

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2022-137

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

Date of Introduction: February 22, 2022

Committee(s) of Reference: F, R

Date of Analysis: February 24, 2022

Type of Action: Authorizing revenue bond issuance; appropriation; Ordinance Code waiver; budget ordinance amendment; CIP amendment; emergency approval request

Bill Summary: The bill authorizes issuance of special revenue bonds in an amount not to exceed \$33,500,000 for the purpose of refinancing the bonds issued by the City on behalf of Metropolitan Parking Solutions that paid for the construction of the MPS downtown parking garages and making capital improvements to those garages. It waives provision of Ordinance Code Section 104.211 – Procedure for Sale of Bonds – to allow the bonds to be awarded on a limited competitive basis, a negotiated basis, or via a private placement to institutional investors rather than on a competitive basis. The bill appropriates \$34,200,000 (the bond proceeds plus \$700,000 to be paid to the City by MPS) for costs and expenses pursuant to the settlement agreement authorized by pending Ordinance 2022-138. The FY21-22 budget ordinance is amended to replace the Third Revised Schedule B4 to allow for the refinancing of the debt related to the parking garages. One-cycle emergency approval is requested.

Background Information: The legislation reverses Ordinance 2021-179-E and authorizes the City to issue bonds in an amount that will provide not in excess of \$33,500,000 in proceeds to enact a settlement agreement between the City and MPS. The funds will be used to pay off the existing MPS bonds and cover certain leasehold improvements. The settlement provides the DIA with full control over the garage operations, the ability to lease the garages for other purposes as appropriate, produces debt savings via refinancing the bonds, provides options to purchase the garages for a nominal amount in 2041 or later, and various other benefits not contained in the current agreement. Emergency approval on second reading is requested because of the expectation that the Federal Reserve will begin raising interest rates in the near future, which will drive up borrowing costs.

Policy Impact Area: MPS downtown parking garage operations

Fiscal Impact: The bill authorizes issuance of bonds in an amount not to exceed \$33,500,000 and appropriates those funds and \$700,000 to be paid to the City by MPS pursuant to the settlement agreement.

Analyst: Clements