



ONE CITY. ONE JACKSONVILLE.

City of Jacksonville, Florida

Lenny Curry, Mayor

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The Avion Development Summary March 17, 2023

Company:

Avion MF Partners, LLC
1819 Goodwin St.
Jacksonville, FL 32204

Background:

Corner Lot is a leading real estate development firm with business lines that include single-family, multi-family, urban and commercial development. The leaders of Corner Lot have established Avion MF Partners, LLC (the "Company") for the development of The Avion, a new multi-family apartment community on the north side of Jacksonville. The Avion will be located on Duval Road, north of I-295, across from the Amazon Fulfillment Center.

Jacksonville, like many other communities across the country, is facing a challenge related to affordable housing. Attendees of the workshops conducted by the City Council's Special Committee on Critical Quality of Life Issues (CQLI) cited the need for rent control and availability of more affordable housing options. The proposed development consists of 320-units, with a mix of 1-, 2-, and 3-bedroom units. A total of 96 units, or 30 percent, will be set aside for workforce housing. The estimated hard costs associated with the Project is approximately \$65 million and the Company has committed to a minimum capital investment of \$58.5 million.

The rental and income limits for the workforce housing units will be based on the 100% AMI level for 2022 published by United States Department of Housing and Urban Development (HUD) and the Florida Housing Finance Corporation (FHFC), which will be locked in for the first 4 years. Following the first 4 years, the annual increase for the workforce housing units will be capped at 2%. The workforce units are being offered in response to the recommendations offered by the CQLI Working Group, including working with private sector developers through incentives and subsidy programs to create additional affordable housing options.

The City proposes to offer a Recapture Enhanced Value (REV) grant based on 75 percent of the increase in real and personal property taxes generated at the project site, for 15 years, up to a maximum of \$7.5 million. The Company has committed to retaining the greater of 30% of units constructed or 90 total units for workforce housing for the term of the REV grant.

Construction is anticipated to begin by December 31, 2023 and the project is expected to be complete by December 31, 2025.

Project Uses are summarized as follows:

Construction	\$57,887,561
Land	<u>6,600,000</u>
Total	\$64,938,561

Project Rationale & Benefits:

1. Supporting The Avion development will add approximately \$65 million in private capital investment increasing the tax base.
2. Supporting The Avion development would aid in the creation of additional housing opportunities, including stabilized workforce units in close proximity to a growing employment sector.

Project Incentives:

The City of Jacksonville proposed to provide:

- A Recapture Enhanced Value (REV) based on 75 percent of the increase in real and personal property taxes generated at the project site, for 15 years up to a maximum of \$7.5 million.

Public Investment Policy (PIP) Waiver:

A waiver of the Public Investment Policy is needed for the following:

- A minimum of ten (10) new full-time jobs is required in order to qualify for a REV Grant.
- Housing is not one of the Targeted Industry categories.

Due to the project’s large capital investment, proximity to a growing employment sector, and the City Council’s stated desire for additional affordable housing, a waiver of the PIP is being requested.

The total amount of City incentives would be up to \$7.5 million.

The project is projected to have a positive ROI for the City of Jacksonville of 1.30.

Aerial View of project site 0 Duval Road (RE# 019544-0305):

