

# CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY

**JEFFREY R. CLEMENTS**  
Chief of Research  
(904) 255-5137



117 West Duval Street  
City Hall, Suite 425  
Jacksonville, FL 32202  
FAX (904) 255-5229

**Bill Type and Number:** Ordinance 2025-69

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

**Date of Introduction:** January 28, 2025

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

**Date of Analysis:** January 30, 2025

**Type of Action:** Authorization to execute amended lease agreement; designation of oversight agency

**Bill Summary:** The bill authorizes the administration to execute an amended lease agreement between the City and Blue Cross and Blue Shield of Florida for approximately 346,588 square feet of several types of space in the company's office building and parking garage on Riverside Avenue at Forest Street to accommodate the relocation of all Sheriff's Office personnel and functions from the Police Memorial Building. The Sheriff's Office is designated as the City's oversight agency for the lease.

**Background Information:** The lease is for a one hundred and ninety-five (195) month initial term, commencing on completion of the Expansion Premises buildout, with two (2) five-year renewal terms. In addition to the 62,995 square feet currently leased by City for JSO in the building, the Amended Lease authorizes the use of 283,893 additional rentable square feet of the Property, comprised of 239,646 square feet of general office space at a rate of \$20.00 per square foot annually, 19,247 square feet of warehouse space at a rate of \$6.00 per square foot annually, and 25,000 square feet of retail space at a rate of \$35.00 per square foot annually. In addition, the Amended Lease includes 3 designated parking spaces in front of the Florida Blue Building and 5 parking spaces per 1,000 rentable square feet. All rates are subject to a three percent (3%) annual rate increase. The Landlord is providing a Tenant Improvement Allowance for the Expansion Premises of \$19,848,450. An additional Tenant Improvement Allowance of \$20,001,944.68 is available to City if so requested. The Amended Lease includes fifteen months of abated rent which may be converted into additional Tenant Improvement Allowance of \$7,272,628.02. The Landlord is also providing office furniture from its Deerwood location for use by JSO at the site. Based on the anticipated legislative timeline and the approximately 18-month build-out, it is anticipated that the lease will not require a full year of funding until FY27.

**Policy Impact Area:** JSO operations

**Fiscal Impact:** The cumulative lease rate for the various spaces will be just over \$7 million in the first year, escalating by 3% annually. The Landlord is providing a Tenant Improvement Allowance for the expansion space of \$19,848,450. An additional \$20,001,944.68 in Tenant Improvement Allowance may be requested by the City, which would be repaid to the Landlord at a rate of 8% per year until fully amortized.

**Analyst:** Clements