

Notice of Disposition Policy

Downtown Investment Authority (DIA)

Community Redevelopment Areas

This Notice of Disposition Policy, as approved and established by the DIA Board on September 18, 2019, and amended by the DIA Board on July 20, 2022 to conform to Ordinance 2022-372-E enacted on June 28, 2022 shall be used by the Downtown Investment Authority in selecting the disposition process to be followed and the applicable procedures for each type of process regarding the purchase or lease of City-owned property.

1. Statutory notice requirement applicable to all dispositions to any private person or entity of City-owned property held for community redevelopment within a community redevelopment area:
 - Public notice of intended disposition must be published in a newspaper of general circulation at least 30 days prior to execution of any contract or as otherwise required by applicable state law
 - Notice must invite proposals by interested parties within 30 days after date of publication
 - Notice must identify parcel or parcels
 - Notice must advise that such further information as is available can be obtained at a designated office
 - If less than fair value, shall require approval of City Council
2. Ordinance requirements:
 - City Council approval is required if:
 - The sales price is *equal to or exceeds* the fair market value as determined by an appraiser selected by DIA (“appraised value”) of the property and the sales price is greater than \$750,000.
 - City Council approval is also required if:
 - The sales price is *less* than the appraised value and any of the following is true:
 - the appraised value *exceeds* \$250,000; or
 - the Return on Investment to the City is less than 1:1 (per the Council Auditor); or
 - the “sales price,” pursuant to Sec. 163.380(2), Fla. Stat. is less than the fair value.
 - No City Council Approval Required if:
 - The sales price is equal to or greater than the appraised value and the sales price is not greater than \$750,000.
 - The sales price is less than the appraised value, but the following are true:
 - the appraised value does not exceed \$250,000

- the Return on Investment to the City is equal to or greater than 1:1; and
- the “sales price,” pursuant to Sec. 163.380(2), Fla. Stat. is equal to or greater than the fair value.
- If the Property Appraiser’s Office market value is equal to or less than \$25,000, irrespective of the sales price.

3. **Formal, Informal, and Negotiated Disposition processes.** The DIA Board may utilize a Formal, Informal or Negotiated Disposition process, as outlined below, each of which is consistent with statutory requirements above, but which may be appropriate in differing circumstances. The type of process selected does not impact whether City Council approval is required of the ultimate disposition, which is governed by Section 2 above.

Applicability:

- **Informal:** In general, an Informal Disposition Process shall be followed in cases where the proposed purchase price exceeds fair value and is less than \$25,000 (City Council approval not required).
 - The CEO of the Downtown Investment Authority shall be authorized to initiate an Informal Disposition Process for transactions meeting the criteria above, and determined by the CEO to be consistent with the applicable CRA and BID plan and in the best interest of the CRA. The DIA Board shall approve the disposition prior to execution of any contract but Board approval shall not be required prior to initiation of the notice process.
 - An Informal Disposition Process may also be utilized in other circumstances deemed appropriate by the Board, but such process shall be initiated by Board action and City Council approval of the disposition may be required.
- **Formal:** In general, a Formal Disposition Process will be followed in cases where there are expected to be multiple bidders, where the purchase price is substantially less than fair value, where the use of the particular property is not narrowly defined in the CRA Plan and consistency with the plan requires more extensive evaluation, or where the DIA was not actively pursuing disposition of the property. The determination of which disposition process to follow in any circumstance shall remain in the discretion of the DIA Board, however the CEO shall recommend to the Board that a Formal Disposition Process shall be followed when staff deems appropriate.
- **Negotiated:** In general, a Negotiated Disposition process shall be followed in circumstances where staff has negotiated the terms of a disposition with a private party, and has determined that disposition in accordance with the term sheet is consistent with the applicable CRA plan and BID plan and is in the best interest of the CRA. The conceptual term sheet shall be presented to the DIA Board for consideration prior to any publication of the notice of disposition and the proposed disposition shall be issued based on the

Board's intention to accept the term sheet in concept. Final Board approval of the term sheet may follow the close of the disposition process. The DIA Board shall have the discretion to utilize either an Informal or Formal Disposition Process, in lieu of a Negotiated Disposition process, as it may deem appropriate.

