

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2020-591

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: September 22, 2020

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

Date of Analysis: September 24, 2020

Type of Action: Approval of redevelopment agreement; approval of lease agreement; approval of quitclaim deed; authorization to execute related agreements; designation of oversight agencies

Bill Summary: The bill approves a redevelopment agreement between the City and Armory Redevelopment Associates, LLC for redevelopment of the Jacksonville Armory building at 928 Liberty Street as a mixed-use cultural and economic development project. It approves a long-term lease of the Armory property to the developer and the sale of an adjoining piece of property for use as a workforce housing development. The Office of Economic Development is designated as the City's oversight agency for the redevelopment agreement and the Public Works Department is designated as the oversight agency for the construction projects.

Background Information: The Downtown Investment Authority issued an RFP for potential users of the Armory property (2 acres) on Liberty Street and the adjacent "Optional Parcel" (2.97 acres) on the north side of Hogan's Creek that contains three City storage warehouses/workshops. Three responses to the RFP were received, reviewed and evaluated by the Competitive Sealed Proposal Evaluation Committee (CSPEC). REVA Development Corporation d/b/a MFK REVA Development, LLC was awarded the opportunity to negotiate to redevelop both City owned parcels by the CSPEC Committee at their meeting on November 14, 2019. The developer proposes to lease the Armory and develop a mixed use facility consisting of a food hall, theater, offices/studios, conference and training centers, industrial maker workspace and similar uses authorized by the then current zoning of the building at a cost of at least \$3 million. The lease would be for an initial term of 40 years at \$1 per year, with two 20-year renewal options. Just market value according to the Property Appraiser is \$2.8 million. The lease contains a purchase option for the first 15 years for \$2,749,975, increasing by one percent (1 %) for each year after the Effective Date of the Lease.

The developer would also purchase the Optional Parcel for \$864,800 (just market value is \$653,600), demolish the 3 existing buildings, and construct an approximately 100-unit mid-rise apartment building to provide affordable workforce housing. Estimated construction cost is approximately \$20 million.

Policy Impact Area: Downtown development; affordable housing

Fiscal Impact: The City would lease the Armory property for \$1 per year (with an option to sell the parcel for at least \$2,749,975) and sell the Optional Parcel for \$864,800 in order to incentivize approximately \$23 million in private capital investment.

Analyst: Clements