

RESOLUTION 2021-03-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO ISSUE A 30-DAY NOTICE OF DISPOSITION IN ACCORDANCE WITH THE NEGOTIATED DISPOSITION PROCEDURE ADOPTED BY DIA, FOR AN APPROXIMATELY 3.45 ACRE PARCEL OF CITY-OWNED REAL PROPERTY LOCATED GENERALLY BETWEEN LEE STREET, FORSYTH STREET, ADAMS STREET AND STUART STREET; APPROVING THE TERMS AND CONDITIONS INCLUDED AS EXHIBIT ‘A’ AND EXPRESSING THE INTENTION TO DISPOSE OF SAID PROPERTY SUBSTANTIALLY IN ACCORDANCE WITH THE NEGOTIATED TERMS TO JOHNSON COMMONS, LLC (THE “DEVELOPER”) UPON EXPIRATION OF THE THIRTY DAY NOTICE PERIOD ABSENT HIGHER RESPONSIVE OFFERS; AND FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City owns an approximately 3.45 acre parcel of real property described on Exhibit “A” attached hereto (the Property); and

WHEREAS, the DIA issued ISP 0552-19 in August of 2019 regarding disposition of the subject property for development of for sale residential units; and

WHEREAS, after receipt and scoring of responses, the DIA awarded the Property to the top-scoring respondent, adopted Resolution 2019-09-04 and pursuant thereto entered into a Redevelopment Agreement and transferred the Property to said respondent; and

WHEREAS, the Property has been returned to the City voluntarily as the owner elected not to proceed with development; and

WHEREAS, the Developer also responded to ISP 0552-19 and was the second to top scoring respondent; and

WHEREAS, The Developer has expressed the desire to proceed with redevelopment of the Property in accordance with the terms contained in their response as modified by the Term Sheet attached hereto as Exhibit “B”; and

WHEREAS, in order to determine fair value for the property pursuant to Florida Statutes Chapter 163.380(2), and as required by City of Jacksonville Code of Ordinances §122.432, the DIA engaged an appraiser in 2019 to appraise the various parcels involved in the disposition; and

WHEREAS, the Property is located within the Northbank Community Redevelopment Area (“Northbank CRA”); and

WHEREAS, DIA is the designated Community Redevelopment Agency for the Northbank CRA, for which a BID Plan, inclusive of a Community Redevelopment Plan, was adopted by Ordinance 2014-560-E; and

WHEREAS, upon adoption of this Resolution, a 30-day notice for the solicitation of proposals pursuant to Section 163.380(3)(a), Florida Statutes, and Sections 122.434(a) and (b), Jacksonville Ordinance Code, will be issued; and

WHEREAS, the DIA finds that this resolution furthers the following Redevelopment Goal and Strategic Objectives found in the BID Plan:

Redevelopment Goal No. 1 Reinforce Downtown as the City’s unique epicenter for business, history, culture, education, and entertainment.

Redevelopment Goal No. 2

Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.

Plan Umbrella 7 Housing – creating a critical mass of housing Downtown of all forms.

Redevelopment Goal No. 4

Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.

Redevelopment Goal No. 7

Use planning and economic development policies to promote design for healthy living.

Housing Incentive Programs

The CRA Plan contemplates housing incentives, including the disposition of City land at reduced cost, in order to achieve Downtown housing goals. It expressly provides “The best way to attract a diverse population is by providing high quality housing and a wide range of housing types.”

The recommendations of the LaVilla Strategy regarding development of the park parcel.

The recommendations of the LaVilla Strategy regarding the LaVilla Heritage Trail: Making the neighborhood’s history visible.

Simplify the approval process for downtown development and improve departmental and agency coordination.

WHEREAS, the DIA finds that this resolution furthers CRA Plan Umbrellas 1. Economic Development; 4. Parking; 5. Design Guidelines; 7. Housing; 8. Riverfront, Parks and open Space, and 9. Public Investment Properties; and

WHEREAS, Section 55.108 of the Jacksonville Code of Ordinances grants certain powers and duties to the DIA, including:

Interpreting the BID Plan and approve development and redevelopment projects within Downtown;

Implementing the BID Plan, and negotiate and grant final approval of downtown development and redevelopment agreements, grant agreements, license agreements, and lease agreements;

Plan and propose Projects and Public facilities within Downtown.

NOW THEREFORE, BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA has determined that absent a higher responsive bid that can demonstrate an ability to perform on substantially the same terms and conditions, it will proceed to sell the Property to the Developer in accordance with the term sheet attached hereto as Exhibit B.

Section 3. The DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action necessary to effectuate the Notice of Disposition for the Property in accordance with its Negotiated Notice of Disposition Process.

Section 4. Proposals received, if any, will be reviewed by the DIA Chief Executive Officer, who will make a recommendation to the DIA Board regarding any responsive alternate proposals received.

Section 5. If no alternate responsive and qualified proposals are received, the CEO is authorized to take all necessary actions, including the filing of legislation with City Council to effectuate the disposition off the Property to Developer in accordance with the term sheet attached hereto as Exhibit B.

