

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Resolution 2020-727

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

Date of Introduction: November 24, 2020

Committee(s) of Reference: F, R

Date of Analysis: November 25, 2020

Type of Action: Approval of economic development agreement; authorization of REV grant; designation of oversight agency; waiver of public investment policy; request for one cycle fast track approval

Bill Summary: The bill approves execution of an economic development agreement between the City and Malnove Holding Company, Inc. for expansion of its existing manufacturing plant and workforce in Jacksonville. The bill authorizes a Recapture Enhanced Value (REV) grant in an amount not to exceed \$160,000 payable over 5 years and designates the Office of Economic Development as the City's oversight agency for the project. It waives the portion of the Public Investment Policy that requires that jobs incentivized by REV grants must pay at least 100% of the State of Florida average wage. Fast-track approval on second reading is requested.

Background Information: Malnove is a manufacturer of packaging materials for a variety of customers primarily in the packaged foods industry and has manufacturing facilities in Nebraska, Utah and Jacksonville. The company currently employs 182 persons in Jacksonville in owned and leased production and warehouse space. The company proposes to add a new manufacturing line and purchase additional machinery and equipment at an estimated cost of \$7.4 million. The expansion is expected to create 10 new full-time entry-level manufacturing jobs within 36 months from project completion paying an average of \$36,500 (\$17.54 per hour) plus benefits. The City is offering a REV grant of up to \$160,000 representing 50% of the incremental net increase in the ad valorem portion of the tangible property taxes resulting from the purchase and installation of \$7.4 million in machinery and equipment, payable over 5 years. The PIP waiver is requested because the policy requires that incentivized jobs pay at least 100% of the state's average wage. The waiver is justified by the fact that the project is creating jobs in a targeted industry (manufacturing) and the company is making a capital investment of over \$7 million.

Policy Impact Area: Economic development

Fiscal Impact: The City commits to a REV grant of up to \$160,000.

Analyst: Clements