

1 Introduced by the Council President at the request of the Mayor:
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4 **RESOLUTION 2020-226**

5 A RESOLUTION MAKING CERTAIN FINDINGS, AND
6 APPROVING AND AUTHORIZING THE EXECUTION OF AN
7 ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE
8 CITY OF JACKSONVILLE ("CITY") AND PROJECT
9 KODIAK ("COMPANY"), TO SUPPORT THE CREATION OF
10 THE COMPANY'S NEW OFFICES IN JACKSONVILLE,
11 FLORIDA (THE "PROJECT"); RECOMMENDING THAT THE
12 COMPANY BE APPROVED BY THE STATE OF FLORIDA'S
13 DEPARTMENT OF ECONOMIC OPPORTUNITY AS A
14 QUALIFIED TARGET INDUSTRY ("QTI") BUSINESS
15 PURSUANT TO SECTIONS 288.106-108, FLORIDA
16 STATUTES; EVIDENCING A COMMITMENT OF CITY
17 SUPPORT IN AN AMOUNT NOT TO EXCEED \$96,000 AS
18 THE LOCAL FINANCIAL SUPPORT UNDER THE
19 QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM
20 PAYABLE OVER MULTIPLE YEARS PER GUIDELINES SET
21 BY THE STATE DEPARTMENT OF ECONOMIC
22 OPPORTUNITY, WITH A STATE MATCH OF \$384,000,
23 FOR A TOTAL CITY AND STATE QTI AMOUNT OF
24 \$480,000 FOR 80 JOBS; APPROVING AND
25 AUTHORIZING EXECUTION OF DOCUMENTS BY THE
26 MAYOR OR HIS DESIGNEE AND CORPORATION
27 SECRETARY; AUTHORIZING APPROVAL OF TECHNICAL
28 AMENDMENTS BY THE EXECUTIVE DIRECTOR OF THE
29 OED; PROVIDING FOR CITY OVERSIGHT BY THE OED;
30 TIMELINE FOR EXECUTION OF AGREEMENT BY THE
31 COMPANY; AFFIRMING THE PROJECT'S COMPLIANCE

1 WITH THE PUBLIC INVESTMENT POLICY ADOPTED BY
2 ORDINANCE 2016-382-E, AS AMENDED BY ORDINANCE
3 2018-370-E AND ORDINANCE 2019-243-E;
4 REQUESTING TWO READING PASSAGE PURSUANT TO
5 COUNCIL RULE 3.305; PROVIDING AN EFFECTIVE
6 DATE.

7
8 **WHEREAS**, Section 288.075, Florida Statutes, allows certain
9 confidentiality regarding economic development projects and the
10 Company has requested confidentiality in accordance with such law
11 and the OED has approved the Project Kodiak and advised that the
12 Economic Development Agreement is necessary to effectuate the
13 Project; and

14 **WHEREAS**, the Company has committed to create 80 permanent
15 full-time equivalent new jobs in Jacksonville with an average
16 salary, exclusive of benefits, of approximately \$74,209 per annum
17 by December 31, 2020, all as further described in the Project
18 Summary attached hereto as **Exhibit 1**; and

19 **WHEREAS**, such \$74,209 average salary is at least 150% of the
20 average private-sector wage in the State effective as of January 1,
21 2019; and

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

27 **WHEREAS**, the City is required to fund 20% of the amount of the
28 basic QTI Refunds with a High Impact Sector bonus (20% of \$480,000,
29 or \$1,200 for each of 80 new jobs, for a total City contribution of
30 \$96,000) granted to the Company as the City's "local financial
31 support", while the State of Florida provides 80% of the basic QTI

1 Refunds at the 150% salary level with High Impact Sector bonuses;
2 and

3 **WHEREAS**, a combined City and State grant of up to \$6,000 per
4 job in QTI Refunds (of which \$4,000 are QTI refunds at the 150%
5 salary level, and \$2,000 are High Impact Sector bonuses) is a pre-
6 condition essential to the willingness and ability of the Company
7 to expand its business in Jacksonville; and

8 **WHEREAS**, for the reasons more fully described in the Project
9 Summary, the grant of QTI Refunds with High Impact Sector bonuses
10 in such amounts serves a paramount public purpose; and

11 **WHEREAS**, the City's Office of Economic Development ("OED") has
12 reviewed the application submitted by the Company for community
13 development, and, together with representatives of the City,
14 negotiated the Economic Development Agreement and, based upon the
15 contents of the Economic Development Agreement, has determined the
16 Economic Development Agreement and the uses contemplated therein to
17 be in the public interest, and has determined that the public
18 actions and financial assistance contemplated in the Economic
19 Development Agreement take into account and give consideration to
20 the long-term public interests and public interest benefits to be
21 achieved by the City; and

22 **WHEREAS**, the Company has requested the City to enter into an
23 Economic Development Agreement in substantially the form placed **On**
24 **File** with the Legislative Services Division; now therefore,

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

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

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

29 (b) The location of the Company's project in Jacksonville,
30 Florida, ("Project") is more particularly described in the Economic
31 Development Agreement. The Project will promote and further the

1 public and municipal purposes of the City.

2 (c) Enhancement of the City's tax base and revenues, are
3 matters of State and City policy and State and City concern in order
4 that the State and its counties and municipalities, including the
5 City, shall not continue to be endangered by unemployment,
6 underemployment, economic recession, poverty, crime and disease, and
7 consume an excessive proportion of the State and City revenues
8 because of the extra services required for police, fire, accident,
9 health care, elderly care, charity care, hospitalization, public
10 housing and housing assistance, and other forms of public
11 protection, services and facilities.

