



COMMUNITY REDEVELOPMENT AGENCY ANNUAL REPORT 2018-2019





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Downtown Investment Authority of the City of Jacksonville
Community Redevelopment Agency
Annual Report: Fiscal Year 2018-2019

Required Report and Records

Pursuant to Chapter 163 of the Florida Statutes, each Community Redevelopment Agency (CRA) of the City of Jacksonville must file with the governing body on or before March 31st of each year, a report of its activity for the preceding fiscal year and the report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such fiscal year. Once completed, the FY 2019 CRA Annual Report is filed with the City Council and available for review in the office of the Downtown Investment Authority. In addition, the report is available for review on the DIA website at (www.dia.coj.net/about).

CRA Process

The City of Jacksonville follows the process of creating Community Redevelopment Areas (CRA) pursuant to Florida Statute 163, Part III. The process for creating a CRA is well defined. It must detail the deficiencies in the area meeting the statutory definition of blight, provide a Community Redevelopment Plan for eliminating the blight and establish a Tax Increment Financing District (TIF) as an ongoing revenue source supporting the projects described in the Plan. Tax increment financing is a unique tool available to cities and counties for redevelopment activities. It is used to leverage public funds to promote private sector activity in the targeted area. A broad overview of the process is outlined below:

1. **Finding of Necessity** – Blight is measured by meeting at least two of 14 criteria as stated in the statute and supported with government statistics.
2. **Community Redevelopment Plan** – A master plan must be developed as the blueprint for solving the boundary area deficiencies. The CRA Plan will provide the guidelines for land acquisition, investment, development, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the CRA; zoning and planning changes, if any; land uses; maximum densities; building requirements, elementary schools in the area, housing, newly created office and retail, improved traffic, public transportation, public utilities, recreational and community facilities.

Examples of traditional projects include streetscapes and roadway improvements, building renovations, new building construction, flood control initiatives, water and sewer improvements, parking lots and garages, neighborhood parks, sidewalks and street tree plantings. The plan can also include redevelopment incentives such as grants and loans for such things as façade improvements, sprinkler system upgrades, signs, and structural improvements. The redevelopment plan is a living document that can be updated to meet the changing needs within the Community Redevelopment Area;

however, the boundaries of the area cannot be changed without starting the process from the beginning.

- 3. Tax Increment Financing District (TIF)** -- A CRA is a dependent special district in which any tax revenues resulting from future increases in property values are set aside to support economic development projects within that district. These incremental tax revenues are commonly used to focus on economic development within a particular community that is in decline and funding sources for revitalization are challenged. This is accomplished by establishing a Tax Increment Financing (TIF) district. If the type of improvement is listed in the Community Redevelopment Plan, TIF dollars can be used as a revenue source for such a project providing the project meets community criteria.

Background

Pursuant to the provisions of Chapter 163, Part III, Florida Statutes, on June 28, 2012, the City Council declared the Downtown Investment Authority (the "DIA") as the Community Redevelopment Agency (CRA) for the Combined Northbank, and the Southside CRAs, when it approved Ordinance 2012-364-E. The Ordinance codified the determination that the DIA would be the redevelopment agency to implement the revitalization of the Community Redevelopment Area Plans for two active CRAs located in Downtown Jacksonville.

This action transfers the rights, powers, duties, privileges and immunities invested in the DIA acting as the CRA. The DIA has direct oversight of redevelopment activities in both redevelopment areas. The DIA is governed by a Nine (9) Member Governing Board, whose members are selected, for four-year terms, in combination by the Mayor's office — which selects five (5) DIA Board Members and the City Council — which selects four (4) DIA Board Members.

Further, on February 20, 2015, via Ordinance 2014-560-E, the City Council, as Governing Body for the DIA CRAs, approved updated and amended Community Redevelopment Plans for both the Northbank and Southside CRAs.

The Plans outline the following Seven (7) Goals for both CRAs:

Goal 1: Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment.

Goal 2: Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.

Goal 3: Simplify the approval process for downtown development and improve departmental and agency coordination.

Goal 4: Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.

Goal 5: Establish a waterfront design framework to ensure a unique experience and sense of place.

Goal 6: Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors.

Goal 7: Use planning and economic development policies to promote design for healthy living.

Community Redevelopment Plan Implementation

The CRA Plans for the two (2) Downtown CRAs, the Northbank and Southside respectively, are encompassed in a larger Business and Investment Development Strategy Plan (the ‘BID Plan’). Sections 6 and 7 of the BID Plan identify the projects and initiatives for the Northbank and Southside, and identify the key attributes of Downtown’s physical character and demographics including population, income, current and planned land use, housing, parks and open space system, community facilities, proposed development projects, an overview of Downtown’s neighborhoods and districts, and historically significant structures.

The Northbank CRA Plan (Section 6 of the BID Plan)

Projects/Initiatives

The following projects/initiatives do not represent all of the efforts that the DIA and the City will undertake throughout the life of the CRA Plan. They do, however, represent initial priorities identified through the comprehensive public and stakeholder outreach that went into creating the CRA Plan.

- Retail Enhancement Grant Program
- Urban Art Façade and Streetscape Program
- Hemming Plaza Management
- Hogan Street Plaza
- Improved Wayfarer Signage
- Liberty Street Improvements
- Bay Street Improvements
- Pearl Street Improvements
- Reinforce Branding of E Town Zone as “The Elbow”
- Reintroduce Two-Way Street System
- National Historic District Designation
- Artists Live/Work Implementation Strategy
- Housing Incentive Program
- St. Johns River & Tributary Access
- Park Once
- Northbank East-West Circulator
- Improve Links from Emerald Necklace to the St. Johns River
- “Riverwalk Project” Informational & Wayfinding App
- Landmark Public Park on the St. Johns River
- LaVilla Catalyst Site
- Former Duval County Courthouse Catalyst Site
- Snyder Memorial Church Catalyst Site
- Hemming Plaza Improvements

The Southside CRA Plan (Section 7 of the BID Plan)

Projects/Initiatives

The following projects/initiatives do not represent all of the efforts that DIA and the City will undertake throughout the life of the CRA Plan. They do, however, represent initial priorities identified through the comprehensive public and stakeholder outreach that went into creating the CRA Plan.

