

1 Introduced by the Council President at the request of the DIA:
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4 **ORDINANCE 2025-815**

5 AN ORDINANCE AUTHORIZING THE MAYOR, OR HER
6 DESIGNEE, TO EXECUTE: (1) A SECOND AMENDED AND
7 RESTATED HOTEL REDEVELOPMENT AGREEMENT ("HOTEL
8 REDEVELOPMENT AGREEMENT") AMONG THE CITY, DIA,
9 AND SHIPYARDS TRUSTEE JACKSONVILLE, LLC,
10 SUCCESSOR BY ASSIGNMENT TO SHIPYARDS HOTEL
11 JACKSONVILLE, LLC F/K/A SHIPYARDS HOTEL, LLC
12 ("DEVELOPER"), WHICH AMENDS AND RESTATES THE
13 PREVIOUSLY AUTHORIZED AMENDED AND RESTATED
14 REDEVELOPMENT AGREEMENT CONSISTENT WITH THE
15 IMPROVEMENTS PREVIOUSLY AUTHORIZED BY ORDINANCE
16 2022-871-E TO, IN PART, RECOGNIZE INCREASED
17 MINIMUM REQUIRED CAPITAL INVESTMENT FOR THE
18 HOTEL IMPROVEMENTS, AND INCREASE THE MAXIMUM
19 AMOUNT OF THE PREVIOUSLY AUTHORIZED REV GRANT BY
20 AN ADDITIONAL \$6,000,000; (2) A REVISED MARINA
21 SUPPORT BUILDING LEASE TO RECOGNIZE CERTAIN
22 RIGHTS OF THE RESTAURANT OPERATOR, TO INCREASE
23 THE BASIC RENT TO THE CITY FROM \$1 ANNUALLY TO
24 \$15,000 PER YEAR, TO BE OFFSET AGAINST
25 MAINTENANCE OBLIGATIONS FOR THE EVENT LAWN TO BE
26 UNDERTAKEN BY DEVELOPER; (3) A REVISED MARINA
27 MANAGEMENT AGREEMENT TO AUTHORIZE THE MARINA
28 MANAGER TO ENTER INTO THE AGREEMENT PRIOR TO
29 SUBSTANTIAL COMPLETION OF THE IMPROVEMENTS SO
30 THE MARINA IMPROVEMENTS CAN BE FULLY OPERATION
31 UPON SUBSTANTIAL COMPLETION, REVISE LANGUAGE

REGARDING RESPECTIVE MAINTENANCE OBLIGATIONS,
AND CERTAIN OTHER CHANGES A SET FORTH THEREIN;
(4) AN AMENDED AND RESTATED RIVERWALK
IMPROVEMENTS COSTS DISBURSEMENT AGREEMENT,
WHICH AMENDS AND RESTATED THE PREVIOUSLY
EXECUTED COSTS DISBURSEMENT AGREEMENT TO
AUTHORIZE ACCEPTANCE AND OPENING OF THE
RIVERWALK IMPROVEMENTS TO COINCIDE WITH THE
OPENING OF THE MARINA, WITH CERTAIN LANDSCAPING
IMPROVEMENTS TO BE COMPLETED THEREAFTER; (5) AN
AMENDMENT ONE TO THE MARINA, BULKHEAD AND PIER
IMPROVEMENTS COSTS DISBURSEMENT AGREEMENT TO
ALIGN COMPLETION DATES; (6) AN AMENDMENT ONE TO
MARINA SUPPORT BUILDING COSTS DISBURSEMENT
AGREEMENT TO ALIGN COMPLETION DATES; (7) A
CONSENT AND REAFFIRMATION OF GUARANTY; (8) A
SECOND AMENDMENT TO THE TOWER CRANE LICENSE
AGREEMENT TO ALIGN COMPLETION DATES; (9) A
DRAINAGE EASEMENT BETWEEN THE CITY AND THE
DEVELOPER; AND (10) A DRAINAGE EASEMENT BETWEEN
THE CITY AND SHIPYARDS OFFICE, LLC, ALL ON THE
NORTHBANK OF THE ST. JOHNS RIVER WITHIN THE
DOWNTOWN EAST NORTHBANK DOWNTOWN COMMUNITY
REDEVELOPMENT AREA ("PROJECT"); AUTHORIZING A
REVISED, SEVENTY-FIVE PERCENT, TWENTY YEAR
RECAPTURED ENHANCED VALUE (REV) GRANT IN THE
MAXIMUM AMOUNT NOT TO EXCEED \$56,581,200 IN
CONNECTION WITH THE CONSTRUCTION OF THE HOTEL
IMPROVEMENTS, WHICH INCREASES THE MAXIMUM AMOUNT
THEREOF BY \$6,000,000; PROVIDING FOR CITY
OVERSIGHT OF THE PROJECT BY THE DEPARTMENT OF

