

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 2022-841-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 AXIS 404 JULIA,
13 LLC OR ITS AFFILIATES ("DEVELOPER"), TO SUPPORT
14 THE RENOVATION AND REHABILITATION BY DEVELOPER
15 OF THE BUILDING LOCATED AT 404 N. JULIA STREET,
16 TO PROVIDE 32 UNITS OF MULTIFAMILY HOUSING AND
17 A PROJECTED 5,769 SQUARE FEET OF GROSS
18 COMMERCIAL/RETAIL SPACE INCLUDING 3,240 SQUARE
19 FEET OF LEASABLE SPACE, AND THE CONSTRUCTION OF
20 A 103-UNIT MULTIFAMILY DEVELOPMENT AND 450
21 STRUCTURED PARKING SPACES ON AN ADJACENT PARCEL
22 OF LAND; APPROVING AND AUTHORIZING THE MAYOR, OR
23 HIS DESIGNEE, AND CORPORATION SECRETARY TO
24 EXECUTE A RESTRICTIVE COVENANTS AND PARKING
25 RIGHTS AGREEMENT THAT AUTHORIZES THE EXCLUSIVE
26 USE BY THE CITY OF 90 PARKING SPACES IN THE
27 PARKING GARAGE (COLLECTIVELY, THE "PROJECT");
28 AUTHORIZING THREE DOWNTOWN PRESERVATION AND
29 REVITALIZATION PROGRAM ("DPRP") LOANS, IN AN
30 AGGREGATE AMOUNT NOT TO EXCEED \$5,814,697, TO
31 THE DEVELOPER IN CONNECTION WITH THE

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

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

28 **WHEREAS**, Axis 404 Julia, LLC (the "Developer") owns certain real
29 property located at 404 N. Julia Street, and an additional, adjacent
30 parcel totaling approximately 0.78 acres, on which Developer intends
31 to cause the renovation and rehabilitation of the existing historical

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

7 **WHEREAS**, the Developer is seeking: (1) to secure Downtown
8 Preservation and Revitalization Program loans consisting of a
9 Historic Preservation Restoration and Rehabilitation Forgivable Loan,
10 a Code Compliance Renovations Forgivable Loan, and a Deferred
11 Principal Loan on each building comprising the Project in an aggregate
12 amount not to exceed \$5,814,697 (each, a "DPRP Loan") for exterior
13 and interior rehabilitation and restoration, and Code required
14 improvements in support of the Project; (2) a Market Rate Multi-
15 Family Housing REV Grant payable by the DIA in the amount of
16 \$2,670,000 for the New Construction Improvements (defined below); and
17 (3) a \$1,800,000 parking garage grant (Parking Garage Grant") payable
18 upon substantial completion of the New Construction Improvements; and
19 authorizing payments for a pro rata share of the parking garage
20 maintenance costs in an amount not to exceed \$54,000 annually, all
21 in support of the Project (collectively, the "Grant Funds"); and

22 **WHEREAS**, the scope of the DPRP portion of the Project will
23 include interior and exterior redevelopment and renovation to provide
24 a minimum of 30 residential units, a minimum of 5,500 square feet of
25 gross commercial/retail space on the ground floor, with a minimum of
26 3,200 square feet of gross leasable space (collectively, the "DPRP
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**, the Project also includes the construction of a new,
3 multifamily development providing a minimum of 100 dwelling units
4 with a structured parking facility (the "Parking Garage") providing
5 a minimum of 440 parking spaces (collectively, the "New Construction
6 Improvements"); and

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

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

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

20 **WHEREAS**, the DIA has approved its Resolutions 2021-10-03 and
21 2021-11-02 and 2022-07-02 (collectively, the "Resolutions") to enter
22 into the Agreement, said Resolutions being attached hereto as **Revised**
23 **Exhibit 1**, labeled as "Revised Exhibit 1, Rev Resolutions, January
24 17, 2023 - NCSPHS"; and

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

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

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

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

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

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

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

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

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

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

20 **Section 2. Redevelopment Agreement and Related Agreements**

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

31 The Agreements may include such additions, deletions and changes

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

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

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

Section 4. Payment of the Recapture Enhanced Value (REV) Grant.

(a) The REV Grant in the maximum amount not to exceed \$2,670,000, the terms of which are more specifically described in the Agreement, shall not be deemed to constitute a debt, liability, or obligation of the City or of the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation, or a pledge of the faith and credit or taxing power of the City or of the State of Florida or any constitutional or any political subdivision thereof but shall be payable solely from the funds provided therefor as provided in this Section. The Agreement shall contain a statement of the effect that the City shall not be obligated to pay any installment of its financial assistance to the Company except from the non-ad valorem revenues or other legally available funds provided for that purpose, that neither the faith and credit nor the taxing power of the City or of the State of Florida or any political subdivision thereof is pledged to the payment of any portion of such financial assistance, and that the Company, or any person, firm or entity claiming by, through or under the Company, or any other person whomsoever, shall never have any right, directly or indirectly, to compel the exercise of the ad valorem taxing power of the City or of the State of Florida or any political subdivision thereof for the payment of any portion of such financial assistance.

(b) The DIA is hereby authorized to and shall disburse the annual installments of the REV Grant as provided in this Section in accordance with this Ordinance and the Agreement.

Section 5. Payment of Parking Garage Grant to Developer.

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

1 **Section 6. Designation of Authorized Official and DIA as**
2 **Contract Monitor.** The Chief Executive Officer of the DIA is
3 designated as the authorized official of the City for the purpose of
4 executing and delivering the Agreement and is further designated as
5 the authorized official of the City for the purpose of executing any
6 additional contracts and documents and furnishing such information,
7 data and documents for the Agreement and related documents as may be
8 required and otherwise to act as the authorized official of the City
9 in connection with the Agreement, and take or cause to be taken such
10 action as may be necessary to enable the City to implement the
11 Agreement according to its terms. The DIA is hereby further required
12 to administer and monitor the Agreement and to handle the City's
13 responsibilities thereunder, including the City's responsibilities
14 under such Agreement working with and supported by all relevant City
15 departments.

16 **Section 7. Oversight Department.** The Downtown Investment
17 Authority shall oversee the Project described herein.

18 **Section 8. Further Authorizations.** The Chief Executive
19 Officer of the DIA, or her designee, is hereby authorized to execute
20 the Agreement and otherwise take all necessary action in connection
21 therewith and herewith. The Chief Executive Officer of the DIA is
22 further authorized to negotiate and execute all necessary changes and
23 amendments to the Agreement and any other contracts and documents to
24 effectuate the purposes of this Ordinance, without further Council
25 action, provided such changes and amendments to the Agreement are
26 limited to amendments that are technical in nature (as described in
27 Section 2 hereof), and further provided that all such amendments
28 shall be subject to appropriate legal review and approval by the
29 General Counsel, or his or her designee, and take all other
30 appropriate official action required by law.

31 **Section 9. Waiver of Public Investment Policy.** The Public

1 Investment Policy adopted by City Council Ordinance 2022-372-E, as
2 amended, are hereby waived to authorize the Parking Garage Grant that
3 is not currently authorized by the Public Investment Policy. The
4 waiver is justified due to the fact that the proposed Project is
5 expected to generate a private capital investment of approximately
6 \$48,224,085, increase ad valorem taxes payable to the City and the
7 Duval County School Board, and provide the City with 90 exclusive use
8 parking spaces in downtown Jacksonville.

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

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13 Form Approved:

14
15 /s/ Mary E. Staffopoulos

16 Office of General Counsel

17 Legislation Prepared By: John Sawyer

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