

1 Introduced by the Council President at the request of the Mayor and
2 amended by the Neighborhoods, Community Services, Public Health and
3 Safety Committee:

4
5 **ORDINANCE 2022-316-E**

6 AN ORDINANCE MAKING CERTAIN FINDINGS, AND
7 AUTHORIZING THE MAYOR, OR HIS DESIGNEE, TO
8 EXECUTE AN ECONOMIC DEVELOPMENT AGREEMENT
9 ("AGREEMENT") BETWEEN THE CITY OF JACKSONVILLE
10 ("CITY"), THE DOWNTOWN INVESTMENT AUTHORITY
11 ("DIA"), AND KELCO CL PARK, LLC ("DEVELOPER"),
12 TO SUPPORT THE CONSTRUCTION BY DEVELOPER OF A
13 SIX-STORY, SELECT-SERVICE, EXTENDED STAY HOTEL
14 UNDER THE HOME2SUITES BRAND OF HILTON HOTEL
15 PROPERTIES AND OTHER IMPROVEMENTS LOCATED AT 600
16 PARK STREET AND 616 PARK STREET IN THE BROOKLYN
17 DISTRICT OF DOWNTOWN JACKSONVILLE ("PROJECT");
18 AUTHORIZING A DOWNTOWN ECONOMIC DEVELOPMENT
19 GRANT IN THE AMOUNT OF UP TO \$2,385,220 TO THE
20 DEVELOPER IN CONNECTION WITH THE PROJECT, TO BE
21 APPROPRIATED BY SUBSEQUENT LEGISLATION;
22 DESIGNATING THE DIA AS CONTRACT MONITOR FOR THE
23 AGREEMENT; PROVIDING FOR CITY OVERSIGHT OF THE
24 PROJECT BY THE DOWNTOWN INVESTMENT AUTHORITY;
25 AUTHORIZING THE EXECUTION OF ALL DOCUMENTS
26 RELATING TO THE AGREEMENT AND TRANSACTIONS, AND
27 AUTHORIZING TECHNICAL CHANGES TO THE DOCUMENTS;
28 WAIVER OF THAT PORTION OF THE PUBLIC INVESTMENT
29 POLICY ADOPTED BY ORDINANCE 2016-382-E, AS
30 AMENDED, TO AUTHORIZE A DOWNTOWN ECONOMIC
31 DEVELOPMENT GRANT, WHICH IS NOT CONTEMPLATED BY

1 THE PUBLIC INVESTMENT POLICY; PROVIDING AN
2 EFFECTIVE DATE.

3
4 **WHEREAS**, Kelco CL Park, LLC, or its affiliate, (the "Developer")
5 owns certain real property located at 600 Park Street and 616 Park
6 Street on which Developer intends to cause the construction and
7 development of a select-service, extended stay hotel under the
8 Home2Suites brand of Hilton Hotel Properties (the "Hotel") which
9 shall (i) consist of a minimum of six-stories; (ii) contain an
10 estimated 100 hotel rooms but no fewer than 98 hotel rooms; (iii)
11 contain a fitness center with a minimum of 800 square feet; (iv)
12 contain a flexible meeting space with a minimum of 700 square feet;
13 (v) contain a restaurant with not less than 2,000 leasable square
14 feet integrated into the primary Hotel building for a full-service
15 restaurant which shall be open to the public, face Park Street, and
16 include outdoor seating; (vi) contain a business center, laundry room
17 and sundries shop; and (vii) comply with such other terms as further
18 detailed in the Economic Development Agreement (the "Agreement")
19 placed **Revised On File** with the Legislative Services Division
20 (collectively, the "Project"); and

21 **WHEREAS**, the Developer is seeking a Downtown Economic
22 Development Grant in the not-to-exceed amount of \$2,385,220 (the
23 "Downtown Economic Grant") for the construction and development of
24 the Project; and

25 **WHEREAS**, the Downtown Economic Grant will be disbursed, if at
26 all, in ten (10) equal disbursements pursuant to and as set forth in
27 the Agreement and after verification of the completion of certain
28 conditions including the substantial completion of the Project, but
29 in no case to exceed a total aggregate amount of \$2,385,220; and

30 **WHEREAS**, the DIA has considered the Developer's requests and has
31 recommended the Downtown Economic Grant to help support the commercial

1 growth occurring in, and future hospitality needs of, the Brooklyn
2 District of Downtown Jacksonville; and

3 **WHEREAS**, on December 15, 2021, the DIA approved a resolution
4 (the "Resolution") to enter into the Agreement, said Resolution being
5 attached hereto as **Exhibit 1**; and

6 **WHEREAS**, it has been determined to be in the interest of the
7 City to enter into the Agreement and approve of and adopt the matters
8 set forth in this Ordinance; now, therefore,

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

10 **Section 1. Findings.** It is hereby ascertained, determined,
11 found and declared as follows:

12 (a) The recitals set forth herein are true and correct.