1 PUBLIC WORKS AND THE DEPARTMENT OF PARKS,
2 RECREATION AND COMMUNITY SERVICES; AUTHORIZING
3 THE EXECUTION OF ALL DOCUMENTS RELATING TO THE
4 ABOVE AGREEMENTS AND TRANSACTIONS, AND
5 AUTHORIZING TECHNICAL CHANGES TO THE DOCUMENTS;
6 WAIVER OF THAT PORTION OF THE PUBLIC INVESTMENT
7 POLICY ADOPTED BY ORDINANCE 2016-382-E, AS
8 AMENDED, TO AUTHORIZE THE INCREASE IN THE REV
9 GRANT FOR THE HOTEL IMPROVEMENTS, WHICH IS NOT
10 AUTHORIZED BY THE PUBLIC INVESTMENT POLICY;
11 PROVIDING AN EFFECTIVE DATE.
12

13 **WHEREAS**, the City of Jacksonville ("City"), Downtown Investment
14 Authority ("DIA") and Shipyards Hotel, LLC (the "Developer") have
15 previously entered into that certain Amended and Restated
16 Redevelopment Agreement dated March 30, 2023 (the "Development
17 Agreement"), as authorized by 2022-871-E, for the development of a
18 luxury Four Seasons hotel with approximately 176 rooms (but no fewer
19 than 170 rooms), approximately 25 Class A condominium units (with no
20 fewer than 23 Class A condominium units (the "Hotel Improvements"),
21 and other related improvements; and

22 **WHEREAS**, consistent with the terms of the Agreement, City, DIA
23 and Shipyards Hotel Jacksonville, LLC (f/k/a Shipyards Hotel, LLC)
24 entered into that certain Riverwalk Improvements Costs Disbursement
25 Agreement dated March 31, 2023, governing the funding and construction
26 of the Riverwalk Improvements as previously authorized; and

27 **WHEREAS**, due to certain increased construction costs, the
28 Developer is seeking to: (1) amend and restate the Hotel Redevelopment
29 Agreement ("Hotel Redevelopment Agreement") to increase the maximum
30 amount of the previously authorized Hotel REV Grant from \$50,581,200
31 to \$56,581,200, to amend the performance schedule, to increase the

1 minimum required capital investment amount, and clarify FIND grant
2 repayment obligations of Developer; (2) authorize a revised Marina
3 Support Building Lease to recognize certain rights of the Restaurant
4 Operator, clarify obligations as to maintenance of the building,
5 provide for coordination regarding use of the Events Lawn, provide
6 for an increase in Basic Rent from \$1 annually to \$15,000 annually,
7 and allowing for offsets to the Basic Rent based on costs incurred
8 by the Developer to maintain the Events Lawn on behalf of the City;
9 (3) authorize an amended and restated riverwalk improvements costs
10 disbursement agreement to authorize the acceptance by the City and
11 opening of the riverwalk improvements so the same may be utilized
12 when the marina improvements are completed, with certain landscaping
13 obligations related thereto remaining the obligation of the
14 developer; (4) amend the Marina Support Building and Marina
15 Improvements, Bulkhead Improvements and Pier Improvements Costs
16 Disbursement Agreements to align the completion dates of such
17 improvements with the Hotel Development Agreement; (5) authorize a
18 Second Amendment to the Tower Crane License Agreement to align with
19 the foregoing completion dates; (6) consent and reaffirmation of
20 guarantee; and (7) drainage easements in favor of Shipyards Office,
21 LLC (the "Office Developer") and Developer, and (8) amendments to
22 and to make certain other revisions as set forth in the documents
23 placed **On File** with the Legislative Services Division; and

