

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2024-742

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: September 10, 2024

Committee(s) of Reference: F

Date of Analysis: September 12, 2024

Type of Action: Authorization to execute amended economic development agreement

Bill Summary: The bill authorizes the execution of an amended economic development agreement between the City and JAX LNG, LLC in order to extend the construction commencement, construction completion, job creation, and REV grant payout dates by one year.

Background Information: Resolution 2022-716-A was approved on October 11, 2022, authorizing a \$5,300,000 Recapture Enhanced Value (REV) Program Grant approving and authorizing the execution of documents by the Mayor and Corporate Secretary to support the expansion of JAX LNG, LLC to expand its existing natural gas liquefaction and storage facility, with an anticipated private capital investment of \$113,000,000 and create 10 permanent full-time equivalent jobs. The project is located at 9225 Dames Point Road and is in compliance with the City of Jacksonville Public Investment Policy. The original Economic Development Agreement dated December 12, 2022 provided for a completion date of December 31, 2026 and provided for time extensions up to 1 year. The company experienced several delays, resulting primarily from the Covid-19 outbreak delaying construction, delivery and availability of machinery and equipment and building materials. Additional delays stem from the construction of LNG fueled marine vessels which are expected to be fueled in the southeast (including JAX Port), but due to the COVIC disruptions, these vessels have been substantially delayed. These circumstances have rendered commencement of construction by June 30, 2024 impossible.

The following extensions are requested:

- One year extension from commencement of construction from June 30, 2024, to June 30, 2025; and
- One year to complete construction from December 31, 2027, to December 31, 2028; and
- One year extension for the creation of 10 new full-time jobs from December 31, 2028, to December 31, 2029, at an average wage of \$70,000 per year, plus benefits.

Policy Impact Area: Economic development

Fiscal Impact: None to City

Analyst: Clements