

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Ordinance 2022-173

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

Date of Introduction: March 8, 2022

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

Date of Analysis: March 10, 2022

Type of Action: Authorizing execution of a parking garage lease agreement; authorizing a capital maintenance and improvements cost disbursement agreement; Procurement Code waiver; designation of oversight agencies

Bill Summary: The bill authorizes execution of a parking garage lease agreement between the City and Downtown Vision, Inc. (DVI) for space in the ground floor of the Duval Street (City Hall/Main Library) parking garage for a period of 10 years with two 5-year renewal options. It authorizes the execution of a Capital Maintenance and Capital Improvements Cost Disbursement Agreement between the parties. The bill waives provisions of the Procurement Code to allow the City to directly contract with DVI for this project. The Downtown Investment Authority is designated as the City's oversight agency for the lease and cost disbursement agreement and the Public Works Department is designated as the oversight agency for the construction aspects.

Background Information: The DIA has awarded the lease to the space to DVI following a Notice of Disposition process after DVI made a proposal to utilize the space. DVI plans to lease 20,660 square feet of the currently undeveloped space on the ground floor of the City Hall/Main Library garage on Duval Street to use as its offices, operations support space, storage, and potentially a downtown visitor gift shop. The lease rate is \$289,239.96 per year (\$14 per square foot) plus fixed annual operating costs of \$48,430.80, which will be paid via an offset of a portion of the special assessment equivalent the City pays to DVI as a downtown property owner benefitting from the agency's services. DVI will be required to demonstrate that it has provided services equal to or greater than the value of the lease offset amount to the City. The lease agreement provides that DVI shall have the option to enter into a Disbursement Agreement with the City to make tenant improvements to the facility on behalf of the City and to be reimbursed for those expenses through allocations from an existing CIP project for that purpose. The CIP project authorizes \$2,210,000 for buildout of the first floor retail space in the garage.

Policy Impact Area: Downtown development

Fiscal Impact: The lease rate of \$289,239.96 per year (\$14 per square foot) plus fixed annual operating costs of \$48,430.80 will be an offset against the City's assessment payment to DVI. The bill authorizes DVI to make capital improvements to the space on the City's behalf and request reimbursement from the existing parking garage build-out CIP project.

Analyst: Clements