

MEMORANDUM

TO: MAYOR AND CITY COMMISSION
FROM: CITY ATTORNEY'S OFFICE
DATE: November 21, 2022
RE: **Economic Development Infrastructure Incentive Agreement with Keymark Corporation of Florida**

Attached for your consideration is an Economic Development Infrastructure Incentive Agreement with Keymark Corporation of Florida, providing an economic development incentive grant to Keymark to assist with Keymark's plans to add new equipment to their existing facility located at 2520 Knights Station Road and expand into a new 76,326 square foot building to be constructed at 3155 Drane Field Road.

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.

Keymark is a manufacturer of aluminum products that are created through an extrusion process that pushes heated aluminum through a die to create a variety of products that are used in US industries. Keymark plans to add new equipment to their existing facility located at 2520 Knights Station Road and will also expand into a new 76,326 square foot building located at 3155 Drane Field Road that will be constructed to accommodate an additional line of equipment that will support their operations. Keymark plans to create 25 new jobs at its Lakeland facilities that will pay at least 100% of Polk County's average annual wage and will invest an estimated \$30 million in capital improvements.

Keymark has applied for \$400,000 in assistance, which is the maximum amount available to a single project under the Incentive Program, in order to assist with the relocation of electric lines and the construction of a new water line necessitated by their projects. Under the attached Agreement, the City will provide the total sum of \$400,000 to Keymark upon Keymark's completion of its Lakeland facilities, as evidenced by the issuance of a final certificate of occupancy for the facilities.

It is recommended that the City Commission approve the attached Economic Development Infrastructure Incentive Agreement with Keymark Corporation of Florida 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 KEYMARK CORPORATION OF FLORIDA, a Florida profit corporation, whose principal address is 2540 Knights Station Road, Lakeland, Florida 33810 (“Keymark”).

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, Keymark is a manufacturer of aluminum products that are created through an extrusion process that pushes heated aluminum through a die to create a variety of products that are used in US industries; and

WHEREAS, Keymark plans to add new equipment to their existing facility located at 2520 Knights Station Road and will also expand into a new 76,326 square foot building located at 3155 Drane Field Road that will be constructed to accommodate an additional line of equipment that will support their operations (the “Lakeland Facilities”); and

WHEREAS, Keymark plans to create 25 new jobs at its Lakeland Facilities that will pay at least 100% of Polk County’s average annual wage; and

WHEREAS, Keymark will invest an estimated \$30 million in capital improvements related to the Lakeland Facilities; and

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

WHEREAS, Keymark has applied for \$400,000 in assistance, which is the maximum amount available to a single project under the Incentive Program, in order to assist with the relocation of electric lines and the construction of a new water line necessitated by the project; and

WHEREAS, the City Commission of the City of Lakeland wishes to facilitate Keymark's development of its Lakeland Facilities 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 Keymark 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 Keymark in one lump sum payment upon Keymark's completion of the Lakeland Facilities, as evidenced by the issuance of a final certificate of occupancy for the Lakeland Facilities.
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 Keymark.
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

**KEYMARK CORPORATION OF
FLORIDA**

By: _____

Print Name: _____

Title: _____