

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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Bill Type and Number: Ordinance 2021-796

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

Date of Introduction: October 26, 2021

Committee(s) of Reference: NCSPHS, TEU, F, R, Waterways Commission

Date of Analysis: October 28, 2021

Type of Action: Authorizing execution of redevelopment agreement; authorizing demolition agreement; authorizing grants of easements; authorizing purchase and sale agreement; authorizing repurchase rights agreement; authorizing developer put option; authorizing REV grants; authorizing forgivable loan; Procurement Code waiver; Zoning Code waiver; granting riverfront view and access corridor deviations; designation of oversight agencies; Public Investment Policy waiver

Bill Summary: The bill authorizes execution of a redevelopment agreement among the City, the DIA, and Fuqua Acquisitions II (the developer) for the production of a mixed-use development at the site of the former *Florida Times-Union* headquarters on Riverside Avenue. It authorizes execution of a demolition agreement between the City and the developer for demolition by the developer of an existing building on a parcel that will then be purchased by the City. It authorizes execution of a purchase and sale agreement between the parties for that property. The bill authorizes execution of grants of easement. It authorizes a repurchase right in favor of the developer to repurchase the City Parcel.

It authorizes a Recapture Enhanced Value grant in an amount not to exceed \$2,757,711 on the retail component of the Phase I development and authorizes a REV grant in an amount not to exceed \$17,347,914 on the residential component of the Phase I development. It authorizes a Recapture Enhanced Value grant in an amount not to exceed \$8,313,544 on the Phase II improvements. The bill authorizes a \$750,000 forgivable loan for the restaurant improvement, to be forgiven at a rate of 10% annually from the date of disbursement. The bill waives provisions of the Procurement Code with respect to the demolition project. It waives provisions of the Zoning Code's Downtown Overlay Zone and Downtown District Use and Form Regulations regarding the prohibition against developers receiving incentives when also obtaining deviations from the River View and Access Corridor requirements of the Code and the requirement that a 2/3 majority vote of the Council is required to approve the requested deviation. The bill grants deviation application DDRB 2021-014 to increase the maximum allowable distance between riverfront view and access corridors from 250 feet to 352 feet.

The bill designates the DIA as contract monitor for the redevelopment agreement and designates the Public Works Department and the DIA to oversee the project construction. It waives the Public Investment Policy to specifically authorize the REV grants and restaurant completion forgivable loan, which are not expressly authorized by the PIP for residential, retail and restaurant development.

Background Information: Fuqua Acquisitions proposes to develop a 2-phase project on the site of the former *Florida Times-Union* building on Riverside Avenue near the Acosta Bridge. The minimum private capital investment for the project is expected to be \$163,993,465. Phase I will consist of 271 apartments divided among two multifamily buildings, a restaurant with outdoor seating on the riverfront, a grocery store, retail shops and a parking deck. As part of the development process the City agrees to relocate the channel of McCoy's Creek approximately 100 feet to the east of its current location and develop a public park between the creek and the FEC

Railroad tracks and Acosta Bridge, which will be accessible to the public via the Northbank Riverwalk or via an extension of the right-of-way of May Street under Riverside Avenue. The bill authorizes the City to purchase 4.95 acres of upland and submerged lands within the overall 18.43-acre site from the developer for park purposes at cost of \$6,040,680 following the demolition of the existing building plus a supplemental payment of \$1,719,320, payable if certain title conditions on the City Parcel are cured and the title is cleared. The City will fill the existing creek bed, remove bulkheads and grade the site to make the land developable by Fuqua.

The City agrees to make three REV grants as follows: 1) a Phase I Retail Component REV Grant in the maximum, up-to amount of \$2,757,711 payable from the Combined Downtown Northbank Community Redevelopment Area; 2) a Phase I Residential Component REV Grant in the maximum, up-to amount of \$17,347,914, payable from the Combined Downtown Northbank Community Redevelopment Area; and 3) a Phase II Mixed-Use Component REV Grant in the maximum, up-to amount of \$8,313,544, payable from the Combined Downtown Northbank Community Redevelopment Area, in each case payable upon substantial completion of the applicable improvement. The City also agrees to make a Restaurant Completion Forgivable Loan in the up-to amount of \$750,000, payable upon substantial completion of the Restaurant Improvements and certain other conditions, for the construction of a restaurant as a part of the Phase I improvements, forgiven at the rate of 10% annually provided the restaurant remains in operation and meets certain other conditions as set forth in the Redevelopment Agreement.

The bill grants a deviation from a provision in the Zoning Code to authorize an increase in the maximum distance between the inside of the River View and Access Corridors from 250 feet to approximately 350 feet to accommodate the proposed project design. It waives a portion of the Downtown Overlay Zone regulations to permit the project to be awarded economic incentives which are prohibited when a project cannot meet the regulations (in this case the River View and Access Corridor specifications) without a deviation and waives the requirement that approval of such deviations requires a 2/3 majority vote of City Council. The bill states that the waiver is justified because the need for the deviation arises from the existing location of McCoy's Creek and the Acosta Bridge ramp, which creates a defined space within which to develop and limits the location of access corridors under the ramp, thereby constricting how the development can be placed.

Policy Impact Area: Economic development; park development

Fiscal Impact: The bill approves 3 REV grants totaling a maximum of \$28,419,169 payable from the revenues of the Northbank Downtown tax increment district and provides for a restaurant completion forgivable loan of \$750,000 payable from the Northbank Downtown tax increment district. The cost of the property purchases in the amount of \$7,760,000, the relocation of McCoy's Creek and the extension of May Street to the park site are all included and funded in the CIP as part of the overall McCoy's Creek restoration project.

Analyst: Clements