

1 Introduced by Council President at the request of the Mayor:

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4 **ORDINANCE 2020-179**

5 AN ORDINANCE MAKING CERTAIN FINDINGS AND
6 AUTHORIZING THE BORROWING FROM THE CITY'S
7 COMMERCIAL PAPER FACILITY AND/OR ISSUANCE OF
8 FIXED-RATE DEBT IN THE CUMULATIVE, NOT-TO-EXCEED
9 AMOUNT OF \$32,905,000, OR SUCH LESSER AMOUNT AS
10 DETERMINED PURSUANT TO THE AGREEMENT (DEFINED
11 BELOW) AS OF THE TIME OF CLOSING, AND
12 APPROPRIATION THEREOF TO PROVIDE FUNDING FOR THE
13 PURCHASE OF THE METROPOLITAN PARKING SOLUTIONS
14 PARKING GARAGES PURSUANT TO THE DEFAULT
15 PROVISIONS OF THE DEVELOPMENT AGREEMENT DATED
16 MARCH 5, 2004, AS INITIATED BY B.T. 21-059;
17 PURPOSE OF APPROPRIATION; PROVIDING A CARRYOVER
18 OF FUNDS FROM YEAR TO YEAR UNTIL SUCH FUNDS ARE
19 EXPENDED OR LAPSE ACCORDING TO THE AGREEMENT;
20 AMENDING THE 2021-2025 FIVE-YEAR CAPITAL
21 IMPROVEMENT PROGRAM APPROVED BY ORDINANCE 2020-
22 505-E TO PROVIDE FUNDING FOR THE PROJECT
23 ENTITLED "MPS GARAGE PURCHASE"; AMENDING 2020-
24 504-E, THE FY 2021 BUDGET ORDINANCE, TO REPLACE
25 REVISED SCHEDULE B4, THE FY 2020-2021 CAPITAL
26 IMPROVEMENTS PROJECTS FUNDED VIA BORROWING, TO
27 AUTHORIZE THE BORROWING AND/OR THE ISSUANCE OF
28 DEBT FOR THE PURCHASE OF THE PARKING GARAGES;
29 AUTHORIZING THE MAYOR, OR HIS DESIGNEE, AND
30 CORPORATION SECRETARY TO EXECUTE AND DELIVER ALL
31 DOCUMENTS AND AGREEMENTS NECESSARY TO TRANSFER

1 DEVELOPER'S INTEREST IN THE PROJECT TO THE CITY
2 PURSUANT TO THE REDEVELOPMENT AGREEMENT;
3 AUTHORIZING APPROVAL OF TECHNICAL AMENDMENTS BY
4 THE MAYOR OR HIS DESIGNEE; WAIVING SECTION
5 122.411(A) (FEE PURCHASES), SUBPART A
6 (ACQUISITION OF INTERESTS IN REAL PROPERTY),
7 PART 4 (REAL PROPERTY), CHAPTER 122 (PUBLIC
8 PROPERTY), *ORDINANCE CODE*, TO AUTHORIZE PURCHASE
9 OF THE PARKING GARAGES PURSUANT TO THE
10 DEVELOPMENT AGREEMENT WITHOUT THE NEED OF AN
11 APPRAISAL; WAIVING SECTION 55.115 (PROCEDURES
12 FOR ACQUISITION AND DISPOSITION OF DOWNTOWN
13 PROPERTY), CHAPTER 55 (DOWNTOWN INVESTMENT
14 AUTHORITY), *ORDINANCE CODE*, TO ALLOW FOR
15 PURCHASE OF PROPERTY TO BE APPROVED BY ACTION OF
16 THIS LEGISLATION; PROVIDING FOR OVERSIGHT BY THE
17 DOWNTOWN INVESTMENT AUTHORITY; PROVIDING AN
18 EFFECTIVE DATE.

