

RESOLUTION 2014-06-02

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY
SUPPORTING LEGISLATION AUTHORIZING THE MAYOR AND
CORPORATION SECRETARY TO EXECUTE A RECAPTURED
ENHANCED REVENUE GRANT AGREEMENT BETWEEN THE CITY
OF JACKSONVILLE KRAFT FOODS GROUP, INC.**

WHEREAS, Kraft Foods Group, Inc. (Kraft) operates a currently operates a coffee roasting and packaging facility in downtown Jacksonville with 227 employees located at 735 E. Bay Street within Jacksonville's Enterprise Zone and the Northbank Downtown Community Redevelopment Area.

WHEREAS, The Jacksonville coffee facility comprising 390,000 square feet of building improvements is located on 8.6 acres of property; and

WHEREAS, The project under consideration is a two phase project. Phase I is the addition of a new coffee line costing \$7 million. Phase II is the addition of a new bag line at a cost of \$9 million. Collectively the project will result in the investment of approximately \$16 million for the purchase of manufacturing equipment; and

WHEREAS, The expansion will result in the creation of 10 new full-time jobs providing an annual salary of \$57,400 per year plus benefits valued at an additional \$36,200 per year for a total of \$93,600; and

WHEREAS, The average annual wage of the new jobs at \$57,400 is 124% of the Duval County average wage of \$46,374; and

WHEREAS, The increased private capital investment totaling \$16 million in tangible property purchases will increase the county ad valorem tax base over the useful life of the assets and meets the existing Public Investment Policy guidelines; and

WHEREAS, To assist Kraft to expand in Jacksonville will require financial assistance from the City of Jacksonville; and

WHEREAS, The Office of Economic Development ("OED") is authorized per section 55.201 *Economic Development* of the City Ordinance Code, pending City Council and Mayorial approvals, to utilize Recaptured Enhanced Value ("REV") Grants as an economic incentive; and

WHEREAS, OED is proposing a REV Grant up to 50% of the incremental increase in the county portion of ad valorem taxes generated from their proposed private capital investment of up to \$16 million for seven (7) years not to exceed \$425,000; and

WHEREAS, The proposed City of Jacksonville REV Grant incentive is a material factor in assisting Kraft to expand its manufacturing capacity at Jacksonville within the Enterprise Zone and North Bank of downtown.

BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA supports and encourages OED, the City Council, and the Mayor to enter into the aforescribed REV Grant.

Section 3. This Resolution 2014-06-02 shall become effective upon its approval by the DIA this 16th day of June, 2014.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Karen Underwood

Oliver Barakat
Oliver Barakat, Chairman

VOTE: In Favor: 6 Opposed: 0 Abstained: _____

FORM APPROVAL:

Office of General Counsel