

CITY COUNCIL RESEARCH DIVISION

LEGISLATIVE SUMMARY

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Bill Type and Number: 2019-401

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

Date of Introduction: May 28, 2019

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

Date of Analysis: May 30, 2019

Type of Action: Agreement authorization and designation of oversight agency

Bill Summary: This bill is an authorization of the purchase and sale agreement between the City of Jacksonville and Ryan Companies US INC. This bill also authorizes the placement of a declaration of restrictive covenant between the City and the Florida Department of Environmental Protection for the right-of-way adjacent to the property. Pursuant to §122.434(d), when the sales price exceeds \$25,000, the City Council is required to approve the sales contract by Ordinance prior to execution by the Mayor and DIA. The Downtown Investment Authority will provide oversight.

Background Information: The City of Jacksonville is the owner of an approximately 1.52 acre of unimproved real property located at 337 W. Adams Street in the Central Civic Core adjacent to the Duval County Courthouse site. The DIA received an unsolicited proposal to purchase a City-owned block of parcel(s) within the Northbank Community Redevelopment Area. A 30-day notice was published, resulting in no further proposals. The fee simple sales price is \$2,600,000.00, which exceeds the appraised value of \$2,300,000 (appraisal date April 5, 2019). The developer will purchase and redevelop the Property to include approximately 207,810 square feet of office space and a structured parking facility to support the office building. If the developer fails to commence construction of the Project by December 31, 2020, then the City has the option to repurchase the Property in accordance with the repurchase option in the Agreement.

When the City performed a Site Assessment Report and subsequently a Supplemental Site Assessment Report ("SSAR") on the Property, certain environmental contamination on the Property was identified, and the City is currently performing quarterly groundwater monitoring on the Property related to a groundwater plume. Due to contamination that remains on the Property and on the adjacent City right-of-way, the FDEP has a closure process available that will require that the City enter into a Declaration of Restrictive Covenant with FDEP on the affected portion of the City-owned right-of-way. The redevelopment of this vacant property may eliminate blight conditions in the area and provide job opportunities to residents.

Policy Impact Area: New JEA Headquarters

Fiscal Impact: \$2,600,000 from Ryan Companies US INC to the City (less costs associated with the sale shall be deposited in the Redevelopment Special Revenue Fund of the DIA, which in this instance is the Northbank CRA Trust Fund)

Analyst: Hampsey