

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2023-268

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

Date of Introduction: April 25, 2023

Committee(s) of Reference: NCSPHS, F

Date of Analysis: April 25, 2023

Type of Action: Authorization to execute economic development agreement; authorization of Downtown Preservation & Revitalization Program loans; designation of oversight agency

Bill Summary: The bill authorizes the execution of an economic development agreement between the Downtown Investment Authority and 525 Beaver LLC to support the renovation and rehabilitation of a historic building on West Beaver Street into a mixed-use development with multifamily housing and commercial space anticipated to be a food/beverage space. It authorizes the award of two Downtown Preservation and Revitalization Program forgivable loans in the total amount of \$1,251,430 to support the development. The DIA is designated as the City's oversight agency for the project.

Background Information: 525 Beaver LLC proposes to purchase and renovate the former Hillman-Pratt and Walton Funeral Home at 525 West Beaver Street into 13 multifamily rental units and approximately 1,500 square feet of commercial space, envisioned as a coffee shop or wine bar. Total cost for the project is estimated at \$5 million. The City is being requested to provide a Code Compliance Renovations forgivable loan of \$678,750 for up to 75% of eligible costs associated with improving the mechanical systems, providing ADA compliance, environmental remediation, to address life safety issues, or other code related expenditures and a Historic Preservation Restoration and Rehabilitation forgivable loan of \$572,680 to support restoration of the building's historically significant features (75% of the cost of external features, 30% of the cost of internal features). The developer, who will be contributing 37.8% of the project cost through owner equity, is required to produce a minimum of 12 residential units and 1,300 square feet of commercial space to qualify for the loans, which will be disbursed after project completion and forgiven at a rate of 20% per year thereafter for 5 years.

Policy Impact Area: Historic preservation; downtown revitalization

Fiscal Impact: The bill authorizes two Downtown Preservation and Revitalization Program forgivable loans in the total amount of \$1,251,430.

Analyst: Clements