

**CITY OF MIRAMAR
PROPOSED CITY COMMISSION AGENDA ITEM**

Meeting Date: October 13, 2021

Presenter's Name and Title: Anita Fain Taylor, Director, Economic & Business Development Department

Prepared By: Richard Hughes, Assistant Director, Economic and Business Development Department

Temp. Reso. Number: 7491

Item Description: Temp. Reso. No. 7491, APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE OFFER TO JEG & SONS IN AN AMOUNT NOT-TO-EXCEED \$14,000 FOR LOCAL HIRING AS PART OF THE COMPANY RELOCATING ITS HEADQUARTERS TO THE CITY. *(Economic and Business Development Director Anita Fain Taylor)*

Consent ☐ Resolution ☒ Ordinance ☐ Quasi-Judicial ☐ Public Hearing ☐

Instructions for the Office of the City Clerk: none

Public Notice – As required by the Sec. ____ of the City Code and/or Sec. ____, Florida Statutes, public notice for this item was provided as follows: on ____ in a ____ ad in the ____; by the posting the property on ____ and/or by sending mailed notice to property owners within ____ feet of the property on ____
(fill in all that apply)

Special Voting Requirement – As required by Sec. ____, of the City Code and/or Sec. ____, Florida Statutes, approval of this item requires a ____ (unanimous, 4/5ths etc.) vote by the City Commission.

Fiscal Impact: Yes ☐ No ☒

REMARKS: Funding in an amount not-to-exceed \$14,000 will be budgeted in Economic & Business Development GL Account No. 001-41-432-552-000-608250 titled “Economic Incentive”, contingent upon adoption of the Fiscal Year 2027 budget in accordance with the proposed hiring schedule and the five year local hiring retention requirement.


Content:

- **Agenda Item Memo from the City Manager to City Commission**
- **Resolution TR 7491**
 - **Exhibit A: Incentive Agreement**
- **Attachment(s)**
 - **Attachment 1: Letter requesting City local hiring incentive**



**CITY OF MIRAMAR
INTEROFFICE MEMORANDUM**

TO: Mayor, Vice Mayor, & City Commissioners

FROM: ^{For} Vernon E. Hargray, City Manager 

BY: Anita Fain Taylor, Director, Economic and Business Development

DATE: October 7, 2021

RE: Temp. Reso. No. 7491, local hiring incentive offer for JEG & SONS to relocate its headquarters to Miramar

RECOMMENDATION: The City Manager recommends approval of Temp. Reso. No. 7491, for the local hiring economic incentive offer to JEG & SONS, in an amount not-to-exceed \$14,000 for the company to relocate its headquarters to the City.

ISSUE: Section 2-261 of the City Code authorizes the City to award an economic development incentive to eligible businesses, in an amount to be determined by the City Commission upon the recommendation of the City Manager. Pursuant to Section 2-261(f), City Code, approval of monetary incentives for participating businesses must be made by resolution of the City Commission and must be reflected in a written agreement.

BACKGROUND: JEG & SONS is an e-commerce business operating as one of the largest distributors of unlocked phones in North America that offers end-to-end solutions for resellers and retailers. As part of its proposed relocation and expansion, the company would occupy 40,000 – 50,000 square feet of warehouse/office space, make a capital investment of approximately \$600,000 and hire an additional 28 employees over a 5-year period at an average compensation of \$50,000 - \$55,000. The local hiring incentive is \$500 for each new employee hired as part of the company's relocation and proposed 5-year hiring schedule. The incentive requires that each eligible new employee be resident of the City, be retained for at least five years and remain a resident for the five year period.

DISCUSSION: The City has a history of attracting companies using economic development incentives, primarily the state's Qualified Target Industry Incentive ("QTI"). In recent years, a local hiring incentive has also been offered to promote employment opportunities for residents. The QTI program is not active at this time so the only available incentive the City can offer is for local hiring.

ANALYSIS: Since 1998, the City has used incentives to attract more than 40 companies that have made capital investments of approximately \$300 million dollars and hired thousands of employees. This activity has elevated the City's profile as a corporate destination across key industry sectors, such as aviation, communications, healthcare, manufacturing, and hospitality/travel. For companies with local hiring incentives, the City has paid \$4,500 dollars for hiring and retaining nine City residents.

