

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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Bill Type and Number: Ordinance 2022-905

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

Date of Introduction: December 13, 2022

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

Date of Analysis: December 15, 2022

Type of Action: Authorizing execution of economic development agreement; authorization of REV grant; authorization of project completion grant; designation of oversight agencies; Public Investment Policy waiver;

Bill Summary: The bill authorizes execution of an economic development agreement between the City and Springfield MF Partners, LLC for the construction of a mixed use residential and commercial project at the corner of First and Main Streets in Springfield. It authorizes a Recapture Enhanced Value (REV) grant in an amount not to exceed \$5.5 million and authorizes a Project Completion Grant of \$2 million. The Office of Economic Development is designated as the City's contract monitor for the project and the OED and Department of Public Works as the project oversight agencies. The Public Investment Policy is waived with regard to the requirement that REV grant recipients must be in targeted industries and must create 10 new full-time jobs with wages equal to or greater than the state average wage, and is waived to permit a Project Completion Grant not currently authorized by the policy.

Background Information: The developer proposes to construct 202 market rate apartment units (a mix of studio, 1-bedroom and 2-bedroom) and approximately 6,000 square feet of commercial retail or restaurant space and a parking garage. Amenities will include a fitness facility, pool, and outdoor co-work space and a rooftop commercial facility that will offer a view down the Main Street corridor. The REV grant of up to \$5.5 million represents 75% of the increase in real and personal property taxes generated at the project site for 15 years. The \$2 million Development Completion Grant to be disbursed in two \$1 million payments - \$1 million at substantial completion and \$1 million the year following substantial completion.

The proposed Development Completion Grant is not specifically defined in the City's Public Investment Policy (PIP). Additionally, the project is not in a Targeted Industry and does not meet the requirement for a minimum of 10 new jobs to qualify for the REV Grant. Due to the project's large capital investment, and the support from Springfield Preservation and Revitalization (SPAR) council and the overarching community for the development within the Springfield Historic District and the project's large capital investment (estimated at \$53.6 million), a waiver of the applicable sections of the PIP is being requested.

Policy Impact Area: Springfield redevelopment

Fiscal Impact: The bill authorizes a REV grant of \$5.5 million and a Project Completion Grant of \$2 million.

Analyst: Clements