

**CITY COUNCIL RESEARCH DIVISION  
LEGISLATIVE SUMMARY**



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**Bill Type and Number:** Resolution 2020-95

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

**Date of Introduction:** January 28, 2020

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

**Date of Analysis:** January 30, 2020

**Type of Action:** Authorizing economic development agreement; declaring support for QTI application; authorizing REV grant; authorizing approval of technical amendments; designating oversight agency; Public Investment Policy waiver.

**Bill Summary:** The bill authorizes execution of an economic development agreement between the City and CMC Steel US, LLC to incentivize the renovation of the existing steel mill near Baldwin. It commits the City to a Recapture Enhanced Value (REV) grant of up to \$450,000 on a private capital investment of \$30 million in upgrading the plant. The bill authorizes the administration to make non-substantive technical amendments to the various documents and designates the Office of Economic Development as the City's oversight agency for the agreement. The bill waives a portion of the City's Public Investment Policy to permit a REV grant to a project that does not create at least 10 new jobs.

**Background Information:** CMC Steel US purchased the Baldwin plant from Gerdau Ameristeel in November 2018. The company currently employs 250 existing employees, who have an average annual wage of \$80,140, plus benefits. The company proposes to invest \$30 million over a period of five years in the plant to enhance the facility with the latest innovations for steel long-products manufacturing and provide more efficient operations. It is also looking at the possibility of moving some of its production work to other plants in other states. The City previously made a REV grant to Gerdau Ameristeel, but that grant was terminated in 2018 when the plant changed ownership.

The PIP waiver is needed because the policy currently required that companies must create 10 new jobs to qualify for a REV grant. CMC is not producing any new jobs but the incentive would help convince the company to retain its 250 existing employees in Jacksonville.

**Policy Impact Area:** Economic development

**Fiscal Impact:** The City commits to a REV grant of up to \$450,000 based on private capital investment of \$30 million in upgrading the plant.

**Analyst:** Clements