Informal Disposition Process

Informal Notice of Disposition

- a. For proposals to purchase City-owned property with a market value established by the Property Appraiser of \$25,000 or less, following a determination by staff of the DIA that the disposition is consistent with the CRA Plan and in the best interest of the CRA, the CEO may initiate an Informal Notice of Disposition Process.
- b. A Notice of Disposition shall be published in a newspaper of general circulation, or on a website meeting state requirements, identifying the subject parcel, advising that further information can be obtained from the DIA Office or Office of Procurement, as determined by the CEO, and inviting other proposals within 30 days from the date of publication.
- c. In the event other proposals are received, such proposals shall be evaluated by DIA staff regarding consistency with the CRA and BID plan, the financial and legal ability of the respondents to carry out the proposal, the purchase price and return on investment to the City, and the timeframe for commencement of improvements, if any.
- d. At the next regularly scheduled Board meeting following close of the notice period and evaluation of responses by staff, a term sheet regarding the disposition recommended by staff shall be presented to the Board for consideration.
- e. An Informal Disposition Process may also be selected by the Board in other circumstances where the purchase price exceeds \$25,000 or is less than fair value. In such case, the process shall be selected by vote of the Board at a regularly scheduled meeting. The Board shall include in its election, any criteria it may wish to include for use of the property or evaluation by staff. The 30-day notice shall be published as above, evaluated by staff, and a recommendation presented to the Board at the next regularly scheduled meeting following close of the notice period and completion of staff evaluation of responses received.
- f. When the Informal Disposition process is used, no formal procurement process shall be opened, no scoring committee shall be appointed, and no points shall be assigned to specific criteria. Responses received, if any, shall be reviewed by DIA staff and a recommendation made to the Board to proceed with a particular

disposition or reject all responses or enter into a formal disposition process in accordance with the Formal Disposition process.

Negotiated Disposition Process

Negotiated Notice of Disposition. This process shall begin when a term sheet for disposition of City-owned property that has been negotiated by staff is presented to the Board for consideration and the Board votes to proceed with the disposition upon specified terms with a particular purchaser. The Board may then elect to follow an Informal, Formal, or Negotiated process. If a negotiated process is chosen the following shall be applicable:

- a. A Notice of Disposition shall be published in a newspaper of general circulation or on a website meeting state requirements identifying the subject parcel, advising that further information can be obtained from the DIA Office or Office of Procurement, as determined by the CEO, and inviting other proposals within 30 days from the date of publication.
- b. The Notice of Disposition shall contain the terms of the term sheet tentatively approved by the Board, and any respondent shall be asked to address, at a minimum, each term of the adopted term sheet which has been determined by the Board to be consistent with the adopted CRA and BID Plan, the financial and legal ability of the respondents to carry out the proposal, the purchase price and return on investment to the City, and the timeframe for commencement of improvements, if any.
- c. Upon close of the 30 day notice period, responses received, if any, shall be reviewed by staff for completeness and any complete responses shall be forwarded to the members of the Retail Enhancement and Property Disposition Committee for evaluation and consideration in comparison to the tentatively adopted proposal recommended by staff. The Retail Enhancement and Property Disposition Committee shall meet and make a recommendation to the Board as soon as practicable.
- d. At the next Board meeting following recommendation by the Retail Enhancement and Property Disposition Committee, the Board shall decide whether to proceed with the original disposition, whether to accept a different proposal, whether to reject all offers, or whether to enter into a Formal Disposition process.

Formal Disposition Process

Step 1: DIA Staff Develops the Notice of Disposition

Step 2: DIA Board Approves Notice of Disposition

Step 3: Notice of Disposition Released through procurement

Step 4: Last day to submit Notice of Disposition questions

Step 5: City responses to Notice of Disposition questions

Step 6: Notice of Disposition Responses received

Step 7: Notice of Disposition Responses evaluated

Step 8: Award Meeting

Step 9: Begin negotiations with top selected respondent

A. Public Notice Solicitation Components. The Board shall approve the following components of the “Public Notice Soliciting Proposals” for the Property (collectively, the “Solicitation Components”):

1. Background Information;
2. Scope of Proposal;
3. Evaluation Criteria and Scoring Allocation among Criteria including whether a public presentation will be made to the Evaluation committee and how such presentation will be scored; and
4. Length of RFP advertisement (no less than 30 days per Chapter 163, Florida Statutes).

The DIA Chief Executive Officer shall have the authority to make technical amendments to the Solicitation Components after Board approval for the purposes of correcting legal descriptions, clerical errors, adding standard general instructions, and making other non-material changes as may be needed to further clarify the Board’s intent (the “Solicitation”).

B. Appointment of Evaluation Committee. The DIA Chairman shall at a duly noticed Board Meeting appoint a scoring committee, which shall generally include DIA and City staff along with one or more Board members (the “Evaluation Committee”), which committee members shall be tasked with independently reviewing and scoring responses to the Notice of Disposition. Procurement will tabulate the scores and ranks the respondents based on those scores. The Retail Enhancement and Property Disposition Committee after reviewing the scores and ranking, shall make a recommendation to the Board regarding the most responsive bidder/project. If no responsive bidder/project in the committee’s determination exists, the committee may recommend to the Board that the Notice of Disposition be revised and re-advertised as needed in the best interest of the DIA and the City.