13 (b) The Project will greatly enhance the City and otherwise
14 promote and further the municipal purposes of the City.

15 (c) The Project will enhance and increase the City's tax base
16 and revenues, and the Project will improve the quality of life
17 necessary to encourage and attract business expansion in the City.

18 (d) Enhancement of the City's tax base and revenues are matters
19 of State and City concern.

20 (e) The Developer is qualified to carry out the Project.

21 (f) The authorizations provided by this Ordinance are for public
22 uses and purposes for which the City may use its powers as a
23 municipality and as a political subdivision of the State of Florida
24 and may expend public funds, and the necessity in the public interest
25 for the provisions herein enacted is hereby declared as a matter of
26 legislative determination.

27 (g) This Ordinance is adopted pursuant to the provisions of
28 Chapters 163, 166 and 125, Florida Statutes, as amended, the City's
29 Charter, and other applicable provisions of law.

30 **Section 2. Economic Development Agreement Approved.** The
31 Mayor (or his authorized designee) and the Corporation Secretary are

1 hereby authorized to execute and deliver the Agreement substantially
2 in the form placed **Revised On File** with the Legislative Services
3 Division (with such "technical" changes as herein authorized), for
4 the purpose of implementing the recommendations of the DIA as further
5 described in the Agreement.

6 The Agreement may include such additions, deletions and changes
7 as may be reasonable, necessary and incidental for carrying out the
8 purposes thereof, as may be acceptable to the Mayor, or his designee,
9 with such inclusion and acceptance being evidenced by execution of
10 the Agreement by the Mayor or his designee. No modification to the
11 Agreement may increase the financial obligations or the liability of
12 the City or DIA and any such modification shall be technical only and
13 shall be subject to appropriate legal review and approval of the
14 General Counsel, or his or her designee, and all other appropriate
15 action required by law. "Technical" is herein defined as including,
16 but not limited to, changes in legal descriptions and surveys,
17 descriptions of infrastructure improvements and/or any road project,
18 ingress and egress, easements and rights of way, performance schedules
19 (provided that no performance schedule may be extended for more than
20 six months without DIA Board approval), design standards, and access
21 and site plan, which have no financial impact.

22 **Section 3. Downtown Economic Grant to Developer.** The
23 Downtown Economic Grant is hereby authorized by this Ordinance,
24 subject to future appropriation, and the City is authorized to
25 disburse the Downtown Economic Grant to the Developer in an aggregate
26 amount not to exceed \$2,385,220, pursuant to and as set forth in the
27 Agreement.

28 **Section 4. Designation of Authorized Official and DIA as**
29 **Contract Monitor.** The Mayor is designated as the authorized official
30 of the City for the purpose of executing and delivering any contracts
31 and documents and furnishing such information, data and documents for

1 the Agreement and related documents as may be required and otherwise
2 to act as the authorized official of the City in connection with the
3 Agreement, and is further authorized to designate one or more other
4 officials of the City to exercise any of the foregoing authorizations
5 and to furnish or cause to be furnished such information and take or
6 cause to be taken such action as may be necessary to enable the City
7 to implement the Agreement according to its terms. The DIA is hereby
8 required to administer and monitor the Agreement and to handle the
9 City's responsibilities thereunder, including the City's
10 responsibilities under the Agreement working with and supported by
11 all relevant City departments.

12 **Section 5. Oversight Department.** The Downtown Investment
13 Authority shall oversee the Project described herein.

14 **Section 6. Further Authorizations.** The Mayor, or his
15 designee, and the Corporation Secretary, are hereby authorized to
16 execute the Agreement and all other contracts and documents and
17 otherwise take all necessary action in connection therewith and
18 herewith. The Chief Executive Officer of the DIA, as contract
19 administrator, is authorized to negotiate and execute all necessary
20 changes and amendments to the Agreement and other contracts and
21 documents, to effectuate the purposes of this Ordinance, without
22 further Council action, provided such changes and amendments are
23 limited to amendments that are technical in nature (as described in
24 Section 2 hereof), and further provided that all such amendments
25 shall be subject to appropriate legal review and approval by the
26 General Counsel, or his or her designee, and all other appropriate
27 official action required by law.

28 **Section 7. Waiver of Public Investment Policy.** The
29 requirements of the Public Investment Policy adopted by City Council
30 Ordinance 2016-382-E, as amended, are waived to authorize the Downtown
31 Economic Development Grant that is not contemplated by the Public

1 Investment Policy. The waiver is justified due to the fact that the
2 Project is expected to cause an estimated private capital investment
3 in the Project in the amount of \$16,166,740 and result in increased
4 ad valorem tax revenues to the City.

5 **Section 8. Effective Date.** This Ordinance shall become
6 effective upon signature by the Mayor or upon becoming effective
7 without the Mayor's signature.

8
9 Form Approved:

10
11 /s/ Mary E. Staffopoulos

12 Office of General Counsel

13 Legislation Prepared By: Joelle J. Dillard

14 GC-#1500422-V1-2022-316-E.Docx