



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

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GRACE AEROSPACE SUMMARY April 16, 2018

Company:

Grace Aerospace

Background: Grace Aerospace, a NY-based aerospace manufacturing company, which manufactures various types of wire harnesses and other electronic equipment for military aircraft, is considering a second expansion of its manufacturing operations, at the Cecil Commerce Center (Cecil). The company has been in business for over 25 years.

The company established a small office in a city-owned building at Cecil, approximately three years ago, and expanded its footprint in 2017. The company's current client list includes: Lockheed Martin, Northrup Grumman and BAE Systems. The company's Cecil operation currently employees approximately 45 people. The proposed 2nd expansion will include the hiring of 20 additional employees, over the next two years. The company currently leases 10,146 SF of industrial space in Building 905, on the south side of Cecil. The proposed expansion would include the need for an additional 15,860 SF, in the adjacent half of Building 905, which is currently vacant. The company would be leasing a total of 26,006 SF, at Cecil, under a new four-year lease agreement.

Grace Aerospace is a high-impact target industry business (Aerospace Manufacturing), and has stated that the combination of the State of Florida and City of Jacksonville incentives is a material factor in its decision to expand its operation in Jacksonville, Florida.

No. of Jobs To Be Created	Capital Investment	Intangibles
20 jobs @ \$50,675 average wage no later than December 31, 2020.	\$295,000 in furniture, manufacturing equipment and real estate improvements.	Create well-paying jobs in aerospace industry, and generate more lease revenue for city.

Project Rationale & Benefits:

- Supporting Grace Aerospace will add to the growing list of aerospace industry companies expanding in Jacksonville.**
- Supporting Grace Aerospace will expand Jacksonville's job opportunities and tax base.** The 20 new jobs to be created will be for various manufacturing positions. The new jobs will generate an additional \$1.01 million annually in new payroll (excluding benefits).

Project Incentives:

The City of Jacksonville proposes to provide:

- The company is seeking public investment through the Qualified Targeted Industry (QTI) Tax Refund program. The QTI incentive proposed is \$5,000 per job (up to \$100,000). The City portion of the QTI program is 20 percent of the award, or \$1,000 per job up to \$20,000, in total. The QTI award will be payable after the average wage and jobs created are verified by the Florida Department of Economic Opportunity over the proposed four year payout, beginning in 2020.
- The project has a positive ROI of 44.70, for the City of Jacksonville.

The total amount of City incentives would be up to: \$20,000