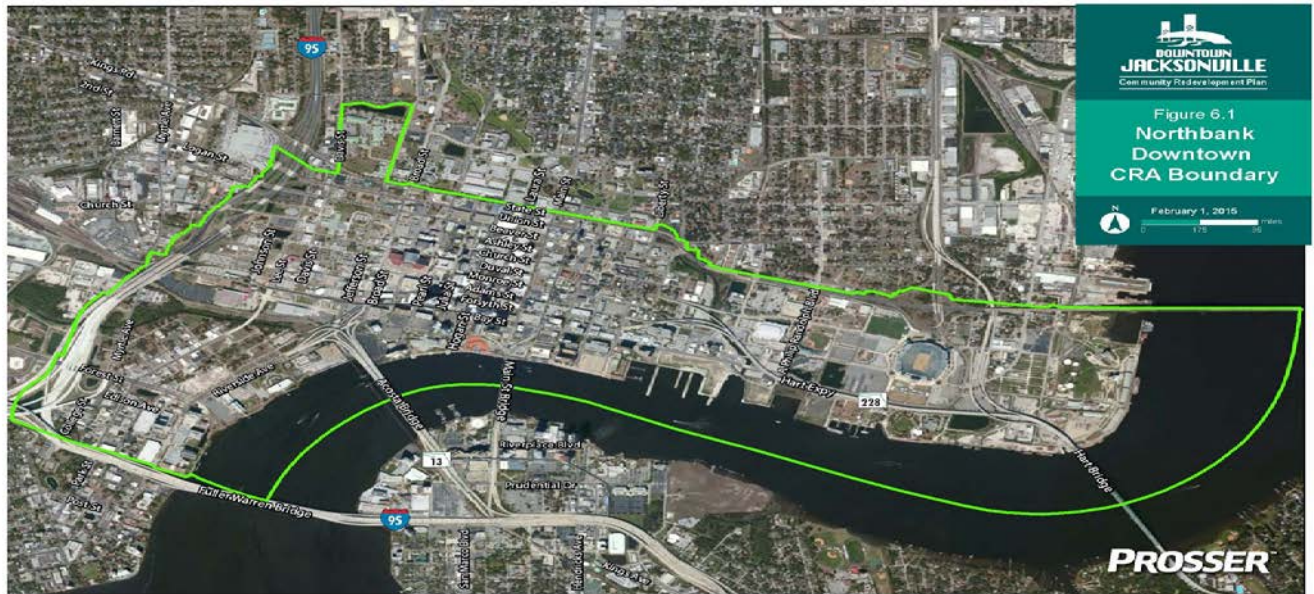
- Riverplace Boulevard Road Diet
- St. Johns River & Tributary Access
- Redesign Friendship Park
- Housing Incentive Programs
- Landmark Public Park on the St. Johns River
- Southbank Catalyst Site
- National Historic District Designation

DIA Governing Board

Name	Appointed By	Appointment Criteria	Term Expiration	
CRAIG GIBBS	MAYOR	Southbank Business Interest	6/30/2020	
TODD FROATS	MAYOR	Banking/Finance Industry Representative	6/30/2022	
MARC PADGETT	MAYOR	Business Management Experience	6/30/2018	*
CAROL WORSHAM	COUNCIL	Urban Planner	6/30/2022	
W. BRAXTON GILLAM	MAYOR	Downtown Resident	6/30/2019	*
JIM BAILEY	COUNCIL	Northbank Business Owner	6/30/2019	*
OLIVER BARAKAT	COUNCIL	Commercial Real Estate Experience	6/30/2023	
RON MOODY	COUNCIL	Southbank CRA Representative	6/30/2020	
DANE GREY	MAYOR	Northbank Business Interest	6/30/2020	

*** Board Members with expired terms holdover until a replacement has been confirmed by the City Council.**

Northbank CRA



Northbank CRA at a Glance

	Northwest TID	Downtown East TID
CRA Base Year(s)	1981	1984
Base Year Taxable Assessment	\$ 214,636,423	\$ 201,743,546
Current Taxable Assessment	\$ 693,526,315	\$ 463,919,923
Incremental Increase	\$ 478,889,892	\$ 262,176,637
Fiscal 2018/2019 TIF Revenue <i>(Pending financial review and audit)</i>	\$ 5,205,440	\$ 2,849,806

Northbank CRA Project Highlights for 2018-2019

FIS Headquarters (New Project)

The DIA Board approved and forwarded to City Council an incentive package to induce the construction of a new corporate headquarters for FIS in the Brooklyn area of the Northbank CRA. This project will result in the retention of 1216 jobs, the creation of 500 new jobs and a capital investment of approximately \$145,000,000 for the construction of the new office building and associated facilities. The incentive package includes a REV (Recaptured Enhanced Value) grant with a maximum value of \$23,400,000. The project is scheduled to commence construction in the spring of 2020.

FIS is a major local employer looking to expand its business operations. It provides services in a High Impact Sector and is a Qualified Target Industry providing services to customers worldwide. The new Jacksonville office building will serve as its corporate headquarters. FIS is proposing to retain 1216 existing jobs and create up to 500 new jobs, at an average wage of \$85,000 by 2029. The jobs will be created in accordance with a schedule committing to add 50 jobs per year for 10 years. FIS will also invest \$145 million in construction of a new 300,000 square foot office building and associated parking structure in the Downtown Northbank Combined CRA.

FIS has stated that the State of Florida and City of Jacksonville incentives were a material factor in its decision to remain in Jacksonville and expand its operations here, as opposed to another location.

