

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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117 West Duval Street
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Bill Type and Number: Ordinance 2026-0149

Introducer/Sponsor(s): Council Member Peluso

Date of Introduction: February 24, 2026

Committee(s) of Reference: F, NCSPHS

Date of Analysis: February 23, 2026

Type of Action: Authorize the Mayor to execute and deliver: (1) a Third Mortgage Modification Agreement, (2) a Third Note Modification Agreement, (3) a Fourth Mortgage Modification Agreement, and (4) a Fourth Note Modification Agreement; require acknowledgement and consent of guarantor; provide for oversight

Bill Summary: This bill authorizes the Mayor to execute and deliver:

1. A Third Mortgage Modification Agreement between the City, VCP-Roosevelt Building Ltd., and VCP-Roosevelt Garage, LLC
2. A Third Note Modification Agreement between the City and VCP-Roosevelt Building Ltd., for the purpose of extending the maturity date of the loan from March 1, 2026, to September 1, 2026, the original loan having been authorized by Ordinance 2001-795-E
3. A Fourth Mortgage Modification Agreement between the City and VCP-Lynch Building, Ltd.
4. A Fourth Note Modification Agreement between the City and VCP-Lynch Building, Ltd., for the purpose of extending the maturity date of the loan from March 1, 2026, to September 1, 2026, the original loan having been authorized by Ordinance 2000-1079-E

The bill also requires the guarantor, the Vestcor Companies, Inc., to acknowledge and consent to each of the Loan Modification Agreements as a condition of closing, along with other closing documents and any technical changes that may be required, provided that the City's costs are not increased. The bill provides for oversight by the Downtown Investment Authority.

Background Information: On February 21, 2006, the City made a \$15,505,900 loan to VCP Roosevelt Building Ltd. to renovate and convert the former hotel located at 21 West Adams Street into residential units. In connection with that loan, the borrower executed and delivered to the City the Consolidated, Amended, and Restated Promissory Note in the original principal amount of \$15,505,900 with a 20-year repayment term and an annual interest rate of 1.4 percent, as modified by a Note and Modification Agreement effective March 1, 2010, which provided for interest only payments ending on February 1, 2013. The borrower also executed an Amended and Restated Mortgage, Security Agreement, and Fixture Filing, as amended by a Mortgage Modification Agreement dated March 1, 2010, and a Second Mortgage Modification Agreement dated October 1, 2013.

On June 30, 2003, the City made a \$17,816,000 loan to VCP-Lynch Building, Ltd. to renovate and convert the former office building located at the northeast corner of Main and Forsyth Streets to residential units, now known as "11E." In connection with that loan the borrower executed and delivered to the City on June 30, 2003, the Amended and Restated Promissory Note in the original principal amount of \$17,816,000 with a 20-year repayment term and an annual interest rate of 1.525 percent, as modified by the Note Modification Agreement effective March 1, 2010, as further modified by the Second Note Modification Agreement effective October 1,

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2013. The borrower also executed and delivered an Amended and Restated Mortgage, Assignment of Rents, and Security Agreement dated June 30, 2003, as amended by the Mortgage modification Agreement dated March 1, 2010, further modified by the Second Mortgage Modification Agreement dated July 24, 2014, and further modified by the Third Mortgage Modification Agreement dated June 30, 2023.

The Jacksonville Economic Development Commission was tasked by the City with oversight of the Roosevelt and Lynch Mortgages, and has since been dissolved by City Ordinance 2012-212-E, with all rights and obligations being transferred partly to the City and partly to the DIA. Due to current real estate and debt markets, the borrowers have requested a modification of their respective loans, extending the maturity date of each by six months to September 1, 2026. This will permit the borrowers to refinance or sell the projects while maintaining all other terms of their respective loans. On February 18, 2026, the DIA Board approved Resolution 2026-02-08, which requested that the City enter into the agreements.

Policy Impact Area: Downtown, Mortgage Modification Agreements, Note Modification Agreements

Fiscal Impact: No cost to the City.

Analyst: Russell