

# LEGISLATIVE FACT SHEET

DATE: 10/14/20

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](mailto: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 for the approval of an HPTF Grant in the amount of \$3,000,000 per 111.910(a), Jacksonville Code for the development of a historic downtown property as outlined below. ***This application is to be processed under the former trust fund ordinance and legislation pursuant to the phase-in option contained in 2020-527.***

Funding, as requested, is to be used for the redevelopment of the Old Independent Life property located at 233 W. Duval Street, Jacksonville, FL. The Developer PEP10, LLC (led by Augustine Development Group) proposes to renovate the building into 140 units of residential rental apartments, a 21,000 sq. ft. grocery, and a 10,000 sq ft restaurant and lounge. Collectively the project will result in the investment of approximately \$30.0 million for the construction of the rental apartment facility, retail space, and associated improvements. The Developer purchased the property, as well as the associated parking lot, in October of 2019, all of which is located in the Central Core District, and within the boundaries of the Northbank Downtown Community Redevelopment Area.

The building, located within the DIA boundary, was originally constructed in 1955 as the headquarters of the Independent Life Insurance Company and was designated as a local landmark pursuant to Ordinance 2020-139-E. The building has been out of service for more than 25 years. Returning this 165,000 sq. ft. property to productive use is a major step forward in the preservation of a historic property and revitalization of Downtown Jacksonville. The project is projected to create 100 jobs over 14 months directly or indirectly including 55 in the grocery store, 25 in the restaurant, 10 building maintenance staff, and 10 leasing personnel.

The former ordinance provided that all grants, or loans over \$50,000 from the Downtown Historic Preservation and Revitalization Trust Fund require approval of the City Council. The Resolution and Term Sheet brought forth were evaluated and recommended in compliance with former Section 111.910 and the former guidelines, including review and approval of applications by both the DIA and the Jacksonville Planning and Development Department, Historic Preservation Section. The improvements to be funded are 10% of the total project cost and fall below the permitted combination of 50% of eligible exterior rehabilitation and restoration costs, 20% of the eligible building and fire code improvements and 20% of the eligible interior rehabilitation and restoration costs allowed under the former guidelines.

The DIA Board approved, via Resolution 2020-06-06, filing of this legislation which provides the following incentive for redevelopment of the subject property:

HPTF Grant: \$3,000,000 (subject to verification of qualified development expenses) from the Downtown Historic Preservation and Revitalization Trust Fund (the "HPTF"). These grant funds shall be used in accordance with the Downtown Historic Preservation and Revitalization Trust Fund guidelines. The HPTF Grant will be disbursed at issuance of the last needed Certificate of Occupancy ("CO") for the Building, both residential and commercial space. The Grant will be subject to standard "claw-back" language.

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.)

The grant will be funded from the Downtown Revitalization and Historic Preservation Trust Fund (the "HPTF") in an amount up to \$3,000,000 for redevelopment of the Old Independent Life building. Funding of that grant will require further appropriation by the Jacksonville City Council and will be sought after construction commences and the time frame for actual completion can be determined. Construction is currently projected to commence in 2021.

This project would not be feasible without support from the City Historic Preservation Trust Fund, or alternative capital subsidy. The building requires significant restoration work in addition to abatement of hazardous materials to make it ready to be used once again and contribute to the City's tax base. Projects of this type are inherently more costly than new suburban construction due to urban site constraints, deteriorated condition of the existing building, and inefficiency of the existing building structure.

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

**ACTION ITEMS:**

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

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

	<b>Yes</b>	<b>No</b>
Federal or State Mandate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

Fiscal Year Carryover?

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

CIP Amendment?

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

Contract / Agreement Approval?

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?

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

Waiver of Code?

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

Waiver of the \$1,000,000 limit per building in the former HPTF guidelines, adopted via Ord. 2002-395-E.

Code Exception?

Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper.

Related Enacted Ordinances?

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.

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

**ACTION ITEMS:**

	<b>Yes</b>	<b>No</b>
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

HPTF Grant for the Mixed-use multifamily redevelopment will only be disbursed after completion of the improvements, issuance of a Certificate of Occupancy, and the approval of the HPS of the Planning Dept.

Division Chief: \_\_\_\_\_  
(signature)

Date: \_\_\_\_\_

Prepared By: \_\_\_\_\_  
(signature)

Date: \_\_\_\_\_

**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: 255-5012

E-mail: [HughesB@coj.net](mailto: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](mailto:skelley@coj.net)

Primary Contact: Steve Kelley

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CC: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor

904-255-5015 E-mail: [leeannk@coj.net](mailto: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](mailto: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](mailto: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?

Executed DIA Resolution 2020-06-06

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