Description of the City of Jacksonville Incentives:

- 1) The company is seeking public investment through the Qualified Target Industry (QTI) Tax Refund program. The Company qualifies for the High Impact Sector bonus. The QTI incentive proposed is \$6000 per job for 500 jobs. The city portion is 20% of the award, or \$1200 per job up to \$600,000 in total. The QTI award will be payable after the average wage and jobs created are verified by the Florida Department of Economic Opportunity over the proposed 10 year payout commencing in 2020. The company has committed to an average wage of \$85,000, in excess of the 115% of the average state wage requirement.
- 2) A City Recaptured Enhanced Value (REV) Grant will be provided. The REV grant will be equal to 75% of the increase in ad valorem taxes paid by the Company over the 20 years following completion of the improvements, but not later than 2043. The maximum REV Grant payout will be \$23.4 million. over 20 years. If the improvement value is less than \$145 million, the REV Grant is reduced proportionately and if less than \$130 million the REV Grant is forfeited.
- 3) A \$3.5 million City Closing Grant, consistent with the adopted Public Investment Policy, payable upon completion of the Improvements with a minimum value of \$130 million.

Description of State of Florida Incentives that are components of City Incentives:

- 1) The state portion of the QTI program is 80 percent of the award, or \$4800 per qualified job up to \$2,400,000 in total. The QTI award will be payable after the average wage and jobs created are verified by the Florida Department of Economic Opportunity each year over the proposed ten year payout beginning in 2020.

Guidewell/Blue Cross Blue Shield Parking Garage (New Project)

Also in Brooklyn, the DIA Board approved a Notice of Disposition for redevelopment of an underutilized retention pond site at the intersection of Forest and Park Streets. The disposition was awarded to Florida Blue for construction of a minimum 750 space parking garage thereon. The DIA agreed to provide the land, and a \$3,500,000 closing grant upon completion of the facility which will have a minimum construction value of \$21 million.

The Downtown Investment Authority forwarded to City Council legislation that would authorize DIA to execute a Redevelopment Agreement and Restrictive Covenant with Blue Cross Blue Shield of Florida. The DIA issued a formal notice of disposition for a City owned parcel located at the corner of Park and Forest streets and Guidewell, the parent entity of Blue Cross Blue Shield of Florida, was the sole respondent. The agreement contemplates transfer of the property upon completion of planned site work at no cost to Florida Blue and an obligation of Florida Blue to complete construction a parking garage with a minimum of 750 spaces on the site on or before March 31, 2021. Upon completion of the garage and execution of the Restrictive Covenant, the DIA would provide a \$3.5 million parking grant to Florida Blue. Pursuant to the Restrictive Covenant, the City would be insured public access to the entire garage after 6 p.m. on weekdays and for 24 hours on Saturday and Sunday.

This proposal provides multiple benefits to the City.

- 1) Returns currently exempt property valued at \$3.17 million to the tax rolls with an additional \$21 million of proposed capital improvements to the site. The agreement requires that the property remain on the tax rolls and is not transferred to an exempt entity.
- 2) Eliminates current annual City maintenance costs for the site estimated by Public Works to be \$12,000 per year.
- 3) Provides needed public parking for retail and restaurant users in the vicinity at a greatly reduced cost to the City. Current structured parking cost estimates are approximately \$25-30,000 per space. The Florida Blue construction estimate of \$21,000,000 would equate to \$28,000 per space not including land value. The City will be guaranteed the use of 750 spaces nights and weekends for a total cost to the City of \$6,670,000, approximately one third of the cost to construct for well in excess of one third of the operating hours.
- 4) Removes undesirable surface parking from the waterfront. The current surface lot on the waterfront will be vacated upon completion of the garage and all parking relocated to the garage. The Downtown Design regulations adopted by City ordinance do not allow construction of new surface parking lots on the waterfront and encourage removal and relocation of those existing ones grandfathered in under earlier guidelines.
- 5) Construction of the garage also allows Guidewell to move additional staff into their Riverside office building.

City Incentives:

Transfer of City owned property appraised at 3.17 million to Florida Blue at no cost.

DIA Parking Grant in the amount of \$3.5 million to be paid upon completion of the garage and execution of the Restrictive Covenant that guarantees public access to the entire garage in the designated hours.

La Villa Redevelopment (New Project)

The DIA received the completed LaVilla Neighborhood Development Strategy in June of 2019. This document is the result of an RFP issued by the DIA and includes extensive public and stakeholder input. A copy of the LaVilla Neighborhood Development Strategy is available for review in the office of the DIA.

Townhomes at LaVilla (New Project)

In May of 2019, the DIA received an unsolicited offer for a three block City-owned tract in LaVilla which included a proposal to construct a townhome residential product on the parcels. Following a 30 day notice of disposition process authorized by the Board, several competing offers were received. As a result, the Board issued a formal Notice of Disposition with evaluation criteria and guidance for development proposals consistent with the recently completed Neighborhood Development Strategy.

Following review of responses and scoring, the DIA Board awarded the disposition to Vestcor Companies for development of an 88 unit townhome project on the site. Vestcor committed to provide \$100,000 to the development of Lift Every Voice and Sing Park as well as \$100,000 to the development of the adjacent Emerald trail segment. A 20' easement is to be provided for the trail along the frontage of Lee Street where development parcels abut right-of-way (ROW). Developer committed to pave a 14 foot wide trail along Lee Street frontage of the park and the development site. In addition to the purchase price for the Land of \$100, the DIA will also receive 75% of the Sales Price on each unit sold in excess of \$250,000.

The minimum number of units to be constructed will be 88; all units to be offered as individual for sale product. The average for sale price will be \$250,000 per unit at time of initial offering. All units will be developed in a single phase. There will be a \$500/day penalty if construction does not commence within 4 months of final DDRB approval.

