

LEGISLATIVE FACT SHEET

DATE : June 20, 2012 _____

BT or RC NUMBER: _____
(Administration Bills)

SPONSOR (Department/Division/Agency/ Council Member): Mayor's Office _____

PURPOSE/ SUMMARY: Deutsche Bank (DB) is considering expanding their investment banking back office functions in Jacksonville and exploring other highly specialized roles in technology, front office, and finance jobs that could potentially be located in Jacksonville. The proposed expansion of their U.S. nearshore operations hub for DB supports their operations strategy to continue to diversify their operating centers away from the company's hubs in New York/New Jersey, London, and Singapore.

DB expects this expansion to create 260 new, full-time economic-based jobs in a three year period (2013 to 2015) within its subsidiaries, DB Services New Jersey, Inc. (DBS), DB Services Americas, Inc. (DBSA), and Deutsche Bank Securities, Inc. (DBSI). Collectively, these subsidiaries are referred to herein as "Company". These 260 new, high skill jobs will pay an average wage of approximately \$46,638 plus benefits, which is 115% of the statewide average wage. These jobs would require individuals with knowledge of investment banking and IT support. The company also proposes to invest \$10.3 million in leasehold improvements and furniture and technology infrastructure.

DB and Company are seeking public investment through the Qualified Targeted Industry (QTI) Tax Refund program, with High Impact Sector Bonus, and Recapture Enhanced Value (REV) grant. An expected average wage of approximately \$46,638 which equals 115 percent of the state average and qualifies the company for \$3,000 per job under this state program, and an additional \$2,000 per job for the High Impact Sector Bonus for a total of \$1,300,000 to offset a portion of its expenses for the expansion of its operations in Jacksonville. The city portion of the QTI is 20 percent of the basic award up to \$260,000. The proposed REV grant would be provided on an annual basis and would be equal to 35 percent of the incremental increase in municipal and county ad valorem taxes paid on leasehold improvements and personal property at the project site for a period of five years. The amount of this grant is directly commensurate to a portion of the incremental increase in value associated with the company's lease hold improvements and tangible personal property investment. This grant will have a cap of \$138,000. **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: Higher wage job creation resulting in an annual payroll of \$16.6 million including benefits and estimated ad valorem taxes from private capital investment of \$10.3 million. Note:

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	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Identify Code Provision) _____
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 No Date _____ Frequency _____

ADMINISTRATIVE TRANSMITTAL

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

Cc: Chris Hand, Chief of Staff
Mayor's Office, Fourth Floor, City Hall at St. James

From: Paul Crawford , Deputy 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