

# CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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**Bill Type and Number:** Ordinance 2022-775

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

**Date of Introduction:** October 11, 2022

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

**Date of Analysis:** October 13, 2022

**Type of Action:** Appropriation; amendment to budget schedule

**Bill Summary:** The bill appropriates \$101,783.96 in revenue received from the Metropolitan Parking Solutions, LLC (“MPS”) Settlement to the Downtown Northbank CRA Trust Fund Operating Lease – Leasehold Improvements account to the Courthouse, Adams Street and Sports Complex garage activities and de-appropriates \$5,023,289.55 originally appropriated by Ordinance 2022-137-E, reflecting a \$5,023,289.55 reduction in revenue received for the Downtown Northbank CRA Trust Fund Long Term Debt Issued – Debt Management Fund Proceeds account, reflecting a \$3,980,694.33 increase in revenue received for the Downtown Northbank CRA Trust Fund Miscellaneous Settlements account, and reflecting a \$4,817,599.46 decrease in revenue received by the Debt Management Fund Long Term Debt Issued account. It also attaches a Second Revised Schedule B4 to the FY22-23 budget ordinance reflecting these changes.

**Background Information:** The bill reconciles actual Long-Term Debt and Miscellaneous Settlement revenue and expenses of the MPS settlement closing to the budgeted revenue and expenses authorized by Ordinance 2022-137. 2022-137 authorized the issuance of long-term debt as a companion to 2022-138 approving the Mediated Settlement Agreement between the City of Jacksonville, the Downtown Investment Authority and Metropolitan Parking Solutions, LLC (“MPS”), dated February 22, 2022. The settlement contemplated that debt would be issued to pay off the outstanding MPS bonds and to establish a \$4 million reserve for capital repairs. In addition, the Mediated Settlement Agreement approved by 2022-138 required that various reserve accounts held by the bond trustee for capital repairs in the approximate amount of \$700,000 be returned to DIA at closing. This legislation reconciles the original authorizations to the actual closing statements and disbursements from the bond trustee and appropriates Miscellaneous Settlement revenue received as part of the Mediated Settlement Agreement for operational expenses for the Arena, Courthouse and Sports Complex Garages.

The actual amount to defease the existing garage bond debt was \$28,476,710.45 (\$1,023,289.55 less than the \$29,500,000 amount budgeted by Ordinance 2022-138). This legislation reduces the defeasance expense from \$29,500,000 to \$28,476,710.45 with a companion reduction in Long Term Debt borrowed. The DIA/City actually received \$4,680,694.33 of Miscellaneous Settlement revenue, further reducing the need for the issuance of Long-Term Debt for capital improvements and maintenance by an additional \$4,000,000. The Mediated Settlement Agreement required that MPS transfer the balance in the previous capital reserve fund revenues into a new DIA managed Capital Reserve Fund, with those reserve funds estimated at \$700,000. The CITY/DIA received \$578,910.27 of MPS capital reserve funds. In total, the new and existing funds for capital improvements and maintenance of the garages were budgeted at \$4,700,000 however the actual combined expense budgets for capital improvements and maintenance from the closing was \$4,578,910.27. This legislation reflects that reduction in capital expense budget and applies the \$101,783.96 difference to garage operational expenses.

**Policy Impact Area:** Parking garage settlement agreement reconciliation

**Fiscal Impact:** See above

**Analyst:** Clements