All current ROW's will remain open; Johnson Street to be improved by Developer; New public ROW dedicated and street to be constructed by Developer between Lift Ev'ry Voice and Sing Park parcel and development parcel, inclusive of on-street parking. No portion of street ROW (including parking) may encroach into existing park and the paved street shall be located as close to development side of ROW as possible while accommodating required sidewalk. Sidewalks and street trees will be provided where development parcels abut all ROW frontages.

The developer committed to close late 2019/early 2020 and be under construction by summer 2020.

Ryan Companies/JEA Headquarters Disposition (New Project)

Pursuant to a public bid process, JEA selected a proposal submitted by the Ryan Companies for the construction and leaseback of its new corporate headquarters. Ryan Companies submitted an unsolicited proposal to the DIA for acquisition of a City owned block for a purchase price in excess of appraised value. DIA opened a 30 day Notice of Disposition process and ultimately the DIA Board adopted Resolution 2019-05-03 authorizing the sale of the property to Ryan Companies for \$2,600,000. The sale is expected to close in early 2020.

The parcel is located in the Central Civic Core and the additional office development in this location furthers the goals of the CRA.

Former Courthouse/City Hall Annex Sites (New Project)

In December 2018, the DIA Board rejected all bids and terminated ISP-0447-17- a disposition seeking bids for a convention center development on the site. Subsequently, In March 2019, the Board rejected an unsolicited mixed use proposal that had been received for the site and elected to engage the services of a real estate professional to assist in preparation of a Notice of Disposition for a Mixed Use development on the site. In August, the Board approved a contract with CBRE for such assistance and in September 2019, the DIA Board approved a notice of Disposition including scope, scoring allocation, evaluation criteria, timetable and marketing materials for disposition of the parcels for redevelopment for mixed use.

Updated Downtown Zoning Overlay and rezoning to Commercial Central Business District (CCBD)
(New Project)

A major initiative identified in the CRA plan was accomplished in 2019 when Downtown zoning was simplified by rezoning virtually all property to Commercial Central Business District (CCBD) and adopting a completely revised Downtown Zoning Overlay. The DIA staff had worked on these efforts for over a year and the DIA Board recommended approval of ordinances 2019-0195 and 2019-0196 in April of 2019. The rezoning eliminated a patchwork of zoning classifications with associated height and use restrictions. The updated overlay provides clarity as to form and design requirements, eliminates all parking requirements within Downtown, and protects the public interest in water access and view corridors.

DRI Abandonment (New Project)

As a further step in the effort to simplify the development process Downtown, the DIA Board authorized an RFP to guide the DIA through the process of abandonment of the Downtown DRI while preserving the benefits of prior approvals. That effort is ongoing and will continue in the coming year.

Adoption of Unsolicited Proposal Policy and Disposition Policy (New Project)

Another action designed to simplify processes Downtown and create greater transparency for the DIA was the consideration and adoption by the DIA Board of formal policies that outline how unsolicited proposals and property dispositions will be handled.

Lofts of Jefferson Station (Project Update)

The DIA approved a zero percent interest loan in the amount of \$400,000 for this project in 2017. During FY 2018-19, the 133 unit multi-family development was under construction. The project is a mix of Low Income Housing Tax Credit program (“LIHTC”) apartments and workforce apartments.

Lofts of LaVilla on Monroe (Project Update)

The DIA approved a zero percent interest loan in the amount of \$303,750 for this project in 2016. During FY 2018-19, the 108 unit multi-family development was under completed. The project is a Low Income Housing Tax Credit program (“LIHTC”) apartments and workforce apartments.

Brewster Hospital Lease and Property Improvements (Project Update)

In 2018, the DIA and the North Florida Land Trust (“NFLT”) negotiated a lease and redevelopment agreement for the lease of the former Brewster Hospital building by NFLT. The North Florida Land Trust is a not-for-profit organization whose mission includes both the preservation of natural areas and historic preservation. In FY 2018-19, renovations of the Brewster Hospital were completed and the NFLT took occupancy of the building. Brewster Hospital is a designated historic landmark and was Jacksonville’s first hospital for African Americans. In addition to serving as a hospital, the facility also provided training for nurses.

Barnett National Bank Building (Project Update)

In 2017, the DIA Board approved an incentive package with the development team of Molasky Group of Companies and SouthEast Group for the rehabilitation of one of Downtown Jacksonville’s most prominent skyscrapers. Constructed in 1926, the building had fallen into disrepair by the 1990s. Prior to DIA, there were several unsuccessful efforts to preserve and renovate the building. Renovations were completed in FY 2018-19, and today the historic building houses apartments, the University of North Florida’s Center for Entrepreneurship and Innovation, offices and a soon-to-open bank

Residence Inn (Project Update)

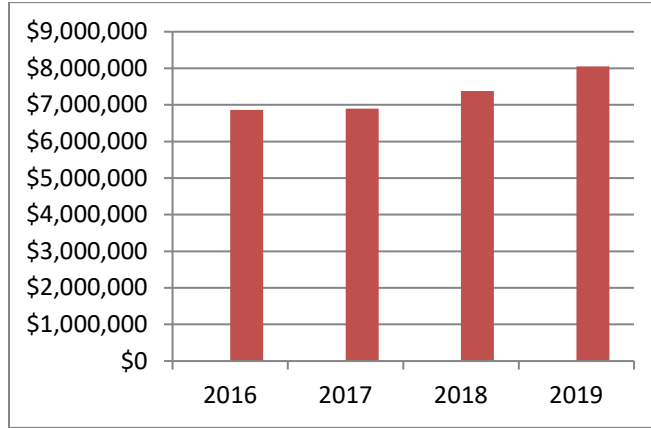
In 2018, the Residence Inn hotel project was approved by the Downtown Development Review Board, the development review arm of the DIA. The project dates back to 2014, at which time the DIA approved a REV Grant. The 180 bed hotel began construction in FY 2018-19 and is scheduled for completion in FY 19-20.

