

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2019-652

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

Date of Introduction: September 10, 2019

Committee(s) of Reference: F

Date of Analysis: September 12, 2019

Type of Action: Appropriation; authorization to execute economic development agreement; designation of oversight agency; affirmation of compliance with Public Investment Policy

Bill Summary: The bill appropriates \$250,000 from the Northwest Jacksonville Economic Development Fund to provide a grant and a loan to AA Auto Parts, Inc. to assist the company in funding improvements stormwater and sidewalk improvements relating to the development of a metal shredding operation on West Beaver Street. The bill authorizes execution of an economic development agreement and loan agreement between the City and AA Auto Parts and designates the Office of Economic Development to monitor and oversee the project. It affirms that the grant and loan conform to the NWJEDF Guidelines.

Background Information: AA Auto Parts has been selling used auto parts and recycling ferrous and non-ferrous metals in Jacksonville since 2011. The company has purchased additional land to expand its operations on Beaver Street near Lane Avenue and has purchased a metal shredder. The cost to develop the site and install the shredder has exceeded original estimates, and the company has requested financial assistance from the City to enable it to restructure and refinance its arrangements with its current lender. This bill provides for a Northwest Business Infrastructure Grant (BIG) of \$100,000 to offset a portion of the costs of stormwater facilities, curb, gutter and sidewalks along Beaver Street and a Northwest Small Business Development Initiative loan of \$150,000 to finance a portion of the on-site development costs for the installation of the shredder machine. The loan term is 20 years at an interest rate of 3%.

Policy Impact Area: Economic development

Fiscal Impact: The bill appropriates \$250,000 from the Northwest Jacksonville Economic Development Fund in the form of a \$100,000 BIG grant and a \$150,000 SBDI 20 year loan.

Analyst: Clements