

## LEGISLATIVE FACT SHEET

DATE: **08/14/2024**

BT or RC No: **N/A**

(Administration & City Council Bills)

SPONSOR: **Office of Economic Development**

(Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: **Office of Economic Development**

Provide Name: **Ed Randolph, Executive Director**

Contact No: **255-5455**

Email [EdwardR@coj.net](mailto:EdwardR@coj.net)

: White Paper (Explain why this legislation is necessary. Provide, who, what, when where, how and the impact.)

Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation. (Minimum of 350 words – Maximum of 1 page)

Resolution 2022-716-A was approved on 10/11/22, authorizing a \$5,300,000 Recapture Enhanced Value 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 purpose of the grant is to support the proposed expansion of JAX LNG investing \$113 million to expand their plant. The REV Grant incentive is a material factor in the proposed expansion. The project is located at 9225 Dames Point Road, Jacksonville, FL32226. The project is in compliance with the City of Jacksonville Public Investment Policy.

The original Economic Development Agreement dated 12/12/22 provided for a completion date of 12/31/26 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. Additionally delaying 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. Unfortunately, these circumstances have rendered commencement of construction by June 30, 2024 impossible.

These delays have also resulted in an increase in construction costs and machinery and equipment costs. The cost of the expansion project has increased from \$113 million to \$124 million. The cost breakdown for construction is now \$66 million versus \$60 million and machinery and equipment costs are now \$58 million versus \$53 million. As a result, this Amendment Three is being requested to allow time to adjust to the delays and request the following time extensions.

- 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 \$70,0000 per year, plus benefits.

APPROPRIATION: Total Amount Appropriated N/A as follows: List the source **name** and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in the title of the legislation)

Name of Federal Funding Source(s)

From: \_\_\_\_\_ Amount: \_\_\_\_\_

To: \_\_\_\_\_ Amount: \_\_\_\_\_

Name of State Funding Source(s)

From: \_\_\_\_\_ Amount: \_\_\_\_\_

To: \_\_\_\_\_ Amount: \_\_\_\_\_

Name of COJ Funding Source(s)

From: Amount:

To: Amount:

Name of In-Kind Contributions:

From: \_\_\_\_\_ Amount: \_\_\_\_\_

To: \_\_\_\_\_ Amount: \_\_\_\_\_

Name & No. of Bond Account(s):

From: \_\_\_\_\_ Amount: \_\_\_\_\_

To: \_\_\_\_\_ Amount: \_\_\_\_\_

PLAIN LANGUAGE OF APPROPRIATION/FINANCIAL IMPACT/OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be ongoing maintenance and staffing obligation? Per Chapter 122 & 106 regarding funding of anticipated post-construction operation costs. (Minimum of 350 words – maximum of 1 page.)

The project was previously approved under Ordinance 2022-716-A. Funds are budgeted in the applicable fiscal year of payment.

ACTION ITEMS: Purpose/Check List. If “Yes” please provide detail by attaching justification and code provisions for each.

ACTION ITEMS:

**Emergency?** Yes \_\_\_\_\_ No **X** \_\_\_\_\_

Justification of Emergency: If yes, explanation must include detailed nature of emergency.

**Federal or State Mandate?** Yes \_\_\_\_\_ No **X** \_\_\_\_\_

Explanation: If yes, explanation must include detailed nature of mandate include Statue or Provision.

**Fiscal Year Carryover?** Yes \_\_\_\_\_ No **X** \_\_\_\_\_

Note: If yes, note must include explanation of all-year subfund carryover language.

N/A – funds are budgeted in the applicable fiscal year of payment

**CIP Amendment?** Yes \_\_\_ No **X** \_\_\_\_\_

Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.

**Contract/Agreement Approval?** Yes \_\_\_ **X** No \_\_\_

**OED will provide oversight and administration.**

**Related RC/BT?** Yes \_\_\_\_\_ No **X** \_\_\_\_\_ If yes, attach appropriate RC/BT form(s)

**Waiver of Code?** Yes \_ No **X** \_\_\_\_\_

Code Reference: If yes, identify code section(s) in space below & provide detailed explanation (including impacts) within white paper.

