

1 Introduced by Council President at the request of the Mayor and
2 amended by the Transportation, Energy & Utilities Committee:
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5 **ORDINANCE 2021-179-E**

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

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

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

1 referred to as the "Parking Garages"); and

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

6 **WHEREAS**, the Downtown Investment Authority ("DIA") is the
7 successor contract manager of the Agreement to JEDC, and is the
8 Community Redevelopment Agency from which the Development Loans are
9 made; and

10 **WHEREAS**, following the audit performed by the City Council
11 Auditor and identification of missing documentation which the DIA
12 agreed to require in response to the audit, DIA consistently
13 requested the documentation to support the Development Loan
14 requests; and

15 **WHEREAS**, upon receipt of portions of the requested
16 information, and review of such information by DIA, discrepancies
17 in expenses and revenues included in Development Loan requests were
18 revealed; and

19 **WHEREAS**, the DIA has disputed and withheld, in accordance with
20 the Agreement, portions of the Development Loans requested by
21 Developer; and

22 **WHEREAS**, the DIA, City, and Developer have each declared the
23 other to be in default of the Agreement and are currently engaged
24 in litigation; and

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

29 **WHEREAS**, Section 10.2 of the Agreement establishes the
30 purchase price paid to the Developer for its rights as

1 \$3,000,000.00, along with redemption of the Project Bonds which
2 have a balance of \$29,905,000.00 as of May 31, 2021; and

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

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

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

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

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

17 (c) 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. Appropriation.** For the 2020-2021 fiscal year,
21 within the City's budget, there are hereby appropriated the
22 indicated sum(s) from the account(s) listed in subsection (a) to
23 the account(s) listed in subsection (b):

24 (Revised B.T. 21-059 attached hereto as **Revised Exhibit 1**, labeled
25 as "Revised Exhibit 1, Revised B.T. 21-059, April 19, 2021 - TEU"
26 and incorporated herein)

27 (a) Appropriated from:

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

29 (b) Appropriated to:

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

31 (b) Explanation of Appropriation

1 The appropriation authorizes the borrowing of \$32,905,000
2 from the City's Commercial Paper Facility and/or the
3 issuance of debt in the cumulative, maximum amount of
4 \$32,905,000 and appropriates the funds to the purchase of
5 the Parking Garages.

6 **Section 3. Purpose.** The purpose of the appropriation in
7 Section 2 is to facilitate the City's purchase of the Developer's
8 rights in the Project pursuant to the City's rights under the
9 Agreement.

10 **Section 4. Carryover.** The funds appropriated herein shall
11 not lapse but shall carryover as appropriated from year to year
12 until such funds are expended or lapse according to the terms of
13 the Agreement.

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

31 **Section 6. Amending 2020-504-E, the FY 2020-2021 Budget**

1 **Ordinance, to replace Revised Schedule B4 to allow for the purchase**
2 **of the Parking Garages.** 2020-504-E, the FY 2020-2021 Budget
3 Ordinance, is hereby amended to replace Revised Schedule B4 FY 20-
4 21 Debt Management Fund Detail to add the MPS Garage Purchase
5 thereto. The Second Revised Schedule B4 is attached hereto as
6 **Revised Exhibit 3**, labeled as "Revised Exhibit 3, Rev 2nd Rev B4,
7 April 19, 2021 - TEU".

8 **Section 7. Authorizing the Borrowing and Appropriation of**
9 **Funds.** The City is hereby authorized to borrow under its
10 Commercial Paper Program and/or issue fixed-rate debt in the
11 cumulative, maximum amount of \$32,905,000 and such funds are hereby
12 appropriated to fund the purchase of the Parking Garages. The
13 authorization set forth in this Section is subject to the
14 requirements and prerequisites of the Commercial Paper Program
15 and/or bond programs.

16 **Section 8. Execution of Agreements.** The Mayor, or his
17 authorized designee, and Corporation Secretary are hereby
18 authorized to execute and deliver all documents and agreements
19 necessary to affect the purchase and transfer of Developer's rights
20 in the Project to the City and redemption of the Bonds, as
21 contemplated in section 10.2 of the Agreement (collectively, the
22 "Documents"). Such Documents include without limitation: purchase
23 and sale agreements for real property, fixtures, and personal
24 property for the Project; closing statements; releases and
25 satisfactions of liens or easements on the Project; title
26 affidavits, and other equipment maintenance agreements or other
27 agreements relating to the transition of operations to the City.

28 The Documents may include such statements or terms as may be
29 reasonable, necessary, and incidental for carrying out the purposes
30 thereof, as may be acceptable to the Mayor, or his designee, with
31 such inclusion and acceptance being evidenced by execution of the

1 Documents by the Mayor or his designee. The Documents may not
2 increase the financial obligations or the liability to the City and
3 shall be subject to appropriate legal review and approval of the
4 Office of General Counsel and all other appropriate action required
5 by law.

6 **Section 9. Waiving Chapter 122 (Public Property), Part 4**
7 **(Real Property), Subpart A (Acquisition of Interest in Real**
8 **Property), Section 122.411(a) (Fee Purchases), Ordinance Code.** The
9 provisions of Section 122.411(a) (Fee Purchases), Subpart A
10 (Acquisition of Interests in Real Property), Part 4 (Real
11 Property), Chapter 122 (Public Property) are hereby waived to
12 authorize the transaction without the requirement to obtain two
13 appraisals of the Parking Garages.

14 **Section 10. Waiving Chapter 55 (Downtown Investment**
15 **Authority), Part 1 (Downtown Investment Authority), Section 55.115**
16 **(Procedures for acquisition and disposition of Downtown Property).**
17 Section 55.115 (Procedures for acquisition and disposition of
18 Downtown Property), Part 1 (Downtown Investment Authority), Chapter
19 55 (Downtown Investment Authority), is hereby waived to allow for
20 the purchase by the City of the Parking Garages pursuant to this
21 legislation and consistent with the terms of the Agreement.

22 **Section 11. Oversight Department.** The DIA shall oversee
23 the transactions described herein.

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

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28 Form Approved:

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30 /s/ Paige H. Johnston

31 Office of General Counsel

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

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