

# CITY COUNCIL RESEARCH DIVISION

## LEGISLATIVE SUMMARY



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**Bill Type and Number:** 2021-459

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

**Date of Introduction:** July 27, 2021

**Committee(s) of Reference:** NCSPHS, F

**Date of Analysis:** July 29, 2021

**Type of Action:** Redevelopment agreement amendment, designation of oversight agency and one cycle emergency passage

**Bill Summary:** This bill amends the Redevelopment Agreement entered into previously by the City of Jacksonville, the Downtown Investment Authority and Axis Hotels LLC., to modify the Amended and Restated Redevelopment Agreement for the Ambassador Hotel executed by the parties June 25, 2020 to allow for an extension of the Completion Date from May 2, 2022 to December 31, 2022. The DIA will provide contract management. The Developer has requested one cycle emergency to ensure action by the Commencement of Construction date on July 31, 2021.

**Background Information:** The purpose of this legislation is to amend the Redevelopment Agreement for the Ambassador Hotel project downtown. The Developer, Axis Hotels, LLC, documented significant difficulties in closing on financing during 2020 and into 2021 attributed to challenges found in the debt market for development of hospitality properties. Through this period, Axis received all permissible extensions of the Performance Schedule allowed under the terms of the Amended and Restated Redevelopment Agreement. Following notice of default for failure to commence, Axis has timely demonstrated efforts to cure the default and has committed to close on financing for the Project by June 30, 2021 and Commence Construction by July 31, 2021. The DIA Board agreed to this strategy to cure the default by its approval of Resolution 2021-06-08 at its June 16, 2021 Board Meeting recommending extension of the completion date to allow adequate time between commencement and completion.

**Policy Impact Area:** Redevelopment Agreement –Axis Hotels

**Fiscal Impact:** No new cost to the City

**Analyst:** Hampsey