

LEGISLATIVE FACT SHEET

DATE: 06/29/21 BT or RC No: N/A
(Administration & City Council Bills)

SPONSOR: Downtown Investment Authority (DIA)
(Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: DIA

Provide Name: Steve Kelley

Contact Number: 904-255-5304

Email Address: skelley@coi.net

PURPOSE: White Paper (Explain Why this legislation is necessary? Provide; Who, What, When, Where, How and the Impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation. (Minimum of 350 words - Maximum of 1 page.)

This legislation is filed to modify the Amended and Restated Redevelopment Agreement executed by the parties June 25, 2020 to allow for an extension of the Completion Date from May 2, 2022 to December 31, 2022. The Developer, Axis Hotels, LLC, documented significant difficulties in closing on financing during 2020 and into 2021 attributed to challenges found in the debt market for development of hospitality properties. Through this period, Axis received all permissible extensions of the Performance Schedule allowed under the terms of the Amended and Restated Redevelopment Agreement. Following notice of default for failure to commence, Axis has timely demonstrated efforts to cure the default and has committed to close on financing for the Project by June 30, 2021 and Commence Construction by July 31, 2021. The DIA Board agreed to this strategy to cure the default by its approval of Resolution 2021-06-08 at its June 16, 2021 Board Meeting recommending extension of the completion date to allow adequate time between commencement and completion.

The modification of the RDA maintains the following:

The Ambassador Hotel:

Total Development Cost: \$15,000,000 (estimated)

Redevelopment Completion Grant: \$1,500,000 from the Downtown Historic Preservation and Revitalization Trust Fund (the "HPTF"). These grant funds shall be used in accordance with the Downtown Historic Preservation and Revitalization Trust Fund guidelines.

- THE HPTF Grant will be disbursed at issuance of the last needed Certificate of Occupancy ("CO") for the project. Therefore, it is estimated funds would be needed no sooner than 18 months after construction commences, estimated by the Developer's Schedule.
- The Grants will be subject to standard "claw-back" language.

APPROPRIATION: Total Amount Appropriated: _____ N/A as follows:
 List the source name and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in title of legislation)

Name of Federal Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name of State Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name of City of Jacksonville Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name of In-Kind Contribution(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name & Number of Bond Account(s):	From: _____	Amount: _____
	To: _____	Amount: _____

PLAIN LANGUAGE OF APPROPRIATION / FINANCIAL IMPACT / OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)

The grant from the Downtown Revitalization and Historic Preservation Trust Fund (the "HPTF") in an amount up to \$1,500,000 for redevelopment of the Ambassador Hotel building, remains in effect from the approval originally provided. Funding is available in the trust fund balance for this project.

ACTION ITEMS: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:

	Yes	No	
Emergency?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Justification of Emergency: If yes, explanation must include detailed nature of emergency.</p> <p>Developer has requested one cycle emergency to ensure action by the Commencement of Construction date on July 31, 2021.</p>
Federal or State Mandate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision.</p>
Fiscal Year Carryover?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Note: If yes, note must include explanation of all-year subfund carryover language.</p>
CIP Amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.</p>
Contract / Agreement Approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Attachment & Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted?</p> <p>The Amended and Restated Development Agreement is on file. DIA will be responsible for contract oversight (John Crescimbeni, Finance and Compliance Manager). Minor edits may be required as OGC and Developer's counsel are still exchanging comments.</p>
Related RC/BT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Attachment: If yes, attach appropriate RC/BT form(s).</p>
Waiver of Code?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper.</p> <p>Waiver of the \$1,000,000 limit per building in the HPTF guidelines, adopted via Ord. 2002-395-E.</p>
Code Exception?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper.</p>
Related Enacted Ordinances?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper.</p> <p>2020-0230-E</p>

ACTION ITEMS CONTINUED: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:

	Yes	No
Continuation of Grant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant? Are there long-term implications for the General Fund?

Surplus Property Certification?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Requirements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Attachment: If yes, attach appropriate form(s).

Explanation: List agencies (including City Council / Auditor) to receive reports and frequency of reports, including when reports are due. Provide Department (include contact name and telephone number) responsible for generating reports.

HPTF Grant for the Hotel redevelopment will only be disbursed after completion of the improvements, issuance of a Certificate of Occupancy, and the approval of the HPS of the Planning Dept.

Division Chief: Lori Boyer
(signature)

Date: 6/29/21

Prepared By: Steve T. Kelley
(signature)

Date: 6/29/21

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Jasmine Jordan, Budget Office, St. James Suite 325

Thru: Brian Hughes, Chairman, CAO, Mayor's Budget Review Committee
(Name, Job Title, Department)

Phone: 255-5012 E-mail: HughesB@coj.net

From: Lori Boyer, CEO
Initiating Department Representative (Name, Job Title, Department)

Phone: 904-255-5301 E-mail: boyerl@coj.net

Primary Contact: Steve Kelley, Director of Downtown Real Estate and Development
(Name, Job Title, Department)

Phone: 904-255-5304 E-mail: skelley@coj.net

CC: Leeann Krieg, Director of Intergovernmental Affairs, Office of the Mayor
904-255-5015 E-mail: leeannk@coj.net

5