24 **WHEREAS**, the DIA has considered the Developer's requests and has
25 determined that the increase to the Hotel REV Grant and other
26 revisions to the agreements authorized hereby will enable the
27 Developer to construct the Project as described in the Hotel
28 Redevelopment Agreement; and

29 **WHEREAS**, the Project is consistent with the DIA BID Plan, and
30 furthers Redevelopment Goal 1, Reinforce Downtown as the City's unique
31 epicenter for business, history, culture, education and

1 entertainment, Redevelopment Goal 4, improve walkability/bikeability
2 and connectivity to adjacent neighborhoods and the St. John River
3 while creating highly walkable nodes; and Redevelopment Goal 5,
4 establish a waterfront design framework to ensure a unique experience
5 and sense of place; and

6 **WHEREAS**, on August 20, 2025, the DIA Board approved a resolution
7 (the "Resolution") to enter into the Hotel Redevelopment Agreement
8 and related documents, said Resolution being attached hereto as
9 **Exhibit 1**; and

10 **WHEREAS**, it has been determined to be in the interest of the
11 City to enter into the Hotel Redevelopment Agreement and approve of
12 and adopt the matters set forth in this Ordinance; now, therefore

13 **BE IT ORDAINED** by the Council of the City of Jacksonville:

14 **Section 1. Execution of Agreements.** The Mayor (or her
15 authorized designee) and the Corporation Secretary are hereby
16 authorized to execute and deliver the Hotel Redevelopment Agreement,
17 Marina Support Building Lease, Marina Management Agreement, Amended
18 and Restated Riverwalk Improvements Costs Disbursement Agreement, an
19 Amendment One to the Marina Support Building Costs Disbursement
20 Agreement, an Amendment One to the Marina Improvements, Bulkhead
21 Improvements and Pier Improvements Costs Disbursement Agreement, a
22 Second Amendment to the Tower Crane License Agreement, a consent and
23 reaffirmation of guaranty, easement agreements in favor of the
24 Developer and Office Developer, and related documents described in
25 the Hotel Redevelopment Agreement (collectively, the "Agreements")
26 substantially in the forms placed **On File** with the Legislative
27 Services Division (with such "technical" changes as herein
28 authorized), for the purpose of implementing the recommendations of
29 the DIA as further described in the Agreements.

30 The Agreements may include such additions, deletions and changes
31 as may be reasonable, necessary and incidental for carrying out the

1 purposes thereof, as may be acceptable to the Mayor, or her designee,
2 and the CEO of the DIA, as applicable, with such inclusion and
3 acceptance being evidenced by execution of the Agreements by the Mayor
4 or her designee and/or the CEO of the DIA, as applicable. No
5 modification to the Agreements may increase the financial obligations
6 or the liability of the City or DIA and any such modification shall
7 be technical only and shall be subject to appropriate legal review
8 and approval of the General Counsel, or his or her designee, and all
9 other appropriate action required by law. "Technical" is herein
10 defined as including, but not limited to, changes in legal
11 descriptions and surveys, descriptions of infrastructure improvements
12 and/or any road project, ingress and egress, easements and rights of
13 way, performance schedules (provided that no performance schedule may
14 be extended for more than one year without Council approval), design
15 standards, access and site plan, which have no financial impact.

