

RESOLUTION 2021-11-04

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO ISSUE A 30-DAY NOTICE OF DISPOSITION IN ACCORDANCE WITH THE NEGOTIATED DISPOSITION PROCEDURE ADOPTED BY DIA; AUTHORIZING THE PUBLICATION OF A NOTICE OF DISPOSITION FOR THE LEASE OF APPROXIMATELY 20,660 SQUARE FEET OF FIRST FLOOR RETAIL, STORAGE AND LOADING SPACE WITHIN THE DUVAL STREET PARKING GARAGE (THE “LEASED PREMISES”) MORE SPECIFICALLY DEPICTED ON EXHIBIT A ATTACHED HERETO AND COMPRISING A PORTION OF DUVAL COUNTY TAX PARCEL NUMBER RE# 073716 0000, (“THE PROPERTY”); EXPRESSING THE INTENTION TO LEASE SAID PROPERTY IN ACCORDANCE WITH THE NEGOTIATED TERMS TO DOWNTOWN VISION ,INC. (“DVI”) (THE “TENANT”) UPON EXPIRATION OF THE THIRTY DAY NOTICE PERIOD ABSENT HIGHER RESPONSIVE OFFERS; APPROVING THE TERMS AND CONDITIONS OF SAID DISPOSITION INCLUDED AS EXHIBIT ‘B’; AUTHORIZING THE DISPOSITION OF THE PROPERTY AND ITS BUILDOUT ON THE TERMS SET FORTH ON EXHIBIT B IF NO ALTERNATIVE RESPONSIVE OFFER IS RECEIVED; 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** in accordance with the basic terms set forth on **Exhibit B**; and

WHEREAS, DIA staff have recommended the lease in accordance with the terms proposed; and

WHEREAS, DIA is the designated Community Redevelopment Agency for the Northbank CRA, for which a Business Investment and Development Plan, inclusive of a Community Redevelopment Plan, (“BID/CRA Plan”) was adopted by Ordinance 2014-560-E; and

WHEREAS, Section 55.108 of the Jacksonville Code of Ordinances grants certain powers and duties to the DIA, including:

Interpreting the BID/CRA Plan and approving development and redevelopment projects within Downtown;

Implementing the BID/CRA Plan, and negotiating and approving downtown development and redevelopment agreements, grant agreements, license agreements, and lease agreements;

Planning and proposing Projects and Public facilities within Downtown; and

WHEREAS, at a publicly noticed meeting held on November 16, 2021, the DIA Retail Enhancement and Property Disposition Committee (“REPD”) recommended that the DIA Board adopt Resolution 2021-11-04; and

WHEREAS, upon adoption of this Resolution, a 30-day notice for the solicitation of proposals pursuant to Section 163.380(3)(a), Florida Statutes, and Sections 122.434(a) and (b), Jacksonville Ordinance Code, will be issued; and

WHEREAS, the DIA finds that the proposed disposition and redevelopment proposal further the following Redevelopment Goal and Strategic Objectives found in the BID/CRA Plan:

Redevelopment Goal No. 1 - Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment.

Applicable Strategic Objectives:

1. Increase the opportunities for Downtown employment.
2. Increase venues, workspaces and residential opportunities with a focus on the Target Area.
3. Create a consistent theme and image that conveys a sense of the excitement and activity Downtown.

Redevelopment Goal No. 3 - Simplify the approval process for Downtown development and improve departmental and agency coordination.

Applicable Strategic Objectives:

1. Provide publicly owned land and building space for public and private development which will support and strengthen Downtown's commercial and residential base and comply with the other Redevelopment Goals.
2. Initiate public-private partnerships
3. Increase recreation, entertainment, cultural heritage, and other programming opportunities.
4. Provide spaces for residents to conduct community business and spaces for social events and educational programs.

Redevelopment Goal No. 4 – Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.

Applicable Strategic Objectives:

1. Create a mixture of uses so that housing, activities, retail, and other businesses are within useful walking distance.
2. Require all buildings to have active facades at street level. Encourage active street life through a mixture of restaurants (including cafes with outdoor seating), retail, services, and connection to the street. Minimize blank walls and surface parking.

Redevelopment Goal No. 7 – Use planning and economic development policies to promote design for healthy living.

Applicable Strategic Objectives:

1. Recognize the economic value: Encourage Downtown development to be compact and walkable as it provides economic benefits to developers through higher residential sale prices, enhanced marketability, and faster sales or leases creating an economic multiplier effect.
2. Mix it up: Entice mixes of uses and densities; remove regulatory barriers; rethink parking; and optimize uses.

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 instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action necessary to effectuate the thirty (30) day Notice of Disposition for the Property in accordance with its Negotiated Notice of Disposition Process and consistent with Florida Statutes and the Ordinance Code.

Section 3. Proposals received, if any, will be reviewed by the DIA Chief Executive Officer, who will make a recommendation to the DIA Board regarding any responsive alternate proposals received.

Section 4. If no alternate responsive and qualified proposals are received, or if they are determined by the CEO to be lower in value or unresponsive, the DIA has determined that the lease of the Property depicted on Exhibit A for the terms set forth on Exhibit B is in the public interest and is hereby approved.

Section 5. The DIA Board hereby authorizes the CEO of the Downtown Investment Authority, upon expiration of the thirty (30) day notice period, 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 Exhibit 'B' to this Resolution 2021-11-04.

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 Exhibit 'B' to this Resolution 2021-11-04.

Section 8. This Resolution, 2021-11-04, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Xavier Chisholm

Carol C. Worsham
~~W. Braxton Gillam, Chairman~~
Carol C. Worsham, Vice Chair

11.17.21
Date

VOTE:

In

Favor:

7

Opposed:

0

Abstained:

0

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 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 in excess of their annual total non-ad valorem special assessment budget. By way of example, DVI would demonstrate that for FY 2021-2022 they have provided value by way of services or dollars for the benefit of Downtown that have a minimum value of \$289,506 above the City contribution and non-ad valorem assessment portions of their budget, which for FY 21-22 is \$2,350,841. Additional value for a particular year in excess of that year's City contribution and non-ad valorem assessment portions of their budget and in excess of \$289,506 may be used to satisfy in part or in whole the following year's obligation. Further, failure to meet this requirement in any one year does not result in a default, providing that through the application of future years' excess value over the initial 10-year lease the total excess value obligation is met.