

JCB Incentive Agreement



City Council A Session

April 4, 2024

Agenda Item #18

Brenda Hicks-Sorensen, Director, Economic Development

Background



JCB North America – Pooler, Georgia

- JCB, Inc. is a heavy equipment manufacturing company based out of the United Kingdom (UK).
 - 15,000 employees at 22 other manufacturing facilities in the United Kingdom, China, India, and Brazil.
 - Manufactures more than 300 products for customers in 150 countries.
- JCB North America is a subsidiary headquartered in Savannah, GA with 1,000 employees.
 - Savannah manufacturing plant is the worldwide production facility for all 18 models of the JCB's exclusive side-door entry skid steer and compact track loaders
 - Also, supports a network of over 115 dealers in the United States and Canada, providing parts, training and expertise.

Project Description



- Will be an expansion of its existing North American manufacturing footprint.
 - Approx. 750,000 square foot facility
- Will produce equipment that is currently produced in the UK and India, to bring its product closer to the consumer and create capacity within those other facilities.
 - Equipment: Telescopic Handlers, and two variants of Aerial Work Platforms.
- Expected to produce 15,000 units in year one and 33,000 units in year 2 and 3.



Telescopic Handler



Aerial Work Platform

Project Site

Located at 13610 State Hwy 16 S (CD4)

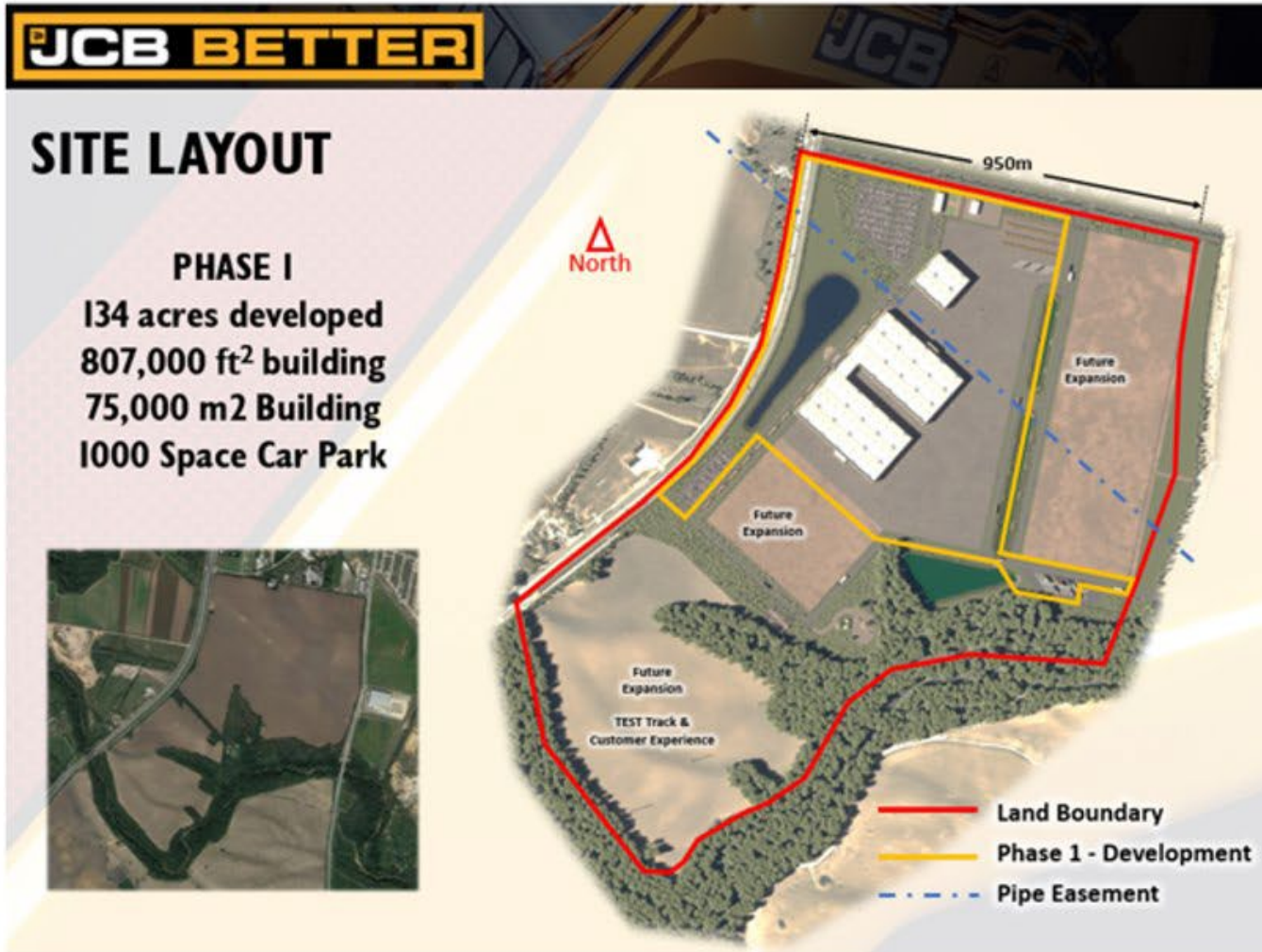
Industrial development tract (Rezoned I-2)
near the Toyota plant, located in San
Antonio's Far South Opportunity Zone.

+/- 400 Gross Acres. A portion of the
property is in the 100-year flood plain.

Equity Atlas Combined Score = 7



Site Development



Project Summary – by 2028



Total Capital Investment
~ \$265.7 million

1,580 New Full-Time
Jobs

Average Wage:
\$54,889

Annual 10% Dedicated
Wraparound
Support Funds

Target Industry:
Mobility

100% of Positions
at or above \$20.54

Incentive Recommendation Summary

- **10-year 90% tax abatement** of City taxes on real and personal property improvements with an estimated value of **\$10,394,696**
 - (70% Base Eligibility + 10% Strategic Industry + 10% Equity Atlas Score)
- **Chapter 380 EDIF grant**
 - Up to **\$1,500,000** dedicated to reimbursement for site development, road, and utility infrastructure improvements
 - **\$850,000** in reserve funds for unforeseen site development costs; requires City Manager approval to disburse
- Up to **\$500,000** in **SAWS fee waivers**, and up to **\$1,000,000** in **City fee waivers**
- City nomination as a **Triple Jumbo Texas Enterprise Zone (TEZ) Project**, which has a value of up to **\$3,750,000**

Cost Benefit Analysis



Cost Benefit Ratio/Indicator	Estimated Amount
Total Incentive Value over Length of Agreement	\$13.74 M
City Participation (\$ Incentive / \$ Investment)	5.17%
Private / Public Ratio	19.33:1
Return on Investment (ROI)	40.97%
Net Present Value	\$8.48 M

Excludes \$500,000 in SAWS Fee Waivers

Fiscal Impact



Available Funding Source

- **Economic Development Incentive Fund (EDIF)**
 - \$2.35 M infrastructure improvement grants and reserve funds for development
- **General Fund**
 - \$1 M in Industry Fee Waivers
 - \$10.39 M estimated value of 10-year, 90% tax abatement

Total Estimated City Incentive Value: \$13,744,697

Recommendation

Staff recommends approval of the following incentives:

- Authorizing a 10-year, 90% tax abatement
- Authorizing a \$2.35 M EDIF grant agreement and City and SAWS Fee waivers in an amount not to exceed \$1.5 M
- Nominating JCB, Texas LLC as a Qualified Business and Triple Jumbo Enterprise Project under the TEZ program

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