

1 Introduced by the Council President at the request of the DIA:  
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4 **ORDINANCE 2022-841**

5 AN ORDINANCE MAKING CERTAIN FINDINGS AND  
6 APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE  
7 OFFICER OF THE DOWNTOWN INVESTMENT AUTHORITY, OR  
8 HER DESIGNEE, TO EXECUTE A REDEVELOPMENT  
9 AGREEMENT ("AGREEMENT") BETWEEN THE DOWNTOWN  
10 INVESTMENT AUTHORITY ("DIA") AND AXIS 404 JULIA,  
11 LLC OR ITS AFFILIATES ("DEVELOPER"), TO SUPPORT  
12 THE RENOVATION AND REHABILITATION BY DEVELOPER  
13 OF THE BUILDING LOCATED AT 404 N. JULIA STREET,  
14 TO PROVIDE 32 UNITS OF MULTIFAMILY HOUSING AND  
15 A PROJECTED 5,769 SQUARE FEET OF GROSS  
16 COMMERCIAL/RETAIL SPACE INCLUDING 3,240 SQUARE  
17 FEET OF LEASABLE SPACE, AND THE CONSTRUCTION OF  
18 A 103-UNIT MULTIFAMILY DEVELOPMENT AND 450  
19 STRUCTURE PARKING SPACES ON AN ADJACENT PARCEL  
20 OF LAND; APPROVING AND AUTHORIZING THE MAYOR, OR  
21 HIS DESIGNEE, AND CORPORATION SECRETARY TO  
22 EXECUTE A RESTRICTIVE COVENANTS AND PARKING  
23 RIGHTS AGREEMENT THAT AUTHORIZES THE EXCLUSIVE  
24 USE BY THE CITY OF 90 PARKING SPACES IN THE  
25 PARKING GARAGE (COLLECTIVELY, THE "PROJECT");  
26 AUTHORIZING THREE DOWNTOWN PRESERVATION AND  
27 REVITALIZATION PROGRAM ("DPRP") LOANS, IN AN  
28 AGGREGATE AMOUNT NOT TO EXCEED \$5,814,697, TO  
29 THE DEVELOPER IN CONNECTION WITH THE  
30 REDEVELOPMENT OF THE PROJECT, TO BE APPROPRIATED  
31 BY SUBSEQUENT LEGISLATION; AUTHORIZING A FIFTY

1 PERCENT, FIFTEEN YEAR RECAPTURED ENHANCED VALUE  
2 (REV) GRANT IN THE MAXIMUM AMOUNT NOT TO EXCEED  
3 \$2,670,000 IN CONNECTION WITH THE CONSTRUCTION  
4 OF THE PAYABLE THROUGH THE DOWNTOWN NORTHBANK  
5 COMMUNITY REDEVELOPMENT AREA TRUST FUND;  
6 AUTHORIZING A \$1,800,000 PARKING GARAGE GRANT TO  
7 DEVELOPER PAYABLE BY THE CITY UPON COMPLETION OF  
8 THE NEW CONSTRUCTION PORTION OF THE PROJECT;  
9 AUTHORIZING PAYMENTS FOR A PRO RATA SHARE OF THE  
10 PARKING GARAGE MAINTENANCE COSTS IN AN AMOUNT  
11 NOT TO EXCEED \$54,000 ANNUALLY; DESIGNATING THE  
12 DIA AS CONTRACT MONITOR FOR THE AGREEMENT;  
13 PROVIDING FOR OVERSIGHT OF THE PROJECT BY THE  
14 DIA; AUTHORIZING THE EXECUTION OF ALL DOCUMENTS  
15 RELATING TO THE ABOVE AGREEMENT AND  
16 TRANSACTIONS, AND AUTHORIZING TECHNICAL CHANGES  
17 TO THE DOCUMENTS; WAIVER OF THAT PORTION OF THE  
18 PUBLIC INVESTMENT POLICY ADOPTED BY ORDINANCE  
19 2022-372-E, AS AMENDED, TO AUTHORIZE A PARKING  
20 GARAGE GRANT THAT IS NOT CURRENTLY AUTHORIZED BY  
21 THE PUBLIC INVESTMENT POLICY; PROVIDING AN  
22 EFFECTIVE DATE.