C. Public Notice Procedures for Formal Notices of Disposition. In the absence of unique circumstances, the following procedures for the Formal Notice of Disposition shall be generally be followed by the DIA staff in the order provided below:

1. DIA staff develops and recommends to the Board for approval at a scheduled board meeting the Notice of Disposition Components;
2. The Board approves the Notice of Disposition Components subject to any modifications made by the Board, and any additional items pursuant to the Chief Executive Officer's authority, and the Chairman appoints an Evaluation Committee;
3. The DIA staff works with the City's Procurement Division to advertise the Notice of Disposition for such period as determined by Board;
4. The Evaluation Committee shall review and evaluate the responses to the Notice of Disposition based on the evaluation criteria set forth in the Notice of Disposition. The tabulated scores shall be presented to The Retail Enhancement and Property Disposition Committee who shall make a recommendation to the Board. If no responsive bidder/project in the committee's determination exists, the committee may recommend to the Board that the Notice of Disposition be revised and re-advertised as needed in the best interest of the City;
5. The Evaluation Committee's scoring shall be presented to the Retail Enhancement and Property Disposition Committee ("REPDC") for consideration and the REPDC shall make a recommendation to the Board. The recommendation of the REPDC shall be presented to the Board at a scheduled board meeting for the Board's approval;
6. Upon Board approval of the Retail Enhancement and Property Disposition Committee's recommendation, or modification of the same, the Board shall approve and authorize the Chief Executive Officer to commence negotiations with the winning bidder;
7. The Chief Executive Officer shall present to the Board a negotiated term sheet for the Project ("Project Term Sheet") to be approved by the Board subject to any Board modifications; and
8. Once the Project Term Sheet has been approved by the Board, the Office of General Counsel shall draft a contract regarding the same and, where required by City Ordinance Code, seek approval from the Mayor's Budget Review Committee to file legislation to be approved by City Council regarding the same.

(Ord. 2018-871-E , § 2; Ord. 2022-372-E , § 9)

Note— See editor's note, Subpart B.

SUBPART C. - COMMUNITY REDEVELOPMENT REAL PROPERTY DISPOSITIONS [4]

Footnotes:

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Editor's note— Ord. 2007-1267-E, § 1, amended the Code by repealing former Subpart C, and adding a new Subpart C. Former Subpart C pertained to similar subject matter, and derived from Ord. 78-231-113 and Ord. 83-591-400.

Sec. 122.431. - Applicability.

The procedures of this Subpart shall be applicable to the sale, lease, or other disposition of real property or any interest therein acquired by the City or Community Redevelopment Agency for community redevelopment purposes in a community redevelopment area under Florida Statutes Chapter 163, Part III. For the purposes of this Subpart, the terms "DIA" or "Community Redevelopment Agency" shall be defined to mean the DIA acting as the Community Redevelopment Agency.

(Ord. 2007-1267-E, § 1; Ord. 2012-364-E, § 10)

Sec. 122.432. - Appraisal of property.

(a) Prior to the disposition of any property, an appraisal shall be obtained. The appraisal shall be obtained from a properly qualified real estate appraiser, holding a professional designation of MAI, SRA or SREA, and doing business in the City, and shall consider the factors set forth in Florida Statutes Chapter 163, Part III.

(b) An additional appraisal may be conducted if provided for by any statute, ordinance, agreement, or rule, or if determined to be advantageous to the City in the opinion of the Executive Director of the DIA.

(Ord. 2007-1267-E, § 1; Ord. 2012-364-E, § 10)

Sec. 122.433. - Authorization.

The community redevelopment agency may sell, lease, dispose of, or otherwise transfer real property or any interest therein acquired by it for community redevelopment in a community redevelopment area to any private person, or may retain such property for public use, and may enter into contracts with respect thereto for residential, recreational, commercial, industrial, educational, or other uses, in accordance with the community redevelopment plan, subject to such covenants, conditions, and restrictions, including covenants running with the land, as it deems necessary or

desirable to assist in preventing the development or spread of future slums or blighted areas or to otherwise carry out the purposes of Florida Statutes Chapter 163, Part III. The community redevelopment agency may utilize the procedures as set forth herein or may utilize an alternative competitive procedure in accordance with the City of Jacksonville Ordinance Code. If an alternative method pursuant to the Ordinance Code is utilized, the community redevelopment agency must assure that said procedure complies with the statutory requirements for property disposition contained in Florida Statutes.

