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

ORDINANCE 2026-541

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") AMONG THE CITY OF JACKSONVILLE, THE DOWNTOWN INVESTMENT AUTHORITY ("DIA") AND 119 BEAVER ST W, LLC ("DEVELOPER") TO SUPPORT THE CONSTRUCTION OF A MIXED USE RESIDENTIAL AND RETAIL DEVELOPMENT, INCLUDING APPROXIMATELY 259 RESIDENTIAL UNITS, AND APPROXIMATELY 37,000 SQUARE FEET OF GROUND FLOOR LEASABLE RETAIL SPACE, INCLUDING NO LESS THAN 30,000 SQUARE FEET TO BE DESIGNATED FOR USE BY PUBLIX GROCERY STORE OR OTHER SIMILARLY WELL-KNOWN REGIONAL OR NATIONAL GROCER AS APPROVED BY THE DIA (THE "PROJECT"); AUTHORIZING A SEVENTY-FIVE PERCENT, SEVENTEEN-YEAR RECAPTURED ENHANCED VALUE (REV) GRANT IN THE MAXIMUM AMOUNT NOT TO EXCEED $21,412,000 IN CONNECTION WITH THE PROJECT ("REV GRANT"), PAYABLE THROUGH THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA TRUST FUND; APPROVING AND AUTHORIZING A $28,250,000 COMPLETION GRANT TO THE DEVELOPER PAYABLE BY THE CITY IN TWO INSTALLMENTS UPON COMPLETION OF THE PROJECT ("COMPLETION GRANT"), TO BE APPROPRIATED BY SUBSEQUENT LEGISLATION; DESIGNATING THE DIA AS CONTRACT MONITOR FOR THE

AGREEMENTS; 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, Gateway Companies, LLC, serves as the development manager and operator of 119 Beaver St W, LLC (the "Developer"), which has acquired property located within the Downtown Northbank Community Redevelopment Area with RE #074033-0000 on which Developer has been engaged to design, construct, and operate a multi-family and retail mixed-use as further detailed in the Agreement, with a minimum capital investment of $140,156,500.00 (the "Project"); and

WHEREAS, the Developer is seeking: (1) a seventy-five percent, seventeen-year REV Grant payable by the DIA in the amount of $21,412,000 (the "REV Grant"); and (2) an $28,250,000 completion grant (the "Completion Grant") payable in two installments after substantial completion of the Improvements and the opening of the Grocery Store for service to the general public, all in support of the Project; and

WHEREAS, the DIA has considered the Developer's requests and has determined that the REV Grant and the Completion Grant authorized hereby will enable the Developer to construct the Project as described in the Agreement; and

WHEREAS, the Developer's funding request was analyzed in accordance with the Modified Underwriting Standards for ROI Calculation for High-Rise Residential and Hotel Mixed-Use Properties adopted by the DIA pursuant to Resolution 2024-05-04 and was found to comply with the requirements found therein; and

WHEREAS, as an inducement to the City and the DIA to award the

Completion Grant, and to further the goals of the City and DIA as set forth in the Business Investment and Development Plan adopted pursuant to Ordinance 2022-0372-E (the "DIA BID Plan"), Developer has agreed to provide a Public Benefit Payment to the City whereby the City will receive a portion of the Project's pre-tax levered net cash flow that exceeds a twenty percent internal rate of return on Developer's equity, as set forth in the Agreement; and

WHEREAS, the Project is consistent with the DIA BID Plan, and furthers multiple goals and strategic objectives of the BID Plan, particularly as they relate to Redevelopment Goal No. 2 (an increase in rental and owner-occupied housing Downtown) and Redevelopment Goal No. 3 (an increase and diversification of the number and type of retail, food and beverage, and entertainment establishments within Downtown, specifically including the addition of a major new grocer within Downtown); and

WHEREAS, the DIA has approved its Resolution 2025-12-02 (the "Resolution") to enter into the Agreement, said Resolution being attached hereto as **Exhibit 1**; and

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

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

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

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

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

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

City.

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

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

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

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

Section 2. Redevelopment Agreement and Related Agreements Approved and Execution Authorized. There is hereby approved, and the Mayor, or her designee, and the Corporation Secretary, and the Chief Executive Officer of the DIA, or his designee, as applicable, are hereby authorized to execute and deliver the Redevelopment Agreement substantially in the form placed **On File** with the Office of Legislative Services (with such "technical" changes as herein authorized) (the "Agreement"), for the purpose of implementing the recommendations of the DIA as further described in the Agreement.

The Agreement may include such additions, deletions and changes as may be reasonable, necessary, and incidental for carrying out the purposes thereof, as may be acceptable to the Chief Executive Officer of the DIA, or his designee, with such inclusion and acceptance being evidenced by execution of the Agreement by the Chief Executive Officer of the DIA, or his designee. No modification to the Agreement may increase the financial obligations or the liability of the City or DIA and any such modification shall be technical only and shall be subject to appropriate legal review and approval of the General

Counsel, or his or her designee, and all other appropriate action required by law. "Technical" is herein defined as including, but not limited to, changes in legal descriptions and surveys, descriptions of infrastructure improvements and/or any road project, ingress and egress, easements and rights of way, performance schedule extensions of up to twelve (12) months in the discretion of the CEO of the DIA and the DIA Board as provided in the Agreement, design standards, access and site plan, which have no financial impact.

Section 3. Payment of the Recapture Enhanced Value (REV) Grant.

(a) The REV Grant in the maximum amount not to exceed $21,412,000, 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 Developer 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 Developer, or any person, firm or entity claiming by, through or under the Developer, 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 4. Payment of Completion Grant to Developer. The Completion Grant is hereby authorized, and, subject to subsequent appropriation by Council, the City is authorized to disburse the Completion Grant to the Developer in an amount not to exceed $28,250,000, pursuant to and as set forth in the Agreement.

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

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

Section 7. Further Authorizations. The Chief Executive Officer of the DIA, or his designee, is hereby authorized to execute the Agreement and otherwise take all necessary action in connection therewith and herewith. The Chief Executive Officer of the DIA is 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 action, provided such changes and amendments to the Agreement are limited to amendments that are technical in nature (as described in Section 2 hereof), and further provided that all such amendments shall be subject to appropriate legal review and approval by the General Counsel, or his or her designee, and take all other appropriate official action required by law.

Section 8. Execution of the Agreement. If the Agreement approved by this Ordinance has not been executed by the Developer within thirty (30) days after effective date of this Ordinance, then the City Council approval of and authorization for the Chief Executive Officer of the DIA to execute the Agreement are automatically revoked, provided however, that the Chief Executive Officer of the DIA shall have the authority to extend such thirty (30) day period in writing at his or her discretion for up to an additional thirty (30) days.

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

Form Approved:

/S/ Rebecca Lavie

Office of General Counsel

Legislation Prepared By: Rebecca Lavie

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