

1 Introduced by the Council President at the request of the DIA and
2 amended by the Finance Committee:
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5 **ORDINANCE 2021-453-E**

6 AN ORDINANCE MAKING CERTAIN FINDINGS, AND
7 APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE
8 OFFICER OF THE DOWNTOWN INVESTMENT AUTHORITY, OR
9 HER DESIGNEE, TO EXECUTE A REDEVELOPMENT
10 AGREEMENT ("AGREEMENT") BETWEEN THE CITY OF
11 JACKSONVILLE ("CITY"), THE DOWNTOWN INVESTMENT
12 AUTHORITY ("DIA") AND LAURA TRIO, LLC
13 ("DEVELOPER"), TO SUPPORT THE RENOVATION AND
14 REHABILITATION BY DEVELOPER OF THE BUILDINGS
15 KNOWN GENERALLY AS THE FLORIDA NATIONAL BANK
16 BUILDING, BISBEE BUILDING, AND FLORIDA LIFE
17 INSURANCE BUILDING, LOCATED GENERALLY AT THE
18 CORNER OF LAURA AND FORSYTH STREETS
19 (COLLECTIVELY, THE "PROJECT"); APPROPRIATING
20 \$2,000,000 TO FUND A FORGIVABLE LOAN FOR THE
21 LAURA STREET TRIO PROJECT IN ACCORDANCE WITH THE
22 REDEVELOPMENT AGREEMENT; AUTHORIZING THREE
23 DOWNTOWN PRESERVATION AND REVITALIZATION
24 PROGRAM ("DPRP") LOANS, IN AN AGGREGATE AMOUNT
25 NOT TO EXCEED \$24,674,300, TO THE DEVELOPER IN
26 CONNECTION WITH THE PROJECT, TO BE APPROPRIATED
27 BY SUBSEQUENT LEGISLATION; DESIGNATING THE DIA
28 AS CONTRACT MONITOR FOR THE AGREEMENT; PROVIDING
29 FOR OVERSIGHT OF THE PROJECT BY THE DIA;
30 AUTHORIZING THE EXECUTION OF ALL DOCUMENTS

1 RELATING TO THE ABOVE AGREEMENT AND
2 TRANSACTIONS, AND AUTHORIZING TECHNICAL CHANGES
3 TO THE DOCUMENTS; WAIVING THAT PORTION OF THE
4 PUBLIC INVESTMENT POLICY ADOPTED BY ORDINANCE
5 2016-382-E, AS AMENDED, TO AUTHORIZE \$2,000,000
6 FORGIVABLE LOAN NOT CONTEMPLATED BY THE POLICY;
7 WAIVING THE DPRP GUIDELINES ADOPTED BY ORDINANCE
8 2020-527-E, TO ALLOW A DEVELOPER EQUITY
9 THRESHOLD BELOW 10%; WAIVING SECTION
10 91.113(A) (SETTLEMENT AND/OR COMPROMISE OF FINES
11 AND LIENS IMPOSED BY THE MUNICIPAL CODE
12 ENFORCEMENT BOARD OR SPECIAL MAGISTRATE),
13 *ORDINANCE CODE*, TO WAIVE THE CITY'S POLICY
14 REGARDING SETTLEMENT OF FINES AND LIENS IMPOSED
15 BY THE MUNICIPAL CODE ENFORCEMENT BOARD OR
16 SPECIAL MAGISTRATE; PROVIDING AN EFFECTIVE DATE.

17
18 **WHEREAS**, pursuant to Chapter 55, Part 3 (Downtown Preservation
19 and Revitalization Program), *Ordinance Code*, the City of Jacksonville
20 ("City") established the Downtown Preservation and Revitalization
21 Program for purposes of fostering the preservation and revitalization
22 of certain historic and qualified non-historic, buildings located in
23 Downtown Jacksonville; and

24 **WHEREAS**, Laura Trio, LLC (the "Developer") owns certain real
25 property, inclusive of the former Florida National Bank Building
26 located at 51 W. Forsyth Street, the Bisbee Building, located at 47
27 W. Forsyth Street, and the Florida Life Insurance Building, located
28 at 117 N. Laura Street (collectively, the "Trio Buildings"), on which
29 Developer intends to cause the renovation and rehabilitation of the
30 buildings, as further detailed in the Agreement; and