200 Riverside (Project Update)

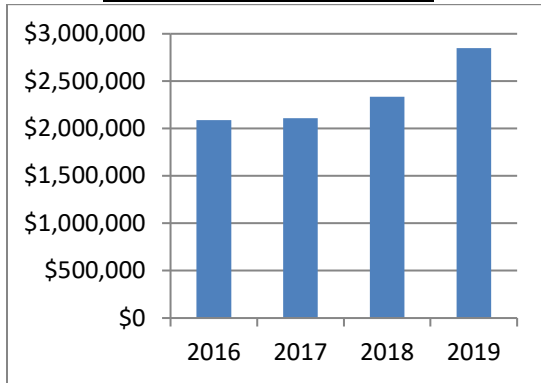
In 2016, the DIA approved an incentive package consisting of a 20-year REV Grant that commits 62.5% of the incremental ad valorem taxes each year back to the developer. The mixed-use development consists of approximately 300 multi-family units and 12,000 square feet of retail. During FY 2018-19, the project was under construction with completion anticipated within FY 2019-20.

Northbank CRA Tax Increment Revenues

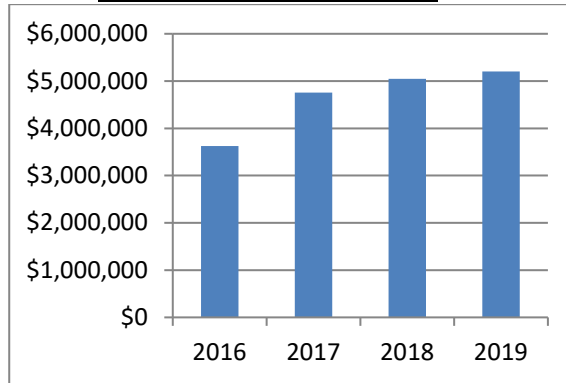
COMBINED INCREMENT AD VALOREM REVENUE



DOWNTOWN EAST T.I.D.



DOWNTOWN WEST T.I.D.



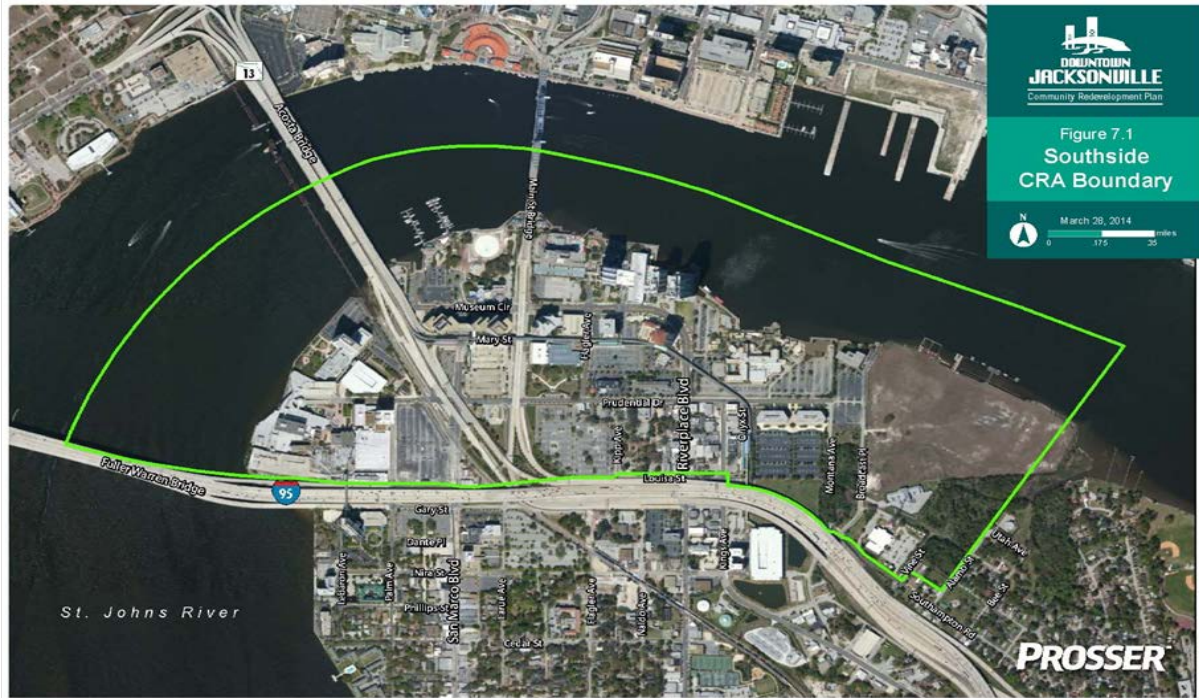
Northbank CRA Increment Revenues by TID (FY2016-19)

<u>Year</u>	<u>Revenue (Total)</u>	<u>Downtown East</u>	<u>Northwest</u>
2016	\$6,860,387	\$2,088,740	\$3,623,622
2017	\$6,894,084	\$2,107,679	\$4,752,708
2018	\$7,383,266	\$2,336,145	\$5,047,121
2019	\$8,055,246	\$2,849,806	\$5,205,440

