

## **Commissioners approve moving forward with \$3M incentive program for ‘Project Boilermaker’ to relocate HQ to St. Johns County**

By Jon Blauvelt  
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The Board of County Commissioners voted unanimously last week to support the advancement of a \$3 million economic incentives program for an unnamed company that is considering relocating its U.S. corporate headquarters to St. Johns County.

Referred to in county documents as “Project Boilermaker,” the company is reviewing potential sites to invest \$86 million for the construction of a 210,000-square foot office building, for which it plans to hire more than 300 employees by Dec. 31, 2030, paying an average wage of \$79,442 (200 percent of the county’s average wage).

In addition to Florida, the business is considering another state for its headquarters and has asked for confidentiality during the due diligence process. Details regarding the firm, including its name, current location and products/services, are consequently unknown. County Director of Economic Development Melissa Glasgow noted, however, that the company would not compete with any existing county businesses.

Glasgow explained at the April 18 meeting that the commissioners’ motion to approve moving forward with the company’s requests for incentives is just one step of the process. If the company ultimately chooses St. Johns County, she said, an agreement identifying the company would be drafted, disclosed publicly and brought back to the commission for final approval. Project Boilermaker would ultimately plan to construct and occupy the new building by March 31, 2020.

Project Boilermaker has requested both state and local economic incentives, Glasgow said, adding that the company scored 8.0 points on the county’s Business Incentive program. That score qualifies it for an economic development grant equal to four years of ad valorem taxes paid on capital improvements and tangible personal property as well as 100 percent of impact fees and water/sewer connection fees paid to the county. According to county documents, the company is also eligible for consideration of expedited permitting. The estimated value of the proposed grant is \$2,758,310.

Project Boilermaker has also applied for a Florida Qualified Target Industry (QTI) tax refund for 145 of the estimated 300 new jobs. Because the business falls within one of the high-impact sectors designated under Florida law, it is additionally eligible for the Qualified Target Industry Tax Refund with a High-Impact Sector Bonus. Glasgow said the total value of this state incentive is \$1,015,000, and the local financial support required is 20 percent, or \$203,000.

As a result, the total proposed county incentive package is estimated to be \$2,961,310. That total would be paid to the company over an eight-year period, with the first payment made in fiscal year 2022. Per a cost/benefit analysis conducted by Glasgow, the project would lead to a \$7 million increase in the county’s general fund over the next 20 years.

During public comment, St. Augustine Beach resident Tom Reynolds voiced his vehement opposition to the incentives package, referring to it as “corporate welfare.” He also expressed his concerns about the county

engaging in what he called “secret government.” Reynolds demanded that commissioners not only cast down the proposal, but also close the economic development department, appoint Glasgow as head of the county’s public relations department, freeze her salary and give her a bonus for every company she brings into the county without “giveaways.”

“We don’t need to give it away,” said Reynolds, suggesting that companies should want to establish business in the county without being provided incentives.

In response, Commissioner Jay Morris asked for the “right perspective” on the matter, saying that the incentives will pay for themselves through ad valorem taxes, and the county will eventually bring in \$7 million from the investment.

“This is one heck of a deal for St. Johns County,” he declared.

According to the St. Johns County Supervisor of Elections website, Reynolds has registered to run in 2018 as a Democrat for Morris’ commission seat. Morris has consistently said he will not run for reelection when he completes his current term representing District 4, which includes Ponte Vedra.