

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2021-253

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

Date of Introduction: April 27, 2021

Committee(s) of Reference: NCSPHS, F, R, JWC

Date of Analysis: April 29, 2021

Type of Action: Authorization to execute redevelopment agreement; authorizing quitclaim deed; authorizing marina improvements cost disbursement agreement; authorizing marina operating and maintenance agreement; authorizing easements and related documents; authorizing REV grant; authorizing infrastructure grant; authorizing restaurant completion grant; Ordinance Code waiver; designation of oversight agency

Bill Summary: The bill authorizes the execution of a redevelopment agreement and various other associated agreements among the City, DIA and RD River City Brewery, LLC for the construction of a mixed-use project on the Southbank to replace River City Brewing Company. It authorizes: conveyance of a parcel of land for a token fee of \$1; a Recapture Enhanced Value (REV) grant of up to \$12,996,885; a restaurant completion grant of \$500,000 or certain defined "direct costs", whichever is less; an infrastructure grant of \$500,000 or certain defined "direct costs", whichever is less; payment of City Marina Improvements costs up to a maximum of \$1,143,807; allocation of 10% of DIA's Annual Project Revenues (as defined) to enhanced maintenance and dedicated staff for the St. Johns River Park and Friendship Fountain; a City commitment of \$50,000 per year for programming and activation of the St. Johns River Park and Friendship Fountain; conveyance of stormwater credits to the developer; construction by the City, at its expense, of changes to the parking lot located under the Acosta Bridge to accommodate boat trailer parking and vehicle and trailer turn-around adjacent to the St. Johns River boat ramp; and relocation of underground storage tanks. The bill waives the Ordinance Code provision requiring appraisal of the parcel of property prior to the City's conveyance of the lot to the developer. The DIA is designated as the City's oversight agency for the implementation of the agreements and the Public Works Department and Department of Parks, Recreation and Community Services are designated as the oversight agencies for the marina improvements and Southbank Riverwalk improvements.

Background Information: The developer intends to construct 325 Class A multi-family residential units, a 500-space structured parking facility, a restaurant and bar venue, a ship's store, and certain marina and Riverwalk Improvements on the Project Parcel (or adjacent City-owned real property, as applicable) (collectively, the "Project"), at an estimated cost of \$85,000,000. The City has agreed to sell the developer an approximately 3.43 acre parcel of City-owned land at no cost (the "City Parcel") so the Developer may construct at its cost the residential improvements, parking garage and other improvements to support the Project. The developer will also construct on behalf of the City certain Marina Improvements at the City's expense in the maximum, up to an amount of \$1,143,807, with the Developer responsible for all costs in excess thereof, as well as adjacent Riverwalk Improvements, with a minimum investment of \$250,000 by the Developer, all at its sole expense. The City has agreed to relocate underground storage tanks at its expense to accommodate the Project. The Downtown Investment Authority negotiated the development agreement with the developer and recommends its approval.

The REV grant of up to \$12,996,885, payable from the revenues of the Southbank CRA, represents 75% of the anticipated new county taxes to be generated by the project over 20 years (ending no later than 2045, or with the expiration or termination of the Southbank Community Redevelopment Area (TIF district), unless the City agrees

to assume the obligations of the CRA at that time). The infrastructure improvement grant is being made for the purpose of paying for work related to remediation of environmental contamination or subsurface conditions, including compaction, affecting construction of the all or any portion of the improvements on the Project Parcel. The restaurant completion grant is being offered to incentivize the construction and operation of a restaurant on the site (adjacent to Friendship Fountain) of no less than 1,800 square feet with an additional outdoor dining and amenity area of not less than 3,200 square feet. The developer will construct an extension of the Southbank Riverwalk through the property along the river bulkhead and will construct and operate a minimum 1,000 square foot retail store adjacent to the boat ramp and marina operating from at least 8:00 a.m. to 6:00 p.m. daily and selling ice, sundries, and other necessities appealing to patrons using the boat ramp and marina. The developer agrees to reserve a minimum of 30 spaces in the parking garage to be constructed for use by the City, its employees, patrons or designees.

Policy Impact Area: Downtown economic development

Fiscal Impact: The City commits to funding a REV grant of not to exceed \$12,996,885, a restaurant completion grant of up to \$500,000, an infrastructure grant of up to \$500,000, and to commit \$50,000 per year to programming and activation of the St. Johns River Park and Friendship Fountain area and to commit 10% of DIA's Annual Project Revenues (as defined) to enhanced maintenance and dedicated staff for the St. Johns River Park and Friendship Fountain.

Analyst: Clements