19
20 **WHEREAS**, the City of Jacksonville ("City"), Jacksonville
21 Economic Development Commission ("JEDC") and Metropolitan Parking
22 Solutions, LLC ("Developer") entered into that certain Redevelopment
23 Agreement dated March 5, 2004, as subsequently amended from time to
24 time in writing by the parties (the "Agreement"), pursuant to which
25 MPS constructed and has operated certain parking garages identified
26 in the Agreement (the garages and the land on which they are located
27 are hereinafter referred to as the "Parking Garages"); and

28 **WHEREAS**, the Agreement requires the City to loan to Developer
29 in periodic tranches the net operating losses Developer incurs in
30 operation of the Parking Garages under defined terms and conditions
31 (the "Development Loans"); and

1 **WHEREAS**, the Downtown Investment Authority ("DIA") is the
2 successor contract manager of the Agreement to JEDC, and is the
3 Community Redevelopment Agency from which the Development Loans are
4 made; and

5 **WHEREAS**, following the audit performed by the City Council
6 Auditor and identification of missing documentation which the DIA
7 agreed to require in response to the audit, DIA consistently requested
8 the documentation to support the Development Loan requests; and

9 **WHEREAS**, upon receipt of portions of the requested information,
10 and review of such information by DIA, discrepancies in expenses and
11 revenues included in Development Loan requests were revealed; and

12 **WHEREAS**, the DIA has disputed and withheld, in accordance with
13 the Agreement, portions of the Development Loans requested by
14 Developer; and

15 **WHEREAS**, the DIA, City, and Developer have each declared the
16 other to be in default of the Agreement and are currently engaged in
17 litigation; and

18 **WHEREAS**, in the event the Developer is found to be in default
19 of the Agreement, the City desires to exercise its right under the
20 Agreement to purchase all of Developer's rights in the Project (as
21 defined in the Agreement), inclusive of the Parking Garages; and

22 **WHEREAS**, Section 10.2 of the Agreement establishes the purchase
23 price paid to the Developer for its rights as \$3,000,000.00, along
24 with redemption of the Project Bonds which have a balance of
25 \$29,905,000.00 as of May 31, 2021; and

26 **WHEREAS**, it would be in the City's best interest to refinance
27 the underlying Bonds and manage operation of the Parking Garages
28 resulting in a lower annual expense to the City and the Tax Increment
29 District; now therefore

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

31 **Section 1. Findings.** It is hereby ascertained, determined,

1 found and declared as follows:

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

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

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

12 **Section 2. Appropriation.** For the 2020-2021 fiscal year,
13 within the City's budget, there are hereby appropriated the indicated
14 sum(s) from the account(s) listed in subsection (a) to the account(s)
15 listed in subsection (b):

16 (B.T. 21-059 attached hereto as **Exhibit 1** and incorporated herein)

17 (a) Appropriated from:

18 See B.T. 21-059 \$32,905,000

19 (b) Appropriated to:

20 See B.T. 21-059 \$32,905,000

21 (b) Explanation of Appropriation

22 The appropriation authorizes the borrowing of \$32,905,000
23 from the City's Commercial Paper Facility and/or the
24 issuance of debt in the cumulative, maximum amount of
25 \$32,905,000 and appropriates the funds to the purchase of
26 the Parking Garages.

27 **Section 3. Purpose.** The purpose of the appropriation in
28 Section 2 is to facilitate the City's purchase of the Developer's
29 rights in the Project pursuant to the City's rights under the
30 Agreement.

31 **Section 4. Carryover.** The funds appropriated herein shall

1 not lapse but shall carryover as appropriated from year to year until
2 such funds are expended or lapse according to the terms of the
3 Agreement.