16 **Section 2. Payment of Hotel REV Grant.**

17 (a) The REV Grant in the amount not to exceed \$56,581,200, the
18 terms of which are more specifically described in the Hotel
19 Redevelopment Agreement, shall not be deemed to constitute a debt,
20 liability, or obligation of the City or of the State of Florida or
21 any political subdivision thereof within the meaning of any
22 constitutional or statutory limitation, or a pledge of the faith and
23 credit or taxing power of the City or of the State of Florida or any
24 political subdivision thereof, but shall be payable solely from the
25 funds provided therefor as provided in this Section. The Hotel
26 Redevelopment Agreement shall contain a statement to the effect that
27 the City shall not be obligated to pay any installment of its
28 financial assistance to the Developer except from the non-ad valorem
29 revenues or other legally available funds provided for that purpose,
30 that neither the faith and credit nor the taxing power of the City
31 or of the State of Florida or any political subdivision thereof is

1 pledged to the payment of any portion of such financial assistance,
2 and that the Developer, or any person, firm or entity claiming by,
3 through or under the Developer, or any other person whomsoever, shall
4 never have any right, directly or indirectly, to compel the exercise
5 of the ad valorem taxing power of the City or of the State of Florida
6 or any political subdivision thereof for the payment of any portion
7 of such financial assistance.

8 (b) The DIA is hereby authorized to and shall disburse the annual
9 installments of the REV Grant to the Developer as provided in this
10 Section in accordance with this Ordinance and the Hotel Redevelopment
11 Agreement.

12 **Section 3. Designation of Authorized Official and DIA as**
13 **Contract Monitor.** The Mayor is designated as the authorized official
14 of the City for the purpose of executing and delivering any contracts
15 and documents and furnishing such information, data and documents for
16 the Agreements and related documents as may be required and otherwise
17 to act as the authorized official of the City in connection with the
18 Agreements, and is further authorized to designate one or more other
19 officials of the City to exercise any of the foregoing authorizations
20 and to furnish or cause to be furnished such information and take or
21 cause to be taken such action as may be necessary to enable the City
22 to implement the Agreements according to their terms. The DIA is
23 hereby required to administer and monitor the Redevelopment Agreement
24 and to handle the City's responsibilities thereunder, including the
25 City's responsibilities under such agreement working with and
26 supported by all relevant City departments.

27 **Section 4. Oversight Department.** The Department of Public
28 Works shall oversee the Project described herein, and the Department
29 of Parks, Recreation and Community Services shall oversee the Marina
30 Improvements and Riverwalk Improvements portion of the Project.

31 **Section 5. Further Authorizations.** The Mayor, or her

1 designee, and the Corporation Secretary, are hereby authorized to
2 execute the Agreements and all other contracts and documents and
3 otherwise take all necessary action in connection therewith and
4 herewith. The Chief Executive Officer of the DIA, as contract
5 administrator, is authorized to negotiate and execute all necessary
6 changes and amendments to the Agreements and other contracts and
7 documents, to effectuate the purposes of this Ordinance, without
8 further Council action, provided such changes and amendments are
9 limited to amendments that are technical in nature (as described in
10 Section 4 hereof), and further provided that all such amendments
11 shall be subject to appropriate legal review and approval by the
12 General Counsel, or his or her designee, and all other appropriate
13 official action required by law.

14 **Section 6. Waiver of Public Investment Policy.** The
15 requirements of the Public Investment Policy adopted by City Council
16 Ordinance 2024-286-E, as amended, are waived to increase the existing
17 Hotel REV Grant that is not authorized pursuant to the Public
18 Investment Policy. The waiver is justified because the Project will
19 cause a minimum required private capital investment in the project
20 of \$373,962,000 and result in increased ad valorem revenues to the
21 City.

22 **Section 7. Effective Date.** This Ordinance shall become
23 effective upon signature by the Mayor or upon becoming effective
24 without the Mayor's signature.

25
26 Form Approved:

27
28 /S/ John Sawyer

29 Office of General Counsel

30 Legislation Prepared By: John Sawyer

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