Northbank CRA – Downtown East AND West Combined TID Budgets

NORTH BANK COMBINED TAX INCREMENT BUDGETS (FORMERLY SUBFUNDS 181 AND 183)		FY19 Adopted	FY 19 Amended	Difference
Revenue				
Downtown East (Formerly Subfund 181)				
Ad Valorem Taxes		\$2,863,008	\$2,849,806	-\$13,202
Debt Repayment (Lynch / 11E)		\$595,247	\$595,247	\$0
Debt Repayment(Carling Loan)		\$506,487	\$506,487	\$0
Total Revenue:		\$3,964,742	\$3,951,540	-\$13,202
Downtown West (Formerly Subfund 183)				
Ad Valorem Taxes		\$5,210,436	\$5,205,440	
Total Revenue:		\$5,210,436	\$5,205,440	-\$4,996
Total Combined Revenues:		\$9,175,178	\$9,156,980	-\$18,198
Expenditures				
Administrative Expenditures				
Downtown East (Formerly Subfund 181)				
Annual Audit		\$2,500	\$2,500	\$0
Downtown West (Formerly Subfund 183)				
Annual Audit		\$2,500	\$2,500	\$0
Total Administrative Expenses:		\$5,000	\$5,000	\$0
Financial Obligations				
Downtown East (Formerly Subfund 181)				
MPS Arena & Sports Complex Garages Subsidy (East TID)		\$2,000,000	\$2,000,000	\$0
Community Revitalization Program - GS&P		\$5,000	\$0	\$5,000
Kraft Food / Maxwell House		\$95,000	\$0	\$95,000
Carling Bond Repayment 2006C ETR		\$2,174,385	\$2,174,385	\$0
CDBG Loan Repayment - MOCA		\$75,000	\$75,000	\$0
Loan Repayment to General Fund - GSD		\$200,095	\$200,095	\$0
Lynch Building Loan Repayment (Self Insurance Fund)		\$800,000	\$800,000	\$0
Downtown West (Formerly Subfund 183)				
Hallmark / 220 Riverside		\$360,000	\$341,820	\$18,180
Pope & Land / Brooklyn		\$325,000	\$368,949	-\$43,949
MPS Arena & Sports Complex Garages Subsidy (East TID)		\$2,200,000	\$2,200,000	\$0
Parking Lease - JTA / Fidelity		\$13,494	\$13,494	\$0
Total Financial Obligations:		\$8,247,974	\$8,173,743	-\$74,231
Plan Authorized Expenditure				
Plan Professional Services		\$0	\$0	\$0
Retail Enhancement Program				
Downtown East (Formerly Subfund 181)		\$340,330	\$367,785	\$27,455
Downtown West (Formerly Subfund 183)		\$581,874	\$581,874	\$0
Retail Enhancement Program Total:		\$922,204	\$949,659	\$27,455
Northside Banner Program		\$0	\$28,575	\$28,575
Unallocated Funds		\$0	\$3	\$3
Total Plan Authorized Expenditures:		\$922,204	\$978,237	\$56,033
Plan Capital Projects				
		\$0	\$0	0
Total Expenditures		\$9,175,178	\$9,156,980	-\$18,198

Southside CRA



Southside CRA at a Glance

CRA Base Year	1980
Base Year Taxable Assessment	\$ 89,127,781
Current Taxable Assessment	\$ 481,131,742
Incremental Increase	\$ 392,003,961
Fiscal 2018/2019 TIF Revenue <i>(Pending financial review and audit)</i>	\$ 4,261,007

Southside CRA Project Highlights for 2018-2019

Baptist Medical Center (New Project)

Baptist Medical Center continues its expansion within the Southbank CRA. In March of 2019, Baptist obtained an allocation of Development Rights from the DIA for construction of an additional 260,000 square foot medical office tower. This development follows the recent completion of the Baptist/MD Anderson Center which opened in September 2018 along with two new structured parking facilities that were completed within the year.

Riverplace Boulevard (New Project)

Riverplace Boulevard was a four-lane roadway on the Southbank of Downtown that functioned as a thoroughfare for daily commuters. The DIA and the City over the past two decades incentivized several mixed-use developments along Riverplace Boulevard, and after four years of public outreach, design charrettes, engineering and construction, this former thoroughfare is now a multi-modal facility that prioritizes bicyclists and pedestrians. This "road diet" includes a cycle track, wide multi-use paths, on street parking and artfully designed street furnishings, setting the stage for continued mixed-use and ground floor activated development.

Simplifying Approvals (New Project)

The updated zoning overlay, rezoning of Downtown to CCBD, initiation of the process to abandon the DRI and the adoption of disposition and unsolicited proposal policies referenced under the Northbank CRA above apply to the Southbank CRA as well.

Southbank Ventures Apartments Project (Project Update)

Approved in 2017, the Ventures project received multiple extensions during the year as the parties attempted to resolve a pending lawsuit (regarding the development proposal) brought by neighboring landowners. The REV Grant was revised by Ordinance 2018-0658 to provide 75% of the incremental ad valorem taxes generated by the project (City /County portion only), for a period of 20 years from the date the Certificate of Occupancy is issued. The revised REV Grant will be capped at a maximum cumulative payment amount of \$7,810,000. The proposed capital expenditure is now \$37,000,000. Ventures now proposes to build up to 185 units of market rate multi-family rental residential units at 0 Prudential Dr., a site more commonly known as the Hines Property.

Home Street Apartments (Project Update)

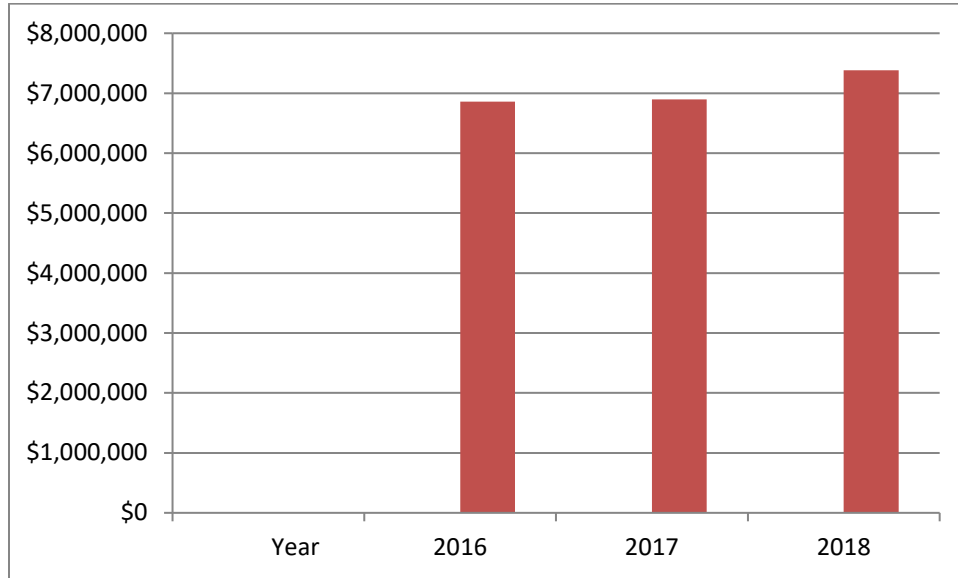
In 2017, the DIA approved a REV grant for the development of a 143 multi-family apartment building. In exchange for reserving a portion of the units as workforce housing, the developer received a REV Grant up to 75% of the incremental increase in the county portion of ad valorem taxes. During FY 2018-19, the project was under construction.