4 **Section 5. CIP Amendment.** Ordinance 2020-505-E, being the
5 2021-2025 Five-Year Capital Improvement Program for the City and
6 certain of its independent agencies, is hereby amended to increase
7 funding for the projects entitled "MPS Garage Purchase". The project
8 is more fully described in the Project Information Sheet attached
9 hereto as **Exhibit 2** and incorporated herein by this reference. The
10 Council finds that the deferral of this amendment of the CIP until
11 the next annual budget and CIP review will be detrimental to the best
12 interests of the community because such deferral may result in
13 continued financial liability of the City and DIA under the Agreement.
14 Pursuant to Section 122.605(c), **Ordinance Code**, enactment of this
15 Ordinance requires the affirmative vote of two-thirds of the Council
16 members present at the meeting because of the CIP amendment set forth
17 in this Section. This ordinance shall constitute an amendment to
18 Ordinance 2020-505-E. In all other respects, the Five-Year Capital
19 Improvement Program approved by Ordinance 2020-505-E shall continue
20 in full force and effect.

21 **Section 6. Amending 2020-504-E, the FY 2020-2021 Budget**
22 **Ordinance, to replace Revised Schedule B4 to allow for the purchase**
23 **of the Parking Garages.** 2020-504-E, the FY 2020-2021 Budget Ordinance,
24 is hereby amended to replace Revised Schedule B4 Capital Improvement
25 Projects Funded Via Borrowing to add the MPS Garage Purchase thereto.
26 The Second Revised Schedule B4 is attached hereto as **Exhibit 3**.

27 **Section 7. Authorizing the Borrowing and Appropriation of**
28 **Funds.** The City is hereby authorized to borrow under its Commercial
29 Paper Program and/or issue fixed-rate debt in the cumulative, maximum
30 amount of \$32,905,000 and such funds are hereby appropriated to fund
31 the purchase of the Parking Garages. The authorization set forth in

1 this Section is subject to the requirements and prerequisites of the
2 Commercial Paper Program and/or bond programs.

3 **Section 8. Execution of Agreements.** The Mayor, or his
4 authorized designee, and Corporation Secretary are hereby authorized
5 to execute and deliver all documents and agreements necessary to
6 affect the purchase and transfer of Developer's rights in the Project
7 to the City and redemption of the Bonds, as contemplated in section
8 10.2 of the Agreement (collectively, the "Documents"). Such Documents
9 include without limitation: purchase and sale agreements for real
10 property, fixtures, and personal property for the Project; closing
11 statements; releases and satisfactions of liens or easements on the
12 Project; title affidavits, and other equipment maintenance agreements
13 or other agreements relating to the transition of operations to the
14 City.

15 The Documents may include such statements or terms as may be
16 reasonable, necessary, and incidental for carrying out the purposes
17 thereof, as may be acceptable to the Mayor, or his designee, with such
18 inclusion and acceptance being evidenced by execution of the Documents
19 by the Mayor or his designee. The Documents may not increase the
20 financial obligations or the liability to the City and shall be subject
21 to appropriate legal review and approval of the Office of General
22 Counsel and all other appropriate action required by law.

23 **Section 9. Waiving Chapter 122 (Public Property), Part 4**
24 **(Real Property), Subpart A (Acquisition of Interest in Real Property),**
25 **Section 122.411(a) (Fee Purchases), Ordinance Code.** The provisions
26 of Section 122.411(a) (Fee Purchases), Subpart A (Acquisition of
27 Interests in Real Property), Part 4 (Real Property), Chapter 122
28 (Public Property) are hereby waived to authorize the transaction
29 without the requirement to obtain two appraisals of the Parking
30 Garages.

31 **Section 10. Waiving Chapter 55 (Downtown Investment**

1 Authority), Part 1 (Downtown Investment Authority), Section 55.115
2 (Procedures for acquisition and disposition of Downtown Property).

3 Section 55.115 (Procedures for acquisition and disposition of
4 Downtown Property), Part 1 (Downtown Investment Authority, Chapter
5 55 (Downtown Investment Authority), is hereby waived to allow for the
6 purchase by the City of the Parking Garages pursuant to this
7 legislation and consistent with the terms of the Agreement.

8 **Section 11. Oversight Department.** The DIA shall oversee the
9 transactions described herein.

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

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14 Form Approved:

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Office of General Counsel

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18 Legislation Prepared By: John C. Sawyer, Jr.

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