

LEGISLATIVE FACT SHEET

DATE: 4/28/2021 BT or RC No: _____
 (Administration & City Council Bills)

SPONSOR: Downtown Investment Authority (DIA)
 (Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: DIA
 Provide Name: Steve Kelley
 Contact Number: 904-255-5304
 Email Address: skelley@coj.net

PURPOSE: 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.)

This legislation is filed to authorize a redevelopment agreement that will facilitate retail activity along Riverside Avenue in the Brooklyn District of the Northbank CRA. The mixed-use development known as Vista Brooklyn, located at 200 Riverside Avenue, is well underway towards completion and will bring 308 Class "A" apartments and 12,969 square feet of retail space to the Brooklyn neighborhood.

The retail space at this site is important to the continuity of retail facing Riverside Avenue beginning at Leila Street two blocks to the east and continuing through Edison Avenue two blocks to the west, but the Developers have realized significant challenges with tenancy due to COVID related concerns that have diminished demand considerably.

To stimulate tenant leasing activity within the retail space available requires City support to offset tenant start-up costs and tenant improvements to bring high quality retail shops and restaurants into the area. To further ensure occupancy of the space and minimize vacancy, the developer is provided the opportunity by this legislation to fill up to 50% of the space with commercial, non-retail tenants. However, only space filled by retailers will be eligible for financial support from the City through this legislation.

The Supplemental REV Grant is structured as 12.5% over ten years with maximum funding of \$1,556,000 and only the proportion of space occupied by tenants that sell products to end consumers, food and beverage establishments, or providers of services targeted towards the general public (other than healthcare, advising, or counseling) will be eligible for REV Grant funding.

APPROPRIATION: Total Amount Appropriated: _____ 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 title of legislation)

Name of Federal Funding Source(s):	From: _____ Amount: _____
	To: _____ Amount: _____
Name of State Funding Source(s):	From: _____ Amount: _____
	To: _____ Amount: _____
Name of City of Jacksonville Funding Source(s):	From: _____ Amount: _____
	To: _____ Amount: _____
Name of In-Kind Contribution(s):	From: _____ Amount: _____
	To: _____ Amount: _____
Name & Number 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 an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)

A REV Grant payable annually for a period of ten (10) years in an amount equal to 12.5% of the City/County portion of the ad valorem taxes generated by the incremental improvements made to the project site. Funding will be based on the proportion of retail space occupied by retail tenants as defined in the agreement. The maximum cumulative supplemental REV Grant will not exceed \$1,556,000.

Payments will be made from property taxes collected in the Northwest TID of the Downtown Northbank CRA.

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

ACTION ITEMS:

	Yes	No
Emergency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

Federal or State Mandate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision.

Fiscal Year Carryover?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Note: If yes, note must include explanation of all-year subfund carryover language.

CIP Amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.

Contract / Agreement Approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Attachment & Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted?

The Redevelopment Agreement was prepared by OGC and is on file. DIA will be responsible for contract oversight (John Crescimbeni, Finance and Compliance Manager).

Related RC/BT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Attachment: If yes, attach appropriate RC/BT form(s).

Waiver of Code?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper.

Code Exception?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper.

Related Enacted Ordinances?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper.

2017-0101

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

ACTION ITEMS:

	Yes	No
Continuation of Grant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Requirements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Attachment: If yes, attach appropriate form(s).

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

The applicant will be required to submit evidence of property taxes paid to the DIA Compliance Officer on an annual basis in addition to rent roll information provided monthly.

Division Chief: *Lori Boyer*
(signature)

Prepared By: *St. T. Kelley*
(signature)

Date: *9/28/2021*

Date: *4/28/2021*

ADMINISTRATIVE TRANSMITTAL

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

Thru: Brian Hughes, Chairman, Mayor's Budget Review Committee
(Name, Job Title, Department)

Phone: 904-255-5012 E-mail: HughesB@coj.net

From: Steve Kelley, Director of Downtown Real Estate and Development, DIA
Initiating Department Representative (Name, Job Title, Department)

Phone: 904-255-5304 E-mail: skelley@coj.net

Primary Contact: Steve Kelley
(Name, Job Title, Department)

Phone: 904-255-5304 E-mail: skelley@coj.net

CC: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor
904-255-5015 E-mail: leeannk@coj.net

COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL

To: Peggy Sidman, Office of General Counsel, St. James Suite 480
Phone: 904-630-4647 E-mail: psidman@coj.net

From: _____
Initiating Council Member / Independent Agency / Constitutional Officer

Phone: _____ E-mail: _____

Primary Contact: _____
(Name, Job Title, Department)

Phone: _____ E-mail: _____

CC: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor
904-255-5015 E-mail: leeannk@coj.net

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

Independent Agency Action Item: **Yes** **No**

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

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED



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5-10-2021

Downtown Investment Authority

MEMORANDUM

TO: Brian Hughes
Chief Administrative Officer

FROM: Lori Boyer
Downtown Investment Authority, CEO

SUBJECT: Mayor's Budget Review Committee
HP-BDG 200 RIVERSIDE, LLC (a/k/a Vista Brooklyn)

DATE: April 27, 2021

APPROVED BY:
Lori Boyer
**MAYOR'S BUDGET
REVIEW COMMITTEE**

DATE ~~MAY 10 2021~~

Summary

The Downtown Investment Authority ("DIA") seeks authorization to file legislation that would authorize a retail-commercial supplemental R.E.V. Grant with HP-BDG 200 RIVERSIDE, LLC for their Vista Brooklyn (a/k/a/ 200 Riverside) mixed-use project. In 2017, a R.E.V. grant for \$9,000,000 was approved for the project based on a minimum capital investment of \$50,000,000. The project's actual costs are approximately \$80,000,000, an increase of 60% or \$30,000,000. In addition to this cost increase, COVID has affected the retail market such that there is a real a risk of unoccupied ground floor retail space suppressing lease rates in an environment of increasing construction costs.

In order to specifically address the "increased construction costs vs. suppressed lease rates" issue, the DIA adopted at their January board meeting Resolution 2021-01-06, which:

- Approved a retail-commercial supplemental R.E.V. grant in an amount not to exceed \$1,556,000, the term of which is ten (10) years at 12.5%; and
- Allows for up to 50% of the 12,969 square feet of retail space to be occupied by a non-retail commercial user (e.g., professional office).

The supplemental R.E.V. Grant payments are further conditioned on the development maintaining at least 50% occupancy of the retail/commercial space, and an increased project capital investment of \$80,000,000. As with the project's \$9,000,000 R.E.V. Grant, the supplemental R.E.V. grant represents only a portion of the County ad valorem taxes paid annually and does not create a financial obligation of the General Fund.

The Redevelopment Agreement for the Supplemental R.E.V. Grant and the Amendment of the Amended and Restated Redevelopment Agreement R.E.V. Grant are presented as attachments hereto in substantially final form.

Attachments

- Legislative Fact Sheet*
- Resolution 2021-01-06 (including terms & conditions)*
- Draft Redevelopment Agreement for the Supplemental R.E.V. Grant*
- Draft Amendment for the existing R.E.V. Grant*