

1 Introduced by the Neighborhoods, Community Services, Public Health
2 and Safety Committee:

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5 **ORDINANCE 2024-884**

6 AN ORDINANCE REGARDING A PARTIAL AD VALOREM
7 PROPERTY TAX EXEMPTION FOR REHABILITATION OF A
8 LOCAL LANDMARK LOCATED AT 700 EAST UNION STREET,
9 OWNED BY EAST UNION PROPERTY OWNER, LLC;
10 PROVIDING FOR EXEMPTION FROM THAT PORTION OF AD
11 VALOREM TAXATION LEVIED BY THE CITY OF
12 JACKSONVILLE ON ONE HUNDRED PERCENT (100%) OF
13 THE INCREASE IN ASSESSED VALUE RESULTING FROM
14 THE QUALIFYING IMPROVEMENT PROJECT, PURSUANT TO
15 SECTION 780.303, *ORDINANCE CODE*; PROVIDING FOR
16 AN EXEMPTION PERIOD OF TEN (10) YEARS BEGINNING
17 ON JANUARY 1 OF THE YEAR FOLLOWING THE YEAR IN
18 WHICH THE COUNCIL ENACTS THIS ORDINANCE,
19 PURSUANT TO SECTION 780.304, *ORDINANCE CODE*;
20 WAIVING THE CONFLICTING PROVISIONS OF SECTIONS
21 780.303 (HISTORIC REHABILITATION TAX EXEMPTION)
22 AND 780.305 (APPLICATION), PART 3 (TAX EXEMPTION
23 FOR REHABILITATION OF HISTORIC LANDMARKS AND
24 PROPERTIES IN HISTORIC DISTRICTS), CHAPTER 780
25 (PROPERTY TAX), *ORDINANCE CODE*, TO GRANT THE
26 EXEMPTION FOR A SUBSTANTIALLY COMPLETE PROJECT;
27 WAIVING SECTION 780.335 (COMPLETION OF WORK),
28 PART 3 (TAX EXEMPTION FOR REHABILITATION OF
29 HISTORIC LANDMARKS AND PROPERTIES IN HISTORIC
30 DISTRICTS), CHAPTER 780 (PROPERTY TAX),
31 *ORDINANCE CODE*, TO GRANT THE EXEMPTION FOR A

1 PROJECT THAT WAS NOT COMPLETED WITHIN TWO YEARS
2 FOLLOWING THE DATE OF APPROVAL OF THE
3 PRECONSTRUCTION APPLICATION; PROVIDING AN
4 EFFECTIVE DATE.

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6 **WHEREAS**, in 1992, Florida voters overwhelmingly approved by
7 referendum an amendment to the Constitution of the State of Florida
8 authorizing local governments to provide a partial ad valorem property
9 tax exemption to owners of Florida historic properties who restore,
10 rehabilitate, or renovate those structures; and

11 **WHEREAS**, pursuant to the Constitution of the State of Florida,
12 Article VII, Section 3(d), the City of Jacksonville may, for the
13 purpose of its respective tax levy, grant historic preservation
14 partial ad valorem property tax exemptions to owners of historic
15 properties by ordinance; and

16 **WHEREAS**, Section 196.1997(1), *Florida Statutes*, provides that
17 a municipality may grant partial ad valorem property tax exemptions
18 under the Constitution of the State of Florida, Article VII, Section
19 3(d) to historic properties, if the owners are engaging in the
20 restoration, rehabilitation, or renovation of such properties, in
21 accordance with the guidelines established therein; and

22 **WHEREAS**, Section 196.1997(10), *Florida Statutes*, provides that
23 such a partial ad valorem property tax exemption shall take effect
24 on the January 1 following the substantial completion of the
25 improvement; and

26 **WHEREAS**, in 1994, the City Council enacted Part 3, (Tax
27 Exemption for Rehabilitation of Historic Landmarks and Properties in
28 Historic Districts), Chapter 780 (Property Tax), *Ordinance Code*,
29 providing for a Historic Rehabilitation Tax Exemption; and

30 **WHEREAS**, the property located at 700 East Union Street is a
31 local landmark designated in 2021 by Ordinance 2021-139-E ("Subject

1 Property"); and

2 **WHEREAS**, the owner of the Subject Property, East Union Property
3 Owner, LLC ("Owner"), has submitted a complete Historic Preservation
4 Property Tax Exemption Application, **On File** with the City Council
5 Legislative Services Division, including all required documentation
6 ("Application"); and

7 **WHEREAS**, the Planning and Development Department (the
8 "Department") has determined that the Subject Property is a Qualifying
9 Property as defined in Section 780.302, *Ordinance Code*; and

10 **WHEREAS**, the Department has determined that the rehabilitation
11 of the Subject Property, as described in the Application, is a
12 Qualifying Improvement Project, as defined in Section 780.302,
13 *Ordinance Code*; and

14 **WHEREAS**, the Department has determined that the Qualifying
15 Improvement Project has been substantially completed and is
16 consistent with the U.S. Department of the Interior *Secretary of the*
17 *Interior's Standards for Rehabilitation*; and

