

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Resolution 2020-667

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

Date of Introduction: October 27, 2020

Committee(s) of Reference: F

Date of Analysis: October 29, 2020

Type of Action: Authorizing execution of economic development agreement; authorizing REV grant; authorizing execution of documents; Public Investment Policy waiver; designation of oversight agency; request for two-reading "fast track" approval

Bill Summary: The bill authorizes execution of an economic development agreement between the City and the Hillman Group, Inc. for expansion of the company's current distribution center and the expansion of the company's workforce in Jacksonville. It authorizes a Recapture Enhanced Value (REV) grant of up to \$200,000 payable over 5 years. The bill waives one of the four requirements of the City's Public Investment Policy regarding eligibility for REV grants for this project in order to make the project eligible to receive the grant. The Office of Economic Development is designated as the City's oversight agency for the project.

Background Information: 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 and wishes to double its existing footprint at the Jacksonville facility to 180,000 sq. ft. to increase its distribution capabilities to the Southeast U.S. The company proposes to create an additional 50 new full-time jobs no later than December 31, 2023 with an average annual wage of \$30,000 plus benefits. The Public Investment Policy waiver is needed because REV grant eligibility requires that wages must be greater than or equal to the State of Florida average wage (which is currently \$49,472). The waiver is being requested because of the desire to help reduce unemployment in the City through the creation of these new jobs and in recognition of the company's anticipated \$8.45 million in private capital investment. The project meets the other three PIP requirements for REV grant eligibility.

Policy Impact Area: Economic development

Fiscal Impact: The bill authorizes a REV grant of up to \$200,000, representing 50% of the value of new county property taxes generated by the project payable over 5 years.

Analyst: Clements