

**CITY COUNCIL RESEARCH DIVISION  
LEGISLATIVE SUMMARY**



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**Bill Type and Number:** Ordinance 2024-993

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

**Date of Introduction:** December 10, 2024

**Committee(s) of Reference:** F

**Date of Analysis:** December 12, 2024

**Type of Action:** Authorization to execute amendment to economic development agreement

**Bill Summary:** The ordinance authorizes the administration to execute an amendment to the economic development agreement between the City and Springfield MF Partners, LLC for the Corner on Main mixed use development at 33 West 1<sup>st</sup> Street in Springfield. The amendment would authorize an alternate payment date for the second tranche of the Completion Grant and eliminate the requirement that the Company repay a percentage of the Completion Grant if the project parcel is sold, leased or otherwise transferred within five years after disbursement of the Completion Grant.

**Background Information:** The economic development agreement executed in April of 2023 provided City incentives for the project in the form of a Recapture Enhanced Value (REV) grant not to exceed \$5.5 million payable over 15 years and a Project Completion Grant payable in two tranches - \$1 million upon substantial completion and the second \$1 million one year thereafter. It included a clawback provision for recapture of the Completion Grant if the project parcel was sold within the first five years after disbursement of the first half of the grant. The developer has requested, and the administration has agreed, to an amendment to allow the second tranche of the Completion Grant to be payable either one year after the payment of the first tranche or when the project is at least sixty percent (60%) occupied with rental tenants, whichever is sooner, with the proviso that only one tranche may be paid in a single fiscal year. It would also eliminate the clawback requirement that the Company repay a percentage of the Completion Grant if the project parcel is sold, leased or otherwise transferred within five years after the disbursement of the first half of the Completion Grant and allow for conveyance of the property before and after substantial completion, subject to certain preconditions. Project completion is expected in mid-2025.

**Policy Impact Area:** Economic development

**Fiscal Impact:** The amendment would provide for a potential earlier payment of the second tranche of the Completion Grant and would remove the clawback of that grant if the project is sold within 5 years of substantial completion.

**Analyst:** Clements