

LEGISLATIVE FACT SHEET

DATE: **5/18/2020**

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: **Ed Randolph, Director of Business Development** Contact No: **255-5450**

Email edr@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)

Front Porch Communities (fka Internext Group) entered into a lease agreement with the City of Jacksonville for the Cecil Pines Adult Living Community at Cecil Commerce Center, in May of 2000, as authorized per Resolution 2000-0317-A. Technically, at that time it was a "Sub-License", as the City was still operating under a "License" with the Navy. That 20-year sub-license is now expiring. The Office of Economic Development and Front Porch have negotiated a new lease agreement and which would allow Front Porch to continue the leasing and management duties at the senior living community.

The Cecil Pines community property consists of 92 single family and duplex residential units, which range in size from 1,200-1,500 square feet, with 2 and 3 bedroom options. Residents must be 55 years or older to rent a unit. Services and amenities for the residents include: interior/exterior home maintenance, garbage pick-up, yard maintenance, pest control, and a community center that offers ongoing activities and events. Front Porch has done a good job with the management of the property and meeting the needs of its residents over the past 20 years. That level of service has resulted in 100% occupancy at most times over that period of time.

APPROPRIATION: Total Amount Appropriated \$0 as follows: List the source **name** and provide Object and Subject 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.

Lease Details:

- Square Footage: 92 units, 1,200-1,500 SF each
- Term: 10 years, with two additional 5 year extension options.
- Annual Rent: \$120,000 per year, with 3% annual escalator. In addition to minimum annual rent, tenant agrees to percentage rent within 15 days following the end of each calendar month which shall be equal to the amount, if any by which the sum of 14% of tenant's residential rental revenues for such month exceeds the monthly minimum rent paid for such month.
- Assignment: Tenant may assign lease to "Qualified Facility Operator", with landlord's approval.
- Utilities: Tenant will coordinate with respective utility companies regarding utility needs.
- General Maintenance: Tenant responsible for all building and grounds maintenance.
- Maintenance of Roads and Streetlights: Road and streetlight maintenance remains the obligation of the Landlord. However, Tenant will contract and pay for road repair and streetlight work, which shall not exceed \$500,000 ("Rent Credit Cap"). Landlord's "reasonable approval" is required and the Tenant must obtain at least 3 qualified and competitive bids prior to any maintenance work related to roads and streetlights. Upon completion of the work, the Tenant will be given a rent credit (which shall never exceed the monthly rent amount due) equal to the total cost of repairs divided by the remaining months in the lease. Tenant may request an increase in the \$500,000 rent credit cap, however that increase would require approval by the City Council.

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 Statue 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_ No **X**_

Code Reference: If yes, identify code section(s) in space below & provide detailed explanation (including impacts) within white paper.

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 **X** _____ No _____

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. **Resolution 2000-0317-A authorized the initial sublicense with Front Porch Communities (fka Internext Group)**

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: 4/21/2020

Prepared By: _____
(Signature)

Date: 4/21/2020

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Roselyn Chall, 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: Jordan Elsbury, Director of Intergovernmental Affairs, Office of the Mayor

Phone: 255-5013 E-Mail: jelsbury@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: Jordan Elsbury, 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