



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

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The Hillman Group Summary October 7, 2020

Company:
Hillman Group

Background:

The Hillman Group is a leading North American provider of complete hardware products to over 25,000 customers, including Lowe’s, Home Depot, Tractor Supply, Ace Hardware, True Value and Walmart. The company currently services its southeast distribution network through its 90,000 SF warehouse, located at 3650 Port Jacksonville Parkway, in Jacksonville, Florida.

The company is considering doubling its existing footprint at the Jacksonville facility to increase its distribution capabilities to the southeast, which include Florida, Alabama, Georgia, South Carolina, and North Carolina. The expansion would add an additional 90,000 SF, for a total of approximately 180,000 SF.

The company is evaluating sites in several other states to do the proposed expansion. If Jacksonville is selected, they propose to create an additional 50 new full-time jobs no later than December 31, 2023. The average annual wage is \$30,000 plus benefits. The Hillman Group has stated that the City of Jacksonville’s financial incentive proposed is a material factor in their decision to further develop their logistics, warehouse and distribution center in Jacksonville.

The City is proposing to offer a 5 year REV Grant, at 50%, based on the proposed \$8.45 million investment, and the addition of 50 new jobs, by the end of 2023. The REV Grant would be capped at \$200,000.

| No. of Jobs To Be Created | Total Capital Investment | Intangibles |
|--|---|---|
| 50 new jobs @ an average wage of \$30,000 plus benefits no later than Dec. 31, 2023. | Estimated to be up to \$8.45 million net, comprised of \$7.25 million in real estate improvements and \$1.2 million in machinery/equipment, furniture, fixtures, etc., over the next 2 years. | Supports the expansion of an existing targeted industry business in Jacksonville, resulting in the creation of no less than 50 new full-time jobs and adding to the logistics, warehouse and distribution base. |

Project Rationale & Benefits:

1. Supporting the Hillman Group investment will expand Jacksonville's logistics, warehouse and distribution base and provide 50 new full-time jobs for logisticians, warehouse receiving and shipping personnel, truck drivers, support staff and expand the commercial tax base.
2. The annual payroll resulting from the 50 new full-time jobs is \$1.5 million (excluding benefits).

Project Incentives:

The City of Jacksonville proposes to provide:

A REV grant based on 50 percent of the increase in real and personal property taxes generated at the project site, for 5 years up to a maximum of \$200,000; provided the private capital investment is not less than \$7 million and the company creates a minimum of 50 jobs by the end of 2023.

Requested Waiver:

The City's Public Investment Policy(PIP) requires four criteria be met in order for a project to qualify for a REV Grant: 1) the company must be in a Targeted Industry; 2) the company must create at least 10 new full-time jobs; 3) the company must commit to a minimum of \$3 million in private capital investment ; and 4) wages must be greater than or equal to the State of Florida average wage (which is currently \$49,472). This project meets criteria (1) through (3), but does not meet (4).

Due to the desire to reduce current unemployment levels, and the fact that these are full time jobs with benefits, we are requesting a waiver of the wage level requirement.

The total amount of City incentives would be up to: \$200,000.

The project will have a positive ROI for the City of Jacksonville of 4.29.