

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2024-37

Introducer/Sponsor(s): Council President at the request of the Downtown Investment Authority

Date of Introduction: January 9, 2024

Committee(s) of Reference: NCSPHS, F

Date of Analysis: January 11, 2024

Type of Action: Authorization to execute redevelopment agreement; authorizing Downtown Preservation and Restoration loans; designation of oversight agency

Bill Summary: The bill authorizes the execution of a redevelopment agreement between the Downtown Investment Authority and CLL Jones Brothers LLC for the preservation and revitalization of the building located at 520 North Hogan Street (the former Jones Brothers Furniture building). It approves the issuance of 2 Downtown Preservation and Restoration forgivable loans and a Deferred Principal Loan in the maximum aggregate amount of \$6,033,500. The bill designates the DIA as the City's oversight agency for the project and loans and authorizes the CEO of the DIA to execute documents and take such other actions as are necessary to accomplish the intent of the project.

Background Information: The historic Jones Brothers Furniture building is located on the west side of North Hogan Street between Church and Ashley Streets. The developer proposes to invest approximately \$15.2 million in the acquisition and rehabilitation of the building to produce 29 units of rental housing and approximately 1,700 square feet of co-work space while restoring the property to historic standards, preserving and maintaining the integrity of the structure, and meeting certain code compliance requirements to make the property more accessible and functional. The DIA proposes to award a Historic Preservation Restoration and Rehabilitation Forgivable Loan in the not-to-exceed amount of \$2,089,900 and a Code Compliance Renovations Forgivable Loan in the not-to-exceed amount of \$2,736,900, both of which would be forgiven at a rate of 20% per year (subject to clawback provisions provided in the Redevelopment Agreement). A Deferred Principal Loan in the not-to-exceed amount of \$1,206,700 would also be awarded which requires interest payments annually with principal to be repaid at maturity (10 years from the date of funding).

Policy Impact Area: Downtown redevelopment; historic preservation

Fiscal Impact: The bill authorizes award of 3 loans in an aggregate amount not to exceed \$6,033,500.

Analyst: Clements