18 **WHEREAS**, the Department has determined that the Application
19 meets the requirements of Section 196.1997, *Florida Statutes*, and,
20 with the exception of project completion, the Application meets all
21 requirements of Part 3, Chapter 780, *Ordinance Code*; and

22 **WHEREAS**, the Owner of the Subject Property has executed the
23 required Historic Preservation Tax Exemption Covenant, pursuant to
24 Section 780.336, *Ordinance Code*, in which the Owner agrees to maintain
25 and repair the Subject Property, including the Qualifying Improvement
26 Project, so as to preserve its architectural, historical or
27 archaeological integrity during the exemption period; now therefore

28 **BE IT ORDAINED** by the Council of the City of Jacksonville:

29 **Section 1. Adopting Recitals and Granting Exemption.** The
30 Council adopts the above recitals as its findings of fact and hereby
31 approves a Historic Rehabilitation Tax Exemption pursuant to Part 3,

1 Chapter 780, *Ordinance Code*, for the Subject Property. The exemption
2 approved herein is a partial ad valorem property tax exemption for
3 one hundred percent (100%) of the increase in assessed value resulting
4 from the Qualifying Improvement Project.

5 **Section 2. Exemption Time Period.** The Council hereby
6 approves the exemption granted in Section 1 for a period of ten (10)
7 years, beginning on January 1 of the year following the year in which
8 Council enacts this Ordinance, pursuant to Section 780.304, *Ordinance*
9 *Code*, which period begins on January 1, 2025, and expires on December
10 31, 2034.

11 **Section 3. Waiving the Conflicting Provisions of Sections**
12 **780.303 and 780.305, *Ordinance Code*.** Section 780.303 (Historic
13 Rehabilitation Tax Exemption), Part 3 (Tax Exemption for
14 Rehabilitation of Historic Landmarks and Properties in Historic
15 Districts), Chapter 780 (Property Tax), *Ordinance Code*, provides that
16 a Qualifying Property that has completed a Qualifying Improvement
17 Project shall receive the Historic Property Tax Exemption described
18 therein. Section 780.305 (Application), Part 3 (Tax Exemption for
19 Rehabilitation of Historic Landmarks and Properties in Historic
20 Districts), Chapter 780 (Property Tax), *Ordinance Code*, requires
21 completion of the Qualifying Improvement Project before filing a
22 final application and also references an exemption period of January
23 1 following completion of the Qualifying Improvement Project. The
24 provisions of Sections 780.303 and 780.305, *Ordinance Code*, are hereby
25 waived to the extent they conflict with this legislation to allow for
26 the approval of the Historic Tax Exemption for a Qualifying Property
27 that has substantially completed a Qualifying Improvement Project.
28 The Director of the Department reviewed and approved the Application
29 and confirmed that the Qualifying Improvement Project on the Subject
30 Property is substantially complete. Approving this Historic
31 Rehabilitation Tax Exemption complies with the enabling legislation

1 in Section 196.1997(10), *Florida Statutes*, which does not require
2 project completion, instead it provides that such an exemption shall
3 take effect on the January 1 following substantial completion of the
4 improvement.

5 **Section 4. Waiving Section 780.335, Ordinance Code.**

6 Section 780.335 (Completion of Work), Part 3 (Tax Exemption for
7 Rehabilitation of Historic Landmarks and Properties in Historic
8 Districts), Chapter 780 (Property Tax), *Ordinance Code*, provides that
9 an applicant must complete all work within two years following
10 approval of a preconstruction application. The pre-construction
11 application for the Subject Property was approved by the Department
12 on July 8, 2022, and as of November 6, 2024, the Qualifying
13 Improvement Project has not been completed, therefore it did not meet
14 the two-year completion deadline. However, the Subject Property is a
15 massive structure of approximately 330,000 square feet, and due to
16 the size and complexity of the Qualifying Improvement Project, the
17 two-year completion requirement is unreasonable. This is the largest
18 project in the history of the City's Historic Rehabilitation Tax
19 Exemption program and the largest project undertaken in Florida in
20 the history of the Federal Historic Tax Credit ("HTC") program. The
21 Owner has been diligently working with the Department, as well as the
22 National Park Service, which administers the HTC program. These
23 programs have different requirements and necessitate a collaborative
24 approach. This project also involved coordination with many entities,
25 including but not limited to the Florida Department of Environmental
26 Protection, the Florida Department of Transportation, the Federal
27 Emergency Management Agency, the St. Johns River Water Management
28 District, and Groundwork Jacksonville. The cooperative effort needed
29 to rehabilitate this historic landmark, combined with the sheer size
30 of the Qualifying Improvement Project, requires extending the project
31 completion deadline beyond two years.

1 **Section 5. Effective Date.** This Ordinance shall become
2 effective upon signature by the Mayor or upon becoming effective
3 without the Mayor's signature.

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5 Form Approved:

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7 /s/ Carla A. Lopera

8 Office of General Counsel

9 Legislation Prepared By: Carla A. Lopera

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