



A NEW DAY.

City of Jacksonville, Florida

Donna Deegan, Mayor

Office of Economic Development
117 West Duval Street, Suite 275
Jacksonville, FL 32202
(904) 255-5444
www.jaxdevelopment.org

Project Heat SUMMARY May 31, 2024

Company:

Project Heat

Background:

The Project Heat Company is an established aerospace and defense technology company founded to radically accelerate air travel by delivering hypersonic aircraft quickly and cost-effectively. Under R&D, the company is seeking to expand its current operations and set up a High Enthalpy Air-Breathing Test (HEAT) facility at an existing Cecil Field hangar and hush house for hypersonic engine testing. This will allow the Department of Defense (DoD) to more effectively test and field verify various hypersonic technologies critical to our nation's infrastructure. The Company is seeking to lease space on the Jacksonville Aviation's Authority's property adjacent to the taxi-way and flight line at Cecil Airport.

In order to test, develop and manufacture the hypersonic engine, the company will make a capital investment of approximately \$135 Million (with \$37 million in tangible personal property (TPP) included) and will create 100 new full-time jobs, with an average annual wage of over \$100,000. Future expansion plans include manufacturing hypersonic aircraft.

# of Jobs To Be Created	Capital Investment	Intangibles
100 new jobs over four years (December 2028). The annual payroll of the new jobs is expected to be \$10 million exclusive of benefits.	Estimated to be \$135 million (with \$37 million in TPP) in construction, rehab and out-fit of a new to Cecil manufacturing, testing and assembly facility no later than December 31, 2028.	Supports the construction of a highly sought after industry which manufactures cutting edge technology in the form of jet engines which will add jobs to the skilled labor base in Jacksonville. And build on an industry that supports the Department of Defense.

Project Rationale & Benefits:

Supporting the Project Heat Company project will allow for increased investment in Cecil Commerce Center and Cecil Airport by furthering the Aviation and Aerospace Industry through the investment, re-use of existing facilities and the creation of jobs. This project introduces a high-tech aviation element to Cecil Airport and provides the opportunity to have secondary and tertiary business that support the industry to locate at Cecil Commerce Center. Furthermore, job opportunities and growth of ancillary commercial businesses will be further bolstered at Cecil.

The project has an ROI of 1.48, for the City of Jacksonville.

Project Incentives:

The City of Jacksonville proposes to provide:

- A Recapture Enhanced Value Grant of 75% of the City taxes (generated by the TPP) over 10 years equaling a projected \$2 million

The total amount of City incentives would be up to: \$2 million.

The State of Florida proposes to provide:

- A High-Impact Performance Incentive (HIPI) Award of \$3,000,000 paid in two equal installments as the project progresses; and
- A Capital Investment Tax Credit (CITC) in the amount of up to 5% tax credit of its eligible capital costs to offset 100% of the State of Florida's Corporate Tax Liability for the Company.

The total amount of State incentives would be up to: \$3 million plus.