

## RESOLUTION 2024-10-06

**A RESOLUTION APPROVING, AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER (“CEO”) OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) TO ENTER INTO AN ECONOMIC DEVELOPMENT AGREEMENT AMONG THE CITY OF JACKSONVILLE, DIA, AND PROJECT BLUE SKY (THE “COMPANY”), TO SUPPORT THE RELOCATION OF THE BUSINESS HEADQUARTERS TO A DOWNTOWN JACKSONVILLE LOCATION IN THE SOUTHSIDE CRA, PROVIDING A PRIVATE CAPITAL INVESTMENT OF NOT LESS THAN \$20,000,000 AND COMMITMENT TO THE CREATION OF 150 NEW JOBS IN DOING SO, (COLLECTIVELY, THE “PROJECT”); AUTHORIZING A RECAPTURE ENHANCED VALUE (“REV”) GRANT NOT TO EXCEED \$2,300,000 IN CONNECTION WITH THE PROJECT; RECOMMENDING JACKSONVILLE CITY COUNCIL APPROVAL OF A TARGET INDUSTRY EMPLOYMENT GRANT OF \$750,000 AND A CITY TRAINING GRANT IN THE AMOUNT OF \$1,300,000; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE THE TERMS OF THE ECONOMIC DEVELOPMENT AGREEMENT AS NECESSARY FOR THE PROJECT; AUTHORIZING THE CEO TO INITIATE FILING LEGISLATION WITH THE CITY COUNCIL REGARDING THE SAME; AUTHORIZING THE CEO OF THE DIA TO EXECUTE SUCH AGREEMENTS; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** Section 288.075, Florida Statutes, allows certain confidentiality regarding economic development projects and the Company has requested confidentiality in accordance with such law; and

**WHEREAS,** JAX USA has negotiated to retain the headquarters in Downtown Jacksonville and DIA staff has approved the Project and advised that the Economic Development Agreement is necessary to effectuate the Project; and

**WHEREAS,** Company has committed to investing not less than \$20,000,000 towards capital improvements for the relocation of its corporate headquarters to a not-yet-finalized location which shall be located within the Southside CRA boundary and create over five years 150 permanent full-time equivalent new jobs with such employment working primarily on-site in Downtown Jacksonville with an average salary, exclusive of benefits, of approximately \$118,000, and retaining 650 jobs from within the local area to be located and working primarily on-site in Downtown Jacksonville; and

**WHEREAS,** to assist the Company in its office relocation, creation of new jobs, and maintaining existing jobs, the DIA proposes to offer a package of incentives in conjunction with the City as further detailed in the Term Sheet attached hereto as Exhibit “A” and incorporated herein by this reference; and

**WHEREAS**, the Downtown Investment Authority (“DIA”) is authorized per section 55.108 *Economic Development* of the City Ordinance Code, to utilize the Tax Increment Finance District Trust Funds to foster the redevelopment of the Southside Community Redevelopment Area; and

**WHEREAS**, the REV Grant annual payments will be funded through the Southside Downtown Tax Increment Finance District for a period not to exceed fifteen years; and

**WHEREAS**, funding for the Target Industry Employment Grant and the City Training Grant will be provided by the City of Jacksonville, subject to documentation demonstrating satisfaction of employment and training commitments,

**NOW THEREFORE BE IT RESOLVED**, by the Downtown Investment Authority:

**Section 1.** The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

**Section 2.** The DIA Board has determined that the Project is consistent with the following Community Redevelopment Area Plan Goals:

- (i) Redevelopment Goal No. 1: Increase commercial office utilization, occupancy, and job growth to reinforce Downtown as the region’s epicenter for business.
- (ii) Redevelopment Goal No. 8: Simplify and increase the efficiency of the approval process for Downtown development and improve departmental and agency coordination.

**Section 3.** Authorizing the CEO to negotiate the terms of an economic development agreement authorizing the incentives as described above and as described in more detail in the Exhibit A Letter Preserving Inducement and additional terms as found in the Exhibit B Staff Report attached hereto.

**Section 4.** Authorizing the CEO to initiate legislation for approval by City Council of the Agreement and related documents authorizing the economic incentives authorized hereby.

**Section 5.** Authorizing the CEO of the Downtown Investment Authority to execute said agreements subject to the terms as described above.

**Section 6.** This Resolution, 2024-10-06, shall become effective on the date it is signed by the Chair of the DIA Board.

