

# LEGISLATIVE FACT SHEET

DATE : February 10, 2012

BT or RC NUMBER: \_\_\_\_\_  
(Administration Bills)

SPONSOR (Department/Division/Agency/ Council Member): JEDC

**PURPOSE/ SUMMARY:** Caterpillar Work Tools, Inc. (CWT) is a Florida corporation located in Jacksonville at 5081 Highway Avenue, 32254 on the westside of the city. Its parent corporation, Caterpillar, Inc. is headquartered in Peoria, IL and listed on the NYSE (CAT). CWT proposes to expand its tool manufacturing facility and create up to 39 new full-time economic based jobs. The company currently employs 77 full-time employees at its Highway Avenue location. The availability of the Qualified Target Industry Tax Refund as proposed will enable the parent company Caterpillar, Inc. to support the expansion in Jacksonville versus two other locations under consideration including Waco, Texas and Wamego, Kansas. The proposed expansion will result in the creation of up to 39 new, full-time jobs to the local market with an average wage of \$39,859, plus benefits totaling \$13,950, generating an annual payroll of approximately \$2.1 million. The average annual wage proposed is 100 percent of the 2011 state average wage (\$39,856) and as a manufacturer qualifies CWT for participation in the QTI Program. The QTI tax refund per job proposed is \$3,000. The jobs to be created are semi to skilled equipment manufacturing jobs. CWT anticipates that the jobs will be created over a 2 year period no later than 2013. This expansion will require the investment of approximately \$3,895,000 for manufacturing equipment and a minor building addition.

The total QTI award proposed is \$117,000. The City portion of the QTI is 20% of the award up to \$23,400. The State of Florida funded portion is 80% up to \$93,600. In order for this expansion project to be completed in Jacksonville versus Waco, Texas or Wamego, Kansas necessitates approval by the City and Florida Department of Economic Opportunity of the QTI financial incentive as proposed. This project will strengthen the state and local manufacturing industry sector.

**No BT is required at this time as funding will be requested in the appropriate budget cycle.**

**APPROPRIATION:** Total Amount Appropriated: \$ NA as follows:

(Name of Fund as it will appear in title of legislation) \_\_\_\_\_

Name of Federal Funding Source: _____	Amount: \$ _____
Name of State Funding Source: _____	Amount: \$ _____
Name of City of Jax. Funding Source: _____	Amount: \$ _____
Name of In-Kind Contribution: _____	Amount: \$ _____
Name of Bond Acct: _____	Amount: \$ _____

Bond Acct.Number: \_\_\_\_\_

**IMPACT- FINANCIAL/ OTHER:** The proposed expansion will result in the creation of up to 39 new manufacturing jobs for semi-skilled and skilled workers within census tract (121) which has a 20.6% average unemployment rate (2010) resulting in an annual payroll of \$2.1 million including benefits and estimated ad valorem taxes from private capital investment of \$3.8 million. Caterpillar Work Tools, Inc. was originally founded in Jacksonville in 1970 and presently employs 77 persons. The company is a wholly-owned subsidiary of Caterpillar, Inc., a NYSE listed company (CAT). A waiver of the City of

Jacksonville Public Investment Policy adopted by Resolution 2006-119-A which would require that the Project pay at least 15% above the state or county average wage. For manufacturers Florida Statutes allow such target industry businesses to pay no less than 100% of the state average wage to qualify for the QTI Tax Refund Program to promote the creation of manufacturing jobs in Florida.

**ACTION ITEMS:**

Emergency? .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Justification:	
Federal or State Mandates .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
Fiscal Year Carryover? .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
CIP Amendment? .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Attach CIP form)	
Contract/ Agreement (C/A) Approval	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	(Attach a copy only)	
C/A Negotiations On-going? .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
Oversight Department Required? .....	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Name of Dept.	<u>JEDC</u>
Related RC/BT? .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Attach a copy)	
Waiver of Code? .....	Yes	X	No	<input type="checkbox"/>	(Identify Code Provision)	<u>Public Investment Policy</u>
Code Exception? .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Identify Code Provision)	
Continuation of Grant? .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
Surplus Property Certification? .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Attach a copy)	
Related Enacted Ordinances? .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Ordinance # of previous Ordinance	
Report Required to City Council/ Council Auditors .....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date	Frequency

**ADMINISTRATIVE TRANSMITTAL**

To: MBRC, c/o Roselyn Chall, Budget Division, Suite 325

Cc: Chris Hand, Chief of Staff, Office of Mayor  
Heath Beach, Assistant Budget Officer, Budget Division

From: Paul Crawford , Acting Executive Director, JEDC  
 (Name, Job Title, Department)  
 Phone: 630-7063 Fax: 630-2919 E-mail PaulC@coj.net

Contact person: Joe Whitaker, Business Retention and Recruitment Coordinator, JEDC  
 (Name, Job Title, Department)  
 Phone: 630-1624 Fax: 630-2919 E-mail josephw@coj.net

**COUNCIL MEMBER/ INDEPENDENT AGENCY/ CONSTITUTIONAL OFFICER TRANSMITTAL**

To: Steve Rohan (630-1672) or Peggy Sidman (630-4647), Office of General Counsel  
Suite 480, City Hall at St. James

From: \_\_\_\_\_  
 (Name, Job Title, Department)  
 Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail \_\_\_\_\_

Contact person: \_\_\_\_\_  
 (Name, Job Title, Department)

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail \_\_\_\_\_

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation.

---

**FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED**

G:\SHARED\LEGIS.CC\Sidman\Miscellaneous\Fact Sheet form 10 23 06.doc