Broadstone Riverhouse (Project Update)

In 2016, the Downtown Development Review Board, the development review arm of the DIA, approved development plans for a 263 unit riverfront multi-family development. Completed in FY 2018-19, Broadstone Riverhouse includes both new public space and additional public access points to and from the City's Southbank Riverwalk.

Southside CRA Tax Increment Revenues

REVENUE



Southside CRA Tax Increment Revenues (FY2016-19)

<u>Year</u>	<u>Revenue</u>
2016	\$3,456,811.00
2017	\$3,628,092.00
2018	\$4,078,987.00
2019	\$4,261,007.00

Southside CRA – TID Budget

SOUTHSIDE COMBINED TAX INCREMENT BUDGET		FY19 Adopted	FY 19 Amended	Difference
Revenue				
	Ad Valorem Taxes	\$4,256,079	\$4,261,007	\$4,928
	Total Revenue:	\$4,256,079	\$4,261,007	\$4,928
Expenditures				
Administrative Expenditures				
	Supervision Allocation	\$423,108	\$423,108	\$0
	Annual Audit	\$2,500	\$2,500	\$0
	Total Administrative Expenses:	\$425,608	\$425,608	\$0
Financial Obligations				
	Peninsula REV Grant	\$625,000	\$657,243	-\$32,243
	Strand REV Grant	\$425,000	\$406,755	\$18,245
	Sungaurd REV Grant	\$8,000	\$10,624	-\$2,624
	(Sungaurd REV all year's carryforwad)			\$10,300
	One Call CRP	\$100,000	\$100,000	
	Interest (Strand Bonds)	\$178,004	\$178,004	
	Total Financial Obligations:	\$1,336,004	\$1,362,926	
Plan Authorized Expenditure				
	Plan Professional Services	\$0	\$0	\$0
	SB Riverfront Wayfaring Signage	\$100,000	\$100,000	\$0
	Waterfront Activation	\$216,467	\$216,467	\$0
	JEA SSGS Public Infrastructure	\$1,750,000	\$1,750,000	
	Southside Retail Enhancement Program	\$178,000	\$166,462	\$11,538
	Total Plan Authorize Expenditure:	\$2,244,467	\$2,232,929	
Plan Capital Projects				
	TIF Capital Fund - Southbank Parking	\$250,000	\$250,000	
	TIF Capital Fund - Riverplace Boulevard	\$0	\$0	
	Total Expenditures	\$4,256,079	\$4,261,007	

Exhibit A

City of Jacksonville Audited Financial Statements for Fiscal Year Ended September 30, 2019

Pursuant to Chapter 163 of the Florida Statutes, this annual report must be accompanied by the most recent complete audit report of the Redevelopment Trust Fund. As of March 31, 2020, the Audited Financial Statements for fiscal year ended September 30, 2019 were not yet completed by the City's outside auditor. As a result, the following pages are the Audited Financial Statements for fiscal year ended September 30, 2018.

When the Audited Financial Statements for fiscal year ended September 30, 2019 are completed, they will be available for review on the DIA website at (www.dia.coj.net/about).

Reading these reports online will require Adobe Acrobat Reader. If you do not have Adobe Acrobat Reader, you may download the necessary software from www.adobe.com . Please note, these may be large files and take several minutes to download.

**City of Jacksonville, Florida
Community Redevelopment Agency
Fund**

Audited Financial Statements

For the Fiscal Year Ended September 30, 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com



**City of Jacksonville, Florida
Community Redevelopment Agency Fund**

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September 30, 2018**

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

We have audited the accompanying financial statements of the sub-funds within the Tax Increment District Fund, also known as the Community Redevelopment Agency Fund (the "CRA's"), a blended component unit of the City of Jacksonville, Florida (the "City"), which comprise the balance sheet as of September 30, 2018, and the related statement of revenues, expenditures and changes in fund balances for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each of the City's CRA's as of September 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements were prepared to facilitate the independent audit requirements contained in Section 163.387(8), Florida Statutes, and are not intended to be a complete presentation of the City's financial activity. Our opinions are not modified with respect to that matter.

Caru, Riggs & Ingram, L.L.C.

Jacksonville, Florida

May 15, 2019

**City of Jacksonville Florida
Community Redevelopment Agency Fund**

**Balance Sheet
September 30, 2018**

	Northbank Downtown CRA		Southside CRA	JIA CRA	KingSoutel Crossing CRA	Renew Arlington CRA	Total
	Northside East CRA	Northside West CRA					
Assets							
Equity in pooled cash and cash equivalents	\$ 2,885,225	\$ 1,266,607	\$ 4,956,554	\$ 1,010,782	\$ 25,503	\$ 76,851	\$ 10,221,522
Liabilities and fund balances							
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 53,014	\$ 200,139	\$ 139	\$ 19,508	\$ 272,800
Fund balances							
Restricted	2,885,225	1,266,607	4,903,540	810,643	25,364	57,343	9,948,722
Total liabilities and fund balances	\$ 2,885,225	\$ 1,266,607	\$ 4,956,554	\$ 1,010,782	\$ 25,503	\$ 76,851	\$ 10,221,522

The accompanying notes are an integral part of this financial statement.

