

1 Introduced by Council Member Peluso and Co-Sponsored by Council Member
2 Miller and amended by the Neighborhoods, Community Services, Public
3 Health and Safety Committee:

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6 **ORDINANCE 2026-149-E**

7 AN ORDINANCE APPROVING AND AUTHORIZING THE
8 MAYOR, OR HER DESIGNEE, AND THE CORPORATION
9 SECRETARY TO EXECUTE AND DELIVER, FOR AND ON
10 BEHALF OF THE CITY: (1) A THIRD MORTGAGE
11 MODIFICATION AGREEMENT AMONG THE CITY OF
12 JACKSONVILLE ("CITY"), VCP-ROOSEVELT BUILDING,
13 LTD., AND VCP-ROOSEVELT GARAGE, LLC; (2) A THIRD
14 NOTE MODIFICATION AGREEMENT BETWEEN THE CITY AND
15 VCP-ROOSEVELT BUILDING, LTD., FOR THE PURPOSE OF
16 EXTENDING THE MATURITY DATE OF THE LOAN FROM
17 MARCH 1, 2026 TO SEPTEMBER 1, 2026, THE ORIGINAL
18 LOAN HAVING BEEN AUTHORIZED BY ORDINANCE 2001-
19 795-E; (3) A FOURTH MORTGAGE MODIFICATION
20 AGREEMENT BETWEEN THE CITY OF JACKSONVILLE AND
21 VCP-LYNCH BUILDING, LTD.; AND (4) A FOURTH NOTE
22 MODIFICATION AGREEMENT BETWEEN THE CITY OF
23 JACKSONVILLE AND VCP-LYNCH BUILDING, LTD., FOR
24 THE PURPOSE OF EXTENDING THE MATURITY DATE OF
25 THE LOAN FROM MARCH 1, 2026 TO SEPTEMBER 1, 2026,
26 THE ORIGINAL LOAN HAVING BEEN AUTHORIZED BY
27 ORDINANCE 2000-1079-E; REQUIRING AN
28 ACKNOWLEDGMENT AND CONSENT OF GUARANTOR BY THE
29 VESTCOR COMPANIES, INC. FOR EACH OF THE
30 FOREGOING LOAN MODIFICATION AGREEMENTS AS A
31 CONDITION OF CLOSING, TOGETHER WITH SUCH OTHER

1 CLOSING DOCUMENTS AND TECHNICAL CHANGES AS MAY
2 BE REQUIRED BY THE GENERAL COUNSEL, OR HIS
3 DESIGNEE, AND THE MAYOR'S OFFICE, PROVIDED THAT
4 THE CITY'S COSTS ARE NOT INCREASED; PROVIDING
5 FOR CITY OVERSIGHT BY THE DOWNTOWN INVESTMENT
6 AUTHORITY; PROVIDING AN EFFECTIVE DATE.

7
8 **WHEREAS**, on February 21, 2006, the City made a \$15,505,900 loan
9 (the "Roosevelt Loan") to VCP-Roosevelt Building, Ltd. ("VCP-
10 Roosevelt") to enable it to renovate and convert to residential units
11 the former hotel located at 31 West Adams Street then commonly known
12 as the "Roosevelt Hotel Building" and now known as "The Carling"; and

13 **WHEREAS**, in connection with the Roosevelt Loan, the borrower
14 VCP-Roosevelt on February 21, 2006, executed and delivered to the
15 City the (a) Consolidated, Amended and Restated Promissory Note in
16 the original principal amount of \$15,505,900 with a 20-year repayment
17 term and an annual rate of interest of 1.4%, as modified by that
18 certain Note and Modification Agreement effective March 1, 2010,
19 which provided for interest only payments ending on February 1, 2013
20 (the "Roosevelt Note") and (b) Amended and Restated Mortgage, Security
21 Agreement and Fixture Filing recorded at Official Records Book 13099,
22 Page 1347 of the current public records of Duval County, Florida, as
23 amended by that certain Mortgage Modification Agreement dated March
24 1, 2010 and recorded at Official Records Book 15612, Page 1888 of the
25 current public records of Duval County, as modified by that certain
26 Second Mortgage Modification Agreement dated October 1, 2013 (the
27 "Roosevelt Mortgage"), securing the Roosevelt Note; and