12 (d) The provision of the City's assistance as identified in
13 the Economic Development Agreement is necessary and appropriate to
14 make the Project feasible; and the City's assistance is reasonable
15 and not excessive, taking into account the needs of the Company to
16 make the Project economically and financially feasible, and the
17 extent of the public benefits expected to be derived from the
18 Project, and taking into account all other forms of assistance
19 available.

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

23 (f) Recommendation for QTI Refunds. The Council, acting in
24 its capacity as a county, hereby recommends to the State of Florida
25 Department of Economic Opportunity that the Company be approved as a
26 "qualified target industry business" pursuant to Section 288.106-
27 108, Florida Statutes, with High Impact Sector bonuses.

28 (g) The authorizations provided by this Resolution are for
29 public uses and purposes for which the City may use its powers as a
30 county, municipality and as a political subdivision of the State of
31 Florida and may expend public funds, and the necessity in the public

1 interest for the provisions herein enacted is hereby declared as a
2 matter of legislative determination.

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

6 **Section 2. Economic Development Agreement Approved.** There
7 is hereby approved, and the Mayor and Corporation Secretary are
8 authorized to enter into an Economic Development Agreement
9 ("Agreement") between the City and the Company, substantially in
10 the form placed **On File** with the Legislative Services Division
11 (with such "technical" changes as herein authorized), for the
12 purpose of implementing the recommendations of the OED, as are
13 further described in the Project Summary attached hereto as
14 **Exhibit 1.**

15 The Agreement may include such additions, deletions and
16 changes as may be reasonable, necessary and incidental for carrying
17 out the purposes thereof, as may be acceptable to the Mayor, or his
18 designee, with such inclusion and acceptance being evidenced by
19 execution of the Agreement by the Mayor or his designee. No
20 modification to the Agreement may increase the financial
21 obligations or the liability of the City and any such modification
22 shall be technical only and shall be subject to appropriate legal
23 review and approval of the General Counsel, or his or her designee,
24 and all other appropriate action required by law. "Technical" is
25 herein defined as including, but not limited to, changes in legal
26 descriptions and surveys, descriptions of infrastructure
27 improvements and/or any road project, ingress and egress, easements
28 and rights of way, performance schedules (provided that no
29 performance schedule may be extended for more than one year unless
30 required to align the Performance Schedule with any changes to
31 performance schedules set forth in the agreement between the

1 Company and the State of Florida Department of Economic
2 Opportunity) design standards, access and site plan, which have no
3 financial impact.

4 **Section 3. QTI Local Financial Support Approved.** By this
5 Resolution, the City is authorized and directed to provide "local
6 financial support," as defined in Section 288.106, Florida
7 Statutes, in the aggregate amount of up to \$96,000 or 20% of the
8 amount of the basic QTI Refunds with High Impact Sector bonuses
9 granted to the Company by the State, whichever is less. Such local
10 financial support shall be made available in the amount of up to
11 \$1,200 per new job for up to 80 new jobs created by the Company in
12 connection with the Project. The funding for such local financial
13 support will be made available by future appropriation of the
14 Council over the time period described in the guidelines referenced
15 in the heading of this Resolution if such new jobs are created.

16 **Section 4. Designation of Authorized Official/OED Contract**
17 **Monitor.** The Mayor is designated as the authorized official of the
18 City for the purpose of executing and delivering any contracts,
19 notes and documents and furnishing such information, data and
20 documents for the Agreement as may be required and otherwise to act
21 as the authorized official of the City in connection with the
22 Agreement, and is further authorized to designate one or more other
23 officials of the City to exercise any of the foregoing
24 authorizations and to furnish or cause to be furnished such
25 information and take or cause to be taken such action as may be
26 necessary to enable the City to implement the Agreement according
27 to its terms. The OED is hereby required to administer and monitor
28 the Agreement and to handle the City's responsibilities thereunder,
29 including the City's responsibilities under the Agreement working
30 with and supported by all relevant City departments.

31 **Section 5. Further Authorizations.** The Mayor, or his

1 designee, and the Corporation Secretary, are hereby authorized to
2 execute the Agreement and all other contracts and documents and
3 otherwise take all necessary action in connection therewith and
4 herewith. The Executive Director of the OED, as contract
5 administrator, is authorized to negotiate and execute all necessary
6 changes and amendments to the Agreement and other contracts and
7 documents, to effectuate the purposes of this Resolution, without
8 further Council action, provided such changes and amendments are
9 limited to amendments that are technical in nature as described in
10 Section 2 hereof, and further provided that all such amendments
11 shall be subject to appropriate legal review and approval by the
12 Office of General Counsel, or his or her designee, and all other
13 appropriate official action required by law.

14 **Section 6. Oversight Department.** The OED shall oversee the
15 project described herein.

16 **Section 7. Execution of the Agreement.** If the Agreement
17 approved by this Resolution has not been signed by the Company
18 within ninety (90) days after the OED delivers or mails the
19 unexecuted Agreement to the Company for execution, then the City
20 Council approval of the Project and authorization for the Mayor to
21 execute the Agreement is automatically revoked, provided however,
22 that the Executive Director of the OED shall have the authority to
23 extend such ninety (90) day period in writing at his discretion for
24 up to an additional ninety (90) days.

25 **Section 8. Public Investment Policy.** This Resolution conforms
26 to the guidelines provided in the Public Investment Policy adopted
27 by City Council Ordinance 2016-382-E as amended by Ordinance 2018-
28 370-E and Ordinance 2019-243-E.

29 **Section 9. Requesting Two Reading Passage Pursuant to Council**
30 **Rule 3.305.** Two reading passage of this legislation is requested
31 pursuant to Council Rule 3.305.

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

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5 Form Approved:

6
7 /s/ John Sawyer

8 Office of General Counsel

9 Legislation prepared by: John Sawyer

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