

LEGISLATIVE FACT SHEET

DATE: 06/18/14

BT or RC No: _____
(Administration Bills)

SPONSOR: Office of Economic Development
(Department/Division/Agency/Council Member)

PURPOSE/SUMMARY:

Kraft Foods Group, Inc. (Kraft) was founded in 1903 and is headquartered in Northfield, IL. It is one of North America's largest consumer packaged food and beverage companies with annual revenues of more than \$18 billion. Kraft is evaluating the expansion of their coffee roasting and packaging plant located at 735 E. Bay Street in downtown Jacksonville and is located in the Enterprise Zone. The expansion proposed 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. The company is evaluating two other sites in San Leandro, CA and Allentown, PA. The company presently has 227 employees in Jacksonville. The average wage of the existing Jacksonville jobs is \$57,400 plus benefits valued at \$36,200 for a total of \$93,600. Their current annual payroll with benefits is \$21 million. The company proposes to invest up to \$16 million to support the expansion and create an additional 10 jobs at the average wage of \$57,400 plus benefits. The payroll increase annually is \$936,000.

APPROPRIATION: Total Amount Appropriated: _____ 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 Account Number: _____

IMPACT - FINANCIAL / OTHER:

Kraft is seeking public investment through the utilization of a Recapture Enhanced Value (REV) grant equal to 50% of the incremental increase in the county portion of ad valorem taxes generated from the proposed \$16 million private capital investment in real and tangible personal property for seven years after the improvements are complete and placed on the tax roll. This grant will have a cap of \$425,000. New taxes from the \$ 16 million private capital investment over seven (7) years, generates \$854,748. Net revenue generated less the REV Grant totals \$429,748.

ACTION ITEMS:

	Yes	No
Emergency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Federal or State Mandates?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fiscal Year Carryover?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CIP Amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Contract / Agreement (C/A) Approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
C/A Negotiations On-going?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Justification of Emergency:

(Attach CIP Form(s))

(Attach a copy)

Oversight Department Required?
 Related RC/BT?
 Waiver of Code?
 Code Exception?
 Continuation of Grant?
 Surplus Property Certification?
 Related Enacted Ordinances?
 Report Required to City Council or
 Council Auditors?

X	
X	
	X
	X
	X
	X
	X
	X

Name of Dept.: Office of Economic Development
 (Attach a copy) _____
 Identify Code: _____
 Identify Code: _____
 (Attach a copy) _____
 Ordinance #: _____
 Date: _____ Frequency: _____

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Roselyn Chall, Budget Office, St. James Suite 325

Cc: Chris Hand, Chief of Staff, Office of the Mayor

From: Ted Carter, Executive Director, Office of Economic Development
 (Name, Job Title, Department)

Phone: 630-2455 E-mail: tcarter@coj.net

Contact Joe Whitaker, Business Retention and Recruitment Coordinator, OED

Person: (Name, Job Title, Department)

Phone: 630-1624 E-mail: josephw@coj.net

COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL

To: Peggy Sidman, Office of General Counsel, St. James Suite 480

Phone: 630-4647 E-mail: psidman@coj.net

From: _____
 (Name, Job Title, Department)

Phone: _____ E-mail: _____

Contact _____

Person: (Name, Job Title, Department)

Phone: _____ E-mail: _____

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

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED