

# CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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**Bill Type and Number:** Resolution 2024-418

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

**Date of Introduction:** May 28, 2024

**Committee(s) of Reference:** R, F

**Date of Analysis:** May 30, 2024

**Type of Action:** Authorization to execute economic development agreement; authorization of REV grant; authorization of 2 project completion grants; designation of oversight agency; Public Investment Policy waiver; request for one cycle fast-track approval

**Bill Summary:** The bill authorizes execution of an economic development agreement between the City and FOC QOF, LLC for several properties in north Springfield collectively known as the Phoenix Arts & Innovation District (PHX-JAX). It authorizes the award of a Recapture Enhanced Value (REV) grant in an amount not to exceed \$1,500,000 and authorizes separate project completion grants of \$1,000,000 apiece for completion of Phase 1 and Phase 2 of the project. The Office of Economic Development and the Public Works Department are designated as the City's oversight agencies for the project. The bill waives provisions of the Public Investment Policy for the purpose of awarding the completion grants, which are not currently authorized under the PIP. Fast-track approval on one committee cycle is requested.

**Background Information:** Phoenix Arts & Innovation District (PHX-JAX) was created to redevelop the Phoenix community which comprises two city blocks and is located in Springfield, approximately 2 miles north of Downtown Jacksonville. Once developed, PHX-JAX is expected to include dining options, artists' studios, a market area, co-working spaces, offices, retail and event space. The project will be developed in 2 phases. Phase 1 of the project incorporates the renovation of land and buildings at 2320 and 2336 N. Liberty Street and 2335 Market Street at an estimated cost of \$14,149,820. Phase 2 of the project incorporates the renovation of land and additional buildings located at 2401 Hubbard Street, 2402 Market Street, a parcel located at the southwest corner of Market Street and 15th Street East, and 2303 Market Street. The Phase 1 completion grant of \$2 million would be paid in a lump sum after completion of that work and the Phase 2 grant would be paid in installments of \$1 million each as work is completed on the first and second half of that phase. The REV grant represents 50% of the incremental tax revenue on the properties up to \$1.5 million, payable over 15 years. As part of the agreement, the City will lease 150 sq. ft. of finished interior space in the building at 2320 N. Liberty Street for \$1 per year for uses to support small business growth and development. The total estimated cost of Phase 1 is \$14,149,820 and for Phase 2 is \$23,791,680. The developer estimates the completed project will employ 248 people at an average wage of \$60,000. The estimated return on investment is 1.07:1.

**Policy Impact Area:** Economic development; neighborhood revitalization

**Fiscal Impact:** The bill authorizes a REV grant of up to \$1.5 million and two project completion grants totaling \$4 million.

**Analyst:** Clements