



ONE CITY. ONE JACKSONVILLE.

# City of Jacksonville, Florida

*Lenny Curry, Mayor*

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## **JAX LNG, LLC Summary August 24, 2022**

**Company:**  
JAX LNG, LLC

### **Background:**

JAX LNG, LLC, a joint venture (50/50) between BHE GT&S through its subsidiary Pivotal JAX LNG, LLC and NorthStar Midstream, LLC through its subsidiary NorthStar Jacksonville, LLC is evaluating an expansion to their existing facility located at 9225 Dames Point Road, Jacksonville, FL 32226. The expansion being considered would add additional natural gas liquefaction and storage capacity.

JAX LNG, LLC was established in January 2015 to develop a natural gas liquefaction and storage facility to provide liquefied natural gas (LNG) to a variety of industrial customers who do not have natural gas pipeline access, and as fuel for marine vessels and trucks. To serve the marine market the LNG is stored in tanks and loaded into bunkering barges, then delivered to LNG fueled ships. LNG is also loaded onto tankers for delivery to customer locations for industrial and vehicle use in the US. LNG is classified as a target industry business (Advanced Manufacturing).

The capital investment for the expansion project would include new construction costing an estimated \$60 million over a three-year construction period and \$53 million for additional machinery and equipment. If Jacksonville is selected, JAX LNG, LLC proposes to create 10 new full-time jobs including, contracted employees. The average wage of the jobs to be created is \$70,000 plus benefits. JAX LNG, LLC has indicated that the proposed financial incentive is a material factor in the proposed expansion. Other locations being considered include port cities within the Southeastern U. S. To support the proposed expansion the City is proposing to award JAX LNG a 50%, 10-year, Recapture of Enhanced Value (REV) Grant capped at \$5.3 million to encourage the expansion in Jacksonville.

<b>No. of Jobs To Be Created</b>	<b>Total Capital Investment</b>	<b>Intangibles</b>
10 new jobs @ an average wage of \$70,000 plus benefits no later than Dec. 31, 2027.	Estimated to be up to \$113 million net, comprised of \$60 million in real estate improvements and \$53 million in machinery/equipment.	Supports the expansion of an existing targeted industry business in Jacksonville, resulting in the creation of no less than 10 new full-time jobs and adding to the advanced manufacturing base.

**Project Rationale & Benefits:**

1. Supporting the JAX LNG, LLC expansion will add over \$113,000,000 in private capital investment increasing the ad valorem tax base, increase the production of liquefied natural gas (LNG) to serve Jacksonville's industrial user base and increase the LNG availability for the marine market and the newly developing LNG fueled ships. The expansion will create an additional 10 new full-time jobs at an above average wage.
2. The annual payroll resulting from the 10 new full-time jobs is \$700,000 (excluding benefits).

**Project Incentives:**

**The City of Jacksonville proposes to provide:**

A REV grant based on 50 percent of the increase in real and personal property taxes generated at the project site, for 10 years up to a maximum of \$5,300,000; provided the private capital investment is not less than \$80 million and the company creates a minimum of 10 jobs by the end of 2027.

The project meets the City's Public Investment Policy (PIP) guidelines in order for a project to qualify for a REV Grant: 1) the company is a Targeted Industry; 2) the company proposes to create at least 10 new full-time jobs; 3) the company must commit to a minimum of \$3 million in private capital investment; and 4) wages are greater than or equal to the State of Florida average wage (which is currently \$55,422). This project meets all four criteria.

**The total amount of City incentives would be up to: \$5,300,000.**

The project will have a positive ROI for the City of Jacksonville of 1.99 : 1.