1 **WHEREAS**, the City, DIA and Barnett Tower 2, LLC, as assignee of
2 Barnett Tower, LLC ("Barnett Developer") and Developer previously
3 entered into that certain Redevelopment Agreement (the "Prior RDA")
4 for the redevelopment in part of the Barnett Bank Building and the
5 Trio Buildings, and the Barnett Developer completed the renovation
6 of the Barnett Bank Building but forfeited its right to the \$4,000,000
7 Barnett HPTF Grant (as defined in the Prior RDA) since Barnett
8 Developer did not construct the Parking Garage consistent with the
9 Prior RDA; and

10 **WHEREAS**, the Developer has not commenced construction of the
11 Trio Improvements (as defined in the Prior RDA) and is unable to
12 complete such improvements in accordance with the performance
13 schedule set forth in the Prior RDA; and

14 **WHEREAS**, the Developer is seeking to secure Downtown
15 Preservation and Revitalization Program loans consisting of a
16 Historic Preservation Restoration and Rehabilitation Forgivable Loan,
17 a Code Compliance Renovations Forgivable Loan, and a Deferred
18 Principal Loan on each building comprising the Project in an aggregate
19 amount not to exceed \$24,674,300 (each, a "DPRP Loan") for exterior
20 rehabilitation and restoration, interior rehabilitation and
21 restoration, and Code required improvements for the Trio Buildings
22 in support of the Project; and

23 **WHEREAS**, the scope of the Project will include redevelopment of:
24 the Florida National Bank Building to provide approximately 7,442
25 square foot private dining/wine cellar space, 7,069 square feet of
26 restaurant space and an additional 3,615 square feet of restaurant
27 operating space; the Bisbee Building to provide approximately 44,010
28 square feet total, inclusive of approximately 4,401 square feet ground
29 level retail space, 4,401 square feet of conference center space,
30 approximately 8 floors of hotel space comprised of 35,208 square

1 feet, for 56 hotel rooms, and the Florida Life Insurance Building to
2 provide approximately 26,803 square feet total, inclusive of 2,548
3 square feet of media space, 2,205 square feet of lobby/business center
4 space, 2,205 square feet of fitness/media center space, and an
5 additional 35 hotel rooms comprised of 19,845 square feet; and

6 **WHEREAS**, the Project will also include improvements related to
7 restoring the properties to historic standards, preserving and
8 maintaining the integrity of the structures, and meeting certain code
9 compliance requirements to make the properties more accessible and
10 functional; and

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

14 **WHEREAS**, construction of new building elements are integral and
15 necessary to the Project and will include approximately: (i) 41,393
16 square feet comprised of approximately 8,843 square feet of retail
17 space, and an additional 32,550 square feet for 54 additional hotel
18 rooms and rooftop bar space, and (ii) an additional 18,762 square
19 feet of circulation core improvements to provide access between and
20 among the buildings comprising the Project; and

21 **WHEREAS**, the DIA has considered the Developer's requests and has
22 determined that the DPRP Loans will enable the Developer to restore
23 and rehabilitate the historic structures and construct the Project
24 as described in the Agreement; and

25 **WHEREAS**, on March 17, 2021, the DIA Board approved Resolution
26 2021-03-01 (the "Resolution") to enter into the Agreement, said
27 Resolution being attached hereto as **Exhibit 1**; and

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

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

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

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

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

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

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

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

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

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

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

28 (The account information is attached hereto as **Exhibit 1** and
29 incorporated herein by this reference)

30 (a) Appropriated from:

1 See **Exhibit 1** \$2,000,000

2 (b) Appropriated to:

3 See **Exhibit 1** \$2,000,000

4 (c) **Explanation of Appropriation:**

5 Appropriating \$2,000,000.00 from General Fund-GSD Fund Balance
6 to fund a \$2,000,000 forgivable loan for the Laura Street Trio project
7 in accordance with the redevelopment agreement.

8 **Section 3. Purpose.** The purpose of the appropriation in
9 Section 2 is to provide \$2,000,000 in funding to the Downtown
10 Development Fund - Forgivable Loans account to provide a \$2,000,000
11 forgivable loan to the Developer in accordance with the Redevelopment
12 Agreement.

