

1 Introduced by the Council President at the request of the DIA:
2
3

4 **ORDINANCE 2022-871**

5 AN ORDINANCE MAKING CERTAIN FINDINGS AND
6 APPROPRIATING \$7,100,000 FROM THE NORTHBANK
7 RIVERWALK - NORTHBANK BULKHEAD PROJECT TO THE
8 NORTHBANK CENTRAL MARINA PROJECT TO FUND CERTAIN
9 CITY-OWNED IMPROVEMENTS TO BE CONSTRUCTED BY THE
10 HOTEL DEVELOPER, AS INITIATED BY B.T. 23-028;
11 AUTHORIZING THE MAYOR, OR HIS DESIGNEE, TO
12 EXECUTE: (1) AN OFFICE BUILDING REDEVELOPMENT
13 AGREEMENT ("OFFICE REDEVELOPMENT AGREEMENT")
14 AMONG THE CITY OF JACKSONVILLE ("CITY"),
15 DOWNTOWN INVESTMENT AUTHORITY ("DIA") AND
16 SHIPYARDS OFFICE, LLC ("OFFICE DEVELOPER"), AN
17 AFFILIATE OF IGUANA INVESTMENTS FLORIDA, LLC,
18 FOR THE DESIGN AND CONSTRUCTION OF A CLASS A
19 OFFICE BUILDING WITH NO LESS THAN 141,300 GROSS
20 SQUARE FEET ("OFFICE BUILDING IMPROVEMENTS"),
21 CONSISTENT WITH THE IMPROVEMENTS PREVIOUSLY
22 AUTHORIZED, WHICH IN PART AUTHORIZES THE SALE OF
23 THE APPROXIMATELY 1.05-ACRE OFFICE BUILDING
24 PARCEL TO THE OFFICE DEVELOPER AT A PURCHASE
25 PRICE OF \$3,200,000, AND AUTHORIZES AN
26 ASSIGNMENT OF THE EXISTING OFFICE BUILDING
27 GROUND LEASE FROM THE CITY TO THE OFFICE
28 DEVELOPER; (2) AN AMENDED AND RESTATED HOTEL
29 REDEVELOPMENT AGREEMENT ("HOTEL REDEVELOPMENT
30 AGREEMENT") AMONG THE CITY, DIA, AND SHIPYARDS
31 HOTEL, LLC, AN AFFILIATE OF IGUANA INVESTMENTS

1 FLORIDA, LLC ("HOTEL DEVELOPER"), WHICH AMENDS
2 AND RESTATES THE PREVIOUSLY AUTHORIZED
3 REDEVELOPMENT AGREEMENT FOR THE DESIGN AND
4 CONSTRUCTION OF A LUXURY HOTEL WITH NO FEWER
5 THAN 170 ROOMS, NO FEWER THAN 23 CLASS A
6 CONDOMINIUM UNITS (COLLECTIVELY, THE "HOTEL
7 IMPROVEMENTS"); (3) A REVISED MARINA SUPPORT
8 BUILDING COSTS DISBURSEMENT AGREEMENT FOR THE
9 CONSTRUCTION BY THE DEVELOPER ON BEHALF OF THE
10 CITY OF A MARINA SUPPORT BUILDING OF NO LESS
11 THAN 6,000 SQUARE FEET AND EVENTS LAWN OF
12 APPROXIMATELY 1 ACRE HAVING AN ESTIMATED COST TO
13 THE CITY OF \$9,875,667.00 (COLLECTIVELY, THE
14 "MARINA SUPPORT BUILDING IMPROVEMENTS"); (4) A
15 REVISED MARINA, BULKHEAD AND PIER IMPROVEMENTS
16 COSTS DISBURSEMENT AGREEMENT WITH AN ESTIMATED
17 COST TO THE CITY OF \$28,856,125 ("MARINA
18 IMPROVEMENTS"); (5) A REVISED RIVERWALK
19 IMPROVEMENTS COSTS DISBURSEMENT AGREEMENT WITH
20 AN ESTIMATED COST TO THE CITY OF \$4,103,135
21 ("RIVERWALK IMPROVEMENTS"), WITH ALL COST
22 OVERRUNS IN THE AGGREGATE THE RESPONSIBILITY OF
23 THE HOTEL DEVELOPER, ALL ON THE NORTHBANK OF THE
24 ST. JOHNS RIVER WITHIN THE DOWNTOWN EAST
25 NORTHBANK DOWNTOWN COMMUNITY REDEVELOPMENT AREA
26 ("PROJECT"); (6) A MODIFICATION, CONSENT AND
27 REAFFIRMATION OF GUARANTY FOR THE HOTEL
28 IMPROVEMENTS IN FAVOR OF THE CITY AND DIA; (7)
29 A REVISED GUARANTY AGREEMENT FOR THE OFFICE
30 IMPROVEMENTS IN FAVOR OF THE CITY AND DIA; AND
31 (8) REVISED EASEMENTS AND RELATED DOCUMENTS AS

