

LEGISLATIVE FACT SHEET

DATE: October 10, 2022

BT or RC No: N/A

(Administration & City Council Bills)

SPONSOR: **Office of Economic Development**

(Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: **Office of Economic Development**

Provide Name: **Kirk Wendland** Contact No: **255-5455**

Email kwendland@coj.net

PURPOSE: White Paper (Explain why this legislation is necessary. Provide, who, what, when where, how and the impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation. (Minimum of 350 words – Maximum of 1 page)

The Vestcor Companies was founded by John D. Rood in 1983 in Jacksonville, Florida, and has grown to become one of the largest developers of multifamily communities in Florida. The Company is proposing a 240 unit mixed-income apartment community, to be known as Madison Palms, on approximately 12 acres of property at 8300 Merrill Road, Jacksonville, Florida. The property is located within the boundaries of the Renew Arlington Community Redevelopment Area (RA CRA), just west of Interstate-295 and the Southside Connector, in close proximity to transit, grocery stores, schools and surrounding employment areas. The proposed development will be a mix of 1-, 2-, and 3-bedroom units, with 132 units set aside for households that are at or below 100% of the area median income (AMI), 97 units for households that are at or below 60% AMI, and 11 units for households at or below 33% AMI.

The City is proposing to offer a \$5 million, 1% loan, with interest-only payments for 17 years, followed by a lump-sum balloon payment at maturity, to help finance the \$56.5 million project. Commencement of construction will begin by November 1, 2023, and completion is anticipated by March 1, 2025. The City will hold a Second Mortgage on the property, subordinate only to the First Mortgage. Loan funds will be disbursed at occupancy based on a minimum overall capital investment of \$55.3 million.

The proposed Loan is not specifically defined in the City's Public Investment Policy (PIP). Due to the project's large capital investment, and the City Council's stated desire for additional affordable housing, a waiver of the PIP is being requested.

APPROPRIATION: Total Amount Appropriated \$0 as follows: List the source **name** and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in the title of the legislation)

Name of Federal Funding Source(s)

From: _____ Amount: _____

To: _____ Amount: _____

Name of State Funding Source(s)

From: _____ Amount: _____

To: _____ Amount: _____

Name of COJ Funding Source(s)

From: _____ Amount: _____

To: _____ Amount: _____

Name of In-Kind Contributions:

From: _____ Amount: _____

To: _____ Amount: _____

Name & No. of Bond Account(s):

From: _____ Amount: _____

To: _____ Amount: _____

PLAIN LANGUAGE OF APPROPRIATION/FINANCIAL IMPACT/OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be ongoing maintenance and staffing obligation? Per Chapter 122 & 106 regarding funding of anticipated post-construction operation costs. (Minimum of 350 words – maximum of 1 page.

The City is proposing to offer a \$5 million, 1% loan, with interest-only payments for 17 years, followed by a lump-sum balloon payment at maturity, to help finance the \$56.5 million project. Commencement of construction will begin by November 1, 2023, and completion is anticipated by March 1, 2025. The City will hold a Second Mortgage on the property, subordinate only to the First Mortgage. Loan funds will be disbursed at occupancy based on a minimum capital investment of \$55.3 million.

The Project shall be audited annually, and such audits will be provided to the City. If, in any year during the loan term, the General Partner of the Company achieves an annual return in excess of 10%, this excess shall be due and payable to the City to reduce the outstanding principal balance.

ACTION ITEMS: Purpose/Check List. If “Yes” please provide detail by attaching justification and code provisions for each.

ACTION ITEMS:

Emergency? Yes _____ No **X** _____

Justification of Emergency: If yes, explanation must include detailed nature of emergency.

Federal or State Mandate? Yes _____ No **X** _____

Explanation: If yes, explanation must include detailed nature of mandate include Statue or Provision.

Fiscal Year Carryover? Yes **X** _____ No _____

Note: If yes, note must include explanation of all-year subfund carryover language.

Funds will carry forward until project is complete.

CIP Amendment? Yes _____ No **X** _____

Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.

Contract/Agreement Approval? Yes **X** _____ No _____

Attachment & Explanation: If yes, attach the Contract/Agreement & provide name of the Department and include contact name and telephone number of the person r that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed/drafted? **OED will provide oversight and administration.**

Related RC/BT? Yes _____ No **X** _____ If yes, attach appropriate RC/BT form(s)

Waiver of Code? Yes **X** _____ No _____

Code Reference: If yes, identify code section(s) in space below & provide detailed explanation (including impacts) within white paper.

The proposed city incentive is not authorized by the City's Public Investment Policy (Ord. 2022-372-E), so it will need to be waived.

Code Exception: Yes _____ No **X** _____

Code Reference: If yes, identify code section(s) in space below & provide detailed explanation (including impacts) within white paper.

Related Enacted Ordinances? Yes _____ No **X** _____

Code Reference: If yes, identify related code section(s) and ORD reference number in the space below & provide detailed explanation and any changes necessary within whitepaper.

ACTION ITEMS CONTINUED: Purpose/Check List. If "Yes" please provide detail by attaching justification and code provisions for each.

ACTION ITEMS:

Continuation of Grant? Yes _____ No **X** _____

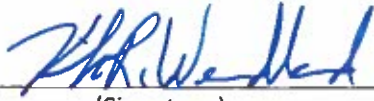
Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant. Are there long-term implications for the General Fund?

Surplus Property Certification? Yes _____ No **X** _____ Attachment: If yes, attach appropriate form(s)

Reporting Requirements? Yes _____ No X

Explanation: List agencies (including City Council/Auditor) to receive reports and frequency of reports, including when reports are due. Provide name of the Department and include contact name and telephone number of the person responsible for generating.

Executive Director



(Signature)

Date: 10/10/2022

Prepared By:



(Signature)

Date: 10/10/2022

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Budget Office, St. James Bldg., Suite 325

Thru: N/A
(Name, Job Title, Department)

From: Kirk Wendland, Executive Director, Office of Economic Development (OED)
Initiating Department Representative (Name, Job Title, Department)

Phone: 255-5445 E-Mail: kwendland@coj.net

Primary Contact: Kirk Wendland, Executive Director, Office of Economic Development
(Name, Job Title, Department)

Phone: 255-5445 E-Mail: kwendland@coj.net

CC: Rachel Zimmer, Director of Intergovernmental Affairs, Office of the Mayor
Phone: 255-5006 E-Mail: rachelz@coj.net

COUNCIL MEMBER/INDEPENDENT AGENCY/CONSTITUTIONAL OFFICER TRANSMITTAL

To: Mary Staffopoulos, Office of General Counsel, St. James Bldg., Suite 480

Phone: 255-5062 E-Mail: mstaff@coj.net

From: N/A
Initiating Council Member/Independent Agency/Constitutional Officer

Phone: _____ E-Mail: _____

Primary Contact: N/A
(Name, Job Title, Department)

Phone: _____ E-Mail: _____

CC: Rachel Zimmer, Director of Intergovernmental Affairs, Office of the Mayor
Phone: 255-5006 E-Mail: rachelz@coj.net

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation

Independent Agency Action Item:

Board(s) Action/Resolution? Yes _____ No X

Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED