

**RESOLUTION 2023-11-03**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL AUTHORIZE AN EXTENSION TO THE BUILDING IMPROVEMENTS COMPLETION DATE FOR THE REHABILITATION AND ADAPTIVE REUSE OF THE AMBASSADOR HOTEL (THE “PROJECT”) AS FOUND IN THE SECOND AMENDED AND RESTATED REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF JACKSONVILLE, THE DOWNTOWN INVESTMENT AUTHORITY, AND AXIS HOTELS, LLC (“DEVELOPER”) WITH AN EFFECTIVE DATE OF MARCH 25, 2022; RECOMMENDING THAT CITY COUNCIL AMEND THE PERFORMANCE SCHEDULE FOR THE REHABILITATION AND ADAPTIVE REUSE OF THE AMBASSADOR HOTEL WITH AXIS HOTELS LLC TO CREATE AN INTERIM RECOMMENCEMENT OF CONSTRUCTION DATE AND EXTEND THE COMPLETION DATE CONTAINED IN THE PERFORMANCE SCHEDULE, BOTH WITHOUT THE POSSIBILITY OF FURTHER EXTENSION; AUTHORIZING THE DIA’S CHIEF EXECUTIVE OFFICER (CEO) TO TRANSMIT THIS RECOMMENDATION TO CITY COUNCIL AND EXECUTE THE CONTRACTS AND DOCUMENTS, AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, in July 2018, the Developer purchased the property commonly known as Ambassador Hotel with a street address of 420 N. Julia Street, as well as the remaining undeveloped portion of the block (collectively, the “Original Parcel”), all of which is located within the boundaries of the Downtown East CRA; and

**WHEREAS**, at their meeting of September 19, 2018, the DIA approved Resolution 2018-09-03 authorizing a Historic Preservation Trust Fund (HPTF) Grant upon redevelopment completion in an amount not to exceed \$1.5 million funded by the Downtown Historic Preservation and Revitalization Trust Fund; and

**WHEREAS**, following City Council approval of Ordinance 2018-872, Developer, the City of Jacksonville, and DIA entered into a Redevelopment Agreement with an Effective Date of March 26, 2019, and

**WHEREAS**, following City Council approval of Ordinance 2020-0625, Developer, the City of Jacksonville, and DIA entered into an Amended and Restated Redevelopment Agreement with an Effective date of June 25, 2020, to exclude the Multifamily housing component of the project as originally provided, and

**WHEREAS**, following City Council approval of Ordinance 2021-0459, Developer, the City of Jacksonville, and DIA entered into a Second Amended and Restated Redevelopment Agreement with an Effective Date of March 25, 2022, to provide a revised Substantial Completion Date of the Project as December 31, 2022; and

**WHEREAS**, all permissible extensions of the Performance Schedule allowed under the terms of the Second Amended and Restated Redevelopment Agreement remain insufficient to achieve Substantial Completion of the Property, but extension of the Completion date to June 30, 2023, is within the authority of the DIA Board, and such extension is necessary to maintain continuity of development activity currently taking place; and

**WHEREAS**, Developer has provided documentation from the General Contractor dated February 9, 2023, detailing the causes for continued delays brought about by supply chain issues that does not provide confidence that the project will be completed by June 30, 2023; and

**WHEREAS**, following discussion and further commitment from the Developer, DIA staff recommended an additional extension of the Completion Date from June 30, 2023, to September 30, 2023, to allow adequate time for completion of the Project consistent with other Project funding commitments; and

**WHEREAS**, DIA adopted Resolution 2023-03-07 and filed bill 2023-0345 to effectuate such additional extension in the Completion Date, and

**WHEREAS**, such legislation has been deferred in Council Committees due to unresolved liens and pending litigation regarding the property in question and City Council requested that DIA make a further recommendation regarding the Developer's latest request for additional time; and

**WHEREAS**, on the advice of Board Member Gillam who has consulted with the litigation attorney for Developer and has reviewed the relevant documents, the DIA recommends a further extension as provided herein.

**NOW THEREFORE BE IT RESOLVED**, by the Downtown Investment Authority,

**Section 1.** The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

**Section 2.** The DIA recommends that City Council amend the pending legislation, 2023-0345, to amend the Performance Schedule contained in the March 25, 2022 Second Amended and Restated Development Agreement between the City of Jacksonville, the Downtown Investment Authority, and AXIS Hotels, LLC, and associated documents:

a. To establish a Recommencement of Construction date which shall be 90 days following the effective date of the legislation. Recommencement of Construction shall require evidence that a new General Contractor has been engaged to complete the Project and has begun actual on-site work on the Project, and

b. To extend the Completion of Construction Date from March 31, 2023, to one year following the Recommencement of Construction.

c. This recommendation is conditioned upon Developer's representation that the Project can be completed without additional City grants or funding.

**Section 3.** The Chief Executive Officer is hereby authorized to execute the contracts and documents and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

**Section 4.** The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.

**WITNESS:**

**DOWNTOWN INVESTMENT AUTHORITY**

  
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Jim Citraro, Chairman

  
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Date

VOTE: In Favor: 7 Opposed: 0 Abstained: 0