

1 Introduced by the Council President at the request of the Mayor and
2 amended by the Transportation, Energy & Utilities Committee:

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5 **ORDINANCE 2021-311-E**

6 AN ORDINANCE MAKING CERTAIN FINDINGS, AND
7 APPROVING AND AUTHORIZING THE EXECUTION OF A
8 FIRST AMENDMENT TO AMENDED AND RESTATED
9 REDEVELOPMENT AGREEMENT ("AMENDMENT") BETWEEN
10 THE CITY OF JACKSONVILLE ("CITY") AND HP-BDG
11 200 RIVERSIDE, LLC, OR AN AFFILIATED COMPANY
12 MANAGED BY HP-BDG 200 RIVERSIDE, LLC
13 ("COMPANY"), CONSISTING OF APPROXIMATELY 295
14 RESIDENTIAL UNITS, 12,750 SQUARE FEET OF
15 RETAIL SPACE, AND 450 NEW STRUCTURED PARKING
16 SPACES AT 200 RIVERSIDE (THE "PROJECT"),
17 REVISING THE DEFINITION OF PROJECT
18 IMPROVEMENTS TO PERMIT CERTAIN COMMERCIAL USES
19 IN UP TO FIFTY PERCENT (50%) OF THE RETAIL
20 SPACE IN THE PROJECT; APPROVING AND
21 AUTHORIZING THE EXECUTION OF A SUPPLEMENTAL
22 REDEVELOPMENT AGREEMENT ("SUPPLEMENTAL
23 AGREEMENT") BETWEEN THE CITY AND THE COMPANY,
24 AUTHORIZING THE CITY TO GRANT THE COMPANY A
25 SUPPLEMENTAL RECAPTURED ENHANCED VALUE (REV)
26 GRANT IN AN UP TO, NOT-TO-EXCEED AMOUNT OF
27 \$1,556,000.00, TO ATTRACT RETAIL TENANTS
28 THROUGH FUNDING OF TENANT IMPROVEMENTS OR RENT
29 ABATEMENTS; APPROVING AND AUTHORIZING
30 EXECUTION OF DOCUMENTS BY THE MAYOR AND
31 CORPORATION SECRETARY; AUTHORIZING APPROVAL OF

1 TECHNICAL AMENDMENTS BY THE CHIEF EXECUTIVE
2 OFFICER OF THE DIA; PROVIDING FOR CITY
3 OVERSIGHT BY THE DIA; TIMELINE FOR EXECUTION
4 OF AGREEMENT BY THE COMPANY; WAIVING THE
5 PROJECT'S COMPLIANCE WITH THE PUBLIC
6 INVESTMENT POLICY ADOPTED BY ORDINANCE 2016-
7 382-E; PROVIDING AN EFFECTIVE DATE.

8
9 **WHEREAS**, HP-BDG 200 Riverside, LLC, a Florida limited
10 liability company, (the "Company") and the City of Jacksonville
11 ("City") previously entered into that certain Amended and Restated
12 Redevelopment Agreement dated May 19, 2017 (the "Original RDA"), as
13 authorized by Downtown Investment Authority ("DIA") Resolutions
14 2014-10-01 and 2016-12-02 and City Ordinance 2017-101-E; and

15 **WHEREAS**, the Original RDA provided that the project
16 improvements would consist of approximately 295 residential units,
17 12,750 square feet of retail space, and at least 450 new structured
18 parking spaces (the "Project"); and

19 **WHEREAS**, in order to further clarify tenant eligibility to
20 maintain the Recaptured Enhanced Value Grant ("REV Grant") as
21 approved, the Company has requested that the City amend the terms
22 of the Original RDA to provide that certain commercial uses be
23 permitted in up to fifty percent (50%) of the retail space in
24 addition to retail uses; and

25 **WHEREAS**, due to the COVID-19 pandemic, retail activity
26 across the country has shifted towards e-commerce and slowed
27 dramatically in brick-and-mortar locations; and

28 **WHEREAS**, in order to realize the City's desire to facilitate
29 retail uses in the Project, the Company has requested and the DIA
30 has approved a Supplemental Recaptured Enhanced Value (REV) Grant
31 ("Supplemental REV Grant"), equal to the product obtained by

1 multiplying (i) 12.5%, by (ii) the Retail Space Proportionate Share
2 for the applicable Eligible Year, by (iii) the Annual Project
3 Revenues, for a period of ten (10) years, in an up to, maximum
4 amount of \$1,556,000; and

