

# CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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**Bill Type and Number:** Ordinance 2022-372

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

**Date of Introduction:** May 10, 2022

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

**Date of Analysis:** May 12, 2022

**Type of Action:** Adopting updated Business Investment and Development Plan; amending tax increment district budget; authorizing employee cap increase; Public Investment Policy amendment; Ordinance Code amendment

**Bill Summary:** The bill adopts the updated Northbank and Southbank Community Development Plans and the updated Business Investment and Development Strategy that together constitute the Business Investment and Development (BID) plan, which is required by the Code to be updated every 5 years. It amends the FY21-22 budget of the Northbank CRA to appropriate \$1.9 million in savings from the MPS garages settlement to provide seed funding for new incentive programs (Northbank Commercial Revitalization Program, Northbank Small Scale Residential Incentive), to fund the La Villa Heritage Trail and Gateways project, to add to Plan Professional Services, and to provide current year Supervisor Allocation to the General Fund in order to add 2 new positions to the DIA's General Fund budget. The General Fund position cap is expanded by 2 to authorize those positions.

The City's Public Investment Policy is revised to remove the current Downtown Programs incentives and replace them with the Downtown Programs Incentives consistent with the BID Plan authorized by this update, consistent with the revised Public Investment Policy placed On File with the Legislative Services Division.

Ordinance Code Chapter 55 – Downtown Investment Authority – is amended to provide that the DIA board may approve REV grants of up to 75% authorized in accordance with the BID Strategy criteria through the 2046 tax year without City Council approval, and to authorize the Mayor to enter into development and redevelopment agreements with the DIA and private developers for the purpose of acknowledging the City's obligations under those REV grant agreements. An amendment authorizes the DIA to negotiate and award economic incentive packages without Council approval unless otherwise required in the BID Strategy, provided sufficient funds exist within the appropriate Trust Fund, the DIA's approved budget, or by separate Council appropriation.

It provides that the DIA may execute cost disbursement agreements on behalf of the City for capital improvement projects using a standard form where there is a lawful appropriation of funds for the project already in the CIP. Changes to the standard form may be approved by the DIA CEO, Public Works Department, and the Office of General Counsel. A project may be funded no earlier than the year as set forth in the CIP, and the private developer of the project shall be obligated to cover all cost overruns for the project.

Chapter 122 – Public Property – is amended to authorize the DIA to dispose of property for a sales price less than its appraised value if: a) the appraised value of the property does not exceed \$250,000; b) the return on investment to the City is greater than or equal to 1, as verified by the Council Auditors Office; and c) the "fair value" of the property pursuant to Section 163.380(2) is equal to or greater than the sales price. For property having an assessed value of \$25,000 or less, the DIA and Mayor, consistent with this subsection, may convey such properties irrespective of fair market value.

**Background Information:** The CRA plans are updated to provide discrete and measurable goals and objectives, to incorporate new elements such as resiliency, and to update the list of Redevelopment Projects to incorporate the results of various planning initiatives completed since the adoption of the BID plan, including the Haas parking study, the LaVilla Neighborhood Strategy, and the Parks Assessment and Design Standards update. The BID Strategy updates the incentive programs offered in Downtown to: a) provide greater certainty to developers regarding applicable criteria; b) adjust incentives to updated market conditions by Downtown neighborhood; c) to provide a greater menu of off-the-shelf programs and pre-determined criteria to reduce the time and cost involved with extensive individual underwriting reviews; and d) to provide a “carrot” for desired redevelopment activities and design features without imposing an absolute requirement. The BID Strategy draws upon the Willdan updated Downtown Market Feasibility analysis and updates the Years Tables establishing project priorities and the “Tiers Analysis” approach used to evaluate unique projects and megaprojects.

**Policy Impact Area:** Downtown redevelopment

**Fiscal Impact:** The bill appropriates \$1.9 million in cost savings related to the MPS garages settlement agreement to new incentive programs and several projects.

**Analyst:** Clements