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**CITY OF MIRAMAR
MIRAMAR, FLORIDA**

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA, APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE OFFER TO JEG & SONS IN AN AMOUNT NOT-TO-EXCEED \$14,000 FOR LOCAL HIRING AS PART OF THE COMPANY RELOCATING ITS HEADQUARTERS TO THE CITY; PROVIDING FOR THE TERMS OF THE INCENTIVE OFFER; AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT REFLECTING THE TERMS OF THE INCENTIVE OFFER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Miramar seeks to attract companies that will help create a strong tax and employment base for the City, foster the City's image as an attractive corporate location and further the City's economic development, consistent with Section 2-261 of the City Code, and applicable Florida Statutes; and

WHEREAS, JEG & Sons ("JEG") is an eligible business within the meaning of Section 2-261 of the City Code, and is relocating its headquarters to the City of Miramar; and

WHEREAS, as part of its consideration to relocate its headquarters to Miramar, the City is offering an incentive payment of \$500 to JEG for each new employee hired as part of the company's relocation and proposed 5-year hiring schedule who is a resident of the City and is retained for at least five years and remains a resident, up to a maximum of \$14,000; and

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WHEREAS, the City Manager recommends approval of the local hiring incentive offer to JEG to relocate its headquarters to the City; and

WHEREAS, the City Commission finds that it is in the best interest of the citizens and residents of the City of Miramar to approve the local hiring incentive offer for JEG, reflected in the written agreement attached hereto as Exhibit "A", and to authorize the City Manager to execute the agreement with JEG.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MIRAMAR, FLORIDA AS FOLLOWS:

Section 1: That the foregoing "**WHEREAS**" clauses are confirmed and ratified as being true and correct and are made a specific part of this Resolution.

Section 2: That an incentive payment shall be made available to JEG in the amount of \$500 for each new employee hired as part of the company's relocation and proposed 5-year hiring schedule who is a resident of the City and is retained for at least five years and remains a resident, up to a maximum of \$14,000 for 28 new employees.

Section 3: That the City Manager is authorized to execute an agreement with JEG in substantial conformity with the written agreement attached hereto as Exhibit "A", together with any non-substantive changes deemed appropriate by the City Manager and approved as to form and legal sufficiency by the City Attorney.

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Section 4: That the appropriate City officials shall do all things necessary and expedient to carry out the aims of this Resolution.

Section 5: That this Resolution shall take effect immediately upon adoption.

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PASSED AND ADOPTED this _____ day of _____, _____.

Mayor, Wayne M. Messam

Vice Mayor, Yvette Colbourne

ATTEST:

City Clerk, Denise A. Gibbs

I HEREBY CERTIFY that I have approved
this RESOLUTION as to form:

City Attorney,
Austin Pamies Norris Weeks Powell, PLLC

Requested by Administration

Commissioner Winston F. Barnes
Commissioner Maxwell B. Chambers
Vice Mayor Yvette Colbourne
Commissioner Alexandra P. Davis
Mayor Wayne M. Messam

Voted

Reso. No. _____

**AGREEMENT
BETWEEN THE CITY OF MIRAMAR AND JEG & SONS**

THIS AGREEMENT is made this ____ day of _____, _____, by and between Project JEG & SONS ("JEG & SONS"), and the **CITY OF MIRAMAR, FLORIDA** ("City")

WHEREAS, as part of the City's economic incentive initiatives, the City seeks to attract certain businesses to establish their businesses within the City of Miramar; and

WHEREAS, the City of Miramar has been identified as a site that will meet the expansion needs of JEG & SONS; and

WHEREAS, the City wishes to offer to JEG & SONS a cash incentive payment to attract JEG & SONS to the City; and

WHEREAS, the incentive payment shall be conditioned upon an agreement by JEG & SONS to remain in business in the City and maintain all jobs created for at least five years.

NOW, THEREFORE, in consideration of the mutual covenants and conditions provided below, JEG & SONS and the City agree as follows:

1. The parties hereby incorporate by reference all "**WHEREAS**" clauses as if fully set forth herein.
2. **Payment.** The City shall pay JEG & SONS a cash incentive in the total amount of up to \$14,000.00, representing payment of \$500.00 for each employee hired by JEG & SONS as part of the company's relocation and proposed 5-year hiring schedule, is a resident of the city, is retained for at least five years and remains a resident. The City shall make such payment to JEG & SONS at the end of the five-year period and upon the City receiving proof of such local residency and minimum employment requirement and in accordance with the hiring schedule proposed by JEG & SONS. The payment of \$500.00 for each new employee shall not be deemed or construed as a requirement or preference for hiring City residents.
3. **Building Improvements.** The City shall assist JEG & SONS by offering the "Fast Track" plans review permitting process for all building improvements during the planning and construction stages. A City representative will assist JEG & SONS, the building owner and contractor to facilitate the timely resolution of any issues relating to such building improvements.
4. **Job Fairs.** JEG & SONS shall assist and cooperate with the City's job fairs, as requested by the City.

5. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, and venue for any action shall be in Broward County, Florida.

6. **Notices.** All notices or other communications which shall or may be given pursuant to this Agreement shall be in writing and shall be delivered by personal service, or by certified mail addressed to the other party at the address indicated or as may be changed from time to time. Such notice shall be deemed given on the day on which personally served, or if by mail, on the date of actual receipt.

To the City: City Manager
 City of Miramar
 2300 Civic Center Place
 Miramar, FL 33025

To JEG & SONS:

Attn: _____

With a copy to: City Attorney
 Austin Pamies Norris Weeks Powell, PLLC
 401 NW 7th Avenue
 Fort Lauderdale, FL 33311

7. **Binding Effect.** This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors and assigns.

8. **Amendments and Modification.** No amendments and/or modifications of this Agreement shall be valid unless in writing and signed by each of the parties to the Agreement.

9. **Merger.** This Agreement and its attachments, if any, constitute the entire agreement between the parties, and all negotiations and oral understandings between the parties are merged herein.

10. **Nonassignability.** Neither party shall assign, subcontract or transfer any rights or delegate any duties arising under this Agreement without prior written consent of the other party.

11. **Severability.** Any provision in this Agreement that is prohibited or unenforceable under Florida or federal law shall be ineffective to the extent of such prohibitions or unenforceability, without invalidating the remaining provisions hereof. Also, the non-enforcement of any provision by either party to this Agreement shall not constitute a waiver of that provision nor shall it affect the enforceability of that provision or the remainder of this Agreement.

12. **Attorney's Fees.** Should City successfully bring any manner of legal action against JEG & SONS, or successfully defend against any suit brought by JEG & SONS, arising out of or in connection with this agreement, JEG & SONS agrees to pay all reasonable attorneys' fees as

well as costs incurred by City in bringing or defending such an action, through and including all appeals. Should JEG & SONS prevail in such a case the City agrees to pay all reasonable attorneys' fees as well as costs incurred by JEG & SONS in bringing or defending such an action, through and including all appeals.

13. **Affidavit.** From time to time, upon request by the City, JEG & SONS agrees to provide to the City an Affidavit and any other additional documentation reasonably requested by the City, in a timely manner, evidencing that JEG & SONS is in compliance with each of the requirements of this Agreement.

IN WITNESS WHEREOF, JEG & SONS and the City have caused this instrument to be signed by their respective duly authorized officers and their respective corporate seals to be hereto affixed, all on the day and year first above written.

WITNESS: JEG & SONS

By: _____ By: _____
(Seal)

Attest: CITY OF MIRAMAR, FLORIDA

Denise Gibbs, City Clerk

By: _____
Vernon E. Hargray
City Manager

Approved as to form and legal sufficiency
for the use of and reliance by the City of
Miramar only:

City Attorney
Austin Pamies Norris Weeks Powell, PLLC

JEG & SONS

8/19/2021

City of Miramar

To whom it may concern:

This letter is to inform you that we are considering moving our business, JEG & Sons Inc., into Miramar during Q1 of 2021. We are looking at the property on 2201 SW 145th Ave as potential landing spot. We are currently at about 60 employees and plan to expand to about 75-85 employees if we can make this move happen. We will also be spending approximately \$600k in updating and renovating the existing building. We are an e-commerce business and hope to move from about 25k sq. ft. in Miami and are looking into a larger 40k to 50k sq. ft. warehouse.

We are interested in any incentives that can help us grow and succeed in a Miramar address. We are a privately held company that has been in business since Feb. 2006 and have plans to grow stronger roots and a larger footprint in the Miami/Broward area by acquiring more space. I am happy to discuss in more detail or provide more details to help plan our move.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Virdee', with a stylized flourish extending to the right.

Paul Virdee, SFA, JEG & Sons