

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2021-254

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

Date of Introduction: April 27, 2021

Committee(s) of Reference: F

Date of Analysis: April 29, 2021

Type of Action: Ratification of legal settlement agreement; approval of amended and restated use agreement; designation of oversight agency

Bill Summary: The bill ratifies and approves a settlement agreement between the City and Loblolly Mitigation Preserve, LLC (LMP) et al. to resolve an on-going lawsuit with the company as a result of a mediation process. The bill approves and authorizes the execution of an amended and restated use agreement between the parties for operation of the Loblolly Mitigation Bank and designates the Planning and Development Department as the City's oversight agency for the agreement.

Background Information: In 2003 the City entered into an agreement with LMP to permit, develop and operate a joint City- and privately-owned wetlands mitigation bank established to provide mitigation credits needed by the City to compensate for its impacts to regulated wetlands associated with Better Jacksonville Plan road projects. In 2018 the City filed suit against the company alleging violations of the agreement by the defendants as to the operation and sale and distribution of mitigation credits from the City-owned portion of the mitigation bank. The parties since reached a mediated settlement which is reflected in an amended Use Agreement for operation of the mitigation bank. The settlement provides that the City will receive \$2,356,750 from LMP in the form of 25 "basin 4 credits" (worth \$1.5 million), a credit of \$419,125 as a result of LMP foregoing any management or marketing fees on those 25 credits, and a secured cash flow note in the principal amount of \$437,750 at 6% interest with payments from mitigation credit sales proceeds, payable within 5 years.

Policy Impact Area: Loblolly Wetlands Mitigation Bank operations

Fiscal Impact: The City will receive \$2,356,750 in the form of cash, mitigation credits, and credited management and marketing fees

Analyst: Clements