

RESOLUTION 2022-02-09

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AMENDING THE LEASE TERMS PREVIOUSLY AUTHORIZED IN RESOLUTION 2021-11-04 REGARDING THE LEASE OF SPACE WITHIN THE DUVAL STREET PARKING GARAGE DEPICTED ON EXHIBIT A (THE “LEASED PREMISES”) TO DOWNTOWN VISION, INC. (“DVI”) (THE “TENANT”); APPROVING THE TERMS AND CONDITIONS OF THE DISPOSITION OF THE LEASED PREMISES IN ACCORDANCE WITH THE MODIFIED LEASE TERMS SET FORTH ON REVISED EXHIBIT B; FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A LEASE, DISBURSEMENT AGREEMENT AND IF APPROPRIATE A REDEVELOPMENT AGREEMENT AND ASSOCIATED DOCUMENTS; AUTHORIZING THE CEO TO INITIATE THE FILING OF LEGISLATION WITH THE CITY COUNCIL AS MAY BE REQUIRED; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING THE EXECUTION OF A REDEVELOPMENT AGREEMENT, LEASE, DISBURSEMENT AGREEMENT OR FUNCTIONAL EQUIVALENTS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, via Ordinance 2012-0364-E, the City Council created the Downtown Investment Authority, designating the DIA as the City’s Community Redevelopment Agency for the Combined Northbank Downtown Community Redevelopment Area and authorizing it to approve and negotiate economic development agreements and dispose of City-Owned property; and

WHEREAS, the City owns an approximately 1.13-acre parcel of real property on which it has constructed and operates a parking garage, which parcel is identified by Duval County Tax Parcel Number RE# 073716 0000 (“Duval Street Garage”); and

WHEREAS, DVI has expressed the desire to lease approximately 20,660 square feet of ground floor retail, storage and loading space within the Duval Street garage which has remained unoccupied for many years; and

WHEREAS, the Duval Street Garage is located within the Combined Downtown Northbank Community Redevelopment Area (“Northbank CRA”); and

WHEREAS, the presence of DVI’s office staff and ambassadors would provide a level of activation and security to an otherwise vacant and dark space; and

WHEREAS, the DIA finds that the space proposed for lease is a “lazy asset” and under-utilized city owned property; and

WHEREAS, the lease and occupancy of such space by an office, Downtown service provider, and visitor gift shop would be consistent with the adopted BID Plan for the Northbank CRA; and

WHEREAS, DVI submitted a proposal for lease of the referenced property depicted on **Exhibit A** and proposed to lease the premises in accordance with the terms set forth on **Exhibit B** to Resolution 2021-11-04; and

WHEREAS, upon adoption of Resolution 2021-11-04, DIA issued a Notice of Disposition for the Leased Premises, received no other offers, and entered into negotiation and drafting the various documents authorized thereunder with DVI; and

WHEREAS, it has recently come to our attention that the terms stated in Resolution 2021-11-04 do not accurately reflect DVI's negotiation with the City.

NOW THEREFORE BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

Section 2. The DIA Board hereby authorizes the CEO of the Downtown Investment Authority, to negotiate the terms of a Lease, the Disbursement Agreement, and other ancillary documents with DVI subject to the minimum terms and conditions contained in Revised Exhibit 'B' to this Resolution 2022-02-09.

Section 6. The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to initiate legislation for approval by City Council of a Disbursement Agreement, and if required the Lease, and any associated agreements in accordance with the purposes of this Resolution.

Section 7. The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to take all action necessary to effectuate the purposes of this Resolution, including the execution of a Lease, Disbursement Agreement and appropriate ancillary documents, providing that such actions incorporate, at a minimum, the terms and conditions contained in Revised Exhibit 'B' to this Resolution 2022-02-09.

Section 8. This Resolution, 2022-02-09, shall become effective on the date it is signed by the Chair of the DIA Board.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY




W. Braxton Gillam IV, Esq., Chairman

2/23/22
Date

VOTE: In Favor: 7 Opposed: 0 Abstained: 0

**Revised Exhibit B
Term Sheet**

- 10-year initial term, with two 5-year renewal options
- Leasing ±20,660 square feet of space (floor plan attached)
- They will not be parking vehicles in the garage, but will have full use of the loading dock for their purposes (the loading dock is included in the leased area)
- DVI shall have the option to enter into a Disbursement Agreement pursuant to which DVI may construct tenant improvements within the Leased Premises on behalf of the City, which improvements have been previously funded in the CIP, and DVI shall receive reimbursement for costs advanced in accordance with the approved budget and scope for the CIP project.
- In consideration for a full rent and operating cost abatement for the ±20,660 of retail square footage area within the Duval Street Garage (with that area having an appraised market lease rate of \$14 per square foot and equating annually to \$289,506) DVI will provide services, funding, or other value to Downtown Jacksonville equal to a minimum of \$337,670 annually in excess of any City contribution to DVI reflected in DVI's annual budget (\$289,506 as rent, together with assumed annual operating costs estimated to be \$48,164 for a total of \$337,670 annually).