23  
24 **WHEREAS**, pursuant to Chapter 55, Part 3 (Downtown Preservation  
25 and Revitalization Program), *Ordinance Code*, the City of Jacksonville  
26 ("City") established the Downtown Preservation and Revitalization  
27 Program for purposes of fostering the preservation and revitalization  
28 of certain historic and qualified non-historic, buildings located in  
29 Downtown Jacksonville; and

30 **WHEREAS**, Axis 404 Julia, LLC (the "Developer") owns certain real  
31 property located at 404 N. Julia Street, and an additional, adjacent

1 approximately 0.78 acres, on which Developer intends to cause the  
2 renovation and rehabilitation of the existing historical building  
3 ("Building") to provide approximately 32 units of multifamily housing  
4 and a projected 5,769 square feet of gross commercial/retail space  
5 including 3,240 square feet of leasable space, and also the  
6 construction of approximately a new 103-unit multi-family development  
7 with 450 structured parking spaces, as further detailed in the  
8 Agreement; and

9         **WHEREAS**, the Developer is seeking: (1) 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 \$5,814,697 (each, a "DPRP Loan") for exterior  
15 and interior rehabilitation and restoration, and Code required  
16 improvements in support of the Project; (2) a Market Rate Multi-  
17 Family Housing REV Grant payable by the DIA in the amount of  
18 \$2,670,000 for the New Construction Improvements (defined below); and  
19 (3) a \$1,800,000 parking garage grant (Parking Garage Grant") payable  
20 upon substantial completion of the New Construction Improvements; and  
21 authorizing payments for a pro rata share of the parking garage  
22 maintenance costs in an amount not to exceed \$54,000 annually, all  
23 in support of the Project (collectively, the "Grant Funds"); and

24         **WHEREAS**, the scope of the DPRP portion of the Project will  
25 include interior and exterior redevelopment and renovation to provide  
26 a minimum of 30 residential units, a minimum of 5,500 square feet of  
27 gross commercial/retail space on the ground floor, with a minimum of  
28 3,200 square feet of gross leasable space (collectively, the "DPRP  
29 Improvements"); and

30         **WHEREAS**, the Project will also include improvements related to  
31 restoring the property to historic standards, preserving and

1 maintaining the integrity of the structures, and meeting certain code  
2 compliance requirements to make the property more accessible and  
3 functional; and

4 **WHEREAS**, the Project also includes the construction of a new,  
5 multifamily development providing a minimum of 100 dwelling units  
6 with a structured parking facility (the "Parking Garage") providing  
7 a minimum of 440 parking spaces (collectively, the "New Construction  
8 Improvements"); and

9 **WHEREAS**, upon substantial completion of the New Construction  
10 Improvements, the Developer and City will enter into the Restrictive  
11 Covenants and Parking Rights Agreement authorizing the exclusive use  
12 by the City of 90 spaces in the Parking Garage at no cost to the  
13 City, except for a pro rata share of maintenance costs capped at a  
14 maximum annual amount of \$54,000 for the 50-year term; and

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

18 **WHEREAS**, the DIA has considered the Developer's requests and has  
19 determined that the Grant Funds will enable the Developer to restore  
20 and rehabilitate the historic structures and construct the Project  
21 as described in the Agreement; and

22 **WHEREAS**, the DIA has approved its Resolutions 2021-10-03 and  
23 2021-11-02 and 2022-07-02 (collectively, the "Resolutions") to enter  
24 into the Agreement, said Resolutions being attached hereto as **Exhibit**  
25 **1**; and

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

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

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

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

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

4 (c) The City's assistance for the Project will enable and  
5 facilitate the Project, the Project will enhance and increase the  
6 City's tax base and revenues, and the Project will improve the quality  
7 of life necessary to encourage and attract business expansion in the  
8 City.

