

LEGISLATIVE FACT SHEET

DATE: 05/31/24

BT or RC No: _____
(Administration & City Council Bills)

SPONSOR: Office of Economic Development
(Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: _____

Provide Name: Paul Crawford

Contact Number: 255-5446

Email Address: Paulc@coj.net

PURPOSE: White Paper (Explain Why this legislation is necessary? Provide: Who, What, When, Where, How and the Impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation.

(Minimum of 350 words - Maximum of 1 page.)

Attached please find a Project Summary and Legislative Fact Sheet for Project Heat. 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 Airport hangar and hush house for hypersonic engine testing. This will allow the Department of Defense to more effectively test/field verify various hypersonic technologies critical to our nation's infrastructure. The Company is seeking to lease space on the Jacksonville Aviation Authority's property adjacent to the taxi-way and flight line.

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.

The Project Heat Company has stated that the City of Jacksonville incentives are a material factor in its decision to locate here. Therefore, OED is proposing to provide a Recapture Enhanced Value (REV) Grant based on 75 percent of the increase in tangible personal property (TPP) taxes generated at the project site, for 10 years, up to a maximum of \$2 million. There will be a significant Capital Investment made on Cecil Airport land that is not taxable and therefore, OED is limiting the REV Grant to the TPP. The State of Florida is also providing incentives for the Project in the form of a High-Impact Performance Incentive (HIPI) Award (\$3,000,000) and a Capital Investment Tax Credit (CITC) (up to 100% of the Corporate Tax Liability).

APPROPRIATION: Total Amount Appropriated: N/A as follows:
List the source name and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in title of legislation)

Name of Federal Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name of State Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name of City of Jacksonville Funding	From: _____	Amount: _____

Source(s):	To:	Amount:
Name of In-Kind Contribution(s):	From:	Amount:
	To:	Amount:
Name & Number of Bond Account(s):	From:	Amount:
	To:	Amount:

PLAIN LANGUAGE OF APPROPRIATION / FINANCIAL IMPACT / OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)

The proposed funding obligation will be budgeted annually based upon Ad Valorem taxes paid (75%) and will last for 10 years or until a \$2 million payout is reached (whichever comes first). The taxes paid will be solely based on the Tangible Personal Property as there will be a significant capital investment made on Jacksonville Aviation Authority property that will not be taxable.

ACTION ITEMS: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:

Emergency? ☐ Yes ☒ No

Justification of Emergency: If yes, explanation must include detailed nature of emergency.

Federal or State Mandate? ☐ Yes ☒ No

Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision.

Fiscal Year Carryover? ☐ Yes ☒ No

Note: If yes, note must include explanation of all-year subfund carryover language.

CIP Amendment? ☐ Yes ☒ No

Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.

Contract / Agreement Approval? ☒ Yes ☐ No

Attachment & Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted?

The OGC has reviewed and drafted the Agreement. The Office of Economic Development will provide the oversight.

Related RC/BT? ☐ Yes ☒ No

Attachment: If yes, attach appropriate RC/BT form(s).

Waiver of Code? ☐ Yes ☒ No

Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper.

Code Exception? ☐ Yes ☒ No

Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper.

Related Enacted
Ordinances?

☐

X

Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper.

ACTION ITEMS CONTINUED: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:

	Yes	No
Continuation of Grant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant? Are there long-term implications for the General Fund?

Surplus Property Certification?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Requirements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Attachment: If yes, attach appropriate form(s).

Explanation: List agencies (including City Council / Auditor) to receive reports and frequency of reports, including when reports are due. Provide Department (include contact name and telephone number) responsible for generating

BUSINESS IMPACT ESTIMATE

Pursuant to Section 166.041(4), F.S., the City is required to prepare a Business Impact Estimate for A list of ordinance exemptions are provided below. Please check all exemption boxes that apply to this

- ☐ The proposed ordinance is required for compliance with Federal or State law or regula
- ☐ The proposed ordinance relates to the issuance or refinancing of debt;
- ☐ The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- ☒ The proposed ordinance is required to implement a contract or an agreement, includin but not limited to, any Federal, State, local, or private grant or other financial assistanc
- ☐ The proposed ordinance is an emergency ordinance;
- ☐ The ordinance relates to procurement;
- ☐ The proposed ordinance is enacted to implement any of the following:
 - a. Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal
 - b. Sections 190.005 and 190.046, Florida Statutes, regarding community development
 - c. Section 553.73, Florida Statutes, relating to the Florida Building Code;
 - d. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

If none of the boxes above are checked, then a Business Impact Estimate **IS REQUIRED** to be prepared b the using agency/office/department and submitted in the MBRC filing packet along with the memorandum request, legislative fact sheet, etc. A Business Impact Estimate form can be found at:

<https://www.coj.net/departments/finance/budget/mayor-s-budget-review-committee>

Division Chief: 
(signature)

Date: 6/3/24

Prepared By: PAUL R. CRAWFORD
(signature)

Date: 6/3/24

ADMINISTRATIVE TRANSMITTAL

To: <https://www.coj.net/departments/finance/budget/mayor-s-budget-review-committee>
MBRC, c/o the Budget Office, St. James Suite 325

Thru: N/A
(Name, Job Title, Department)

Phone: _____ E-mail: _____

From: Ed Randolph, Executive Director, Office of Economic Development (OED)
Initiating Department Representative (Name, Job Title, Department)

Phone: 255-5455 E-mail: edwardr@coj.net

Primary
Contact: _____
(Name, Job Title, Department)

Phone: _____ E-mail: _____

CC: Brittany Norris, Intergovernmental Liaison, Office of the Mayor

Phone: 255-5024 E-mail: bnorris@coj.net

COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL

To: Mary Staffopolous, Office of General Counsel, St. James Bldg., Suite 480
Phone: 255-5062 E-mail: mstaff@coj.net

From: _____
Initiating Council Member / Independent Agency / Constitutional Officer
Phone: _____ E-mail: _____

Primary
Contact: _____
(Name, Job Title, Department)
Phone: _____ E-mail: _____

CC: Brittany Norris, Intergovernmental Liaison, Office of the Mayor
Phone: 255-5024 E-mail: bnorris@coj.net

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation.

Independent Agency Action Item:

Yes

No

Boards Action / Resolution?

☐☐

Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED