

1 Introduced by the Council President at the request of the Mayor:
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4 **RESOLUTION 2024-418**

5 A RESOLUTION MAKING CERTAIN FINDINGS, AND
6 AUTHORIZING THE MAYOR, OR HER DESIGNEE, AND
7 CORPORATION SECRETARY TO EXECUTE AN ECONOMIC
8 DEVELOPMENT AGREEMENT ("AGREEMENT") BETWEEN THE
9 CITY OF JACKSONVILLE ("CITY") AND FOC QOF, LLC
10 ("DEVELOPER"), TO SUPPORT THE RESTORATION AND
11 RENOVATION BY DEVELOPER OF FOUR PARCELS OF LAND:
12 (1) LAND AND BUILDINGS LOCATED AT 2335 MARKET
13 STREET, 2320 N. LIBERTY STREET, AND 2336 N.
14 LIBERTY STREET (THE "PHASE ONE IMPROVEMENTS");
15 AND (2) LAND AND BUILDINGS LOCATED AT 2303
16 MARKET STREET (THE "PHOENIX BUILDING"), AND 2402
17 MARKET STREET, 2401 HUBBARD STREET, AND THE
18 PARCEL LOCATED AT THE SOUTHWEST CORNER OF MARKET
19 STREET AND 15TH STREET EAST (THE "BUNKER BUILDING
20 IMPROVEMENTS") (COLLECTIIVELY THE "PHASE TWO
21 IMPROVEMENTS"), TO INCLUDE RESTAURANT
22 IMPROVEMENTS, ARTISTS' STUDIOS, CO-WORKING
23 SPACES, OFFICE AND RETAIL SPACE (THE "PROJECT");
24 AUTHORIZING A FIFTY PERCENT, FIFTEEN YEAR
25 RECAPTURE ENHANCED VALUE (REV) GRANT IN THE
26 MAXIMUM AMOUNT NOT TO EXCEED \$1,500,000 IN
27 CONNECTION WITH THE CONSTRUCTION OF THE
28 IMPROVEMENTS; APPROVING AND AUTHORIZING A PHASE
29 ONE COMPLETION GRANT IN THE AMOUNT OF \$2,000,000
30 TO THE DEVELOPER UPON SUBSTANTIAL COMPLETION OF
31 THE PHASE ONE IMPROVEMENTS, TO BE APPROPRIATED

1 BY SUBSEQUENT LEGISLATION; APPROVING AND
2 AUTHORIZING A PHASE TWO COMPLETION GRANT IN THE
3 AMOUNT OF \$2,000,000 TO DEVELOPER, PAYABLE IN
4 TWO INSTALLMENTS OF \$1,000,000 AFTER COMPLETION
5 OF EACH OF THE BUNKER BUILDING IMPROVEMENTS AND
6 THE PHOENIX BUILDING IMPROVEMENTS COMPRISING THE
7 PHASE TWO IMPROVEMENTS, TO BE APPROPRIATED BY
8 SUBSEQUENT LEGISLATION; DESIGNATING THE OED AS
9 CONTRACT MONITOR FOR THE AGREEMENT; PROVIDING
10 FOR CITY OVERSIGHT OF THE PROJECT BY THE
11 DEPARTMENT OF PUBLIC WORKS AND THE OED;
12 AUTHORIZING THE EXECUTION OF ALL DOCUMENTS
13 RELATING TO THE ABOVE AGREEMENTS AND
14 TRANSACTIONS, AND AUTHORIZING TECHNICAL CHANGES
15 TO THE DOCUMENTS; PROVIDING A DEADLINE FOR THE
16 COMPANY TO EXECUTE THE AGREEMENT; WAIVER OF THE
17 PUBLIC INVESTMENT POLICY ADOPTED BY ORDINANCE
18 2022-372-E, AS AMENDED, TO AUTHORIZE THE
19 COMPLETION GRANTS THAT ARE NOT CURRENTLY
20 AUTHORIZED BY THE PUBLIC INVESTMENT POLICY;
21 REQUESTING TWO-READING PASSAGE PURSUANT TO
22 COUNCIL RULE 3.305; PROVIDING AN EFFECTIVE DATE.

23
24 **WHEREAS**, FOC QOF, LLC (the "Developer") has submitted a proposal
25 for the development of certain real property owned by the Developer
26 and located generally at 2320 and 2336 N. Liberty Street, 2335, 2303
27 and 2402 Market Street, 2401 Hubbard Street, and the parcel located
28 at the southwest corner of Market Street and 15th Street East, within
29 the City, which the Developer intends to develop into restaurant
30 improvements, artists' studios, co-working spaces, offices, retail
31 and event space at an estimated cost of \$37,941,500 (the "Project"),

1 as further detailed in the Economic Development Agreement
2 ("Agreement") placed **On File** with the Legislative Services Division;
3 and

4 **WHEREAS**, the Agreement authorizes: (1) a 15 year, 50% REV Grant
5 in the maximum amount of \$1,500,000; (2) a Phase One Completion Grant
6 in the amount of \$2,000,000 payable upon substantial completion of
7 the Phase One Improvements; and (3) a Phase Two Completion Grant in
8 the aggregate amount of \$2,000,000, payable in two, \$1,000,000
9 installments upon substantial completion of each of the Bunker
10 Building Improvements and Phoenix Building Improvements comprising
11 the Phase Two Improvements; and

12 **WHEREAS**, the Office of Economic Development ("OED") has
13 considered the Developer's requests and has determined that the REV
14 Grant and Completion Grants will enable the Developer to develop the
15 property and complete the Project as further described in the
16 Agreement; and

17 **WHEREAS**, it has been determined to be in the interest of the
18 City to enter into the Agreement and approve of and adopt the matters
19 set forth in this Resolution; and

20 **WHEREAS**, the Developer has requested the City to enter into an
21 agreement in substantially the form placed **On File** with the
22 Legislative Services Division; now therefore,

23 **BE IT RESOLVED** 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 Developer is qualified to carry out the Project.

6 (f) The authorizations provided by this Resolution are for
7 public 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 Resolution 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. Economic Development Agreement Approved.** The Mayor
16 (or her authorized designee) and the Corporation Secretary are hereby
17 authorized to execute and deliver the Agreement and related documents
18 referenced therein (collectively, the "Agreements") substantially in
19 the form **On File** with the Legislative Services Division (with such
20 "technical" changes as herein authorized), for the purpose of
21 implementing the recommendations of the OED.

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

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

7 **Section 3. Payment of REV Grant to Developer.**

8 (a) The REV Grant in the amount not to exceed \$1,500,000, the
9 terms of which are more specifically described in the Agreement,
10 shall not be deemed to constitute a debt, liability, or obligation
11 of the City or of the State of Florida or any political subdivision
12 thereof within the meaning of any constitutional or statutory
13 limitation, or a pledge of the faith and credit or taxing power of
14 the City or of the State of Florida or any political subdivision
15 thereof, but shall be payable solely from the funds provided therefor
16 as provided in this Section. The Agreement shall contain a statement
17 to the effect that the City shall not be obligated to pay any
18 installment of its financial assistance to the Developer except from
19 the non-ad valorem revenues or other legally available funds provided
20 for that purpose, that neither the faith and credit nor the taxing
21 power of the City or of the State of Florida or any political
22 subdivision thereof is pledged to the payment of any portion of such
23 financial assistance, and that the Developer, or any person, firm or
24 entity claiming by, through or under the Developer, or any other
25 person whomsoever, shall never have any right, directly or indirectly,
26 to compel the exercise of the ad valorem taxing power of the City or
27 of the State of Florida or any political subdivision thereof for the
28 payment of any portion of such financial assistance.

29 (b) The OED is hereby authorized to and shall disburse the annual
30 installments of the REV Grant to the Developer as provided in this
31 Section in accordance with this Resolution and the Agreement.

1 **Section 4. Payment of Phase One Completion Grant to**
2 **Developer.** The Phase One Completion Grant is hereby authorized, and,
3 subject to subsequent appropriation by Council, the City is authorized
4 to disburse the Phase One Completion Grant to the Developer in an
5 amount not to exceed \$2,000,000, pursuant to and as set forth in the
6 Agreement.

7 **Section 5. Payment of Phase Two Completion Grant to**
8 **Developer.** The Phase Two Completion Grant is hereby authorized, and,
9 subject to subsequent appropriation by Council, the City is authorized
10 to disburse the Phase Two Completion Grant to the Developer in an
11 amount not to exceed \$2,000,000, pursuant to and as set forth in the
12 Agreement.

13 **Section 6. Designation of Authorized Official and OED as**
14 **Contract Monitor.** The Mayor is designated as the authorized official
15 of the City for the purpose of executing and delivering any contracts
16 and documents and furnishing such information, data and documents for
17 the Agreements and related documents as may be required and otherwise
18 to act as the authorized official of the City in connection with the
19 Agreements, and is further authorized to designate one or more other
20 officials of the City to exercise any of the foregoing authorizations
21 and to furnish or cause to be furnished such information and take or
22 cause to be taken such action as may be necessary to enable the City
23 to implement the Agreements according to their terms. The OED is
24 hereby required to administer and monitor the Agreement and to handle
25 the City's responsibilities thereunder, including the City's
26 responsibilities under such agreement working with and supported by
27 all relevant City departments.

28 **Section 7. Oversight Department.** The Department of Public
29 Works and the OED shall oversee the Project described herein.

30 **Section 8. Execution of Agreement.** If the Agreement
31 approved by this Resolution has not been signed by the Developer

1 within ninety (90) days after the OED delivers or mails the unexecuted
2 Agreement to the Developer for execution, then the City Council
3 approvals in this Resolution and authorization for the Mayor to
4 execute the Agreement are automatically revoked; provided, however,
5 that the Executive Director of the OED shall have the authority to
6 extend such ninety (90) day period in writing at his discretion for
7 up to an additional ninety (90) days.

8 **Section 9. Further Authorizations.** The Mayor, or her
9 designee, and the Corporation Secretary, are hereby authorized to
10 execute the Agreements and all other contracts and documents and
11 otherwise take all necessary action in connection therewith and
12 herewith. The Executive Director of the OED, as contract
13 administrator, is authorized to negotiate and execute all necessary
14 changes and amendments to the Agreements and other contracts and
15 documents, to effectuate the purposes of this Resolution, without
16 further Council action, provided such changes and amendments are
17 limited to amendments that are technical in nature (as described in
18 Section 2 hereof), and further provided that all such amendments
19 shall be subject to appropriate legal review and approval by the
20 General Counsel, or his designee, and all other appropriate official
21 action required by law.

22 **Section 10. Waiver of Public Investment Policy.** The
23 requirements of the Public Investment Policy adopted by City Council
24 Ordinance 2022-372-E, as amended, are waived to authorize the Phase
25 One and Phase Two Completion Grants that are not currently authorized
26 under the Public Investment Policy. The waiver is justified due to
27 the fact that the proposed Project is expected to generate a private
28 capital investment of approximately \$37,941,500 and increase ad
29 valorem taxes payable to the City and Duval County School Board.

30 **Section 11. Requesting Two Reading Passage Pursuant to**
31 **Council Rule 3.305.** Two reading passage of this legislation is

