



Legislation Text

File #: 040729, Version: 0

Qualified Target Industry (QTI) Refund Resolution - Eclipse Aviation (B)

Eclipse Aviation, manufacturer of a six seat corporate jet called the Eclipse 500, has announced that its first two factory service centers will open in 2006 at Gainesville, FL's Gainesville Regional Airport and at the Eclipse Aviation's corporate headquarters in Albuquerque, NM.

The Qualified Target Industry (QTI) incentive is an economic development tool available to Florida communities to encourage quality job growth in targeted, high value added businesses. Pre-approved applicants creating jobs in Florida receive refunds on the various taxes they pay, including corporate income, sales, ad-valorem, insurance premium and certain other taxes.

Eligible QTI applicants must pay an average annual wage that is at least 115 % of the State Metropolitan Statistical Area (SMSA). In order to participate, the company must apply to Enterprise Florida prior to making a decision to locate in Florida. The local community must provide a resolution from the City or County Commission recommending the applicant for the incentive and provide a match equal to 20% of the total tax refund.

Eclipse Aviation is expected to create sixteen new jobs at an average wage of \$39,590 or 150% of the Alachua County average. The company would be eligible for \$112,000 in eligible state tax refunds (\$3,000 base QTI refund; \$3,000 per Enterprise Zone bonus; \$1,000 per 150% of local wage average bonus) or \$7,000 per job.

The Gainesville Alachua County Regional Airport Authority (GACRAA), Gainesville Area Chamber of Commerce, and City of Gainesville partnered this effort to attract Eclipse Aviation to the City of Gainesville and Gainesville Regional Airport. Eclipse Aviation is expected to lease space at the Gainesville Regional Airport in the of Spring of 2006 and will expand its operations in subsequent years. The enactment of the QTI resolution is seen as a community investment in the growth potential of Eclipse Aviation over a period of years.

The proposed resolution stipulates that the City of Gainesville will participate through provision of 20% of the total refund or \$22,400 spread over FY 2005 and FY 2006, consistent with Eclipse Aviation's plan for adding the sixteen new jobs.

Funding for the incentive provision is available through the City's Economic Development Fund. The City Commission recently approved a \$10,000 business retention incentive applicable to the Enterprise Zone in FY 2005 and FY 2006. The additional \$4,000 in FY 2005 will be provided from the Economic Development fund balance.

The City Commission: 1) authorize the Mayor to execute the QTI Resolution regarding Eclipse Aviation; 2) direct the Interim City Manager to forward the executed QTI Resolution to Enterprise Florida; and 3) adopt the Resolution.