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

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

12 (f) The authorizations provided by this Ordinance are for  
13 public uses and purposes for which the City may use its powers as a  
14 municipality and as a political subdivision of the State of Florida  
15 and may expend public funds, and the necessity in the public interest  
16 for the provisions herein enacted is hereby declared as a matter of  
17 legislative determination.

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

21 **Section 2. Redevelopment Agreement and Related Agreements**  
22 **Approved and Execution Authorized.** There is hereby approved, and the  
23 Chief Executive Officer of the DIA, or her designee, is hereby  
24 authorized to execute and deliver the Redevelopment Agreement, and the  
25 Mayor, or his designee, and Corporation Secretary are hereby authorized  
26 to execute and deliver the Restrictive Covenant and Parking Rights  
27 Agreement (collectively, the "Agreements"), each substantially in the  
28 form placed **On File** with the Office of Legislative Services (with such  
29 "technical" changes as herein authorized), for the purpose of  
30 implementing the recommendations of the DIA as further described in  
31 the Agreement.

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

19 **Section 3. Payment of DPRP Loans to Developer.** The DPRP  
20 Loans are hereby authorized and the City is authorized to disburse  
21 the DPRP Loans to the Developer in an aggregate amount not to exceed  
22 \$5,814,697, pursuant to and as set forth in the Agreement.

23 The DPRP Loans for the Improvements at 404 N. Julia Street are  
24 comprised of a Historic Preservation Restoration and Rehabilitation  
25 Forgivable ("HPRR") Loan in the not-to-exceed amount of  
26 \$2,261,349.00, a Code Compliance Forgivable ("CCR") Loan in the not-  
27 to-exceed amount of \$2,303,348.00, with said HPRR and CCR Loans  
28 forgiven at a rate of 20% per year (with claw back provisions provided  
29 in the Agreement), and a Deferred Principal Loan in the not-to-exceed  
30 amount of \$1,250,000.00 which requires interest payments annually  
31 with principal to be repaid at maturity (10 years from the date of

1 funding).

2 **Section 4. Payment of Parking Garage Grant to Developer.**

3 The Parking Garage Grant is hereby authorized, and, subject to  
4 subsequent appropriation by Council, the City is authorized to  
5 disburse the Parking Garage Grant to the Developer in an amount not  
6 to exceed \$1,800,000, pursuant to and as set forth in the  
7 Redevelopment Agreement.

8 **Section 5. Designation of Authorized Official and DIA as  
9 Contract Monitor.**

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

24 **Section 6. Oversight Department.** The Downtown Investment  
25 Authority shall oversee the Project described herein.

26 **Section 7. Further Authorizations.**

27 The Chief Executive  
28 Officer of the DIA, or her designee, is hereby authorized to execute  
29 the Agreement and otherwise take all necessary action in connection  
30 therewith and herewith. The Chief Executive Officer of the DIA is  
31 further authorized to negotiate and execute all necessary changes and  
amendments to the Agreement and any other contracts and documents to  
effectuate the purposes of this Ordinance, without further Council

1 action, provided such changes and amendments to the Agreement are  
2 limited to amendments that are technical in nature (as described in  
3 Section 2 hereof), and further provided that all such amendments  
4 shall be subject to appropriate legal review and approval by the  
5 General Counsel, or his or her designee, and take all other  
6 appropriate official action required by law.

7 **Section 8. Waiver of Public Investment Policy.** The Public  
8 Investment Policy adopted by City Council Ordinance 2022-372-E, as  
9 amended, are hereby waived to authorize the Parking Garage Grant that  
10 is not currently authorized by the Public Investment Policy. The  
11 waiver is justified due to the fact that the proposed Project is  
12 expected to generate a private capital investment of approximately  
13 \$48,224,085, increase ad valorem taxes payable to the City and the  
14 Duval County School Board, and provide the City with 90 exclusive use  
15 parking spaces in downtown Jacksonville.

16 **Section 9. Effective Date.** This Ordinance shall become  
17 effective upon signature by the Mayor or upon becoming effective  
18 without the Mayor's signature.

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21 Form Approved:

22  
23 /s/ John Sawyer

24 Office of General Counsel

25 Legislation Prepared By: John Sawyer

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