

SJS Executives, LLC (SJS) (DBA) SJS Industrial EDIP Business Incentive Recommendation

City of Virginia Beach Development Authority
May 19, 2020

DISCLOSURES



➤ **COMPANY OWNERS:**

Gino Gonzalez, CEO, SJS

Roger LaPlante, COO, SJS

➤ **OWNER OF PROPERTY:**

American Funds Distributor

ATTORNEY:

A. Andrew Ege, Jr.

➤ **BANKING INSTITUTION:**

Towne Bank

➤ **ACCOUNTING:**

Dixon Hughes

➤ **Broker:**

Bobby Beasley, Harvey Lindsay Commercial RE

ABOUT THE COMPANY



- Established 2008
- Headquartered in Virginia Beach, VA (Currently in 3 locations in VB)
- This is an expansion and facility consolidation into a larger HQ's location
- SJS is a Service-Disabled Veteran Owned Small Business (SDVOSB), and one fourth of its total workforce are veterans
- There are two business units under the SJS brand
 - **SJS Executives**, the company performs military-federal contracting for government customers like the US Navy, US Army and US Department of Veterans Affairs (VA). Most of these services are professional by nature and can be categorized under the general primary North American Industrial Classification System (NAICS) code of 541611, "Administrative Management and General Management Consulting Services."
 - **SJS Industrial**, the company currently executes media blasting, powder coating and non-toxic ceramic coating, primarily for commercial and marine industry customers, and is investing its capital into additional equipment and personnel to begin new wet paint coating services as well as some modification activity for Navy surface ship assemblies.

NEW LOCATION: 2652 Excalibur Court



PROJECT SUMMARY

PROPERTY:

- 41,727 SF building, on a 5-acre site w/capacity to expand
 - Purchase
- Office/Industrial
- Navy approved use - Pending
- I-1 Zoning

INVESTMENT (within 36 months)

| JOBS | AMOUNT | |
|--|-----------------------------------|---|
| RETAINED FTE'S | | 48 |
| NEW FTE'S | | 49 |
| TOTAL FTE'S: | | 97 |
| AVERAGE ANNUAL SALARY (Exclusive of Benefits) | Existing New Blended | \$67,500 \$59,000 \$63,206 |

| CAPITAL INVESTMENT | AMOUNT | |
|--------------------|------------------------------------|--|
| REAL ESTATE | Purchase Improv Total | \$3,600,000 \$175,000 \$3,775,000 |
| MACHINERY & TOOLS | Existing New Total | \$150,000 \$250,000 \$400,000 |
| FF&E | | N/A |
| TOTAL: | | \$4,175,000 |

RECOMMENDATION

- Economic Development Investment Program (EDIP) Grant - “Part A” : \$125,000
 - Utilized for employee training
- Meets the “New” Job creation criteria of at least 1-new FTE for every \$3,000 in EDIP funds
- Target industry sector:
 - ✓ Corporate Head Quarters location
 - ✓ Defense Industry Service provider
 - ✓ Professional Services
 - ✓ High Performance Manufacturing
 - ✓ Service-Disabled Veteran Owned Small Business (SDVOSB) Certified



Questions?