

Introduced by the Council President at the request of the DIA:

ORDINANCE 2022-572

AN ORDINANCE MAKING CERTAIN FINDINGS, AND APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER OF THE DOWNTOWN INVESTMENT AUTHORITY, OR HER DESIGNEE, TO EXECUTE A REDEVELOPMENT AGREEMENT ("AGREEMENT") BETWEEN THE DOWNTOWN INVESTMENT AUTHORITY ("DIA") AND LOTUS COMMERCIAL USA LLC OR ITS ASSIGNS ("DEVELOPER"), TO SUPPORT THE RENOVATION AND REHABILITATION BY DEVELOPER OF THE BUILDING KNOWN GENERALLY AS THE FURCHGOTT'S BUILDING, LOCATED AT 128 W. ADAMS STREET (THE "PROJECT"); AUTHORIZING THREE DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM ("DPRP") LOANS, IN AN AGGREGATE AMOUNT NOT TO EXCEED \$7,150,690, TO THE DEVELOPER IN CONNECTION WITH THE REDEVELOPMENT OF THE PROJECT, TO BE APPROPRIATED BY SUBSEQUENT LEGISLATION; DESIGNATING THE DIA AS CONTRACT MONITOR FOR THE AGREEMENT; PROVIDING FOR OVERSIGHT OF THE PROJECT BY THE DIA; AUTHORIZING THE EXECUTION OF ALL DOCUMENTS RELATING TO THE ABOVE AGREEMENT AND TRANSACTIONS, AND AUTHORIZING TECHNICAL CHANGES TO THE DOCUMENTS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Chapter 55, Part 3 (Downtown Preservation and Revitalization Program), *Ordinance Code*, the City of Jacksonville ("City") established the Downtown Preservation and Revitalization

1 Program for purposes of fostering the preservation and revitalization
2 of certain historic and qualified non-historic, buildings located in
3 Downtown Jacksonville; and

4 **WHEREAS**, Lotus Commercial USA LLC (the "Developer") owns certain
5 real property located at 128 W. Adams Street, on which Developer
6 intends to cause the renovation and rehabilitation of the building
7 formerly known as the Furchgott's building ("Building"), as further
8 detailed in the Agreement; and

9 **WHEREAS**, the Developer is seeking to secure Downtown
10 Preservation and Revitalization Program loans consisting of a
11 Historic Preservation Restoration and Rehabilitation Forgivable Loan,
12 a Code Compliance Renovations Forgivable Loan, and a Deferred
13 Principal Loan on each building comprising the Project in an aggregate
14 amount not to exceed \$7,150,690.00 (each, a "DPRP Loan") for exterior
15 and interior rehabilitation and restoration, and Code Compliance
16 improvements required in support of the Project; and

17 **WHEREAS**, the scope of the Project will include interior and
18 exterior redevelopment and renovation of the Building, which when
19 completed will result in approximately 30,700 square feet of
20 residential living space across approximately 40 residential units,
21 and approximately 3,870 square feet of commercial/retail spaces and
22 related amenities (collectively, the "Improvements"); and

23 **WHEREAS**, the Project will also include improvements related to
24 restoring the property to historic standards, preserving and
25 maintaining the integrity of the structures, and meeting certain code
26 compliance requirements to make the property more accessible and
27 functional; and

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

31 **WHEREAS**, the DIA has considered the Developer's requests and has

1 determined that the DPRP Loans will enable the Developer to restore
2 and rehabilitate the historic structures and construct the Project
3 as described in the Agreement; and

4 **WHEREAS**, the DIA has approved its Resolution 2022-03-05 (the
5 "Resolution") to enter into the Agreement, said Resolution being
6 attached hereto as **Exhibit 1**; and

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

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

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

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

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

16 (c) The City's assistance for the Project will enable and
17 facilitate the Project, the Project will enhance and increase the
18 City's tax base and revenues, and the Project will improve the quality
19 of life necessary to encourage and attract business expansion in the
20 City.

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

23 (e) The Developer is qualified to carry out the Project.

24 (f) The authorizations provided by this Ordinance are for
25 public uses and purposes for which the City may use its powers as a
26 municipality and as a political subdivision of the State of Florida
27 and may expend public funds, and the necessity in the public interest
28 for the provisions herein enacted is hereby declared as a matter of
29 legislative determination.

30 (g) This Ordinance is adopted pursuant to the provisions of
31 Chapters 163, 166 and 125, Florida Statutes, as amended, the City's

1 Charter, and other applicable provisions of law.

2 **Section 2. Redevelopment Agreement Approved and Execution**
3 **Authorized.** There is hereby approved, and the Chief Executive Officer
4 of the DIA, or her designee, is hereby authorized to execute and
5 deliver the Redevelopment Agreement substantially in the form placed
6 **On File** with the Office of Legislative Services (with such "technical"
7 changes as herein authorized), for the purpose of implementing the
8 recommendations of the DIA as further described in the Agreement.

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

26 **Section 3. Payment of DPRP Loans to Developer.** The DPRP
27 Loans are hereby authorized, and, subject to subsequent appropriation
28 by the City Council for the Project, the City is authorized to
29 disburse the DPRP Loans to the Developer in an aggregate amount not
30 to exceed \$7,150,690.00, pursuant to and as set forth in the
31 Agreement.

1 The DPRP Loans for the Improvements at the Furchgott's Building
2 are comprised of a Historic Preservation Restoration and
3 Rehabilitation Forgivable ("HPRR") Loan in the not-to-exceed amount
4 of \$2,846,162.00, a Code Compliance Forgivable ("CCR") Loan in the
5 not-to-exceed amount of \$2,874,390.00, with said HPRR and CCR Loans
6 forgiven at a rate of 20% per year (with claw back provisions provided
7 in the Agreement), and a Deferred Principal Loan in the not-to-exceed
8 amount of \$1,430,138.00 which requires interest payments annually
9 with principal to be repaid at maturity (10 years from the date of
10 funding).

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

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

28 **Section 6. Further Authorizations.** The Chief Executive
29 Officer of the DIA, or her designee, is hereby authorized to execute
30 the Agreement and otherwise take all necessary action in connection
31 therewith and herewith. The Chief Executive Officer of the DIA is

1 further authorized to negotiate and execute all necessary changes and
2 amendments to the Agreement and any other contracts and documents to
3 effectuate the purposes of this Ordinance, without further Council
4 action, provided such changes and amendments to the Agreement are
5 limited to amendments that are technical in nature (as described in
6 Section 2 hereof), and further provided that all such amendments
7 shall be subject to appropriate legal review and approval by the
8 General Counsel, or his or her designee, and take all other
9 appropriate official action required by law.

10 **Section 7. Effective Date.** This Ordinance shall become
11 effective upon signature by the Mayor or upon becoming effective
12 without the Mayor's signature.

13
14 Form Approved:

15
16 _____
17 Office of General Counsel

18 Legislation Prepared By: John Sawyer

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