13 **Section 4. Redevelopment Agreement Approved and Execution**
14 **Authorized.** There is hereby approved, and the Chief Executive Officer
15 of the DIA, or her designee, is hereby authorized to execute and
16 deliver the Redevelopment Agreement ("Agreement") substantially in
17 the form placed **Revised On File** with the Office of Legislative
18 Services (with such "technical" changes as herein authorized), for
19 the purpose of implementing the recommendations of the DIA as further
20 described in the Agreement. It shall be a precondition to the DIA
21 entering into the Agreement that the Prior RDA is terminated in full
22 without liability to the City or DIA.

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

1 Counsel, or his or her designee, and all other appropriate action
2 required by law. "Technical" is herein defined as including, but not
3 limited to, changes in legal descriptions and surveys, descriptions
4 of infrastructure improvements and/or any road project, ingress and
5 egress, easements and rights of way, performance schedule extensions
6 of up to (6) six months in the discretion of the CEO of the DIA,
7 design standards, access and site plan, which have no financial
8 impact.

9 **Section 5. Payment of DPRP Loans to Developer.** The DPRP
10 Loans are hereby authorized, and, subject to subsequent appropriation
11 by the City Council for the Project, the City is authorized to
12 disburse the DPRP Loans to the Developer in an aggregate amount not
13 to exceed \$24,674,300, pursuant to and as set forth in the Agreement.

14 The DPRP Loans are comprised of a Historic Preservation
15 Restoration and Rehabilitation Forgivable Loan ("HPRR") in the not-
16 to-exceed amount of \$9,377,766, a Code Compliance Renovations
17 Forgivable Loan ("CCR") in the not-to-exceed amount of \$10,016,699,
18 with said HPRR and CCR Loans forgiven at a rate of 20% per year (with
19 claw back provisions provided in the Agreement), and a DPRP Deferred
20 Principal Loan in the not-to-exceed amount of \$5,279,835 which
21 requires interest payments annually with principal to be repaid at
22 maturity (10 years from the date of funding).

23 **Section 6. Designation of Authorized Official and DIA as**
24 **Contract Monitor.** The Chief Executive Officer of the DIA is
25 designated as the authorized official of the City for the purpose of
26 executing and delivering the Agreement and is further designated as
27 the authorized official of the City for the purpose of executing any
28 additional contracts and documents and furnishing such information,
29 data and documents for the Agreement and related documents as may be
30 required and otherwise to act as the authorized official of the City
31 in connection with the Agreement, and take or cause to be taken such

1 action as may be necessary to enable the City to implement the
2 Agreement according to its terms. The DIA is hereby further required
3 to administer and monitor the Agreement and to handle the City's
4 responsibilities thereunder, including the City's responsibilities
5 under such Agreement working with and supported by all relevant City
6 departments.

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

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

22 **Section 9. Waiver of Public Investment Policy.** The Public
23 Investment Policy adopted by City Council Ordinance 2016-382-E, as
24 amended, is waived to authorize a \$2,000,000 forgivable loan not
25 contemplated by the policy.

26 **Section 10. Waiver of DPRP Guidelines.** The DPRP guidelines
27 adopted by the City Council Ordinance 2020-527-E, are waived to allow
28 a developer equity threshold below 10%.

29 **Section 11. Waiver of Chapter 91 (Municipal Code**
30 **Enforcement Board), Section 91.113(a) (Settlement and/or compromise**
31 **of fines and liens imposed by the Municipal Code Enforcement Board**

1 **or Special Magistrate), Ordinance Code.** The standards and policies
2 referenced in Section 91.113(a), *Ordinance Code*, regarding the
3 City's policy of settlement of fines and liens imposed by the
4 Municipal Code Enforcement Board or Special Magistrate are hereby
5 waived to authorize a \$10,000 upfront payment, rather than \$4,000,
6 in connection with the settlement of fines agreement to be entered
7 into by the Developer, and to authorize a sixty (60) month term
8 (rather than twenty-four months) to bring the Project parcel into
9 compliance.

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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16 Form Approved:

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18 /s/ Paige H. Johnston

19 Office of General Counsel

20 Legislation Prepared By: John Sawyer

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