



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

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CONFIDENTIAL
Project Academy
Summary
April 17, 2020

Company:
Project Academy

Background:

Project Academy is a multi-national manufacturer evaluating establishing a facility in the Southeast United States. Port cities in Alabama, Georgia, Florida, South Carolina and Virginia are being evaluated. Jacksonville is the only Florida city being considered at this time. Academy has indicated that time is of the essence and financial incentives are a material factor in their location decision. The project could result in the creation of up to 300 new jobs within five years. The average annual wage of the jobs projected is \$59,146, plus benefits valued at 35% of the average wage. The projected average wage is 119% of the average wage in Florida and qualifies for the Qualified Target Industry (QTI) Tax Refund Program. The QTI Program is scheduled to sunset on June 30, 2020. Therefore, time is of the essence to utilize the QTI Program.

The QTI program would provide for a \$5,000 per job tax credit totaling up to \$1,500,000. The City of Jacksonville is required to provide a 20% match to participate in the QTI Program. The City match requirement is \$1,000 per job totaling up to \$300,000. The QTI incentive is administered by the Florida Department of Economic Opportunity and the benefit is paid out in increments of 25% per year after the job is created and the wage is verified. Based upon the job creation schedule the QTI payout would extend from 2021 – 2028.

Because of the short time period to utilize the QTI Program, Academy has not finalized their site decision. The preferred site is located within Census Tract 174, a designated Level 2 Distress Area within Downtown. Academy seeks to purchase or lease the preferred site and the negotiations have not been finalized. It is anticipated however, that the incentive package necessary for Academy to select Jacksonville as their preferred site would also require the utilization of the City of Jacksonville Recaptured Enhanced Value (REV) Grant estimated to equal 50% of the incremental increase in ad valorem and tangible personal property taxes generated from the proposed capital investment for a 10 year period after Academy has taken possession of the site and completes their schedule of proposed improvements and the installation of the machinery, equipment, furniture, fixtures and leasehold improvements have been completed sufficient to begin their manufacturing operations. The estimated value of the private capital investment net of land cost is in excess of \$40 million, comprising real property or leasehold improvements, manufacturing equipment and furniture fixtures and equipment.

Due to the time constraints related to the sunset of the QTI program, Project Academy will be submitted in two separate pieces of legislation. The first is requesting approval for the City's participation in the QTI program. Once the exact site configuration is determined, subsequent legislation will be submitted by DIA for approval of a REV Grant. The specifics of the REV Grant will be presented therein.

Project Academy has indicated that State of Florida and City of Jacksonville financial incentives are a material factor in their decision to locate in Jacksonville.

No. of Jobs To Be Created	Capital Investment	Intangibles
Up to 300 new jobs @ an average wage of \$59,146 plus benefits, 119% of the State of Florida Average Wage no later than Dec. 31, 2024.	Estimated to be in excess of \$40 million net of cost of real property.	Supports the establishment of a target industry business in Jacksonville increasing the manufacturing base.

Project Rationale & Benefits:

1. Supporting Project Academy will expand Jacksonville’s advanced manufacturing base creating up to 300 new highly skilled jobs within five years after the facility improvements are completed; machinery and equipment has been installed and production begins.
2. The annual payroll resulting from the creation of 300 new full-time jobs at an average annual wage of \$59,146 is \$17.7 million (excluding benefits).
3. The project will result in a private capital investment in excess of \$40 million within a Level 2 Distress Area and located within Downtown Jacksonville.

Project Incentives:

State of Florida proposes to provide:

- QTI job tax credit of \$5,000 per job created up to \$1,500,000 of which the State of Florida portion is 80% totaling up to \$1,200,000; and

City of Jacksonville proposes to provide:

- QTI 20% match of \$1,000 per job created up to \$300,000; and
- Recaptured Enhanced Value (REV) Grant to be submitted under separate legislation.