1 DESCRIBED IN THE HOTEL REDEVELOPMENT AGREEMENT
2 AND OFFICE REDEVELOPMENT AGREEMENT; EXTENDING
3 THE PREVIOUSLY AUTHORIZED RIGHT OF FIRST OFFER
4 IN FAVOR OF THE HOTEL DEVELOPER OVER AN
5 APPROXIMATELY 4.96 ACRE PARCEL OF LAND FROM
6 DECEMBER 31, 2024 TO JUNE 30, 2025; AUTHORIZING
7 A REVISED, SEVENTY-FIVE PERCENT, TWENTY YEAR
8 RECAPTURED ENHANCED VALUE (REV) GRANT IN THE
9 MAXIMUM AMOUNT NOT TO EXCEED \$50,581,200 IN
10 CONNECTION WITH THE CONSTRUCTION OF THE HOTEL
11 IMPROVEMENTS, WHICH INCREASES THE MAXIMUM AMOUNT
12 THEREOF BY \$2,897,245; AUTHORIZING A NEW
13 SEVENTY-FIVE PERCENT, TWENTY YEAR RECAPTURED
14 ENHANCED VALUE (REV) GRANT IN THE MAXIMUM AMOUNT
15 NOT TO EXCEED \$8,120,300 IN CONNECTION WITH THE
16 CONSTRUCTION OF THE OFFICE BUILDING
17 IMPROVEMENTS; AMENDING THE 2023-2027 FIVE-YEAR
18 CAPITAL IMPROVEMENT PLAN APPROVED BY ORDINANCE
19 2022-505-E TO ADJUST FUNDING LEVELS FOR EACH OF
20 THE CITY-OWNED PROJECTS AND TO AUTHORIZE
21 EXPENDITURE OF COST SAVINGS ON COMPLETION OF
22 EACH CITY-OWNED PROJECT; WAIVING SECTION
23 122.811(A), (SALES OF TANGIBLE PERSONAL
24 PROPERTY; PROHIBITION OF SALES TO CERTAIN
25 PERSONS), *ORDINANCE CODE*, TO ALLOW SALE OF ANY
26 SURPLUS TANGIBLE PROPERTY OF THE CITY LOCATED ON
27 THE PROJECT PARCEL BY EACH OF THE HOTEL
28 DEVELOPER AND OFFICE DEVELOPER; PROVIDING FOR
29 CITY OVERSIGHT OF THE PROJECT BY THE DEPARTMENT
30 OF PUBLIC WORKS AND THE DEPARTMENT OF PARKS,
31 RECREATION AND COMMUNITY SERVICES; AUTHORIZING

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

11
12 **WHEREAS**, the City of Jacksonville ("City"), Downtown Investment
13 Authority ("DIA") and Iguana Investments Florida, LLC (the
14 "Developer") have previously entered into that certain redevelopment
15 agreement dated November 24, 2021, as authorized by Ordinance 2021-
16 673-E, for the development of a luxury Four Seasons hotel with
17 approximately 176 rooms (but no fewer than 170 rooms), approximately
18 25 Class A condominium units (with no fewer than 23 Class A
19 condominium units (the "Hotel Improvements"), and a Class A office
20 building with no less than 141,300 gross square feet, and 90,000
21 square feet of rentable office space and 9,000 square feet of
22 retail/amenity/activated space (the "Office Building Improvements"),
23 and other related improvements; and

24 **WHEREAS**, due to certain financing issues and increased
25 construction costs, the Developer is seeking to: (1) create a stand-
26 alone redevelopment agreement for the Office Building and pursuant
27 thereto, to authorize the sale, for the purchase price of \$3,200,000,
28 of the 1.05-acre Office Building Parcel that was previously leased
29 from the City to the Developer, and to authorize an assignment of the
30 Office Building Ground Lease to Shipyards Office, LLC, an affiliate
31 of Developer, and to authorize a 20 year REV Grant in the up to,

