



Legislation Text

File #: 2024-0066, **Version:** 1

Submitted By: Roberto Ellis

Presentation By: Aubrey Hale

Department: Growth Management

STAFF RECOMMENDATION (Motion Ready):

Approve an Economic Investment Program agreement between the City of Ocala and Averitt Express, Inc. with a total investment not to exceed \$96,000

OCALA'S RELEVANT STRATEGIC GOALS:

Economic Hub

PROOF OF PUBLICATION:

N/A

BACKGROUND:

The purpose of the Economic Investment Program (EIP) is to create economic growth within Ocala through the attraction of new business and encouragement of existing business to grow and expand. On August 1, 2023, Averitt Express Inc. ("Averitt") applied for incentives through the EIP to support expansion of their business to Ocala. Averitt is headquartered in Cookeville, Tennessee and is a leading supplier of supply chain management. The company specializes in delivering customized solutions for service offerings that include retail distribution, transportation management, and fulfillment services.

The Applicant is proposing to construct a new 20,200 square feet logistics and service center inclusive of docking, warehouse, and office space. The project will be developed on a 15.41-acre parcel located along NW 35th Street Road (Parcel ID 13717-001-00). The subject property is a part of the Ocala/Marion County Commerce Park and was purchased by the Applicant on September 6, 2023. Averitt's proposed expansion project in Ocala will serve as a mid-way point between existing Orlando and Jacksonville operations.

City staff met with the applicant to review the project details and negotiate the agreement's terms. The Financial Review Committee (FRC) met on September 22, 2023, to evaluate the project's financial aspects. The FRC unanimously approved the application, determining that Averitt had sufficient financial ability to successfully execute the project. The attached memorandum contains the written recommendation.

The facility construction and site improvements are expected to be completed no later than January 2025.

FINDINGS AND CONCLUSIONS:

The Applicant will employ a minimum of 34 new full-time employees at an average annual salary (or hourly equivalent) of \$69,112. The jobs will exceed 115 percent of the average salary in the Ocala Metropolitan Statistical Area (MSA).

The property is currently vacant and unimproved thereby limiting tax revenue available to the City. The development of the facility is expected to provide a significant increase in tax revenue resulting in a Net Present Value of approximately \$1.3 million in expected ad valorem tax revenue to the City over 30 years. The City is expected to recoup the proposed investment within 20 months of project completion; see attached analysis. The subject property is zoned Medium Industrial (M-2) and is within an Employment Center (EC) Future Land Use category, as identified in the City of Ocala Comprehensive Plan.

The project will be 100 percent self-funded. In view of this, the applicant is seeking an incentive of \$96,000 to offset project costs. Averitt will spend approximately \$11.6 million to construct the new facility.

Given the significant benefit to the community in terms of the expected capital investment and quality jobs, staff recommends approval.

FISCAL IMPACT:

The grant payment will be budgeted in the appropriate financial year in account 674-099-999-559-81-82010.

PROCUREMENT REVIEW:

N/A

LEGAL REVIEW:

This Agreement will be reviewed and approved for form and legality by City Attorney, William E. Sexton.

ALTERNATIVE:

- Approve with Changes
- Table
- Deny