

RESOLUTION 2021-06-08

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING AN AMENDMENT TO THE PERFORMANCE SCHEDULE FOR THE REHABILITATION AND ADAPTIVE REUSE OF THE AMBASSADOR HOTEL (THE “PROJECT”) WITH AXIS HOTELS LLC (“DEVELOPER”) TO EXTEND THE COMPETITION DATE CONTAINED IN THE PERFORMANCE SCHEDULE; AUTHORIZING THE DIA’S CHIEF EXECUTIVE OFFICER (CEO) TO FILE LEGISLATION AND EXECUTE THE CONTRACTS AND DOCUMENTS AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, in July 2018, the Developer purchased the property commonly known as Ambassador Hotel with a street address of 420 N. Julia Street, as well as the remaining undeveloped portion of the block (collectively, the “Original Parcel”), all of which is located within the boundaries of the Downtown East CRA; and

WHEREAS, the Developer proposed to renovate the Ambassador Hotel building, a historically designated structure, into a 127-room hotel, and on the undeveloped portion of the site construct 200 units of multifamily market rate housing and a structured parking facility of a size and nature to serve both the hotel and the housing project; and

WHEREAS, at their meeting of September 19, 2018, the DIA approved Resolution 2018-09-03 authorizing a Historic Preservation Trust Fund (HPTF) Grant upon redevelopment completion in an amount not to exceed \$1.5 million funded by the Downtown Historic Preservation and Revitalization Trust Fund; and

WHEREAS, at their meeting of January 22, 2019, the Jacksonville City Council approved Ordinance 2018-872 which included a Redevelopment Agreement with terms for the aforementioned HPTF, as well as specific performance criteria related thereto, and

WHEREAS, on March 26, 2019, the Redevelopment Agreement was executed by the Developer, the City of Jacksonville and DIA, and

WHEREAS, pursuant to Resolution 2019-12-03, the DIA approved a modification to the above referenced Redevelopment Agreement which in turn was approved by City Council pursuant to Ordinance 2020-0625; and

WHEREAS, the Amended and Restated Redevelopment Agreement was executed by the parties thereto on June 25, 2020; and

WHEREAS, the Developer has requested and received all permissible extensions of the Performance Schedule allowed under the terms of the Amended and Restated Redevelopment Agreement; and

WHEREAS, following notice of default for failure to commence, the Developer has timely commenced to cure said default and has committed to close on financing for the Project by June 30, 2021 and Commence Construction by July 31, 2021 which DIA has agreed is a reasonable time to cure; and

WHEREAS, Developer requires an extension of the completion date in light of delay in commencement; and

WHEREAS, DIA staff, in discussion with the Developer, believe that an extension of the Completion Date from May 2, 2022 to December 31, 2022 is appropriate and will allow adequate time for completion of the Project; and

WHEREAS, to effectuate such an extension in the completion date, an amendment to the Amended and Restated Redevelopment Agreement will have to approved by City Council.

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 instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary actions, including the filing of legislation before the City Council, to modify and amend the Performance Schedule contained in the June 25, 2020 Amended and Restated Redevelopment Agreement between the City of Jacksonville, the Downtown Investment Authority and AXIS Hotels, LLC, in a manner necessary to extend the Completion of Construction Date from May 2, 2022 to December 31, 2022.

Section 3. The Chief Executive Officer is hereby authorized to execute the contracts and documents and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution, provided however that it shall be pre-condition to the CEO's authority to execute any amendment that the Developer shall have cured the default in commencement by closing on its financing by June 30, 2021 and commencing construction by July 31, 2021.

Section 4. The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.

[Signatures next page]

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY




_____ Ron Moody, Chairman

6/17/21
_____ Date

VOTE: In Favor: 7 Opposed: 0 Abstained: 0