1 maximum amount of \$8,120,300, and to amend the performance schedule;
2 (2) amend and restate the Redevelopment Agreement to limit the scope
3 thereof to exclude the Office Building Improvements, to increase the
4 maximum amount of the previously authorized Hotel REV Grant from
5 \$47,683,955 to \$50,581,200, to amend the performance schedule, to
6 authorize revised costs disbursement agreements to increase the
7 maximum costs of the Marina Support Building from \$6,192,967 to
8 \$9,875,667, increase the maximum cost for the Marina Improvements
9 from \$7,180,133 to \$28,856,125 (inclusive of the Bulkhead
10 Improvements and Pier Improvements authorized under the Hotel
11 Redevelopment Agreement and set forth in the City's Capital
12 Improvement Plan), and to increase the maximum costs for the Riverwalk
13 Improvements from \$3,900,000 to \$4,103,135, with all cost overruns
14 the responsibility of the Hotel Developer, and to make certain other
15 revisions therein as set forth in the documents placed **On File** with
16 the Legislative Services Division; and

17 **WHEREAS**, the Developer will also construct on behalf of the City
18 and at the City's cost an approximately 6,500 square feet (but not
19 less than 6,000 square feet) Marina Support Building with Event Lawn
20 (each as defined in the Redevelopment Agreement), improvements to
21 Metropolitan Park Marina including new marina slips, a new pier and
22 any necessary dredging, a new bulkhead, and certain Riverwalk
23 Improvements, each to be funded by the City with cost overruns the
24 responsibility of the Developer (the foregoing improvements,
25 collectively, the "Project"); and

26 **WHEREAS**, the City is also providing a right of first offer on
27 the Future Development Parcel, which is an approximately 4.96-acre
28 parcel of City owned real property located adjacent and to the west
29 of the Office Building parcel, the disposition of which is subject
30 to a future notice of disposition and future DIA and Council approval
31 of the terms thereof; and

1 **WHEREAS**, the DIA has considered the Developer's requests and has
2 determined that the Office Building REV Grant, increase to the Hotel
3 REV Grant, conveyance of the Office Building Parcel and other
4 revisions to the agreements authorized hereby will enable the Hotel
5 Developer and Office Developer to construct the Project as described
6 in the Hotel Redevelopment Agreement and Office Building
7 Redevelopment Agreement; and

8 **WHEREAS**, the Project is consistent with the DIA BID Plan, and
9 furthers Redevelopment Goal 1, Reinforce Downtown as the City's unique
10 epicenter for business, history, culture, education and
11 entertainment, Redevelopment Goal 4, improve walkability/bikeability
12 and connectivity to adjacent neighborhoods and the St. John River
13 while creating highly walkable nodes; and Redevelopment Goal 5,
14 establish a waterfront design framework to ensure a unique experience
15 and sense of place; and

16 **WHEREAS**, on September 21, 2022, the DIA Board approved a
17 resolution (the "Resolution") to enter into the Hotel Redevelopment
18 Agreement and Office Building Redevelopment Agreement, said
19 Resolution being attached hereto as **Exhibit 1**; and

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

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

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

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

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

29 (c) The City's assistance for the Project will enable and
30 facilitate the Project, the Project will enhance and increase the
31 City's tax base and revenues, and the Project will improve the quality

1 of life necessary to encourage and attract business expansion in the
2 City.

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

5 (e) The Developers are qualified to carry out the Project.

6 (f) The authorizations provided by this Ordinance are for public
7 uses and purposes for which the City may use its powers as a
8 municipality and as a political subdivision of the State of Florida
9 and may expend public funds, and the necessity in the public interest
10 for the provisions herein enacted is hereby declared as a matter of
11 legislative determination.

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

15 **Section 2. Appropriation.** For the 2022-2023 fiscal year,
16 within the City's budget, there are hereby appropriated the indicated
17 sum(s) from the account(s) listed in subsection (a) to the account(s)
18 listed in subsection (b): (B.T. 23-028, attached hereto as **Exhibit 2**
19 and incorporated herein by this reference):

20 (a) Appropriated from:

21 See B.T. 23-028 \$7,100,000

22 (b) Appropriated to:

23 See B.T. 23-028 \$7,100,000

24 (c) **Explanation of Appropriation**

25 The funding above appropriates and transfers \$7,100,000
26 from Northbank Riverwalk - Northbank Bulkhead CIP Project
27 to the Northbank Central Marina project to provide funding
28 for certain City-owned improvements to be constructed by
29 the Hotel Developer as a part of the overall project.

30 **Section 3. Purpose.** The purpose of the appropriation in
31 Section 2 is to transfer previously appropriated funding from the

1 Northbank Riverwalk - Northbank Bulkhead project to the Northbank
2 Central Marina project to align the funding requirements for City-
3 owned improvements to be constructed by the Hotel Developer as a part
4 of the Project.