\*\*\*\*\* SIGNATURES ARE FOUND ON THE FOLLOWING PAGE \*\*\*\*\*

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

  
\_\_\_\_\_

  
\_\_\_\_\_  
Patrick Krechowski, Chairman

  
\_\_\_\_\_  
Date

VOTE: In Favor: 8 Opposed: 0 Abstained: 0

EXHIBIT A



# Downtown Investment Authority

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CONFIDENTIAL

September 26, 2024

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Subject: Letter Preserving Inducement associated with Project Blue Sky

Greetings, [REDACTED]

Based on the Application received for Project Blue Sky and ongoing conversations between your team, the Office of Economic Development, and the DIA, we are prepared to propose the following:

- Recapture Enhanced Value (REV) Grant for 75% over 15 years providing Maximum Indebtedness of \$2.3 million
- New Job QTI Grant - \$750,000 (150 jobs x \$5,000/job)
- Training Grant - \$1,300,000 (650 jobs x \$2,000/job) – (2 yrs. to train with a payoff over 4 years)

The incentives proposed are predicated on [REDACTED] doing the following:

- Capital Investment in real property improvements equal to or greater than \$20 million in a downtown location within the DIA boundary.
- Creating 150 new full-time jobs that will work onsite at an average annual wage of \$118,000 (exclusive of benefits and bonuses).
- Maintaining the existing 650 full-time employees in a downtown location working principally onsite daily.

Please recognize that this offer letter is based upon the information provided in the Application and through email exchanges and meetings with the DIA, JAXUSA and the City.

Should the project be modified from the stated scope, the DIA proposal may need to be modified. In addition, should this proposal be accepted, a formal redevelopment agreement including performance measures will be required. Furthermore, this proposal is subject to formal approvals

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by the DIA Strategic Implementation Committee and full board, as well as legislative approval by the City of Jacksonville's City Council, all of which will be pursued expeditiously.

Should you have any questions of concerns, please contact DIA CEO Lori Boyer at (904) 255-5301, email BoyerL@coj.net or DIA Director of Downtown Real Estate and Development, Steve Kelley at (904) 255-5304, email Skelley@coj.net.

Sincerely,

A handwritten signature in blue ink that reads "Steven T. Kelley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steven T. Kelley  
Director of Downtown Real Estate and Development

cc: Mr. Greg Anderson – JAXUSA Partnership  
Mr. Paul Crawford – COJ Office of Economic Development

**EXHIBIT B**

**RESOLUTION 2024-04-11  
PROJECT BLUE SKY**

**STAFF REPORT**

**The Project**

DIA staff has worked closely with JAXUSA and the COJ Office of Economic Development (“OED”) on Project Blue Sky, which is a confidential proposed project protected from full disclosure pursuant to section 288.075 Florida Statutes for a period of twelve months after the date of receipt of the confidentiality request (dated August 15, 2024), until the date specified in the Final Project Order, or until information is otherwise disclosed, whichever occurs first. This confidentiality request has been confirmed by the COJ Office of General Counsel, and accordingly only high-level information is provided in this Staff Report.

The project represents the relocation of the international headquarters of a successful, established company to an office location in the Southbank district within the Southside Community Redevelopment Area of Downtown Jacksonville. The relocation will enable the company to maintain 650 FTE jobs and requires commitment to the creation of 150 new FTE jobs over five years (30 jobs per calendar year beginning January 2026). To meet this requirement, employees are required to work principally on site in the Downtown Jacksonville office location during their tenure of employment to count towards these goals. The projected annualized average wage of jobs being maintained, and new jobs created (excluding benefits) is \$118,000.

The firm commits to expending a minimum of \$20 million in capital investment on construction and renovations at their new Downtown Jacksonville location in the Southbank district. They also propose to spend \$10 million on computer equipment, office furniture, etc. as part of their move to this space.

Incentives, as outlined below, are stated as playing a major role in making the decision to locate within Downtown Jacksonville after fielding requests for relocation from other municipalities.

**REV Grant**

Following construction and build-out of the firm’s new offices, the company will be eligible for a 75% Recaptured Enhanced Value Grant as authorized in the Public Investment Policy for a period of fifteen years with maximum indebtedness of \$2,300,000. The REV will be paid on the increased ad valorem at the site above a base amount being received by the City currently in proportion to the occupied square footage of the firm as compared to the total square footage of the property. These amounts will be paid through the Southside Redevelopment Trust Fund, through its expiration, and the City of Jacksonville for any periods that remain beyond that expiration. Administration of the REV Grant will be managed by the DIA Compliance Officer consistent with other DIA REV Grant process and methodology.

**Target Industry Employment Grant**

The firm will be eligible for a Target Industry Employment Grant in the maximum amount of \$750,000 or \$5,000 per job created meeting the salary and location requirements outlined above, with a maximum of 150 jobs over a period not to exceed five years. Funding for the Target Industry Employment Grant will be made through the City of Jacksonville and requires further approval by the Jacksonville City Council. Administration of the Target Industry Employment Grant will be managed through a Memorandum of Understanding with the COJ OED.

**City Training Grant**

The firm will be eligible for a City Training Grant in the maximum amount of \$1,300,000 or \$2,000 per job retained meeting the salary and location requirements outlined above, based on maintaining 650 jobs with training to occur over a two-year period and payoff of the Grant over four years. Funding for the Target Industry Employment Grant will be made through the City of Jacksonville and requires further approval by the Jacksonville City Council. Administration of the City Training Grant will be managed through a Memorandum of Understanding with the COJ OED.