

**LEGISLATIVE FACT SHEET**

DATE: 02/09/21

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, Director of Business Development** 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)

OED is proposing to submit legislation authorizing the City to enter into a redevelopment agreement with Theotokos Holdings, LLC to redevelop a vacant office building located at 7820 Arlington Expressway. The proposed building will be converted to 118 market rate rental apartments to serve the Regency Square / Arlington market area, a Level II Economically Distressed Area. The building was originally constructed in 1975 along with two other office buildings to serve as the headquarters for Westinghouse's Offshore Power Systems. Presently all three office buildings are vacant and deteriorating. The last tenant in the subject building was the FBI who vacated in 2009 and relocated to Gate Parkway.

The private capital investment associated with this redevelopment project is \$14,545,000.

The public investment proposed is a Recaptured Enhanced Value (REV) Grant at the level of 75% of the incremental net increase in the ad valorem portion of the real and tangible property taxes resulting from the construction costs to convert the 95,000 SF former office building to 118 rental apartments. The term of the proposed REV Grant is ten (10) years. The estimated value of the REV Grant over the ten (10) year period is \$820,000.

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 of Jacksonville proposes to provide:**

**A REV grant based on 75 percent of the increase in ad valorem and tangible personal property taxes generated at the project site, for 10 years up to a maximum of \$820,000; provided the private capital investment is not less than \$11 million for demolition and construction of the apartment units no later than December 31, 2023. In the event the overall investment is less than \$11 million the REV Grant will be adjusted to 50%. If the overall investment falls below \$ 9 million, the grant will be terminated. The project has a positive Return on Investment for the City of Jacksonville.**

**The total amount of City incentives would be up to \$820,000.**

**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 Statute or Provision.**

**Fiscal Year Carryover? Yes \_\_\_\_\_ No X \_\_\_\_\_**

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

**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 project is located within a Level II Economically Distressed Area and the private capital investment is greater than \$ 3 million to support a 75% REV Grant. However, the project is not being created for a target industry or job creation necessitating the request for a waiver of the Public Investment Policy. The project will result in the redevelopment and re-use of a vacant office building which has been deteriorating since 2009.

**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** \_\_\_

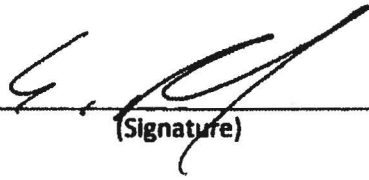
Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant. Are there long-term implications for the General Fund?

**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.

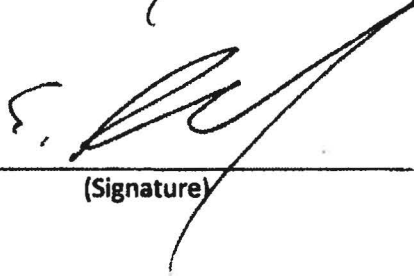
Director BD:



(Signature)

Date: 02/09/2021

Prepared By:



(Signature)

Date: 02/09/2021

**ADMINISTRATIVE TRANSMITTAL**

To: MBRC, c/o Jasmine Jordan, 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: 255-5455 E-Mail: kwendland@coj.net

Primary Contact: Ed Randolph, Director Business Development  
(Name, Job Title, Department)

Phone: 255-5454 E-Mail: edr@coj.net

CC: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor

Phone: 255-5015 E-Mail: leeannk@coj.net

**COUNCIL MEMBER/INDEPENDENT AGENCY/CONSTITUTIONAL OFFICER TRANSMITTAL**

To: Peggy Sidman, Office of General Counsel, St. James Bldg., Suite 480

Phone: 255-5055 E-Mail: psidman@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: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor

Phone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

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**