, relating to qualified
29 target industry High-Impact Sector businesses (the "QTI Refunds");
30 and

31 **WHEREAS**, the City is required to fund 20% of the amount of the

1 basic QTI Refunds at the 150% average private-sector wage level
2 with High-Impact Sector bonuses (20% of \$3,000,000, or \$1,200 for
3 each of 500 new jobs, for a total City contribution of \$600,000)
4 granted to the Company as the City's "local financial support",
5 while the State of Florida provides 80% of the basic QTI Refunds
6 with High-Impact Sector bonuses; and

7 **WHEREAS**, a combined City and State grant of up to \$6,000 per
8 job in QTI Refunds (of which \$4,000 are standard QTI refunds at the
9 150% average private-sector wage and \$2,000 are High-Impact Sector
10 bonuses) is a pre-condition essential to the willingness and
11 ability of the Company to expand its business in Jacksonville; and

12 **WHEREAS**, the DIA has considered the Company's requests and has
13 determined that the grant of QTI Refunds with High-Impact Sector
14 bonuses, REV Grant and City Closing Fund Grant in such amounts
15 serves a paramount public purpose and will enable the Company to
16 develop the Project; and

17 **WHEREAS**, the REV Grant authorized hereby is consistent with
18 the Public Investment Policy authorized by 2016-382-E, as amended
19 by Ordinance 2019-243-E (the "Public Investment Policy") in that
20 the Project not only creates 500 jobs but also will cause private
21 capital investment of \$145,000,000; and

22 **WHEREAS**, the Project is consistent with the DIA BID Plan, and
23 furthers Redevelopment Goal 1 (Reinforce Downtown as the City's
24 unique epicenter for business, history, culture, education and
25 entertainment), Redevelopment Goal 3 (simplify the approval process
26 for downtown development and improve departmental and agency
27 coordination), and Goal 4 (improve walkability/bikeability and
28 connectivity to adjacent neighborhoods and the St. Johns River
29 while creating highly walkable nodes); and

1 **WHEREAS**, on August 7, 2019, the DIA Board approved a
2 resolution (the "Resolution") to enter into the Redevelopment
3 Agreement, said Resolution being attached hereto as **Exhibit 2**; and

4 **WHEREAS**, it has been determined to be in the interest of the
5 City to enter into the Agreement and approve of and adopt the
6 matters set forth in this Resolution; now, therefore,

7 **BE IT RESOLVED** by the Council of the City of Jacksonville:

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

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

11 (b) The location of the Company's project in Jacksonville,
12 Florida, ("Project") is more particularly described in the Economic
13 Development Agreement. The Project will promote and further the
14 public and municipal purposes of the City.

15 (c) Enhancement of the City's tax base and revenues, are
16 matters of State and City policy and State and City concern in order
17 that the State and its counties and municipalities, including the
18 City, shall not continue to be endangered by unemployment,
19 underemployment, economic recession, poverty, crime and disease, and
20 consume an excessive proportion of the State and City revenues
21 because of the extra services required for police, fire, accident,
22 health care, elderly care, charity care, hospitalization, public
23 housing and housing assistance, and other forms of public
24 protection, services and facilities.

25 (d) The provision of the City's assistance as identified in
26 the Economic Development Agreement is necessary and appropriate to
27 make the Project feasible; and the City's assistance is reasonable
28 and not excessive, taking into account the needs of the Company to
29 make the Project economically and financially feasible, and the
30 extent of the public benefits expected to be derived from the
31 Project, and taking into account all other forms of assistance

1 available.

2 (e) The Company is qualified to carry out and complete the
3 construction and equipping of the Project, in accordance with the
4 Economic Development Agreement.

5 (f) Recommendation for QTI Refunds. The Council, acting in
6 its capacity as a county, hereby recommends to the State of Florida
7 Department of Economic Opportunity that the Company be approved as a
8 "qualified target industry business" pursuant to Section 288.106,
9 Florida Statutes, with a High-Impact Sector bonus.

10 (g) The authorizations provided by this Resolution are for
11 public uses and purposes for which the City may use its powers as a
12 county, municipality and as a political subdivision of the State of
13 Florida and may expend public funds, and the necessity in the public
14 interest for the provisions herein enacted is hereby declared as a
15 matter of legislative determination.

16 (h) This Resolution is adopted pursuant to the provisions of
17 Chapters 163, 166 and 125, Florida Statutes, as amended, the City's
18 Charter, and other applicable provisions of law.

19 **Section 2. Economic Development Agreement Approved.** There is
20 hereby approved, and the Mayor and Corporation Secretary are
21 authorized to enter into an Economic Development Agreement
22 ("Agreement") between the City and the Company, substantially in
23 the form placed **On File** with the Legislative Services Division
24 (with such "technical" changes as herein authorized), for the
25 purpose of implementing the recommendations of the DIA, as are
26 further described in the Project Summary attached hereto as **Exhibit**
27 **1.**

28 The Agreement may include such additions, deletions and
29 changes as may be reasonable, necessary and incidental for carrying
30 out the purposes thereof, as may be acceptable to the Mayor, or his
31 designee, with such inclusion and acceptance being evidenced by

1 execution of the Agreement by the Mayor or his designee. No
2 modification to the Agreement may increase the financial obligations
3 or the liability of the City and any such modification shall be
4 technical only and shall be subject to appropriate legal review and
5 approval of the General Counsel, or his or her designee, and all
6 other appropriate action required by law. "Technical" is herein
7 defined as including, but not limited to, changes in legal
8 descriptions and surveys, descriptions of infrastructure
9 improvements and/or any road project, ingress and egress, easements
10 and rights of way, performance schedules (provided that no
11 performance schedule may be extended for more than one year without
12 City Council approval unless required to align the Performance
13 Schedule with any changes to performance schedules set forth in the
14 agreement between the Company and the State of Florida Department of
15 Economic Opportunity) design standards, access and site plan, which
16 have no financial impact.

