

RESOLUTION 2025-08-08

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE: CERTAIN AMENDMENTS TO THAT AMENDED AND RESTATED REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF JACKSONVILLE, THE DOWNTOWN INVESTMENT AUTHORITY AND SHIPYARDS HOTEL, LLC. DATED MARCH 30TH 2023; CERTAIN AMENDMENTS TO THAT MARINA SUPPORT BUILDING LEASE INCLUDED AS EXHIBIT ‘N’ TO THE AFOREMENTIONED REDEVELOPMENT AGREEMENT; CERTAIN AMENDMENTS TO THAT MARINA MANAGEMENT AGREEMENT INCLUDED AS EXHIBIT ‘J’ TO THE AFOREMENTIONED REDEVELOPMENT AGREEMENT; AUTHORIZING THE CEO OF THE DIA TO FURTHER NEGOTIATE ADDITIONAL TERMS AND CONDITIONS (I.E. AMENDMENTS) OR TECHNICAL AMENDMENTS TO THE AFOREMENTIONED AGREEMENTS, PROVIDING THAT SUCH TERMS AND CONDITIONS OR AMENDMENTS ARE CONSISTENT WITH AND IN FURTHERANCE OF THOSE AMENDMENTS IDENTIFIED IN EXHIBIT ‘A’ TO THIS RESOLUTION; AUTHORIZING THE CEO TO INITIATE THE FILING OF LEGISLATION WITH THE CITY COUNCIL REGARDING THE SAME; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING THE EXECUTION OF A SECOND AMENDED AND RESTATED REDEVELOPMENT AGREEMENT, AMENDED MARINA SUPPORT BUILDING LEASE AGREEMENT AND MARINAN MANAGEMENT AGREEMENT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, via Ordinance 2012-0364-E, the City Council created the Downtown Investment Authority, designating the DIA as the City’s Community Redevelopment Agency for the Combined Northbank Downtown Community Redevelopment Area and authorizing it to approve and negotiate economic development agreements and dispose of City-Owned property; and

WHEREAS, via Resolution 20272021-07-01, the DIA authorized the issuance of a Notice of Disposition for that portion of Metropolitan Park formerly referred to as “Kids Kampus”;

WHEREAS, as part of that Negotiated Disposition, certain terms and conditions for a Redevelopment Agreement, a Marina Support Building Lease and a Marina Management Agreement were established; and

WHEREAS, subsequent to successfully negotiating terms and conditions for the aforementioned agreements, City Council adopted Ordinance 2021-673-E that, among other things, approved a Redevelopment Agreement, a Marina Support Building Lease and a Marina Management Agreement; and

WHEREAS, via Resolution 2022-09-01, the DIA, among other things, recommended to City Council certain amendments to the Redevelopment Agreement, with those recommended amendments memorialized in an Amended and Restated Redevelopment Agreements; and

WHEREAS, via Ordinance 2022-871-E, City Council, adopted certain amendments to the Redevelopment Agreement as recommended by the DIA, with those recommended amendments memorialized in an Amended and Restated Redevelopment Agreements; and

WHEREAS, Shipyards Hotel, LLC, (“Developer” within RDA), Iguana Investment Florida, LLC (“Manager” within Marina Management Agreement), find it necessary and desirable to amend the three aforementioned agreements,

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

Section 1. The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

Section 2. The DIA recommends to City Council approval of certain amendments to the Amended and Restated Redevelopment Agreement between the City of Jacksonville, the Downtown Investment Authority and Shipyards Hotel, LLC, including the Marina Support Building Lease and Marina Management Agreement adopted therein, with those amendments included as Exhibit ‘A’ to this resolution.

Section 3. The DIA Board hereby authorizes its Chief Executive Officer to negotiate further terms and conditions and to make technical amendments to the Amended and Restated Redevelopment Agreement between the City of Jacksonville, the Downtown Investment Authority and Shipyards Hotel, LLC, including the Marina Support Building Lease and Marina Management Agreement adopted therein, providing that such terms and conditions or amendments are consistent with and in furtherance of Exhibit ‘A’ to this Resolution 2025-08-08..

Section 4. The DIA Board instructs its Chief Executive Officer to file legislation with City Council in order to effectuate the purposes of this Resolution 2025-08-08.

