

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 2022-572-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 LOTUS  
13 COMMERCIAL USA LLC OR ITS ASSIGNS ("DEVELOPER"),  
14 TO SUPPORT THE RENOVATION AND REHABILITATION BY  
15 DEVELOPER OF THE BUILDING KNOWN GENERALLY AS THE  
16 FURCHGOTT'S BUILDING, LOCATED AT 128 W. ADAMS  
17 STREET (THE "PROJECT"); AUTHORIZING THREE  
18 DOWNTOWN PRESERVATION AND REVITALIZATION  
19 PROGRAM ("DPRP") LOANS, IN AN AGGREGATE AMOUNT  
20 NOT TO EXCEED \$7,150,690, TO THE DEVELOPER IN  
21 CONNECTION WITH THE REDEVELOPMENT OF THE  
22 PROJECT, TO BE APPROPRIATED BY SUBSEQUENT  
23 LEGISLATION; DESIGNATING THE DIA AS CONTRACT  
24 MONITOR FOR THE AGREEMENT; PROVIDING FOR  
25 OVERSIGHT OF THE PROJECT BY THE DIA; AUTHORIZING  
26 THE EXECUTION OF ALL DOCUMENTS RELATING TO THE  
27 ABOVE AGREEMENT AND TRANSACTIONS, AND  
28 AUTHORIZING TECHNICAL CHANGES TO THE DOCUMENTS;  
29 PROVIDING AN EFFECTIVE DATE.

30  
31 **WHEREAS**, pursuant to Chapter 55, Part 3 (Downtown Preservation

1 and Revitalization Program), *Ordinance Code*, the City of Jacksonville  
2 ("City") established the Downtown Preservation and Revitalization  
3 Program for purposes of fostering the preservation and revitalization  
4 of certain historic and qualified non-historic, buildings located in  
5 Downtown Jacksonville; and

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

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

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

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

30 **WHEREAS**, historic preservation, revitalization, and the reuse  
31 of Jacksonville's historic buildings and structures are important to

1 the City's overall social and economic welfare; and

2 **WHEREAS**, the DIA has considered the Developer's requests and has  
3 determined that the DPRP Loans will enable the Developer to restore  
4 and rehabilitate the historic structures and construct the Project  
5 as described in the Agreement; and

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

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

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

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

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

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

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

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

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

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

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

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

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

29 **Section 3. Payment of DPRP Loans to Developer.** The DPRP  
30 Loans are hereby authorized, and, subject to subsequent appropriation  
31 by the City Council for the Project, the City is authorized to

1 disburse the DPRP Loans to the Developer in an aggregate amount not  
2 to exceed \$7,150,690.00, pursuant to and as set forth in the  
3 Agreement.

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

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

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

31 **Section 6. Further Authorizations.** The Chief Executive

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

13 **Section 7. Effective Date.** This Ordinance shall become  
14 effective upon signature by the Mayor or upon becoming effective  
15 without the Mayor's signature.

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17 Form Approved:

18  
19 /s/ Paige H. Johnston

20 Office of General Counsel

21 Legislation Prepared By: John Sawyer

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