5 **Section 4. Execution of Agreements.** The Mayor (or his
6 authorized designee) and the Corporation Secretary are hereby
7 authorized to execute and deliver the Hotel Redevelopment Agreement,
8 Office Building Redevelopment Agreement, revised Marina Improvements
9 Costs Disbursement Agreement, revised Marina Support Building Costs
10 Disbursement Agreement, revised Riverwalk Improvements Costs
11 Disbursement Agreement, guarantees, quitclaim deed, easements and
12 related documents described in the Hotel Redevelopment Agreement and
13 Office Building Redevelopment Agreement (collectively, the
14 "Agreements") substantially in the forms placed **On File** with the
15 Legislative Services Division (with such "technical" changes as
16 herein authorized), for the purpose of implementing the
17 recommendations of the DIA as further described in the Redevelopment
18 Agreements.

19 The Agreements may include such additions, deletions and changes
20 as may be reasonable, necessary and incidental for carrying out the
21 purposes thereof, as may be acceptable to the Mayor, or his designee,
22 and the CEO of the DIA, as applicable, with such inclusion and
23 acceptance being evidenced by execution of the Agreements by the Mayor
24 or his designee and/or the CEO of the DIA, as applicable. No
25 modification to the Agreements may increase the financial obligations
26 or the liability of the City or DIA and any such modification shall
27 be technical only and shall be subject to appropriate legal review
28 and approval of the General Counsel, or his or her designee, and all
29 other appropriate action required by law. "Technical" is herein
30 defined as including, but not limited to, changes in legal
31 descriptions and surveys, descriptions of infrastructure improvements

1 and/or any road project, ingress and egress, easements and rights of
2 way, performance schedules (provided that no performance schedule may
3 be extended for more than one year without Council approval), design
4 standards, access and site plan, which have no financial impact.

5 **Section 5. Amendment to Right of First Offer on Future**
6 **Development Parcel.** The City hereby amends the right of first offer
7 ("ROFO") in favor of the Developer to extend the term thereof from
8 December 31, 2024 through June 30, 2025, with all other terms and
9 conditions thereof remaining unchanged.

10 **Section 6. Payment of Office Building REV Grant.**

11 (a) The REV Grant in the amount not to exceed \$8,120,300, the terms
12 of which are more specifically described in the Redevelopment
13 Agreement, shall not be deemed to constitute a debt, liability, or
14 obligation of the City or of the State of Florida or any political
15 subdivision thereof within the meaning of any constitutional or
16 statutory limitation, or a pledge of the faith and credit or taxing
17 power of the City or of the State of Florida or any political
18 subdivision thereof, but shall be payable solely from the funds
19 provided therefor as provided in this Section. The Redevelopment
20 Agreement shall contain a statement to the effect that the City shall
21 not be obligated to pay any installment of its financial assistance
22 to the Developer except from the non-ad valorem revenues or other
23 legally available funds provided for that purpose, that neither the
24 faith and credit nor the taxing power of the City or of the State of
25 Florida or any political subdivision thereof is pledged to the payment
26 of any portion of such financial assistance, and that the Developer,
27 or any person, firm or entity claiming by, through or under the
28 Developer, or any other person whomsoever, shall never have any right,
29 directly or indirectly, to compel the exercise of the ad valorem
30 taxing power of the City or of the State of Florida or any political

1 subdivision thereof for the payment of any portion of such financial
2 assistance.

3 (b) The DIA is hereby authorized to and shall disburse the annual
4 installments of the REV Grant to the Office Building Developer as
5 provided in this Section in accordance with this Ordinance and the
6 Office Building Redevelopment Agreement.

7 **Section 7. Payment of Hotel REV Grant.**

8 (a) The REV Grant in the amount not to exceed \$50,581,200, the
9 terms of which are more specifically described in the Redevelopment
10 Agreement, shall not be deemed to constitute a debt, liability, or
11 obligation of the City or of the State of Florida or any political
12 subdivision thereof within the meaning of any constitutional or
13 statutory limitation, or a pledge of the faith and credit or taxing
14 power of the City or of the State of Florida or any political
15 subdivision thereof, but shall be payable solely from the funds
16 provided therefor as provided in this Section. The Redevelopment
17 Agreement shall contain a statement to the effect that the City shall
18 not be obligated to pay any installment of its financial assistance
19 to the Developer except from the non-ad valorem revenues or other
20 legally available funds provided for that purpose, that neither the
21 faith and credit nor the taxing power of the City or of the State of
22 Florida or any political subdivision thereof is pledged to the payment
23 of any portion of such financial assistance, and that the Developer,
24 or any person, firm or entity claiming by, through or under the
25 Developer, or any other person whomsoever, shall never have any right,
26 directly or indirectly, to compel the exercise of the ad valorem
27 taxing power of the City or of the State of Florida or any political
28 subdivision thereof for the payment of any portion of such financial
29 assistance.