City of Jacksonville Florida
Community Redevelopment Agency Fund

Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended September 30, 2018

	Northbank Downtown CRA		Southside CRA	JIA CRA	KingSoutel	Renew	Total
	Northside East CRA	Northside West CRA			Crossing CRA	Arlington CRA	
Revenues							
Property taxes	\$ 2,336,145	\$ 5,047,121	\$ 4,078,987	\$ 9,841,964	\$ 612,758	554,676	\$ 22,471,651
Interest income	273,932	-	-	-	625	-	274,557
Miscellaneous sales & charges	395,189	-	-	-	-	-	395,189
Payment in lieu of taxes	314,942	-	-	-	-	-	314,942
Total revenues	3,320,208	5,047,121	4,078,987	9,841,964	613,383	554,676	23,456,339
Expenditures							
Misc. non-departmental expenditures	2,380,772	3,470,104	1,280,072	968,607	-	5,074	8,104,629
Other expenditures	-	-	225,251	69,933	137,069	174,830	607,083
Incentives and forgivable loans	325,000	-	77,844	-	-	-	402,844
Subsidies & contributions to other govt	-	-	-	4,500,000	-	-	4,500,000
Total expenditures	2,705,772	3,470,104	1,583,167	5,538,540	137,069	179,904	13,614,556
Excess of revenues over (under) expenditures	614,436	1,577,017	2,495,820	4,303,424	476,314	374,772	9,841,783
Other financing sources (uses)							
Transfers in	2,435,533	-	-	-	-	-	2,435,533
Transfers out	-	(2,435,533)	-	-	-	-	(2,435,533)
Transfers from (to) the City of Jacksonville	(3,129,810)	(2,500)	(912,927)	(4,729,216)	(549,615)	(441,190)	(9,765,258)
Total other financing sources (uses)	(694,277)	(2,438,033)	(912,927)	(4,729,216)	(549,615)	(441,190)	(9,765,258)
Net change in fund balances	(79,841)	(861,016)	1,582,893	(425,792)	(73,301)	(66,418)	76,525
Fund balances, October 1	2,965,066	2,127,623	3,320,647	1,236,435	98,665	123,761	9,872,197
Fund balances, September 30	\$ 2,885,225	\$ 1,266,607	\$ 4,903,540	\$ 810,643	\$ 25,364	\$ 57,343	\$ 9,948,722

The accompanying notes are an integral part of this financial statement.



City of Jacksonville, Florida
Community Redevelopment Agency Fund

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The legally separate entities, JIA, KingSoutel Crossing, Renew Arlington, Southside, and Northbank Downtown (formally Northside East and Northside West) (the “CRAs”) were created by ordinance of the City to carry out community redevelopment within the City of Jacksonville under Chapter 163, Part 3, of the Florida Statutes. The City Council sits as the Agency Board of the JIA, KingSoutel Crossing, and Renew Arlington Community Redevelopment Agencies and approves the budgets. The Downtown Investment Authority Board sits as the board of the Southside and Northbank Downtown Community Redevelopment Agencies and approves the budgets. The CRAs’ approved budgets are then submitted to the City of Jacksonville City Council so that they may be included in the City’s annual budget for adoption. The CRAs are reported as a blended component unit of the City because the City Council has operational responsibility for the CRAs and because of the existence of a financial benefit/burden relationship. All six (6) CRAs are combined into the Tax Increment District Fund for financial reporting in the City’s comprehensive annual financial report.

Basis of Presentation

The CRAs’ Tax Increment District project funds are reported as separate major governmental funds. The financial statements have been prepared to facilitate the requirement for an independent audit of the City’s CRA sub-funds and, accordingly, result in an incomplete presentation of the City’s financial activity that is otherwise in conformity with generally accepted accounting principles. The accompanying financial statements include only these funds and do not purport to, and do not, constitute a complete presentation of the City’s financial activity.

Measurement Focus/Basis of Accounting

The CRA sub-funds are accounted for on a current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Major revenues that are determined to be susceptible to accrual include property taxes, payments in lieu of taxes and investment income. Generally, the CRA sub-funds use a 60-day availability period for revenue recognition.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Subsidies & contributions to other governments

These expenditures are related to an agreement between the City and Florida Department of Transportation to provide for the partial funding of the I-95/Airport Road interchange.



City of Jacksonville, Florida
Community Redevelopment Agency Fund

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents are reported in the financial statements as “*equity in pooled cash and cash equivalents*.” All monies of the City, which are not legally restricted to separate administration, are pooled together for investment purposes while each individual fund and/or account is maintained on a daily transaction basis by the City Treasurer.

Fund Balance

The CRA sub-funds follow the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the CRA sub-funds are bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balances of the City’s CRA sub-funds are classified as *restricted* pursuant to the provisions of GASB Statement No. 54. Fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

The City’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

NOTE 2 – CASH ON DEPOSIT

The City maintains a cash pool that is available for use by funds that include the CRA funds. The “*equity in pooled cash and cash equivalents*” on the balance sheet, consists of cash owned by each CRA and is defined as resources that can be liquidated without delay or penalty. Investment earnings are allocated to the individual funds monthly based on the sub-funds’ weighted average daily cash and investment balance.

Monies on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as public deposits. All of the deposits of the City’s CRA sub-funds are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*, and covered by federal depository insurance. For amounts in excess of federal depository insurance, the Act provides that all qualified public depositories are fully insured. The qualified public depository must pledge 50% of the average daily balance for each month of all public deposits in excess of any applicable depository insurance. Additional collateral, up to a maximum of 125% of the average daily balance may be required if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State Treasurer, or with the approval of the State Treasurer, to a bank, savings association, or trust company provided a power of attorney is delivered to the State Treasurer.