



## **St. Johns County Commission approves economic development incentives for new Burkhardt headquarters, distribution center**

By Jake Martin  
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St. Johns County commissioners unanimously approved drafting an agreement earlier this month awarding \$426,141 in economic development incentives to Burkhardt Distributing Company. The beer distributor plans to build an \$11 million, 113,000-square-foot office/warehouse in the county to serve as its headquarters and distribution center.

Incentives will come in the form of reimbursements for four years of ad valorem taxes (general county portion) on capital improvements and tangible personal property, as well as relief for 100 percent of impact fees and water and sewer connection fees paid to the county.

Payout by the county will consist of estimated annual installments of \$50,446 over eight fiscal years. However, total payout will not exceed the total incentive granted.

Completion of the project is anticipated by the last quarter of calendar year 2017.

With this schedule, the first annual grant payment would be anticipated during fiscal year 2019.

A cost-benefit analysis identifies an estimated \$971,849 net benefit to the county over 20 years.

Commissioner Rachael Bennett made mention of net benefits she said were not taken into account in the county's study, such as indirect job creation and secondary spending. She said no funds would be expended until performance standards are met.

"This is a reimbursement," Bennett said. "We are not giving out money for free before anything happens."

Commissioner Bill McClure called Burkhardt a "wonderful community partner," referring to the company's involvement with several organizations throughout the county.

County staff said companies with corporate headquarters in the community tend to contribute more to the community.

According to county documents, Burkhardt began operations in St. Johns County in 1989 and currently has 84 employees. The company expanded at the current location in 2006 but has no room for additional expansion.

The proposed new facility will be located on Agricultural Center Drive, just west of I-95 to the north of St. Augustine.

The project would represent an expansion and relocation of an existing operation at 3935 Inman Road.

According to Burkhardt's application for the grant agreement, the property is already zoned to accommodate the proposed use.

County documents show the company intends to maintain their 84 local employees and hire six new employees at an average wage of \$49,000 within the next three years. Burkhardt has also proposed future expansion of an additional 88,500 square feet, but that phase was not considered for this request and subsequent agreement.

The project scored seven points under the "Existing Industry" category of the county's Business Incentive Program, which, in addition to the economic incentives, also makes it eligible for expedited permitting.

Burkhardt indicated in its application it would not be applying for other local, state or federal grants or incentives for the project and that the county's grant will help offset "high land and building construction costs."