(Ord. 2007-1267-E, § 1)

Sec. 122.434. - Procedure for disposition of Community Development Property.

- (a) No real property held or owned by the City, or the DIA acting as the Community Redevelopment Agency for community redevelopment in a community redevelopment area may be disposed of prior to advertising for other proposals, in accordance with Florida Statutes Section 163.380. Notice shall also be given to the City Council in accordance with Section 122.422(d), Ordinance Code. No contract for sale, lease or other disposition shall be executed until at least 30 days after the date of the advertisement.

- (b) The advertisement for proposals shall request any other persons or entities interested in the property to submit a proposal and shall identify the area or property to be redeveloped. The advertisement shall provide a period of at least 30 days in which to submit a proposal. The proposal shall contain details of the proposed use of the property, and shall contain information on the financial and legal ability of the persons making said proposal to carry them out, and such additional information as may be applicable in the circumstances as determined by the Executive Director of the DIA.

- (c) The DIA shall consider all such redevelopment or rehabilitation proposals and the financial and legal ability of the persons making such proposals to carry them out; and may negotiate with any persons for proposals for the purchase, lease, or other transfer of any real property acquired by it in the community redevelopment area. The DIA staff may provide review services, or the DIA may select other appropriate persons to assist with the review and evaluation process, for recommendation to the DIA. The DIA may accept such proposal as it deems to be in the public interest and in furtherance of the purposes of this Part.

- (d) A notification of intention to accept a proposal for redevelopment or rehabilitation must be filed with the City Council of the City of Jacksonville not less than 30 days prior to any such acceptance, in accordance with Florida Statutes Section 163.380. Thereafter, the DIA, acting as the community redevelopment agency, and the Mayor, may execute such contracts, and the Mayor may execute and deliver deeds, leases, and other instruments and take all steps necessary to effectuate such contracts; provided however, that where the sales price of the property to be disposed equals or exceeds the appraised value of the property and is greater than \$750,000, then Council approval of the sales contract must be obtained by ordinance prior to execution of the documents by the Mayor and DIA.
- (e) Consistent with the notice and execution requirements set forth in subsection (d) above, the DIA is authorized to dispose of property for a sales price less than the appraised value, provided:
- (1) the appraised value of the property does not exceed \$250,000;
 - (2) the return on investment to the City is greater than or equal to 1, as verified by the Council Auditor's Office, with ROI calculations for property dispositions that include other incentives calculated over a maximum of twenty (20) years or the life of the incentive, whichever is greater and with stand-alone property dispositions calculated over a maximum of twenty (20) years, with any disposition having an ROI of less than 1 as determined by the Council Auditors Office requiring City Council approval; and
 - (3) the "sales price" of the property pursuant to Section 163.380(2), Florida Statutes, is equal to or greater than the fair value.
- (f) For property having a Property Appraiser's Office market value of \$25,000 or less, the DIA and Mayor, consistent with this subsection, may sell such properties irrespective of sales price.
- (g) The purchasers or lessees and their successors and assigns shall be obligated to devote the use of such real property only to the uses specified in the community redevelopment plan and may be obligated to comply with such other requirements as the City or the DIA may determine to be in the public interest, including the obligation to begin any improvements on such real property required by the community redevelopment plan within a reasonable time.

- (h) The disposal of property in a community redevelopment area which is acquired by eminent domain is subject to the limitations set forth in Florida Statute Section 73.013.
- (i) The DIA may provide in any instrument of conveyance to a private purchaser or lessee that such purchaser or lessee is without power to sell, lease, or otherwise transfer the real property without the prior written consent of the DIA until the purchaser or lessee has completed the construction of any or all improvements which it has obligated itself to construct thereon.
- (j) Real property acquired by the City and the DIA is to be transferred as rapidly as feasible in the public interest, consistent with the provisions of the community redevelopment plan.
- (k) Any contract for such transfer and the community redevelopment plan, or such part or parts of such contract or plan as the DIA may determine, may be recorded in the land records of the clerk of the circuit court in such manner as to afford actual or constructive notice thereof.
- (l) Subject to the provisions of duly enacted ordinances or otherwise directed by Council, all proceeds from the sale or disposition of public property designated in the Business Investment and Development Plan set forth in Section 55.306(d) pursuant to this subpart that occur within Downtown, less all costs associated with such sale or disposition, shall be deposited in the Redevelopment Special Revenue Fund of the Downtown Investment Authority, as created in Section 111.640, Ordinance Code, and shall be expended specifically for the purposes as set forth in such Section.
(Ord. 2007-1267-E, § 1; Ord. 2012-364-E, §§ 4, 10)