17 **Section 3. QTI Local Financial Support Approved.** By this
18 Resolution, the City is authorized and directed to provide "local
19 financial support," as defined in Section 288.106, Florida
20 Statutes, in the aggregate amount of up to \$600,000 or 20% of the
21 amount of the basic QTI Refunds at the 150% average private-sector
22 wage level with a High-Impact Sector bonus granted to the Company
23 by the State, whichever is less. Such local financial support
24 shall be made available in the amount of up to \$1,200 per new job
25 for up to 500 new jobs created by the Company in connection with
26 the Project. The funding for such local financial support will be
27 made available by future appropriation of the Council over the time
28 period described in the guidelines referenced in the heading of
29 this Resolution if such new jobs are created.

30 **Section 4. Payment of REV Grant.**

31 (a) The REV Grant shall not be deemed to constitute a debt,

1 liability, or obligation of the City or of the State of Florida or
2 any political subdivision thereof within the meaning of any
3 constitutional or statutory limitation, or a pledge of the faith and
4 credit or taxing power of the City or of the State of Florida or any
5 political subdivision thereof, but shall be payable solely from the
6 funds provided therefor as provided in this Section. The Economic
7 Development Agreement shall contain a statement to the effect that
8 the City shall not be obligated to pay any installment of its
9 financial assistance to the Company except from the non-ad valorem
10 revenues or other legally available funds provided for that purpose,
11 that neither the faith and credit nor the taxing power of the City
12 or of the State of Florida or any political subdivision thereof is
13 pledged to the payment of any portion of such financial assistance,
14 and that the Company, or any person, firm or entity claiming by,
15 through or under the Company, or any other person whomsoever, shall
16 never have any right, directly or indirectly, to compel the exercise
17 of the ad valorem taxing power of the City or of the State of
18 Florida or any political subdivision thereof for the payment of any
19 portion of such financial assistance.

20 (b) The Mayor, or his designee, is hereby authorized to and
21 shall disburse the annual installments of the REV Grant as provided
22 in this Section in accordance with this Resolution and the Economic
23 Development Agreement.

24 **Section 5. City Closing Fund Grant Approved.** A City
25 Closing Fund Grant in the amount of \$3,500,000 is hereby approved,
26 the disbursement of which shall be pursuant to the Agreement.

27 **Section 6. Designation of Authorized Official and DIA as**
28 **Contract Monitor.** The Mayor is designated as the authorized
29 official of the City for the purpose of executing and delivering
30 any contracts and documents and furnishing such information, data
31 and documents for the Agreement and related documents as may be

1 required and otherwise to act as the authorized official of the
2 City in connection with the Agreement, and is further authorized to
3 designate one or more other officials of the City to exercise any
4 of the foregoing authorizations and to furnish or cause to be
5 furnished such information and take or cause to be taken such
6 action as may be necessary to enable the City to implement the
7 Agreement according to its terms. The DIA is hereby required to
8 administer and monitor the Agreement and to handle the City's
9 responsibilities thereunder, including the City's responsibilities
10 under such Agreement working with and supported by all relevant
11 City departments.

12 **Section 7. Further Authorizations.** The Mayor, or his
13 designee, and the Corporation Secretary, are hereby authorized to
14 execute the Agreement and all other contracts and documents and
15 otherwise take all necessary action in connection therewith and
16 herewith. The Chief Executive Officer of the DIA, as contract
17 administrator, is authorized to negotiate and execute all necessary
18 changes and amendments to the Agreement and other contracts and
19 documents, to effectuate the purposes of this Resolution, without
20 further Council action, provided such changes and amendments are
21 limited to amendments that are technical in nature (as described in
22 Section 2 hereof), and further provided that all such amendments
23 shall be subject to appropriate legal review and approval by the
24 General Counsel, or his or her designee, and all other appropriate
25 official action required by law.

26 **Section 8. Oversight Department.** The DIA shall oversee
27 the Project described herein.

28 **Section 9. Execution of Agreement.** If the Agreement
29 approved by this Resolution has not been signed by the Company
30 within ninety (90) days after the DIA delivers or mails the
31 unexecuted Agreement to the Company for execution, then the City

1 Council approvals in this Resolution and authorization for the
2 Mayor to execute the Agreement are automatically revoked, provided
3 however, that the Chief Executive Officer of the DIA shall have the
4 authority to extend such ninety (90) day period in writing at his
5 discretion for up to an additional ninety (90) days.

6 **Section 10. Public Investment Policy.** This Resolution
7 conforms to the guidelines provided in the Public Investment Policy
8 adopted by City Council Ordinance 2016-382-E.

9 **Section 11. Effective Date.** This Resolution shall become
10 effective upon signature by the Mayor or upon becoming effective
11 without the Mayor's signature.

12
13 Form Approved:

14
15 /s/ John Sawyer

16 Office of General Counsel

17 Legislation Prepared By: John Sawyer

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