

1 Introduced by the Council President at the request of the DIA and
2 amended by the Neighborhoods, Community Services, Public Health and
3 Safety Committee:
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6 **ORDINANCE 2022-319-E**

7 AN ORDINANCE MAKING CERTAIN FINDINGS, AND
8 APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE
9 OFFICER OF THE DOWNTOWN INVESTMENT AUTHORITY, OR
10 HER DESIGNEE, TO EXECUTE A REDEVELOPMENT
11 AGREEMENT ("AGREEMENT") BETWEEN THE DOWNTOWN
12 INVESTMENT AUTHORITY ("DIA") AND EAST UNION
13 HOLDINGS, LLC ("OWNER"), TO SUPPORT THE
14 RENOVATION AND REHABILITATION BY OWNER OF THE
15 BUILDING KNOWN GENERALLY AS THE UNION TERMINAL
16 WAREHOUSE, LOCATED AT 700 EAST UNION STREET (THE
17 "PROJECT"); AUTHORIZING THREE DOWNTOWN
18 PRESERVATION AND REVITALIZATION PROGRAM
19 ("DPRP") LOANS, IN AN AGGREGATE AMOUNT NOT TO
20 EXCEED \$8,285,793.00, TO THE OWNER IN CONNECTION
21 WITH THE REDEVELOPMENT OF THE PROJECT, TO BE
22 APPROPRIATED BY SUBSEQUENT LEGISLATION;
23 DESIGNATING THE DIA AS CONTRACT MONITOR FOR THE
24 AGREEMENT; PROVIDING FOR OVERSIGHT OF THE
25 PROJECT BY THE DIA; AUTHORIZING THE EXECUTION OF
26 ALL DOCUMENTS RELATING TO THE ABOVE AGREEMENT
27 AND TRANSACTIONS, AND AUTHORIZING TECHNICAL
28 CHANGES TO THE DOCUMENTS; WAIVER OF THE DPRP
29 GUIDELINES AUTHORIZED BY ORDINANCE 2020-527-E,
30 TO ALLOW THE OWNER TO DEFER LOAN FORGIVENESS OF
31 CERTAIN DPRP LOANS AS SET FORTH IN THE

1 AGREEMENT; PROVIDING AN EFFECTIVE DATE.
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3 **WHEREAS**, pursuant to Chapter 55, Part 3 (Downtown Preservation
4 and Revitalization Program), *Ordinance Code*, the City of Jacksonville
5 ("City") established the Downtown Preservation and Revitalization
6 Program for purposes of fostering the preservation and revitalization
7 of certain historic and qualified non-historic, buildings located in
8 Downtown Jacksonville; and

9 **WHEREAS**, East Union Holdings, LLC (the "Owner") owns certain
10 real property, inclusive of the Union Terminal Warehouse, located at
11 700 East Union Street, on which Owner intends to cause the renovation
12 and rehabilitation of the building, as further detailed in the
13 Agreement; and

14 **WHEREAS**, the Owner is seeking to secure Downtown Preservation
15 and Revitalization Program loans consisting of a Historic
16 Preservation Restoration and Rehabilitation Forgivable Loan, a Code
17 Compliance Renovations Forgivable Loan, and a Deferred Principal Loan
18 on each building comprising the Project in an aggregate amount not
19 to exceed \$8,285,793.00 (each, a "DPRP Loan") for exterior and
20 interior rehabilitation and restoration, and Code required
21 improvements in support of the Project; and

22 **WHEREAS**, the scope of the Project will include redevelopment and
23 renovation of the 330,000 square foot Union Terminal Warehouse to
24 provide a minimum of 220 dwelling units, a minimum of 38,000 square
25 feet of commercial space, inclusive of maker/artist studios, and
26 other ancillary space and amenities (collectively, the
27 "Improvements"); and

28 **WHEREAS**, the Project will also include improvements related to
29 restoring the property to historic standards, preserving and
30 maintaining the integrity of the structures, and meeting certain code
31 compliance requirements to make the property more accessible and

1 functional; and

2 **WHEREAS**, historic preservation, revitalization, and the reuse
3 of Jacksonville's historic buildings and structures are important to
4 the City's overall social and economic welfare; and

5 **WHEREAS**, the DIA has considered the Owner's requests and has
6 determined that the DPRP Loans will enable the Owner to restore and
7 rehabilitate the historic structures and construct the Project as
8 described in the Agreement; and

9 **WHEREAS**, the DIA has approved its Resolution 2021-05-04,
10 Resolution 2022-03-06, and Resolution 2022-04-12 (collectively, the
11 "Resolutions") to enter into the Agreement, said Resolutions being
12 attached hereto as **Revised Exhibit 1**, labeled as "Revised Exhibit 1,
13 Rev Resolutions, May 16, 2022 - NCSPHS"; and

14 **WHEREAS**, it has been determined to be in the interest of the
15 City to enter into the Agreement and approve of and adopt the matters
16 set forth in this Ordinance; now, therefore,

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

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

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

21 (b) The Project will greatly enhance the City and otherwise
22 promote and further the municipal purposes of the City.

23 (c) The City's assistance for the Project will enable and
24 facilitate the Project, the Project will enhance and increase the
25 City's tax base and revenues, and the Project will improve the quality
26 of life necessary to encourage and attract business expansion in the
27 City.

28 (d) Enhancement of the City's tax base and revenues are matters
29 of State and City concern.