Section 5. The DIA Board authorizes its Chief Executive Officer to execute a second Amended and Restated Redevelopment Agreement, Marina Support Building Lease and Marina Management Agreement, as appropriate.

Section 6. This Resolution, 2025-08-08, shall become effective on the date it is signed by the Chair of the DIA Board.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

  
Witness Patrick Krechowski, Esq., Chair Date

VOTE: In Favor: 9 Opposed: 0 Abstained: 0

RESOLUTION 2025-08-08
EXHIBIT A

The Amended and Restated Redevelopment Agreement among the City of Jacksonville, the Downtown Investment Authority and Shipyards Hotel, LLC ("RDA"), dated March 30, 2023, and associated documents including the Marina Support Building Lease Agreement and Marina Management Agreement, all as approved by Ordinance 2022-871-E, shall be amended as follows:

1. To amend Sections 2.27 and 2.32 of the RDA allow for execution of the MMA and Marina Support Building Lease Agreement upon the earlier to occur of: (i) the date which is eighteen (18) months prior to the Completion Date for the Marina Improvements; or (ii) the date which is eighteen (18) months prior to the opening date of the Marina Improvements, and to further amend Section 2.27 to provide that the balance of the FIND Grants at the time of execution of the MMA must only be paid by Developer to the extent required by the Florida Inland Navigational District, or the extent any penalties are imposed upon the City for failure to pay.
2. To increase the Minimum Required Capital Investment for the Hotel Improvements from \$334,552,000 to \$373,962,000. In the event the decrease in the 2025 City/County millage rate to 11.1919 is not enacted, the Minimum Required Capital Investment for the Hotel Improvements shall increase instead to \$370,207,000.
3. To increase the Minimum Required Direct Costs from \$281,947,000 to \$321,357,000 and revise corresponding language accordingly. In the event the decrease in the 2025 City/County millage rate to 11.1919 is not enacted, the Minimum Required Direct Costs for the Hotel Improvements shall increase instead to \$317,602,000.
4. To amend Section 4.1 (d) of the RDA to extend the outside Completion Date for the Hotel Improvements until no later than June 30, 2027, and amend the corresponding date in the Tower Crane License Agreement.
5. To amend Section 4.1 of the RDA to re-authorize six months of CEO discretionary authority to extend the performance schedule by up to six months and eliminating the DIA Board's authority to extend the Performance Schedule for an additional six months.
6. Conditioned upon approval by the Florida Department of Environmental Protection, to amend Section 4.1 (e) (iv) and (vi) to extend the dates by which the Marina Improvements, Bulkhead Improvements, Pier Improvements, Riverwalk Improvements and Marina Support Building Improvements must be substantially complete until on or before August 30, 2026 and revise the dates accordingly in the applicable disbursement agreements;
7. To amend Article 9 of the RDA and Sections 2.22 and 7.13 of that certain Public Infrastructure Capital Improvements Cost Disbursement Agreement dated March 31, 2023, as assigned to Shipyards Marina Florida, LLC (collectively, the "CDA"), to provide that construction of the Riverwalk Improvements by Developer may be phased such that components of the Riverwalk Improvements providing access to the river and the Marina Improvements and Pier Improvements may be opened and considered substantially complete for purposes of the RDA

and CDA notwithstanding that landscaping may be installed after such date, but not later than the Completion Date for the Hotel Improvements. Notwithstanding the foregoing, the final Disbursement shall not be released until such time as all of the Riverwalk Improvements, including the landscaping, are substantially complete and the conditions to final Disbursement in Section 5.5 of the CDA are met.

8. To amend Section 1.1(g), and 11.1 of the RDA to increase the not to exceed amount of the Recapture Enhanced Value Grant to \$56,581,200.00. Proceeds from this increase in the REV Grant may only be used for infrastructure improvements related to calming traffic on Bay Street, which may occur in multiple phases. Developer may pay for any infrastructure costs in advance of the collection of the REV Grant and shall be reimbursed from such proceeds up to \$6,000,000. If the cost incurred by Developer for such improvements is less than \$6,000,000, or if Developer is reimbursed by the State of Florida or the City of Jacksonville for such improvements through a grant or otherwise, the maximum indebtedness of the REV Grant shall be reduced accordingly.

Marina Support Building Lease Agreement.

