

MEMORANDUM

TO: MAYOR AND CITY COMMISSION
FROM: CITY ATTORNEY'S OFFICE
DATE: November 21, 2022
RE: **Economic Development Infrastructure Incentive Agreement with Frinsa USA Corp.**

Attached for your consideration is an Economic Development Infrastructure Incentive Agreement with Frinsa USA Corp., providing an economic development incentive grant to Frinsa to assist with the development of their new manufacturing facility located at 900 Chestnut Road, just south of Memorial Boulevard and east of Lone Palm.

The City Commission endorsed the creation of an Economic Development Infrastructure Incentive Program at its 2019 Strategic Planning Retreat and has subsequently appropriated monies in the annual budget to fund the Program. The purpose of the Program is to support the development of both new and expanding economic development projects within the City of Lakeland and its surrounding utility service areas by providing financial assistance to offset some of the significant infrastructure, impact fee and other development costs associated with manufacturing and research and development projects that become valuable customers of the City of Lakeland's Electric and Water Utilities, grow the tax base and provide employment opportunities to the community. Assistance may be provided under the Program to assist with electric, water and wastewater utility extensions and relocations, transportation infrastructure development, and utility impact fee costs.

A minimum capital investment of \$10 million is required in order to be eligible for incentives under the Program. Eligibility may also be established by the creation of a minimum of 25 new jobs paying an average wage of 125% of the Polk County average annual wage or the creation of a minimum of 50 new jobs paying an average wage of 100% of the Polk County average annual wage.

Frinsa is an international manufacturer of high-quality canned tuna and shellfish that is currently headquartered in Spain and that plans to build out a new 180,000 square foot facility located at 900 Chestnut Road, just outside the current city limits of Lakeland but within the Lakeland Electric and Water Utility Service Territories. Frinsa plans to create 110 new jobs at its Lakeland facility, of which 27 will pay at least 125% of Polk County's average annual wage. The annualized average wage for the new jobs created by Frinsa will be \$54,206. In addition, Frinsa will invest at least \$20 million in capital improvements related to the Lakeland facility.

Frinsa has applied for \$400,000 in assistance under the Economic Development Infrastructure Incentive Program, which is the maximum amount available to a single project under the Program. They intend to use the funds to mitigate a portion of the City's

water and wastewater impact fees due for the project. Under the attached Agreement, the City will provide the total sum of \$400,000 to Frinsa upon Frinsa's completion of its Lakeland facility, as evidenced by the issuance of a final certificate of occupancy for the facility.

It is recommended that the City Commission approve the attached Economic Development Infrastructure Incentive Agreement with Frinsa USA Corp. and authorize the appropriate City officials to execute the Agreement on behalf of the City.

Attachment

**ECONOMIC DEVELOPMENT INFRASTRUCTURE INCENTIVE PROGRAM
MANUFACTURING/RESEARCH & DEVELOPMENT
AGREEMENT**

THIS AGREEMENT (the “Agreement”) is entered this 21st day of November, 2022, by and between the CITY OF LAKELAND, a Florida municipal corporation (“City”), and FRINSA USA CORP., a Florida profit corporation, whose principal address is 900 N. Chestnut Road, Lakeland, Florida 33815 (“Frinsa”).

WHEREAS, §166.021, Florida Statutes, provides that the governing body of a municipality may expend public funds to attract and retain business enterprises, and the use of public funds toward the achievement of such economic development goals constitutes a public purpose; and

WHEREAS, §166.021, Florida Statutes, further provides that public funds may be expended for economic development activities that include, without limitation, developing or improving local infrastructure, making grants to private enterprises for the expansion of businesses existing in the community or the attraction of new businesses to the community, and the provision of fee-based or tax-based incentives, including, but not limited to, credits, refunds, exemptions, and property tax abatement or assessment reductions; and

WHEREAS, the City has created and funded an Economic Development Infrastructure Incentive Program (the “Incentive Program”) in order to support the development of both new and expanding economic development projects that advance the manufacturing base within the City of Lakeland and its surrounding utility service territories; and

WHEREAS, assistance may be provided under the Incentive Program to qualified projects through electric, water and wastewater utility extensions and relocations, transportation infrastructure development, and utility impact fee reimbursements; and

WHEREAS, Frinsa is an international manufacturer of high-quality canned tuna and shellfish that is currently headquartered in Spain and that plans to build out a new 180,000 square foot facility located at 900 Chestnut Road, just outside the current city limits of Lakeland but within the Lakeland Electric and Water Utility Service Territory (the “Lakeland Facility”); and

WHEREAS, Frinsa plans to create 110 new jobs at its Lakeland Facility, of which 27 will pay at least 125% of Polk County’s average annual wage; and

WHEREAS, the annualized average wage for the new jobs created by Frinsa will be \$54,206; and

WHEREAS, Frinsa will invest at least \$20 million in capital improvements related to the Lakeland Facility; and

WHEREAS, the minimum capital investment in order to be eligible for incentives under the Incentive Program is \$10 million; and

WHEREAS, Frinsa has applied for \$400,000 in assistance, which is the maximum amount available to a single project under the Incentive Program, in order to mitigate a portion of the City's water and wastewater impact fees due for the project; and

WHEREAS, the City Commission of the City of Lakeland wishes to facilitate Frinsa's development of its Lakeland Facility by providing the requested assistance, and finds that the provision of such assistance serves a public purpose as provided in §166.021, Florida Statutes, and is otherwise in the best interests and promotes the public health, safety and welfare of the citizens of the City of Lakeland;

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged by the parties, the City and Frinsa agree as follows:

1. The recitals stated above are true and correct and fully incorporated herein.
2. The City agrees to provide the total sum of \$400,000 to Frinsa in one lump sum payment upon Frinsa's completion of the Lakeland Facility, as evidenced by the issuance of a final certificate of occupancy for the Lakeland Facility.
3. This Agreement constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes any prior understandings or agreements between the parties with respect thereto. This Agreement may not be modified or amended except as approved in writing by the duly authorized officials of both the City and Frinsa.
4. This Agreement shall be governed by the laws of the State of Florida, irrespective of any choice of law provisions contained therein, and venue for any litigation, dispute or question of interpretation arising from or relating to this Agreement shall be in the state courts of Polk County, Florida or the United States Middle District Court of Florida, Tampa Division.
5. This Agreement shall become effective upon execution by both of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above-written.

[Signature Page Follows]

CITY OF LAKELAND, a Florida
municipal corporation

By: _____
H. William Mutz, Mayor

ATTEST:

By: _____
Kelly Koos, City Clerk

Approved as to Form and Correctness:

By: _____
Palmer C. Davis, City Attorney

FRINSA USA CORP.

By: _____

Print Name: _____

Title: _____