

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Ordinance 2019-844

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

Date of Introduction: November 26, 2019

Committee(s) of Reference: F

Date of Analysis: November 27, 2019

Type of Action: Authorizing economic development agreement; authorizing REV grant; designation of oversight agency; affirmation of compliance with Public Investment Policy

Bill Summary: The bill authorizes execution of an economic development agreement between the City and Eagle LNG Partners, LLC for the construction of a liquefied natural gas production and distribution facility in Jacksonville. The bill authorizes a Recapture Enhanced Value (REV) grant of up to \$23 million payable over 10 years. It designates the Office of Economic Development as the City's oversight agency for the project and affirms that the REV grant incentive conforms to the City's Public Investment Policy.

Background Information: Eagle LNG Partners is a Houston-based company that proposes to construct a liquefied natural gas production and export facility on approximately 200 acres of land on Zoo Parkway near Jaxport's facilities on the Northside. The anticipated capital investment in the project is \$58 million in new buildings, facilities and other real estate development costs, and approximately \$484 million in new manufacturing equipment. The company plans to hire 12 employees at an average salary of \$85,000 by December 31, 2023. The REV grant of up to \$23 million represents 50% of the increase in ad valorem taxes on the property over a period of the first 10 years of operation of the plant. A portion of the LNG produced by the proposed facility would be exported from Jacksonville to the Caribbean for power generation, marine fueling, and other domestic LNG needs.

Policy Impact Area: Economic development

Fiscal Impact: The bill authorizes a REV grant of up to \$23 million payable over 10 years.

Analyst: Clements