

RESOLUTION 2020-02-04

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY APPROVING AN EXTENSION OF THE PERFORMANCE SCHEDULE AS IT RELATES TO OBTAINING FEE SIMPLE TITLE AND OBTAINMENT OF A BUILDING PERMT IDENTIFIED IN THAT REDEVELOPMENT AGREEMENT DATED MAY 11, 2017 BETWEEN THE CITY OF JACKSONVILLE AND SOUTHBANK APARTMENT VENTURES, LLC, AS ONCE AMENDED BY CITY COUNCIL; EXTENDING THE PERFORMANCE SCHEDULE ASSOCIATED WITH THE ALLOCATION OF DEVELOPMENT RIGHTS LAST APPROVED IN RESOLUTION 2019-09-10; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the DIA on behalf on the City and Southbank Apartment Ventures, LLC (“Ventures”) entered into a Redevelopment Agreement dated May 11, 2017 which was approved by DIA Resolution 2017-01-02 and subsequently amended by the First Amendment dated January 11, 2019 as authorized by Ordinance 2018-658-E (“First Amendment”); and

WHEREAS, City and Ventures entered into an Allocation of Development Rights agreement dated May 11, 2017 (the “ADR”); and

WHEREAS, the Downtown Development Review Board (“DDRB”) approved Application 2016-015, filed and later amended by Ventures (the “Application”), on June 1, 2017 and confirmed by a letter dated June 6, 2017; and

WHEREAS, GV-IP Jacksonville Owner, LLC (“GVIP”), an adjacent property owner, appealed the DDRB approval of the Application to the DIA on June 19, 2017; and

WHEREAS, on appeal, DIA denied the appeal on August 24, 2017 and GVIP appealed the DIA decision to the Jacksonville City Council on September 7, 2017; and

WHEREAS, on November 28, 2017 the City Council remanded the appeal back to DDRB and on December 12, 2017 the DDRB denied GVIP’s appeal and granted Venture’s Application; and

WHEREAS, on January 11, 2018, GVIP filed a petition for writ of certiorari to the Circuit Court of Duval County (“Appeal”); and

WHEREAS, Ventures and GVIP ultimately reached a settlement to resolve the Appeal on September 10, 2018; and

WHEREAS, Ventures was granted an extension of the performance schedule associated with the Allocation of Development Rights pursuant to Resolution 2019-09-10 which extended the Closing Date to December 31, 2019; and

WHEREAS, pursuant to the force majeure clause of Section 10.2 of the RDA, in recognition that Ventures "exercise[d] commercially reasonable efforts to resume performance . . . as soon as practicable", the DIA extended the closing date in the Performance Schedule in the RDA to December 31, 2019 per Resolution 2019-06-02; and

WHEREAS, at the request of Ventures and pursuant to its Resolution 2019-12-04, the DIA Board thereafter was granted an extension of the Closing Date and performance Schedule in the RDA, which extended the Closing Date until March 1, 2020; and

WHEREAS, Ventures has informed DIA that Ventures is not able to complete certain land swaps until GV IP Jacksonville Owner LLC ("GV IP") executes documents to effectuate such land swaps in accordance with a Quad Party Agreement; and

WHEREAS, GV IP closed on the sale of 841 Prudential Drive on February 20th, and the lender for the purchaser has requested additional time in order to complete the land swaps GV IP agreed to complete; and

WHEREAS, as authorized by Section 3.1 of the RDA, Ventures has requested a 30-day discretionary extension of certain of the performance deadlines in Section 3.1 of the RDA and in the same performance dates in the ADR, out of an abundance of caution in order to avoid any possible default based on a delay in the land swap closing; and

WHEREAS, Section 3.1 allows DIA to grant a cumulative extension of up to six months and Resolution 2019-12-04 granted only two of the possible six months of said extension.

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 deadlines set forth in Section 3.1 of the First Amendment are amended as follows:

- a. Company shall obtain fee simple title to the Project Parcel on or before April 1, 2020.
- b. Company shall obtain a building permit for vertical construction of the Improvements on or before May 1, 2020.
- c. The current requirement that the Company shall commence vertical construction on or before September 1, 2020 shall remain unchanged.

Section 3. The deadlines (performance schedule) established in the ADR as last extended by Resolution 2019-09-10 are hereby extended as follows:

- a. Company shall obtain fee simple title to the Project Parcel on or before April 1, 2020.
- b. Company shall obtain a building permit for vertical construction of the Improvements on or before May 1, 2020.
- c. Company shall commence vertical construction on or before September 1, 2020.

Section 4. The CEO of the DIA is authorized to take all necessary actions to effectuate the purposes of the Resolution.

Section 5. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY





Craig Gibbs, Esq., Chairman

2/21/2020
Date

VOTE: In Favor: 6 Opposed: 0 Abstained: 0