

**LEGISLATIVE FACT SHEET**

DATE: 11/09/2020

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)

Malnove is a manufacturer of packaging materials for a variety of customers primarily in the packaged foods industry. The company was founded in 1948 by Paul Malnove in Omaha, Nebraska. Malnove operates manufacturing facilities in Omaha, Nebraska, Clearfield, Utah and Jacksonville, Florida. 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. Additionally, they lease another 100,500 square feet of warehouse space within Imeson. Malnove currently employs 182 persons in Jacksonville. The average annual wage of their current workforce is \$48,250 (\$23.20 per hour), plus benefits. The company is evaluating all three of their current facilities for the proposed expansion. If Jacksonville is selected, they propose to add a manufacturing line and purchase additional machinery and equipment. The private capital investment associated with the proposed expansion is estimated to cost \$7.4 million. The expansion is expected to create 10 new full-time manufacturing 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 the decision to expand their manufacturing facility in Jacksonville versus either Omaha, Nebraska or Clearfield, Utah.

The public investment proposed is a Recaptured Enhanced Value (REV) Grant at the level of 50% of the incremental net increase in the ad valorem portion of the tangible property taxes resulting from the purchase and installation of machinery and equipment costing \$7.4 million. The term of the proposed REV Grant is five (5) years. The estimated value of the REV Grant over the five (5) year period is \$160,000.

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 REV grant based on 50 percent of the increase in tangible personal property taxes generated at the project site, for 5 years up to a maximum of \$160,000; provided the private capital investment is not less than \$3 million for the purchase of machinery and equipment no later than December 31, 2022. The project has a positive Return on Investment for the City of Jacksonville.

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

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 X \_\_\_\_\_ 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 X \_\_\_\_\_ If yes, attach appropriate RC/BT form(s)

**Waiver of Code?** Yes X \_\_\_\_\_ No \_\_\_\_\_

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

A waiver of the Public Investment Policy is requested as the average wage is not equal to 100% of the State of Florida average wage. The project does meet the following criteria of the Public Investment Policy: It 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.

**Code Exception:** Yes \_\_\_\_\_ No X \_\_\_\_\_

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

**Related Enacted Ordinances?** Yes \_\_\_\_\_ No X \_\_\_\_\_

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 X \_\_\_\_\_

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 X \_\_\_\_\_ Attachment: If yes, attach appropriate form(s)

**Reporting Requirements?** Yes \_\_\_\_\_ No X \_\_\_\_\_

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.

Executive Director:



Kirk Wendland (Signature)

Date: 11/03/2020

Prepared By:



Wendy Khan (Signature)

Date: 11/03/2020

**ADMINISTRATIVE TRANSMITTAL**

To: MBRC, c/o Jasmine Jordan, 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**