

LEGISLATIVE FACT SHEET

DATE: **10/7/2020**

BT or RC No: **N/A**

(Administration & City Council Bills)

SPONSOR: **Office of Economic Development**

(Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: **Office of Economic Development**

Provide Name: **Ed Randolph, Director of Business Development** Contact No: **255-5450**

Email **edr@coj.net**

PURPOSE: White Paper (Explain why this legislation is necessary. Provide, who, what, when where, how and the impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation. (Minimum of 350 words – Maximum of 1 page)

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.

APPROPRIATION: Total Amount Appropriated \$0 as follows: List the source **name** and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in the title of the legislation)

Name of Federal Funding Source(s)

From: _____ Amount: _____

To: _____ Amount: _____

Name of State Funding Source(s)

From: _____ Amount: _____
To: _____ Amount: _____

Name of COJ Funding Source(s)

From: Amount:
To: Amount:

Name of In-Kind Contributions:

From: _____ Amount: _____
To: _____ Amount: _____

Name & No. of Bond Account(s):

From: _____ Amount: _____
To: _____ Amount: _____

PLAIN LANGUAGE OF APPROPRIATION/FINANCIAL IMPACT/OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be ongoing maintenance and staffing obligation? Per Chapter 122 & 106 regarding funding of anticipated post-construction operation costs. (Minimum of 350 words – maximum of 1 page.

The City of Jacksonville proposes to provide:

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.

ACTION ITEMS: Purpose/Check List. If “Yes” please provide detail by attaching justification and code provisions for each.

ACTION ITEMS:

Emergency? Yes _____ No **X** _____

Justification of Emergency: If yes, explanation must include detailed nature of emergency.

Federal or State Mandate? Yes _____ No **X** _____

Explanation: If yes, explanation must include detailed nature of mandate include Statue or Provision.

Fiscal Year Carryover? Yes _____ No **X** _____

Note: If yes, note must include explanation of all-year subfund carryover language.

CIP Amendment? Yes ___ No **X** _____

Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.

Contract/Agreement Approval? Yes No

Attachment & Explanation: If yes, attach the Contract/Agreement & provide name of the Department and include contact name and telephone number of the person r that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed/drafted? **OED will provide oversight and administration.**

Related RC/BT? Yes No If yes, attach appropriate RC/BT form(s)

Waiver of Code? Yes No

Code Reference: If yes, identify code section(s) in space below & provide detailed explanation (including impacts) within white paper.

Code Exception: Yes No

Code Reference: If yes, identify code section(s) in space below & provide detailed explanation (including impacts) within white paper.

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.

Related Enacted Ordinances? Yes No

Code Reference: If yes, identify related code section(s) and ORD reference number in the space below & provide detailed explanation and any changes necessary within whitepaper.

ACTION ITEMS CONTINUED: Purpose/Check List. If "Yes" please provide detail by attaching justification and code provisions for each.

ACTION ITEMS:

Continuation of Grant? Yes No

Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant. Are there long-term implications for the General Fund?

Surplus Property Certification? Yes No Attachment: If yes, attach appropriate form(s)

Reporting Requirements? Yes No

Explanation: List agencies (including City Council/Auditor) to receive reports and frequency of reports, including when reports are due. Provide name of the Department and include contact name and telephone number of the person responsible for generating.

Director BD:

(Signature)

Date: 10/7/2020

Prepared By:

(Signature)

Date: 10/7/2020

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Roselyn Chall, Budget Office, St. James Bldg., Suite 325

Thru: N/A
(Name, Job Title, Department)

From: Kirk Wendland, Executive Director, Office of Economic Development (OED)
Initiating Department Representative (Name, Job Title, Department)

Phone: 255-5455 E-Mail: kwendland@coj.net

Primary Contact: Ed Randolph, Director Business Development
(Name, Job Title, Department)

Phone: 255-5454 E-Mail: edr@coj.net

CC: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor

Phone: 255-5015 E-Mail: leeannk@coj.net

COUNCIL MEMBER/INDEPENDENT AGENCY/CONSTITUTIONAL OFFICER TRANSMITTAL

To: Peggy Sidman, Office of General Counsel, St. James Bldg., Suite 480

Phone: 255-5055 E-Mail: psidman@coj.net

From: N/A
Initiating Council Member/Independent Agency/Constitutional Officer

Phone: _____ E-Mail: _____

Primary Contact: N/A
(Name, Job Title, Department)

Phone: _____ E-Mail: _____

CC: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor

Phone: _____ E-Mail: _____

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation

Independent Agency Action Item:

Board(s) Action/Resolution? Yes _____ No **X** _____

Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED