RESOLUTION 2026-05-04

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY ("DIA"); CONSENTING TO A REQUEST FROM EAST UNION PROPERTY OWNER, LLC, OR AN AFFILIATE ENTITY, TO ENTER INTO AN AGREEMENT WITH AUTOPILOT MANAGEMENT GROUP, INC. ("AMG"), TO LEASE NO MORE THAN TWENTY UNITS AT UNION TERMINAL WAREHOUSE TO BE PAID BASED ON A REVENUE SHARING ARRANGEMENT; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR THE CORRECTION OF ERRORS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, via Ordinance 2012-0364-E, the City Council created the Downtown Investment Authority, designating the DIA as the City's Community Redevelopment Agency for the Combined Northbank Downtown Community Redevelopment Area and authorizing it to approve and negotiate economic development agreements and dispose of City-owned property; and

WHEREAS, DIA is the designated Community Redevelopment Agency for the Northbank CRA, for which a Business Investment and Development Plan, inclusive of a Community Redevelopment Plan, ("BID/CRA Plan") was adopted by Ordinance 2014-560-E and updated by Ordinance 2022-372-E; and

WHEREAS, Section 55.108 of the Jacksonville Code of Ordinances grants certain powers and duties to the DIA, including (i) interpreting the BID/CRA Plan and approving development and redevelopment projects within Downtown and (ii) implementing the BID/CRA Plan, negotiating and approving downtown development and redevelopment agreements, grant agreements, license agreements, and lease agreements; and

WHEREAS, on July 12, 2022, the DIA entered into a Redevelopment Agreement with East Union Property Owner, LLC (the "Developer"), in which the DIA awarded the Developer a Historic Preservation Restoration and Rehabilitation Forgivable Loan, a Code Compliance Renovations Forgivable Loan, and a Downtown Preservation and Revitalization Program Deferred Principal Loan (collectively, the "DPRP Loans") in connection with the renovation and rehabilitation of the Union Terminal Warehouse (the "Premises") pursuant to DIA Board Resolution 2021-05-04, as amended by Resolutions 2022-03-06 and 2022-04-12, and as approved by the City Council pursuant to Ordinance 2022-319-E; and

WHEREAS, the DPRP Loans are subordinate in priority to a prior mortgage on the Premises and are secured by a Mortgage and Security Agreement and an Assignment of Leases, Rents and Contract Rights as additional security; and

WHEREAS, pursuant to the terms of the Assignment of Leases, Rents and Contract Rights, the Developer may not lease any part of the Premises except pursuant to written lease agreements, the form of which has been approved by the DIA; and

WHEREAS, pursuant to the terms of the Mortgage and Security Agreement, the Developer may not enter into a lease that provides for rent based in whole or in part on the net income, net profits, or net sales of any lessee or sub-lessee without first obtaining the written consent of DIA; and

WHEREAS, Developer is considering entering into an agreement with Autopilot Management Group, Inc. ("AMG"), to furnish and rent up to twenty units to tenants for periods less than a standard long-term lease, which would be paid based on a revenue sharing agreement (the "AMG Agreement"); and

WHEREAS, the twenty units proposed to be leased under the AMG Agreement represent less than ten percent of the two hundred twenty-eight total units at the Premises; and

WHEREAS, Developer's senior lender has consented to the proposed revenue sharing arrangement under the AMG Agreement; and

WHEREAS, pursuant to the requirements of the Mortgage and Security Agreement, Developer requests that DIA consent to its entering into the AMG Agreement; and

WHEREAS, DIA staff has reviewed Developer's request and has determined that granting the request would not significantly impair the value of the security for the DPRP Loans; and

WHEREAS, the DIA finds that consenting to the Developer's request would allow the Developer to lease out units at the Premises that are currently vacant.

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

Section 1. The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

Section 2. The DIA consents to Developer's request to enter into an agreement with AMG, pursuant to which Developer, or an affiliate entity, may lease no more than twenty units to AMG to be provided to tenants for periods shorter than a standard long-term lease, and which would be paid based on a revenue sharing arrangement between Developer and AMG.

Section 3. The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to take all action necessary to effectuate the purposes of this Resolution.

Section 4. To the extent that there are typographical, clerical, or administrative errors that do not change the tone, tenor, or context of this resolution, the DIA authorizes DIA staff to revise such errors without the subsequent approval of the DIA Board.

Section 5. This Resolution, 2026-05-04, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS: **DOWNTOWN INVESTMENT AUTHORITY**

Patrick Krechowski, Chairman

5/20/26
Date

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