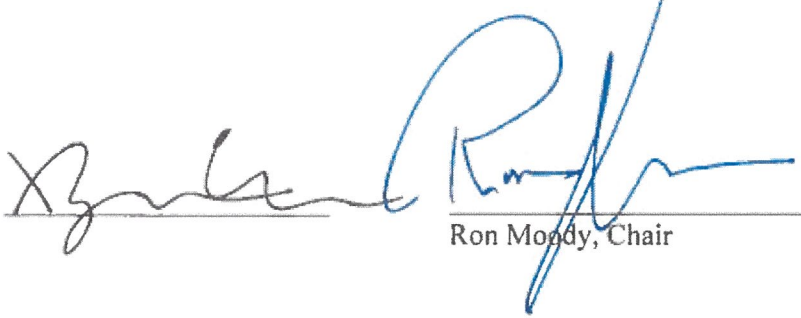
Section 6. If alternate qualified proposals are received and are determined by the CEO to be lower in value or unresponsive to the desired development of the Property as outlined in ISP 0552-19, CEO shall present the final term sheet and site plan to DIA its next meeting following the close of the disposition notice period.

Section 6. City Council approval will be required to authorize any disposition via legislative action.

Section 7. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY



Ron Moody, Chair

3/17/21
Date

VOTE: In Favor: 9 Opposed: ~~0~~ Abstained: ~~0~~

Exhibit 1 to 2021-03-02

Term Sheet for LaVilla/Johnson Commons, LLC Disposition

Purchaser/Developer: Johnson Commons, LLC., or its permitted assignee

The Land or Property: all right, title and interest in and to certain real property owned by City and located in downtown Jacksonville, described on Exhibit A attached hereto

Purchase Price: \$ 1. 50% of Net Sales Proceeds (proceeds less brokerage commission) on each unit in excess of \$250,250 will be paid to DIA.

Development Product: Minimum of 91 townhome units to be constructed in Phase 1; all units to be offered as individual for sale product. Townhome units will be three story (approximately 1400 square feet average) with one car garage. All 91 townhome units will be developed in single phase. Phase 2 of development, fronting Lee and Forsyth Street will consist of a minimum of 10,000 square feet of stand-alone retail or a mixed-use product of multi-family residential and retail that includes a minimum of 10,000 square feet of retail on first floor. Phase 2 to be commenced within 5 years of the execution date of the Redevelopment Agreement or property will revert. In the interim, this portion of the site will be developed as green space accessible to the adjacent Emerald Trail and maintained by the Developer.

Infrastructure: All current ROW's will remain open; Johnson Street to be improved by Developer; New public ROW dedicated and street to be constructed by Developer between Lift Ev'ry Voice and Sing park parcel and development parcel. No portion of street ROW (including parking) may encroach into existing park and paved street shall be located as close to development side of ROW as possible while accommodating required sidewalk. Sidewalks and street trees will be provided where development parcels abut all ROW frontages.

Architectural deference to park and heritage: Townhomes will be frame construction, approximate 18' widths with gable roofs and patios to emulate the feel of a second story porch. Peaked or gable roofs will differentiate units in a nod to shotgun style on all Townhome product. Units adjacent to new street will face park; Future retail and or mixed use will face trail.

Park: Developer to make cash contribution to be used toward development of Lift Ev'ry Voice and Sing park in the amount of \$150,000, payable at closing.

Trail: Developer acknowledges that an expanded right of way has been retained by the City for the Emerald Trail which will be constructed on the Lee Street Frontage. Development shall be set back from the property line adjacent to the trail sufficient to accommodate landscape previously designed.

Performance Schedule: Time for approval and Closing: The parties will strive to complete negotiation and drafting of all documentation by April 28 and file legislation immediately thereafter. Developer will pursue DDRB Approval while legislation pending. Closing will be conditioned upon Council approval, satisfactory evidence of financing for Phase 1 (91 townhomes) and DDRB final approval but shall occur no later than October 1, 2021. Developer to file for all permits prior to or within 30 days following

RESOLUTION 2021-03-02
PAGE 6 OF 6

closing. Developer to commence construction within 45 days of receipt of permits required to begin work but no later than 8 months following closing. For purposes of this term sheet, commencement of construction means the start of construction activities at the development site such as excavation, site work and infrastructure. The Property will revert to the City in the event Developer fails to commence construction in accordance with the Performance Schedule.

Vertical construction shall commence within _____ months following closing and be completed within ____ months following commencement. In the event Developer has commenced construction but fails to complete vertical construction as required by the Performance Schedule, Developer shall incur a \$100/day penalty. In light of the City's risk associated with the disposition and the desire to see completed product in the marketplace, the City will require a performance guaranty from the Developer or to be named as an additional party on a payment and performance bond ensuring completion.

DIA CEO will be authorized to extend the Performance Schedule by not more than 6 months.