30 (b) The DIA is hereby authorized to and shall disburse the annual
31 installments of the REV Grant to the Hotel Developer as provided in

1 this Section in accordance with this Ordinance and the Hotel
2 Redevelopment Agreement.

3 **Section 8. Capital Improvement Plan Amendment.** Ordinance
4 2022-505-E, adopting the 2022-2026 Five-Year Capital Improvement Plan
5 (the "CIP") for the City and certain of its independent agencies, is
6 hereby amended to amend the descriptions and budgets for the Projects
7 as more fully described in the Project Information Sheets attached
8 hereto as **Composite Exhibit 3** and incorporated herein by this
9 reference. The City Council finds that the deferral of this amendment
10 of the CIP until the next annual budget and CIP review will be
11 detrimental to the best interests of the community because such
12 deferral will unnecessarily delay completion of the projects.

13 Pursuant to Section 122.605(c), *Ordinance Code*, enactment of
14 this Ordinance requires the affirmative vote of two-thirds of the
15 City Council members present at the meeting because of the CIP
16 amendment set forth in this section. This Ordinance shall constitute
17 an amendment to Ordinance 2022-505-E. In all other respects, the
18 Five-Year Capital Improvement Plan approved by Ordinance 2022-505-E
19 shall remain unchanged and continue in full force and effect.

20 **Section 9. Waiving Section 122.811(A) (Sales of tangible**
21 **personal property; prohibition of sales to certain persons.),**
22 **Ordinance Code, Waived.** The City hereby waives the provisions of
23 Section 122.811(a), *Ordinance Code*, to allow Developer to coordinate
24 the sale of any surplus City property in coordination with the
25 construction of the improvements. Any such revenues shall be applied
26 toward the cost of the Optional Improvements (as defined in the
27 Redevelopment Agreement) and credited to the City.

28 **Section 10. 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 Agreements and related documents as may be required and otherwise
2 to act as the authorized official of the City in connection with the
3 Agreements, 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 Agreements according to their terms. The DIA is
8 hereby required to administer and monitor the Redevelopment Agreement
9 and to handle the City's responsibilities thereunder, including the
10 City's responsibilities under such agreement working with and
11 supported by all relevant City departments.

12 **Section 11. Oversight Department.** The Department of Public
13 Works shall oversee the Project described herein, and the Department
14 of Parks, Recreation and Community Services shall oversee the marina
15 improvements and Riverwalk improvements portion of the Project.

16 **Section 12. Further Authorizations.** The Mayor, or his
17 designee, and the Corporation Secretary, are hereby authorized to
18 execute the Agreements and all other contracts and documents and
19 otherwise take all necessary action in connection therewith and
20 herewith. The Chief Executive Officer of the DIA, as contract
21 administrator, is authorized to negotiate and execute all necessary
22 changes and amendments to the Agreements and other contracts and
23 documents, to effectuate the purposes of this Ordinance, without
24 further Council action, provided such changes and amendments are
25 limited to amendments that are technical in nature (as described in
26 Section 2 hereof), and further provided that all such amendments
27 shall be subject to appropriate legal review and approval by the
28 General Counsel, or his or her designee, and all other appropriate
29 official action required by law.

30 **Section 13. Waiver of Public Investment Policy.** The
31 requirements of the Public Investment Policy adopted by City Council

1 Ordinance 2022-372-E, as amended, are waived to authorize the Office
2 Building REV Grant and increase to the existing Hotel REV Grant on
3 the office building and hotel that are not authorized pursuant to the
4 Public Investment Policy. The waiver is justified due to the fact
5 that the Project will cause an estimated private capital investment
6 in the project of \$334,552,000 and result in increased ad valorem
7 revenues to the City.

8 **Section 14. Effective Date.** This Ordinance shall become
9 effective upon signature by the Mayor or upon becoming effective
10 without the Mayor's signature.

11
12 Form Approved:

13
14 /s/ John Sawyer

15 Office of General Counsel

16 Legislation Prepared By: John Sawyer

17 GC-#1532508-v3-Leg__2022-__Iguana_Amended_and_Restated.DOCX