

LEGISLATIVE FACT SHEET

DATE: 04/12/17

BT or RC No: _____
(Administration & City Council Bills)

SPONSOR: Office of Economic Development (OED)
(Department/Division/Agency/Council Member)

Contact for all inquiries and presentation: _____

Provide Name: Kirk Wendland, Executive Director, OED

Contact Number: 630-2455

Email Address: kwendland@coj.net

PURPOSE: White Paper (Explain Why this legislation is necessary? Provide; Who, What, When, Where, How and the Impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation.

(Minimum of 350 words - Maximum of 1 page.)

On November 9, 2007, COJ and Shoppes of Norfolk, LLC ("Shoppes"), entered a Redevelopment Agreement (the "Redevelopment Agreement") for the redevelopment of a shopping center by Shoppes on real property owned by Shoppes and located at 4750 Soutel Drive, Jacksonville, Florida (the "Property"). On November 23, 2007, COJ lent Shoppes \$877,429.00 and Shoppes executed a Note in that amount, which was secured by a Mortgage on the Property. The funds came out of the Northwest Jacksonville Economic Development Trust Fund. In conjunction with the Loan Documents, Evelyn L. Greer ("Greer") executed an Unconditional Guaranty on October 29, 2007, guaranteeing full performance and payment of the terms of the loan documents. The loan documents were also guaranteed by K.Mack, LLC ("K.Mack"), and William J. Green ("Green"). Shoppes ran into financial difficulties during the redevelopment project, which ultimately resulted in a foreclosure sale of the Property on August 3, 2012 and a breach of the loan documents. COJ filed a lawsuit against Shoppes, Greer, K.Mack, LLC, and William J. Green, on July 2, 2015, styled The City of Jacksonville v. Evelyn L. Greer, et al., in the Duval County Circuit Court, Case No. 2015-CA-4256 (the "Litigation"), claiming damages for breaches of the Loan Documents and Guaranties. Greer raised defenses to COJ's claims in the Litigation, including statute of limitations, laches, accord and satisfaction, defective notice, and estoppel. As part of the Litigation, Greer and COJ attended a formal mediation. As a result of the mediation, Greer and COJ reached a settlement agreement contingent on approval by City Council. The settlement agreement was reached to avoid the cost, risk, and uncertainty associated with further litigation. Under the terms of the proposed settlement agreement, Greer will pay a lump sum of \$438,714.50 to COJ in return for a release of COJ's claims against her relating to the loan documents and Guaranty. The settlement funds received will be returned to the Northwest Jacksonville Economic Development Trust Fund for future appropriation. The settlement agreement does not limit COJ's ability to pursue a judgment for the remaining balance from the other defendants. This legislation is necessary to approve the settlement in accordance with Jacksonville Ord. Code Sections 112.302 & 112.110(e).

APPROPRIATION: Total Amount Appropriated _____ as follows:
 List the source name and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in title of legislation)

Name of Federal Funding Source(s)	From: _____	Amount: _____
	To: _____	Amount: _____
Name of State Funding Source(s)	From: _____	Amount: _____
	To: _____	Amount: _____
Name of City of Jacksonville Funding Source(s)	From: _____	Amount: _____
	To: _____	Amount: _____
Name of In-Kind Contribution(s)	From: _____	Amount: _____
	To: _____	Amount: _____
Name & Number of Bond Account(s)	From: _____	Amount: _____
	To: _____	Amount: _____

PLAIN LANGUAGE OF APPROPRIATION / FINANCIAL IMPACT / OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)

The underlying funds for the loan in dispute in this lawsuit were originally distributed from the Northwest Jacksonville Economic Trust Fund pursuant to Jacksonville Ord. 2007-255-E. The settlement agreement calls for a one time lump sum payment of \$438,714.50 to be paid by the Defendant Evelyn L. Greer within 60 days of execution of the settlement agreement. Those funds will be returned to the Northwest Jacksonville Economic Trust Fund (Index Code JEJE75C, Subobject 36907) and will have the impact of partially replenishing the Fund for future appropriation. There is no matching, staffing obligation, nor ongoing maintenance required.

ACTION ITEMS: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:

	Yes	No	
Emergency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Justification of Emergency: If yes, explanation must include detailed nature of emergency.</p> <div style="border: 1px solid black; height: 60px; width: 100%;"></div>
Federal or State Mandate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision.</p> <div style="border: 1px solid black; height: 60px; width: 100%;"></div>
Fiscal Year Carryover?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Note: If yes, note must include explanation of all-year subfund carryover language.</p> <div style="border: 1px solid black; padding: 5px;"> <p>The Northwest Trust Fund is an all years fund. Funds collected will be returned to JEJE75C for future appropriation.</p> </div>
CIP Amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.</p>
Contract / Agreement Approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Attachment & Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted?</p> <div style="border: 1px solid black; height: 100px; width: 100%;"></div>
Related RC/BT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Attachment: If yes, attach appropriate RC/BT form(s).</p>
Waiver of Code?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper.</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Code Exception?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper.</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Related Enacted Ordinances?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper.</p> <div style="border: 1px solid black; padding: 5px;"> <p>2007-255-E</p> </div>

ACTION ITEMS CONTINUED: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:


	Yes	No
Continuation of Grant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant? Are there long-term implications for the General Fund?

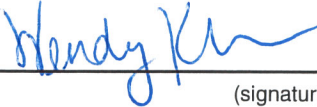
Surplus Property Certification?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Requirements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Attachment: If yes, attach appropriate form(s).

Explanation: List agencies (including City Council / Auditor) to receive reports and frequency of reports, including when reports are due. Provide Department (include contact name and telephone number) responsible for generating

Division Chief: 
(signature)

Date: 4/17/17

Prepared By: 
(signature)

Date: 4/17/17

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Roselyn Chall, Budget Office, St. James Suite 325

Thru: N/A

(Name, Job Title, Department)

Phone: _____

E-mail: _____

From: Kirk Wendland, Executive Director, OED

Initiating Department Representative (Name, Job Title, Department)

Phone: 630-2455

E-mail: kwendland@coj.net

Primary Contact: Chris Garrett, Assistant General Counsel, OGC

(Name, Job Title, Department)

Phone: 630-7092

E-mail: garrettc@coj.net

CC: Allison Korman Shelton, Director of Intergovernmental Affairs, Office of the Mayor

904-630-1825 E-mail: akshelton@coj.net

COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL

To: Peggy Sidman, Office of General Counsel, St. James Suite 480

Phone: 904-630-4647

E-mail: psidman@coj.net

From: _____

Initiating Council Member / Independent Agency / Constitutional Officer

Phone: _____

E-mail: _____

Primary Contact: _____

(Name, Job Title, Department)

Phone: _____

E-mail: _____

CC: Allison Korman Shelton, Director of Intergovernmental Affairs, Office of the Mayor

904-630-1825 E-mail: akshelton@coj.net

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation.

Independent Agency Action Item: Yes No

Boards Action / Resolution?

Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED