



Board of County Commissioners

Item Title: LignoTech Economic Development Agreement
Date: May 21, 2025
Department: OMB

Background:

On May 18, 2016, the Nassau County Economic Development Board submitted an Economic Development Grant Agreement for LignoTech Florida, LLC ("LignoTech") to the Board of County Commissioners ("BOCC"). The grant was to assist with construction of a new 275,000 sq ft facility for advanced manufacturing of high purity natural lignin-based products at its Fernandina Beach location.

On May 23, 2016, the Board approved hiring Robert Charles Lesser & Co. ("RCLCO") to do a benefit and cost analysis study related to Economic Development Grant Incentives for LignoTech. Those results were received on Friday, June 17, 2016 and presented to the BOCC as part of the July 6, 2016 agenda package.

On July 6, 2016, based on the recommendation of the Nassau County Economic Development Board ("NCEDB"), the BOCC approved the agreement with LignoTech, to participate in the local Economic Development Grant Incentive offered in Nassau County. The Economic Development Grant Incentive is available for companies that create high wage jobs in targeted high value-added industries in Nassau County, Florida. The incentive includes a grant to be applied toward the BOCC portion of their ad valorem taxes.

The 2016 agreement was further amended in September of the same year and later on June 15, 2022. Per the terms of the amended agreement, LignoTech may, over a ten-year period, receive a refund of a portion of the ad valorem taxes paid on the incremental increase in value resulting from the eligible investment. To be eligible for the grant incentive authorized by the agreement, LignoTech must meet the following performance measures:

- (1) The total number of new full time equivalent jobs in Nassau County, Florida that LignoTech is, or will be, dedicating to this project is at least fifty-one (51), and these jobs will be fully implemented by January, 2019. LignoTech must maintain these jobs for the duration of the ten-year period of eligibility; and
- (2) The new capital investment that LignoTech will be dedicating to this project is at least \$110 million for the construction, equipping, and furnishing of the project. LignoTech will complete this new capital investment by January, 2019.

The County received the 2024 request from LignoTech for reimbursement based on the amended agreement (on or before April 30, 2024). While the NCEDB recommends the award, the BOCC may adjust the award based on performance measures identified in the agreement.

The Office of Management and Budget ("OMB") was tasked by county administration to review the request and make recommendations regarding the award for 2024. The BOCC has sole discretion to determine the amount of the economic development grant award based on the terms of the economic development agreement and LignoTech's activities.

Request:

Consider the following: 1) Approve grant reimbursements for the LignoTech Economic Grant Agreement, Contract No. CM2327-A2, up to \$206,594.50; or 2) Provide additional direction on the payment of grant reimbursements for the LignoTech Economic Grant Agreement submitted; a portion thereof, or none at all.

Financial/Economic Impact to Future Years Budgeting Process or Effect on Citizens:

The Economic Development Grant Incentive is available for companies that create high wage jobs in targeted high value-added industries in Nassau County, Florida. The incentive includes a grant on the BOCC portion of their ad valorem taxes.

Action Requested and Recommendation:

Consider the following: 1) Approve grant reimbursements for the LignoTech Economic Grant Agreement, Contract No. CM2327-A2, up to \$206,594.50; or 2) Provide additional direction on the payment of grant reimbursements for the LignoTech Economic Grant Agreement submitted; a portion thereof, or none at all.

Is this action consistent with the Nassau County Comprehensive Land Use Plan?

N/A

Funding Source:

001.552.552.55.582000.LTECH

Additional Information Needed for Contracts/Agreements (If Applicable)

Contract Number assigned by Contracts Management:

CM2327-A2

For non-governmental agencies, has the document been sent to the vendor for signature?

N/A

Does the document need to be recorded? If so, who will pay the recordation fee?

N/A

Are there any special mailing instructions? (Include contact name, address, deadline for submittal, how to mail such as express mail, FedEx, etc.):

N/A

How many originals are needed?

N/A