5 **WHEREAS**, the Project furthers goals of the Northbank Downtown
6 Community Redevelopment Area Plan ("CRA Plan"), specifically CRA
7 Plan Goal Number 1, reinforcing downtown as the City's unique
8 epicenter for business, history, culture, education, and
9 entertainment, and CRA Plan Goal Number 2, increasing rental
10 housing in downtown Jacksonville; and

11 **WHEREAS**, for the reasons more fully described in the DIA
12 Resolution described below, the Supplemental REV Grant serves a
13 paramount public purpose; and

14 **WHEREAS**, the DIA has reviewed the application submitted by the
15 Company for the revised redevelopment, approved the terms contained
16 in that First Amendment to Amended and Restated Redevelopment
17 Agreement (the "Amendment") and that Supplemental Redevelopment
18 Agreement (the "Supplemental Agreement") pursuant to Resolution
19 2021-01-06 adopted at its regular meeting on January 20, 2021 (as
20 set forth in composite materials placed **Revised On File** with the
21 Legislative Services Division), and the Chief Executive Officer of
22 the DIA has negotiated the Amendment and the Supplemental Agreement
23 and, based upon the contents of the Amendment and the Supplemental
24 Agreement, has determined the Amendment and the Supplemental
25 Agreement and the uses contemplated therein to be in the public
26 interest, and has determined that the public actions and financial
27 assistance contemplated in the Amendment and the Supplemental
28 Agreement take into account and give consideration to the long-term
29 public interests and public interest benefits to be achieved by the
30 City; and

31 **WHEREAS**, the Company has requested the City to enter into the

1 Amendment and the Supplemental Agreement in substantially the form
2 placed **Revised On File** with the Legislative Services Division; now
3 therefore,

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

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

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

8 (b) The location of the Company's project in Jacksonville,
9 Florida, ("Project") is more particularly described in the
10 Amendment and the Supplemental Agreement. The Project will promote
11 and further the public and municipal purposes of the City. The
12 Project is in accordance with the Northbank Downtown Community
13 Redevelopment Area Plan and will further the purposes of the
14 Northbank Downtown Community Redevelopment Area ("Northbank CRA").

15 (c) Enhancement of the City's tax base and revenues, are
16 matters of State and City policy and State and City concern in
17 order that the State and its counties and municipalities, including
18 the City, shall not continue to be endangered by unemployment,
19 underemployment, economic recession, poverty, crime and disease,
20 and consume an excessive proportion of the State and City revenues
21 because of the extra services required for police, fire, accident,
22 health care, elderly care, charity care, hospitalization, public
23 housing and housing assistance, and other forms of public
24 protection, services and facilities.

25 (d) The provision of the City's assistance as identified in
26 the Amendment and the Supplemental Agreement is necessary and
27 appropriate to facilitate retail activity along Riverside Avenue in
28 the Brooklyn District of the Northbank CRA; and the City's
29 assistance is reasonable and not excessive, taking into account the
30 COVID-19 pandemic and related retail tenancy challenges, the extent
31 of the public benefits expected to be derived from the Project, and

1 all other forms of assistance available.

2 (e) The Company is qualified to carry out and complete the
3 construction and equipping of the Project, in accordance with the
4 Amendment and the Supplemental Agreement.

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

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

14 **Section 2. First Amendment to Amended and Restated**
15 **Redevelopment Agreement and Supplemental Redevelopment Agreement**
16 **Approved.**

17 There is hereby approved, and the Mayor and
18 Corporation Secretary are authorized to enter into both the
19 Amendment and the Supplemental Agreement between the City and the
20 Company, in substantially the form placed **Revised On File** with the
21 Legislative Services Division (with such "technical" changes as
22 herein authorized).

23 The Amendment and the Supplemental Agreement may include such
24 additions, deletions and changes as may be reasonable, necessary and
25 incidental for carrying out the purposes thereof, as may be
26 acceptable to the Mayor, or his designee, with such inclusion and
27 acceptance being evidenced by execution of the Amendment and the
28 Supplemental Agreement by the Mayor or his designee. No
29 modification to the Amendment or the Supplemental Agreement may
30 increase the financial obligations or the liability to the City and
31 any such modification shall be technical only and shall be subject
to appropriate legal review and approval of the General Counsel, or

1 his or her designee, and all other appropriate action required by
2 law. "Technical" is herein defined as including, but not limited to,
3 changes in legal descriptions and surveys, descriptions of
4 infrastructure improvements and/or any road project, ingress and
5 egress, easements and rights of way, performance schedules (provided
6 that no performance schedule may be extended for more than six
7 months without City Council approval), design standards, access and
8 site plan, which have no financial impact.