**Code Exception:** Yes \_\_\_\_\_ No **X** \_\_\_\_\_

Code Reference: If yes, identify code section(s) in space below & provide detailed explanation (including impacts) within white paper.

**Related Enacted Ordinances?** Yes **X** \_\_\_\_\_ No \_\_\_\_\_

Code Reference: If yes, identify related code section(s) and ORD reference number in the space below & provide detailed explanation and any changes necessary within whitepaper.

Resolution 2022-716-A.

ACTION ITEMS CONTINUED: Purpose/Check List. If “Yes” please provide detail by attaching justification and code provisions for each.

ACTION ITEMS:

**Continuation of Grant?** Yes \_\_\_\_\_ No **X** \_\_\_\_\_

Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant. Are there long-term implications for the General Fund?

**Surplus Property Certification?** Yes \_\_\_\_\_ No **X** \_\_\_\_\_ Attachment: If yes, attach appropriate form(s)

**Reporting Requirements?** Yes \_\_\_\_\_ No **X** \_\_\_\_\_

Explanation: List agencies (including City Council/Auditor) to receive reports and frequency of reports, including when reports are due. Provide name of the Department and include contact name and telephone number of the person responsible for generating.

**BUSINESS IMPACT ESTIMATE**

Pursuant to Section 166.041(4), F.S., the City is required to prepare a Business Impact Estimate for ordinances that are NOT exempt from this requirement.

A list of ordinance exemptions are provided below. Please check all exemption boxes that apply to this ordinance. If an exemption is applicable, a Business Impact Estimate IS NOT required.

- The proposed ordinance is required for compliance with Federal or State law or regulation;
- The proposed ordinance relates to the issuance or refinancing of debt;
- The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;

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- The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;

- The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;

- The proposed ordinance is an emergency ordinance;

- The ordinance relates to procurement;


- The proposed ordinance is enacted to implement any of the following:
  - a. Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
  - b. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
  - c. Section 553.73, Florida Statutes, relating to the Florida Building Code;
  - d. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

If none of the boxes above are checked, then a Business Impact Estimate IS REQUIRED to be prepared by the using agency/office/department and submitted in the MBRC filing packet along with the memorandum request, legislative fact sheet, etc. A Business Impact Estimate form can be found at:

<https://www.coj.net/departments/finance/budget/mayor-s-budget-review-committee>

Director:   
(Signature)

Date: 8/14/2024

Prepared By   
(Signature)

Date: 8/14/2024

**ADMINISTRATIVE TRANSMITTAL**

To: MBRC, c/o Budget Office, St. James Bldg., Suite 325

Thru: N/A  
(Name, Job Title, Department)

From: Ed Randolph, Executive Director, Office of Economic Development (OED)  
Initiating Department Representative (Name, Job Title, Department)

Phone: 255-5455 E-Mail: EdwardR@coj.net

Primary Contact: Joe Whitaker, Project Manager, Office of Economic Development (OED)  
(Name, Job Title, Department)

Phone: 255-5456 E-Mail: [josephw@coj.net](mailto:josephw@coj.net)

CC: Brittany Norris, Intergovernmental Liaison, Office of the Mayor

Phone: 255-5024 E-Mail: [bnorris@coj.net](mailto:bnorris@coj.net)

**COUNCIL MEMBER/INDEPENDENT AGENCY/CONSTITUTIONAL OFFICER TRANSMITTAL**

To: Mary Staffopoulos, Office of General Counsel, St. James Bldg., Suite 480

Phone: 255-5062 E-Mail: [Mstaff@coj.net](mailto:Mstaff@coj.net)

From: N/A  
Initiating Council Member/Independent Agency/Constitutional Officer

Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Primary Contact: N/A  
(Name, Job Title, Department)

Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

CC: Brittany Norris, Intergovernmental Liaison, Office of the Mayor  
Phone: 255-5006 E-Mail: [bnorris@coj.net](mailto:bnorris@coj.net)

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation

**Independent Agency Action Item:**

**Board(s) Action/Resolution?** Yes \_\_\_\_\_ No **X** \_\_\_\_\_

Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

**FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED**