



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

City Hall at St. James
117 W. Duval St.
Jacksonville, FL 32202
(904) 630-CITY
www.coj.net

Malnove Holdings, Inc. Summary October 26, 2020

Company:

Malnove Holdings, Inc.
10500 Canada Drive
Jacksonville, FL 32218

Background:

Malnove is a manufacturer of packaging materials founded in 1948 in Omaha, Nebraska. Manufacturing sites are in Omaha, Nebraska, Clearfield, Utah and Jacksonville, Florida. They design and manufacture a variety of packaging materials to meet the needs of their client base. The company is evaluating an expansion and all three locations are being considered. Malnove expanded to Jacksonville in 1981 and in 1998 purchased a site within Imeson International Industrial Park and constructed a 235,000 square foot manufacturing facility. They also lease 100,500 square feet of additional warehouse space. Malnove currently employs 182 persons in Jacksonville. The average annual wage of their current workforce is \$48,250 (\$23.20 per hour), plus benefits. If Jacksonville is selected, they propose to add a manufacturing line and purchase additional machinery and equipment. The private capital investment associated with the expansion is estimated to be \$7.4 million. The project is expected to create 10 new jobs within 36 months from project completion. The new jobs would-be entry-level jobs within the finishing department paying an average of \$36,500 (\$17.54 per hour), plus benefits.

Malnove has indicated that the City of Jacksonville’s financial incentive proposed is a material factor in their decision to expand their manufacturing facility in Jacksonville versus either Omaha, Nebraska or Clearfield, Utah.

No. of Jobs To Be Created	Capital Investment	Intangibles
10 new jobs @ an average wage of \$36,500 plus benefits no later than Dec. 31, 2024. Retaining 182 existing jobs paying an average of \$48,250 per year, plus benefits.	Estimated to be up to \$7.4 million for new machinery, equipment, furniture and fixtures, etc.).	Supports the expansion of an existing targeted industry manufacturing business in North Jacksonville.

Project Rationale & Benefits:

1. Supporting Malnove will expand Jacksonville’s manufacturing base and provide 10 new full-time jobs for machinery and equipment operators within the finishing department.
2. The annual payroll resulting from the 10 new full-time jobs is \$365,000 (excluding benefits).

3. The project will result in a private capital investment of \$7.4 million within North Jacksonville.

Project Incentives:

The City of Jacksonville proposes to provide:

- The company is seeking public investment through the City of Jacksonville Recaptured Enhanced Value (REV) Grant at the level of 50 percent of the net increase in real and tangible property taxes based upon the net private capital investment of \$7.4 million for the first five years after installation of the machinery and equipment and the company begins operating the new manufacturing line. The REV Grant requires a minimum \$3 million capital investment in the project site no later than December 31, 2022 and at least new 10 jobs paying an average annual wage of \$36,500 no later than December 31, 2024. The estimated value of the REV Grant is \$160,000 over the five-year REV Grant period.
- The project will have a positive ROI for the City of Jacksonville of 2.99:1.
- The proposed REV Grant incentive requested meets the following criteria of the Public Investment Policy:
- Company is a Target Industry – Manufacturer.
- Company will create a minimum of 10 new full-time manufacturing jobs;
- Company will invest at least \$3.0 million in private capital investment.
- A waiver of the Public Investment Policy is required as the average wage is not equal to 100% of the State of Florida average wage.

The total amount of City incentives would be up to \$160,000.