28 **WHEREAS**, on June 30, 2003, the City made a \$17,816,000 loan
29 (the "Lynch Loan") to VCP-Lynch Building, Ltd. (the "Borrower") to
30 enable it to renovate and convert to residential units the former
31 office building located at the northeast corner of Main and Forsyth

1 Streets, then known as the "Lynch Building" and now known as "11E";
2 and

3 **WHEREAS,** in connection with the Lynch Loan, the Borrower
4 executed and delivered to the City on June 30, 2003 the (a) Amended
5 and Restated Promissory Note in the original principal amount of
6 \$17,816,000 with a 20-year repayment term and an annual rate of
7 interest of 1.525%, as modified by that certain Note Modification
8 Agreement effective March 1, 2010, as further modified by that certain
9 Second Note Modification Agreement effective October 1, 2013
10 (collectively, the "Lynch Note"), and (b) Amended and Restated
11 Mortgage, Assignment of Rents and Security Agreement dated June 30,
12 2003, as amended by that certain Mortgage Modification Agreement
13 dated March 1, 2010, as further modified by that certain Second
14 Mortgage Modification Agreement dated July 24, 2014, and as further
15 modified by that certain Third Mortgage Modification Agreement dated
16 June 30, 2023 (the "Lynch Mortgage"), securing the Lynch Note; and

17 **WHEREAS,** the Jacksonville Economic Development Commission,
18 (since dissolved by City Ordinance 2012-212-E, with all rights and
19 obligations of the JEDC transferred partly to the City and partly to
20 the Downtown Investment Authority, with respect to the Jacksonville
21 Downtown Area as defined in Chapter 55, Part 1, *Ordinance Code*) was
22 tasked by the City with oversight of the Roosevelt Mortgage and Lynch
23 Mortgage; and

24 **WHEREAS,** due to current real estate and debt markets, the above
25 borrowers VCP-Roosevelt and VCP-Lynch have each requested a
26 modification of the respective loans by extending the maturity date
27 of the respective loans for a period of six months, to September 1,
28 2026 to permit borrowers to refinance or sell the projects while
29 maintaining all other terms of the respective loans; and

30 **WHEREAS,** the terms and conditions of the foregoing
31 modification of the Roosevelt Loan are described in the Third Mortgage

1 Modification Agreement between the City and VCP-Roosevelt Building,
2 Ltd. and VCP-Roosevelt Garage, LLC, and the Third Note Modification
3 Agreement between the City of Jacksonville and VCP-Roosevelt
4 Building, Ltd., in each case substantially in the form placed **Revised**
5 **On File** with the Legislative Services Division and incorporated herein
6 by this reference; and

7 **WHEREAS,** the terms and conditions of the foregoing
8 modification of the Lynch Loan are described in the Fourth Mortgage
9 Modification Agreement between the City and VCP-Lynch Building, Ltd.,
10 and the Fourth Note Modification Agreement, in each case substantially
11 in the form placed **Revised On File** with the Legislative Services
12 Division and incorporated herein by this reference; and

13 **WHEREAS,** on February 18, 2026, the Downtown Investment
14 Authority Board approved Resolution 2026-02-08 to request that the
15 City enter into the agreements and related documents as set forth
16 herein, said Resolution being attached hereto as **Revised Exhibit 1,**
17 labeled as "Revised Exhibit 1, DIA Resolution, March 16, 2026 -
18 NCSPHS"; now therefore