30 (e) The Owner is qualified to carry out the Project.

31 (f) The authorizations provided by this Ordinance are for

1 public uses and purposes for which the City may use its powers as a
2 municipality and as a political subdivision of the State of Florida
3 and may expend public funds, and the necessity in the public interest
4 for the provisions herein enacted is hereby declared as a matter of
5 legislative determination.

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

9 **Section 2. Redevelopment Agreement Approved and Execution**

10 **Authorized.** There is hereby approved, and the Chief Executive Officer
11 of the DIA, or her designee, is hereby authorized to execute and
12 deliver the Redevelopment Agreement substantially in the form placed
13 **Revised On File** with the Office of Legislative Services (with such
14 "technical" changes as herein authorized), for the purpose of
15 implementing the recommendations of the DIA as further described in
16 the Agreement.

17 The Agreement may include such additions, deletions and changes
18 as may be reasonable, necessary and incidental for carrying out the
19 purposes thereof, as may be acceptable to the Chief Executive Officer
20 of the DIA, or her designee, with such inclusion and acceptance being
21 evidenced by execution of the Agreement by the Chief Executive Officer
22 of the DIA, or her designee. No modification to the Agreement may
23 increase the financial obligations or the liability of the City or
24 DIA and any such modification shall be technical only and shall be
25 subject to appropriate legal review and approval of the General
26 Counsel, or his or her designee, and all other appropriate action
27 required by law. "Technical" is herein defined as including, but not
28 limited to, changes in legal descriptions and surveys, descriptions
29 of infrastructure improvements and/or any road project, ingress and
30 egress, easements and rights of way, performance schedule extensions
31 of up to six (6) months in the discretion of the CEO of the DIA,

1 design standards, access and site plan, which have no financial
2 impact.

3 **Section 3. Payment of DPRP Loans to Owner.** The DPRP Loans
4 are hereby authorized, and, subject to subsequent appropriation by
5 the City Council for the Project, the City is authorized to disburse
6 the DPRP Loans to the Owner in an aggregate amount not to exceed
7 \$8,285,793.00, pursuant to and as set forth in the Agreement.

8 The DPRP Loans for the Improvements at the Union Terminal
9 Warehouse are comprised of a Historic Preservation Restoration and
10 Rehabilitation Forgivable ("HPRR") Loan in the not-to-exceed amount
11 of \$4,246,963.00, a Code Compliance Forgivable ("CCR") Loan in the
12 not-to-exceed amount of \$2,381,671.00, with said HPRR and CCR Loans
13 forgiven at a rate of 20% per year (with claw back provisions provided
14 in the Agreement), and a Deferred Principal Loan in the not-to-exceed
15 amount of \$1,657,159.00 which requires interest payments annually
16 with principal to be repaid at maturity (10 years from the date of
17 funding).

18 **Section 4. Designation of Authorized Official and DIA as**
19 **Contract Monitor.** The Chief Executive Officer of the DIA is
20 designated as the authorized official of the City for the purpose of
21 executing and delivering the Agreement and is further designated as
22 the authorized official of the City for the purpose of executing any
23 additional contracts and documents and furnishing such information,
24 data and documents for the Agreement and related documents as may be
25 required and otherwise to act as the authorized official of the City
26 in connection with the Agreement, and take or cause to be taken such
27 action as may be necessary to enable the City to implement the
28 Agreement according to its terms. The DIA is hereby further required
29 to administer and monitor the Agreement and to handle the City's
30 responsibilities thereunder, including the City's responsibilities

1 under such Agreement working with and supported by all relevant City
2 departments.

3 **Section 5. Oversight Department.** The Downtown Investment
4 Authority shall oversee the Project described herein.

5 **Section 6. Further Authorizations.** The Chief Executive
6 Officer of the DIA, or her designee, is hereby authorized to execute
7 the Agreement and otherwise take all necessary action in connection
8 therewith and herewith. The Chief Executive Officer of the DIA is
9 further authorized to negotiate and execute all necessary changes and
10 amendments to the Agreement and any other contracts and documents to
11 effectuate the purposes of this Ordinance, without further Council
12 action, provided such changes and amendments to the Agreement are
13 limited to amendments that are technical in nature (as described in
14 Section 2 hereof), and further provided that all such amendments
15 shall be subject to appropriate legal review and approval by the
16 General Counsel, or his or her designee, and take all other
17 appropriate official action required by law.

18 **Section 7. Waiver of DPRP Guidelines.** The requirement
19 of the Downtown Preservation and Revitalization Program Guidelines
20 authorized by Ordinance 2020-527-E, that Historic Preservation
21 Restoration and Rehabilitation Forgivable Loans and Code Compliance
22 Renovations Forgivable Loans (collectively, the "Loan") be forgiven
23 at the rate of 20% over a five-year term, is hereby waived to allow
24 the Owner at its option to defer Loan forgiveness for a period not
25 to exceed twenty years, as further detailed in the Agreement. The
26 waiver is justified to allow the Owner to defer certain tax
27 implications related to the Loan forgiveness.

28 **Section 8. Effective Date.** This Ordinance shall become
29 effective upon signature by the Mayor or upon becoming effective
30 without the Mayor's signature.

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1 Form Approved:

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3 /s/ Paige H. Johnston

4 Office of General Counsel

5 Legislation Prepared By: John Sawyer

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