To replace the Marina Support Building Lease Agreement attached to the Hotel Redevelopment Agreement as Exhibit N with the Marina Support Building Lease Agreement attached hereto as Exhibit A-2, which, as more particularly set forth therein, amends:

- 1) the Basic Lease Information to (i) identify Shipyards Marina Florida, LLC as the Tenant; (ii) correct the acreage of the subject parcel; (iii) provide a more detailed description of the leased premises to address patios, back of house and other areas not contemplated due to early stage of design; and, (iv) revise the original term from five (5) years to ten (10) years but deleting one (1) five (5) year renewal option in order to be able to lease the restaurant space for an initial ten (10) year term to attract a first-class restaurant, and authorizing a 90 day period for tenant buildout prior to lease commencement; (iv) clarifying that the first two (2) five-year renewal options are at the discretion of the Tenant; ~~OCC — Guy wanted Para (iv)~~
- 2) Paragraph 6 to (i) adjust the operating covenants to clarify casualty shall not be a violation of the use covenant and to recognize that a restaurant operator may operate 5 days a week, rather than the 7 days a week required for a marina operator. and (ii) provide coordination regarding use of the Events Lawn with the Parks Department of the City to allow for coordinated use of the public space with control vesting in the Parks Department;
- 3) Paragraph 7 to clarify Tenant obligations for capital maintenance and capital repairs is subject to an allocation of sufficient funding therefor from the Room Surcharge;
- 4) certain provisions to allow for commercially reasonable terms required by a restaurant subtenant, including, (i) Paragraph 8(a), allowing for a restaurant tenant to perform non-structural work under \$50,000 on an annual basis, (ii) Paragraph 10(a) through 10(e), amending the consent and transfer restrictions on a restaurant sublessee (including non-disclosure of trade

sensitive materials of a tenant sublessee), and (iii) Paragraph 10(f), providing for non-disturbance by the City if the restaurant sublessee is not in default;

- 5) Paragraph 15(b) to revise the use and abandonment provisions to reflect the operation of a restaurant and the time periods to relet space for a restaurant if necessary;
- 6) Basic rent is increased from \$1 per year to \$15,000 per year, less annual Event Lawn maintenance expense incurred by Tenant; requiring that the Tenant provide a calculation of the Events Lawn Maintenance Expense for such year, together with supporting documentation as reasonably requested by Landlord, together with Tenant's calculation of Basic Rent due for such previous lease year;
- 7) Paragraph 17(a) to clarify that in the event of tenant default, the tenant's restoration obligations do not include any tenant specific improvements for a subsequent restaurant operator, but only to turn over the building in the condition as designed;

Marina Management Agreement

To replace the Marina Management Agreement ("MMA") attached to the Hotel Redevelopment Agreement as Exhibit J and replace it with a revised MMA that amends:

- 1) the preamble to clarify that the Manager is Shipyards Marina Florida, LLC rather than Iguana Investments Florida, LLC;
- 2) the recitals to allow the City and Manager to execute the MMA prior to Substantial Completion of the Marina Improvements and Pier Improvements so that Manager may properly staff, operate and maintain such improvements upon Substantial Completion;
- 3) Paragraph 3 to revise the initial five year Term to align with the initial ten year term of the submerged land lease and provide Manager with the option to extend the MMA for one (1) additional ten (10) year period at Manager's discretion and another ten (10) year extension by the mutual agreement of Manager and City;
- 4) Paragraph 6 to define the "operation and maintenance activities" (consistent with the stated Marina Standards) to which Manager may apply Gross Revenue received from Marina operations;
- 5) revise Transient Slip rental restrictions to align rental duration thereof with FDEP regulations and authorize rental of Transient Slips outside of special events subject to approval of rental rates by the Parks Department;
- 6) Paragraph 10 to clarify that the Manager or Marina Operator will recruit and employ personnel for the operation and maintenance of the Marina;
- 7) Paragraph 13 to obligate Manager to report revenues generated by rental of Transient Slips and fuel sales to the City on a monthly basis; and

- 8) Paragraph 17 to clarify that the City and Manager shall reasonably cooperate, including execution of any necessary documents, to facilitate compliance with the Submerged Land lease and FRDAP Grant**
- 9) Exhibit A to reflect the revised layout and dimensions of the Marina as permitted by the FDEP.**