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

20 **Section 1. Authorizing and Approving the Roosevelt Third**
21 **Mortgage Modification Agreement and the Roosevelt Third Note**
22 **Modification Agreement and the Lynch Fourth Mortgage Modification**
23 **Agreement and the Lynch Fourth Note Modification Agreement.** The
24 Council hereby approves and authorizes the Mayor, or her designee,
25 and the Corporate Secretary to execute the following documents: (a)
26 Roosevelt Third Mortgage Modification Agreement, (b) Roosevelt Third
27 Note Modification Agreement, (c) Lynch Fourth Mortgage Modification
28 Agreement, and (d) Lynch Fourth Note Modification Agreement, in each
29 case substantially in the form placed **Revised On File** with the
30 Legislative Services Division (collectively, the "Modification
31 Agreements"), with such "technical" changes to such Modification

1 Agreements as herein authorized. The Modification Agreements may
2 include such additions, deletions, and changes as may be reasonable,
3 necessary, and incidental for carrying out the purposes thereof, as
4 may be acceptable to the Mayor or her designee with such inclusion
5 and acceptance being evidenced by execution of the Modification
6 Agreements by the Mayor or her designee. No modification to the
7 Modification Agreements may increase the financial obligations or the
8 liability of the City and any such modifications shall be technical
9 only and shall be subject to appropriate legal review and approval
10 by the General Counsel, or his designee, and all other appropriate
11 action required by law ("technical" is herein defined as including,
12 but not limited to, legal descriptions and surveys, ingress and
13 egress, easements and rights of way, design standards, access and
14 site plan). A copy of the final amortization schedule for the
15 Roosevelt Loan and Lynch Loan are in the forms placed **Revised On File**
16 with the Legislative Services Division.

17 **Section 2. Requiring other Closing Documents.** As a
18 condition to the City's execution of the Modification Agreements: (a)
19 the guarantor of the Lynch Loan, The Vestcor Companies, Inc., shall
20 be required to execute and deliver to the City an Acknowledgement and
21 Consent of Guarantor in a form approved by the General Counsel, or
22 his designee, and the Mayor, or her designee; and (b) Borrower shall
23 be required to execute and/or deliver to the City such additional
24 closing documents and title insurance endorsements as may be required
25 by the General Counsel, or his or her designee, and the Chief
26 Executive Officer of the Downtown Investment Authority to protect the
27 City's interests, and (c) the Borrower shall be required to pay all
28 closing costs, including title and recording fees and documentary
29 stamp taxes, if any.

30 **Section 3. Further Authorizations.** The Mayor, or her
31 designee, and the Corporation Secretary are hereby authorized to

1 execute the Modification Agreements and all other contracts and
2 documents and otherwise take all necessary action in connection
3 therewith and herewith. The Chief Executive Officer of the Downtown
4 Investment Authority, as contract administrator, is authorized to
5 negotiate and execute all necessary changes and amendments to the
6 Modification Agreements and other contracts and documents to
7 effectuate the purposes of this ordinance without further Council
8 action, provided such changes and amendments are limited to "technical
9 amendments" and do not change the financial obligations between the
10 parties and, further provided, that all such amendments shall be
11 subject to appropriate legal review and approval by the General
12 Counsel, or his designee, and all other appropriate official action
13 required by law. The term "technical amendments" as used in this
14 section shall include, but not be limited to, changes in legal
15 descriptions and surveys, description of infrastructure improvements
16 and/or any road project, ingress and egress, easements and rights of
17 way, design standards, vehicle access and site plan which have no
18 financial impact.

19 **Section 4. Departmental Oversight.** The Downtown Investment
20 Authority shall oversee the agreements described herein.

21 **Section 5. Effective Date.** This ordinance shall become
22 effective upon signature by the Mayor or upon becoming effective
23 without the Mayor's signature.

24
25 Form Approved:

26
27 /s/ Mary E. Staffopoulos

28 Office of General Counsel

29 Legislation Prepared By: John Sawyer

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