

RESOLUTION 2024-05-06

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING REVISIONS TO, AND RECOMMENDING CITY COUNCIL APPROVAL OF AMENDMENTS TO THE RESTAURANT IMPROVEMENTS DEFINITION, THE PERFORMANCE SCHEDULE AND THE DURATION OF THE PHASE 1 RETAIL REV GRANT AND OTHER ASSOCIATED TERMS OF THE REDEVELOPMENT AGREEMENT BETWEEN THE CITY, DIA, AND FUQUA ACQUISITIONS, LLC, DATED DECEMBER 20, 2021 (THE “RDA”) AS ASSIGNED TO FUQUA BCDC ONE RIVERSIDE PROJECT OWNER, LLC, (THE “DEVELOPER”) AND AS MODIFIED BY AMENDMENT ONE THERETO DATED OCTOBER, 2022; THE TERMS OF THE SECOND AMENDMENT SHALL INCLUDE, AMONG SUCH OTHER ITEMS AS MAY BE APPROVED BY CITY COUNCIL, THE MODIFICATIONS IDENTIFIED IN THE TERM SHEET ATTACHED HERETO AS EXHIBIT A, WITH ALL OTHER TERMS AND CONDITIONS OF THE RDA AS AMENDED REMAINING UNCHANGED EXCEPT AS MODIFIED BY ANY SETTLEMENT AGREEMENT BETWEEN THE CITY AND DEVELOPER; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The City of Jacksonville (the “City”), the Downtown Investment Authority (“DIA”) and Fuqua Acquisitions, LLC (“Fuqua”) entered into that certain Redevelopment Agreement dated December 20, 2021 (the “RDA”), as authorized by City Ordinance 2021-796-E; and

WHEREAS, Fuqua’s interest in the RDA was assigned to Developer; and

WHEREAS, the City, DIA and Developer entered into Amendment One to the Redevelopment Agreement dated October 12, 2022, as authorized by Ordinance 2022-493-E; and

WHEREAS, the City, Developer and DIA have agreed to certain modifications in the Performance schedules and associated terms of the RDA which extend the dates for both the Project and City Improvements as a result of force majeure delays which among other things, have prevented the City’s commencement of the McCoy’s Creek Improvements; and

WHEREAS, Developer and the City continue to work in good faith to complete that Project and the McCoy’s Creek Improvements; and

WHEREAS, the parties have agreed to a revised schedule as part of a larger resolution of the impacts of construction delays on the Project as defined in the RDA; and

WHEREAS, the parties have agreed to an extension of the time frame for payout of the Phase 1 Retail Rev Grant; and

WHEREAS, the developer of the Phase 1 residential has requested a clarification and amendment of the definition of the required riverfront restaurant which staff believes furthers the original intent of the restaurant requirement; and

WHEREAS, DIA is the designated Community Redevelopment Agency for the North Bank CRA, for which a BID Plan, inclusive of a Community Redevelopment Plan, was adopted by Ordinance 2014-560-E and updated pursuant to Ordinance 2022-0372; and

WHEREAS, the Strategic Implementation Committee of the DIA considered the proposed term sheet and amendment at its May 10, 2024, meeting, and it is recommended by the committee that the DIA Board approve this resolution authorizing modifications to the RDA in the term sheet attached hereto as Exhibit A.

NOW THEREFORE, BE IT RESOLVED by the Board of 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 hereby recommends that City Council authorize all amendments to the Performance Schedule, the extension of the Phase 1 Retail REV Grant, and the modification of the Phase 1 Residential waterfront restaurant requirement summarized in the term sheet attached hereto as Exhibit A.

Section 3. The CEO of the DIA is hereby authorized to seek Council approval of this amendment as standalone legislation or as part of other legislation regarding the project introduced in May or June.

Section 5. The DIA hereby authorizes the CEO of the Downtown Investment Authority to take all action necessary to effectuate the purposes of this Resolution 2024-05-06, including the execution of contracts, agreements, and other documents.

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

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Jim Citrano, Chair

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

Exhibit A to Resolution 2024-05-06
Term Sheet for DIA authorized RDA amendments

1. The following definition contained in the RDA:

"Restaurant Improvements"

A riverfront (i.e., direct frontage on the Riverwalk or St. Johns River) full-service restaurant with a minimum of 2,500 sq. ft. of enclosed conditioned space with no less than 500 sq. ft. of outdoor service area (if located on the Helipad Site) or comprised of 3,000 sq. ft. of enclosed conditioned space if located within a residential building, with no less than 500 sq. ft. of riverfront outdoor service area. The restaurant must be able to provide meal service to 100 or more patrons at one time.

is modified as below:

"Restaurant Improvements"

A riverfront (i.e., direct frontage on the Riverwalk or St. Johns River) full-service restaurant accessible from the Riverwalk with a minimum of 2,500 sq. ft. of enclosed conditioned space with no less than 1000 sq. ft. of outdoor service area located adjacent to the Riverwalk. The restaurant must be able to provide meal service to 100 or more patrons at one time.

2. Phase 1 Retail REV Grant duration is extended from:

“ending on the earlier of: (i) 20 years thereafter, but not later than 2045 payable in 2046, or (ii) upon the expiration or earlier termination of the Northbank West CRA TIP (as applicable, the "Final Year"), all as more fully described below in this Article 11, unless the City agrees to assume the obligation to pay the REV Grant in accordance with this Agreement after expiration or termination of the Northbank West CRA TIP.

to:

“ending 20 years thereafter (the "Final Year"), all as more fully described below in this Article 11, with the City agreeing to assume the obligation to pay the REV Grant in accordance with this Agreement after expiration or termination of the Northbank West CRA TID.”

3. Performance Schedule

1. The commencement date for the McCoys Creek Improvements (MCI) that was set as January 31, 2023 in Amendment one is being stricken as the project is already underway;
2. The completion date for Phase I MCI is April 1, 2025.
3. Completion Date for entirety of MCI is December 31, 2025; Completion Date for MCI under Amendment One was October 30, 2023, extended to April 30, 2024 due to demolition project delays.
4. Commencement Date for Phase I Retail Improvements moves from July 31, 2024 in RDA to July 31, 2025 in Amendment 2.
5. Completion Date for Phase I Retail Improvements moves from September 30, 2025 to September 30, 2026.

In addition, the RDA will be amended to:

1. Segregate the McCoy's Creek Improvements ("MCI") project into two phases, the first being just the May Street extension, the second the balance of the project, and creates separate completion dates for each phase.
2. Revise the escrow agreement the City entered into regarding the timing of when the Creek Deed is released from escrow and provided to the developer.
3. Such other changes to the default provisions as may be authorized in a Settlement Agreement associated with McCoys Creek construction delays.