9 **Section 3. Payment of Supplemental REV Grant.**

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

1 (b) The Mayor, or his designee, is hereby authorized to and
2 shall disburse the annual installments of the Supplemental REV
3 Grant as provided in this Section in accordance with this Ordinance
4 and the Supplemental Agreement.

5 **Section 4. Designation of Authorized Official/DIA**
6 **Contract Monitor.** The Mayor is designated as the authorized
7 official of the City for the purpose of executing and delivering
8 any contracts, notes and documents and furnishing such information,
9 data and documents for the Amendment and the Supplemental Agreement
10 as may be required and otherwise to act as the authorized official
11 of the City in connection with the Amendment and the Supplemental
12 Agreement, and is further authorized to designate one or more other
13 officials of the City to exercise any of the foregoing
14 authorizations and to furnish or cause to be furnished such
15 information and take or cause to be taken such action as may be
16 necessary to enable the City to implement the Amendment and the
17 Supplemental Agreement according to their respective terms. The
18 DIA is hereby required to administer and monitor the Amendment and
19 the Supplemental Agreement and to handle the City's
20 responsibilities thereunder, including the City's responsibilities
21 under the Amendment and the Supplemental Agreement working with and
22 supported by all relevant City departments.

23 **Section 5. Further Authorizations.** The Mayor, or his
24 designee, and the Corporation Secretary, are hereby authorized to
25 execute the Amendment and the Supplemental Agreement and all other
26 contracts and documents and otherwise take all necessary action in
27 connection therewith and herewith. The Chief Executive Officer of
28 the DIA, as contract administrator, is authorized to negotiate and
29 execute all necessary changes and amendments to the Amendment and
30 the Supplemental Agreement and other contracts and documents, to
31 effectuate the purposes of this Ordinance, without further Council

1 action, provided such changes and amendments are limited to
2 amendments that are technical in nature (as described in Section 2
3 hereof) and further provided that all such amendments shall be
4 subject to appropriate legal review and approval by the General
5 Counsel, or his or her designee, and all other appropriate official
6 action required by law.

7 **Section 6. Oversight Department.** The DIA shall
8 oversee the Project described herein.

9 **Section 7. Execution of the Amendment and the**
10 **Supplemental Agreement.** If the Amendment and the Supplemental
11 Agreement approved by this Ordinance have not been signed by the
12 Company within ninety (90) days after the DIA delivers or mails the
13 unexecuted Amendment and the Supplemental Agreement to the Company
14 for execution, then the City Council approval of the revisions to
15 the Project and the Supplemental REV Grant and authorization for
16 the Mayor to execute the Amendment and the Supplemental Agreement
17 are automatically revoked, provided however, that the Chief
18 Executive Officer of the DIA shall have the authority to extend
19 such ninety (90) day period in writing at his or her discretion for
20 up to an additional ninety (90) days.

21 **Section 8. Waiver of Public Investment Policy.** The
22 requirement of the Public Investment Policy adopted by City Council
23 Ordinance 2016-382-E that the company receiving the grant be in a
24 Targeted Industry Category is hereby waived with respect to the
25 Supplemental REV Grant. The REV Grant of \$9,000,000 previously
26 received a City Council waiver of this Public Investment Policy in
27 City Ordinance 2017-101-E. The waiver is justified due to the fact
28 that the proposed Project would create approximately 295 units of
29 new residential housing in the Northbank CRA, and increase the
30 level of retail and commercial services to residents in the
31 Northbank CRA by adding approximately 12,750 square feet of new

1 retail and commercial space of which at least half will be retail
2 space, with at least 450 new structured parking spaces to support
3 the Project, while redeveloping an environmentally impacted site in
4 Downtown Jacksonville.

5 **Section 9. Effective Date.** This Ordinance shall become
6 effective upon signature by the Mayor or upon becoming effective
7 without the Mayor's signature.

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9 Form Approved:

10
11 /s/ Paige H. Johnston

12 Office of General Counsel

13 Legislation prepared by: Joelle J. Dillard

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