

**SPECIAL REVIEW OF JOB GROWTH INCENTIVE PROGRAM  
Agreement with Aerosim Academy, Inc.**

**REPORT NO. 012219**

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**DIVISION OF INSPECTOR GENERAL**  
**Grant Maloy, Clerk of the Circuit Court and Comptroller**  
**Seminole County, Florida**

January 29, 2019

To: The Honorable Chairman and Members of the Board of County Commissioners

We have completed the enclosed Special Review of Job Growth Incentive Program Agreement with Aerosim Academy, Inc.

We would like to acknowledge the Office of Economic Development & Community Relations for their assistance with the review.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "William Carroll".

William Carroll, CPA, CFE, CIG  
Inspector General  
Division of the Inspector General

Approved by:

A handwritten signature in black ink, appearing to read "Grant Maloy".

Grant Maloy  
Clerk of the Circuit Court and Comptroller  
Seminole County Florida



Special Review Report No. 012219  
Job Growth Incentive Program  
Aerosim Academy, Inc.

**GRANT MALOY**  
**CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

William Carroll, CPA, CFE, CIG  
Inspector General

Auditor Assigned:  
Viola Saine, CPA



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# INTRODUCTION

## *Background*

In October 2001, Seminole County (County) established the Job Growth Incentive Program (JGI). The specific requirements of this program are in the County Code of Ordinances, Chapter 18.

The program offers financial incentives for new businesses to relocate to the county. By doing so, the company agrees to create jobs and financially invest in the county. It also offers financial incentives to those companies who expand existing business. The goal is to create jobs for a strong economic future for Seminole County.

Aerosim Academy, Inc. is a Florida Corporation that is based at the Orlando Sanford International Airport. Since 1989, the company has provided flight training courses for students and instructors in private and commercial aviation. It also has manufactured flight simulators.

The company applied for a JGI award to expand its business in Seminole County. The application was approved on March 10, 2015, and the financial incentive offered to Aerosim Academy, Inc. was \$100,000.

Under the agreement, Aerosim Academy, Inc. was to expand its current business base in Seminole County by: (1) creating fifty (50) permanent jobs; and, (2) financially invest \$1,643,014. Specific conditions are outlined in the agreement; such as the company agreed to lease and renovate approximately 87,773 square feet of facilities. It also is required to purchase machinery and equipment.

Other requirements as noted below that must be adhered to by the company. Specifically:

- Provide a performance bond or letter of credit for \$100,000 as security;
- Report job creation and investment annually; and,
- Announce job vacancies locally, and to CareerSource and Community Services Department.

The review that follows is to determine compliance with the terms and conditions of the contract.



## *Objectives of Review*

This special review was performed to determine compliance with the terms and conditions of the job growth incentive program agreement, and applicable rules, laws and regulations.

## *Scope and Methodology*

The scope of this review included:

- The JGI agreement between the company and the county;
- The County's Code of Ordinances, policies, procedures and other applicable laws, and regulations;
- Examination of company's annual performance reports submitted;
- Research online to see company's profile, status, corporate public filings and property construction and acquisition; and,
- Interviews of employees.

## *Overall Evaluation*

Aerosim Academy, Inc. is in compliance with terms of the agreement. The company's business performance fulfilled the contract requirements.

More specifically:

- The company created two hundred forty-seven (247) permanent jobs with an average annual salary of \$42,025. Fifty (50) of the two hundred forty-seven (247) full time jobs were maintained at least twenty-four months. This satisfied the contract requirement for job creation.

Also, as a side note, in 2018, the company hired yet another one hundred eighteen (118) full time employees with an average annual salary of \$45,620.

- Aerosim Academy, Inc. purchased aircraft, flight simulators, machinery and equipment. They constructed a new office and briefing room and upgraded building and dormitory. They are also leasing a total of 95,167 square feet of facilities at Sanford Airport Authority. Their total investment in the lease, facilities and equipment was \$7.4 million. This exceeds the \$1.6 million contract requirement.
- Also, as a side note, the company made an additional \$8.9 million capital investment in 2018.

Based on Aerosim Academy, Inc. compliance with the terms of the agreement, we recommend that the county close-out the contract and release the irrevocable standby letter of credit.

Also, on page 4 of this report, we have provided an exhibit that illustrates compliance of the terms and conditions of the contract.

**Aerosim Academy, Inc.**  
**Summary of Contract Compliance**

<b>Contract Requirements:</b>	<b>Required per Contract</b>	<b>Company Reported<sup>1</sup></b>	<b>Per Audited</b>
(1) Job Creation by 12/31/17	50 jobs	213 jobs	247 jobs
(2) Average Annual Salary	\$38,200	\$48,589	\$42,025
(3) Capital Investment	\$1,643,014	\$9,585,267	\$7,402,566
(4) Letter of Credit	\$100,000	\$100,000	\$100,000
(5) Annual Performance Report	3 reports	4 reports	4 reports

<sup>1</sup> Data from Annual Performance Reports submitted for 3 years.