



## **Commission OKs \$129K incentives request for business expansion**

By Jake Martin  
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St. Johns County commissioners on Tuesday approved a request for economic incentives worth about \$129,000 for a company that already moved here from Georgia in 2006 but is looking to expand and add jobs.

Rulon International, a manufacturer of wood ceilings and acoustical wood walls with clients around the world, has plans to construct a \$5 million, 27,000 square foot addition to its 85,000 square foot office/manufacturing building located on Ring Way in the World Commerce Center. The company also intends to maintain its local employment base of about 139 people and add 20 more jobs paying an average wage of \$40,050 over the next three years.

Melissa Glasgow, director of economic development for the county, said the project is eligible for expedited permitting as well as an economic development grant of up to 100 percent of impact fees and water/sewer connection fees plus four years of ad valorem taxes (general county portion only) on capital improvements and tangible personal property.

Completion of the project is anticipated by the last quarter of calendar year 2018. Using this time line, the first annual grant payment to the company would be anticipated during the county's 2020 fiscal year.

Commissioner Jimmy Johns asked the only question, seeing whether he was reading Glasgow's analysis correctly that there would be a net benefit to the county of \$383,000. Glasgow confirmed and said that's just on the general county portion and does not factor in overall taxes paid to the county.

"I'd say that's a very good investment," Johns said.

Resident Lance Williams, who has spoken before the board several times in recent months in opposition to the nearby proposed Buc-ee's, said during public comment that the World Golf Village community would be watching the deal with scrutiny.

"To me this is a good test of how you may handle future requests that Buc-ee's will inevitably make for their mega gas station and carnival convenience store," he said.

Williams, referencing his background in corporate management, said while he celebrates Rulon's business success, the company isn't necessarily entitled to the incentives.

"While they have the right to expand, I see no reason to have the county pay for it," he said.

Williams said adding 20 new jobs that pay \$40,000 a year "doesn't exactly raise the standard of living for St. Johns County," which already enjoys a steady unemployment rate under 3 percent.

"This is not exactly explosive growth that moves the economic needle," he told commissioners. "Remember, these economic incentives are not free. They come from the taxpayers and the hardworking residents that pay taxes. Expansion is good, but why should I pay for it?"

He suggested Buc-ee's, seeing a precedent, will ask the board for the same treatment for providing jobs paying less than livable wages.

Commissioner Jay Morris, invoking his own private sector experience, said the Rulon operation has a payback of five years.

"That's substantial," he said. "That is one heck of a good investment, whether you're a public corporation or you're a county."

However, the county's cost-benefit analysis says the anticipated net benefit is over 20 years.

In either case, the board's vote was unanimous. An agreement will be put on a future agenda for final approval.

Wayne Robison, Rulon's president and CEO, took the podium after the vote to say that God blessed his company but also gave it a sense of mission.

He said Rulon takes its wood waste to make guitars for kids in children's hospitals across the country. He said the company sends money to an organization that drills for water in communities around the world in need of clean water, and that it builds homes in Ecuador and is building a medical mission building in Tanzania.

But business is business, too.

"We need this to compete against China, India, Vietnam, where I served, and other countries in the world that can make our product cheaper," Robison told commissioners. "When you help out

with these incentives, it helps us to price our product that we can sell to projects all over the world and be competitive.”

Robison’s comments were met with a round of applause from the audience. Granted, the auditorium was full of representatives of the business community waiting to voice their support for contract extensions for the county’s Visitors and Convention Bureau and Cultural Council.

### **Tourism marketing contracts**

Commissioners voted 4-1 to stay the course when it comes to attracting tourism and convention activity to the county by renewing longstanding, soon-to-expire contracts with the VCB and Cultural Council — without putting those services out to bid.

Johns, alone in dissent, said he didn’t doubt the ability of the VCB or Cultural Council to continue their success in attracting visitors to the county but that he felt the commission should demonstrate, through a transparent process, that it’s making the right decision. He said he’s only asking for what he’s asked with other contracts over five years old.

“I don’t see how anybody could do better,” Johns said. “But just because I don’t see it doesn’t mean it doesn’t exist.”

Commission Chair Henry Dean said if there was a “poster child” for a sole source contract, it’s the VCB and Cultural Council.

Morris said if it ain’t broke, don’t fix it.

Representatives of the tourism industry pointed to the value of having organizations staffed by local people who are savvy to tourism and marketing, but who are also invested in the area. They said the contracts are managed by local industry leaders, dollars are spent as wisely as possible, and that their success is proven.

The county’s contracts with the VCB and Cultural Council are funded by bed tax dollars. Both contracts, which were set to expire on Sept. 30, provided for two-year term extensions upon approval by the board.

For fiscal year 2018, according to the county’s backup materials, about \$4.5 million is approved for the VCB to provide professional advertising, marketing and promotional services aimed at attracting tourist and convention activity to the county. About \$1.9 million is approved for the Cultural Council to market the county as an arts, culture and heritage destination, to manage the county’s Arts and Culture Grant Program, and to perform other tourist related duties as directed.

The county’s Tourist Development Council by majority vote had recommended extending the effective term of each agreement, subject to some revisions.

An amended scope of services for the VCB requires more specificity in planning and defining goals and deliverables, design of goals that address “the uniqueness” of each geographic area of the county, mandatory periodic performance reviews rather than optional reviews, and production of an annual video that “explains the value of tourism.”

The amended scope for the Cultural Council includes many of the same revisions as well as one requiring the Tourism and Cultural Development Director to attend Cultural Council Board meetings and another to include museum maintenance and operations to the scope of services (as provided by state statute).