

RESOLUTION 2025-04-13

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 FLORIDA STATUTES AND THE NEGOTIATED DISPOSITION POLICY APPROVED BY ORDINANCE 2022-372-E; AUTHORIZING THE PUBLICATION OF A NOTICE OF DISPOSITION FOR THE FEE SIMPLE DISPOSITION OF APPROXIMATELY 0.21 ACRES OF CITY OWNED PROPERTY AS DEPICTED ON EXHIBIT A ATTACHED HERETO AND IDENTIFIED BY DUVAL COUNTY TAX PARCEL NUMBERS RE# 073558-0000, RE# 073561-0000, AND RE# 073560-0000 (“THE PROPERTY”); EXPRESSING THE INTENTION, ABSENT HIGHER RESPONSIVE OFFERS, TO DISPOSE OF SAID PROPERTY IN ACCORDANCE WITH THE NEGOTIATED TERMS ATTACHED HERETO AS EXHIBIT B, AND ESTABLISHING THE TERMS OF THE PUBLISHED NOTICE OF DISPOSITION ATTACHED HERETO AS EXHIBIT C; AND FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, via Ordinance 2012-0364-E, the City Council created the Downtown Investment Authority (“DIA”), designating the DIA as the City’s Community Redevelopment Agency for the Combined Northbank Downtown Community Redevelopment Area (“Northbank CRA”) 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:

Interpreting the BID/CRA Plan and approving development and redevelopment projects within Downtown.

Implementing the BID/CRA Plan, negotiating and approving downtown development and redevelopment agreements, grant agreements, license agreements, and lease agreements.

Planning and proposing Projects and Public facilities within Downtown; and

Subject to Section 122.434, Ordinance Code (Procedure for disposition of Community Development Property), hold, control, manage, lease, sell, dedicate, grant, or otherwise dispose of any of the City’s Downtown assets and properties managed by the DIA, or any interest therein.

WHEREAS the City owns approximately 0.21 acres of real property identified by Duval County Tax Parcel Numbers RE# 073558-0000, RE# 073561-0000, and RE# 073560-0000 (the “Property”), as more particularly described in **Exhibit A**, attached hereto, within the Northbank CRA, and which are assigned to the Northbank CRA for redevelopment; and

WHEREAS, Housing Trust Group, LLC (“HTG”) and Cathedral District Jax, LLC (“CDJ”) and together with HTG, collectively, the “Developer”) are under contract to purchase the adjacent parcels identified by Duval County Tax Collector Parcel Numbers RE# 073559-0000, RE# 073557-0000, RE# 073556-0000, and RE# 073555-0000 (collectively, the “Developer’s Parcel”); and

WHEREAS, Developer submitted to the DIA an “unsolicited proposal” regarding the acquisition of the Property and has had an appraisal prepared for the Property; and

WHEREAS, the Property is currently vacant and unused for City purposes, but if such Property is made available for disposition, a 30-day notice of disposition is required for all property within a CRA; and

WHEREAS, DIA staff has reviewed the appraisal of the Property prepared by the Moody Williams Appraisal Group, ordered by the Developer as required in the Disposition Policy for Unsolicited Proposals and accepts the same for purposes of establishing the value benchmark for required City Council approval; and

WHEREAS, Developer submitted an unsolicited proposal on the Property that was generally in line with the CRA Plan for the Northbank Downtown CRA, including maintaining the property in a taxable status, and DIA staff negotiated for the inclusion of a minimum number of market rate units and a minimum amount of retail space at the ground floor, in accordance with DIA’s approved negotiated disposition process; and

WHEREAS, the essential terms of the negotiated disposition and redevelopment proposal including certain of Developer’s obligations and conditions to closing on the Property are set forth in the Term Sheet attached as **Exhibit B**; and

WHEREAS, DIA has established the terms upon which a notice of disposition will be published as set forth in **Exhibit C**; and

WHEREAS, the DIA finds that the proposed disposition and redevelopment proposal furthers the following Redevelopment Goal and Strategic Objectives found in the BID/CRA Plan:

Redevelopment Goal 2: Increase rental and owner-occupied housing Downtown targeting diverse populations identified as seeking a more urban lifestyle.

Strategic Objectives:

- Actively pursue a minimum of 8,140 built and occupied multi-family dwelling units by 2030; and strive to induce construction of 425 multifamily dwelling units per year, on average.

- Improve the breadth and diversity of housing options across Downtown Jacksonville to provide all types and varied price ranges of rental and owner-occupied opportunities, including mixed-income and mixed-use structures.

Redevelopment Goal No. 3: Increase and diversify the number and type of retail, food and beverage, and entertainment establishments within Downtown.

Strategic Objectives:

- Increase the number of retail, food and beverage, and entertainment establishments that are open for business weekends and other times outside of weekday business hours.

Redevelopment Goal No. 6: Improve the walkability/bike-ability of Downtown and pedestrian and bicycle connectivity between Downtown and adjacent neighborhoods and the St. Johns River.

Strategic Objectives:

- Create a compact and walkable Downtown through requiring a mixture of uses in each district so that housing, activities, retail, and other businesses are within useful walking distance, requiring buildings to have active facades at street level through a mixture of restaurants (including cafes with outdoor seating), retail, and services, and by requiring direct doorways and access to the street. Minimize blank walls and surface parking.

WHEREAS, at a publicly noticed meeting held on April 10, 2025, the DIA Retail Enhancement and Property Disposition Committee (“REPD”) recommended that the DIA Board adopt Resolution 2025-04-13 and

WHEREAS, the Disposition of the Property to the Developer would be in the public interest, by placing the Property back on the tax roll, in addition to the usual economic benefits of new construction such as the collection of fees and the creation of construction jobs while the redevelopment is being built.

WHEREAS, upon adoption of this Resolution, a 30-day public 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.

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 has determined that in furtherance of its plan to facilitate development in the Downtown Northbank Community Redevelopment Area the Property should be developed for use as contemplated in the Project in accordance with the terms outlined in **Exhibit B**, attached hereto, unless a responsive proposal of greater value is received, and that the commitments of the Developer regarding development of the property constitute fair value for the land

Section 3. The DIA instructs the Chief Executive Officer of the Downtown Investment Authority (“DIA CEO”) to take all action necessary to effectuate the thirty (30) day Notice of

Disposition for the Property in accordance with its Negotiated Notice of Disposition Process and pursuant to the terms set forth in **Exhibit C** and consistent with Florida Statutes and the Ordinance Code.

Section 4. Proposals received, if any, will be reviewed by the DIA CEO, 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 DIA CEO is authorized to take all necessary actions, including the filing of legislation with the City Council to effectuate the disposition of the Property to Developer in accordance with the term sheet attached hereto as **Exhibit B**.

Section 7. The DIA Board hereby authorizes the DIA CEO to take all action necessary to effectuate the purposes of this Resolution, including the filing of legislation.

Section 8. This Resolution, 2025-04-13, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY





Patrick Krechowski, Esq., Chairman

4/23/25
Date

VOTE: In Favor: 8 Opposed: 0 Abstained: 0

**Exhibit A to Resolution 2025-04-13
The Property**



- 216 Duval Street E – RE# 073558-0000 – The East ½ of the West ½ of Lot 5, Block 19, according to Hart’s Map of Jacksonville, as recorded in the Public Records of Duval County, Florida.
- 222 Duval Street E – RE# 073561-0000 – The West 28 ¾ feet of the East ½ of Lot Five, Block 19, according to Hart’s Map of Jacksonville, as recorded in the Public Records of Duval County, Florida.
- 228 Duval Street E – RE# 073560-0000 – The East 23/34 feet of Lot 5 and West 5.0 feet of Lot 6, Block 19, according to Hart’s Map of Jacksonville, as recorded in the Former Public Records of Duval County, Florida.

**Exhibit B to Resolution 2025-04-13
Term Sheet**

- Project Name:** Cathedral District Apartments (Placeholder)
- Purchaser/Developer:** An SPE to be created by Housing Trust Group, LLC (“HTG”) in partnership with Cathedral District Jax, Inc. (“CDJ,” and together with HTG, collectively, the “Purchaser/Developer”)
- Land/Property:** City of Jacksonville (“COJ”) to convey to Developer fee simple title three (3) City Owned Lots identified as Parcel ID #: 073558-0000, 073561-0000, and 073560-0000 (the “Property”), totaling approximately 0.21 acres with approximately combined 85 feet of frontage on Duval Street E.
- The Property is depicted in the attached **Exhibit A** and is subject to a final survey.
- Purchase Price:** The three City-owned lots will be conveyed via Quitclaim Deed, in “as-is” condition, at no cost to the City or DIA.
- Restriction on Use:** Use of the Property will be restricted to mixed-use housing and retail consistent with the adopted CRA Plan and BID Strategy for Downtown, including the Downtown Design Guidebook and the Neighborhood Branding Identity Guidelines, as well as the Downtown Overlay Zone, subject to any waivers or deviations as may be granted by the Downtown Development Review Board (“DDRB”). Per HTG’s request, the Property will be deed restricted to ensure that the Property will remain on the tax rolls and cannot be conveyed to a tax-exempt entity or file for tax-exempt status.
- The Project:** On the Property and adjacent land under contract to Developer (the “Project Parcel,”) Purchaser/Developer shall design and construct the subject property (the “Project”, aka the “Cathedral District Apartments”), the assemblage of which includes 0.21 acres of City-owned real property and 0.35 acres of real property that is currently under contract by CDJ to include the following (all dimensions and counts are approximate unless stated otherwise):
- Proposed approximately seven-story, integrated mixed-income residential and commercial/retail building as designed by PQH Group Design, Inc. (“PQH”).
 - Any change in the design architect (PQH) or substantive changes

to the design as presented in the proposal require approval by the DIA CEO in their sole discretion.

- A structured parking garage on the first two levels estimated at approximately 33,300 square feet with 90 covered parking spaces, offering approximately one dedicated parking space per residential unit with available parking spaces for commercial tenants and property management staff.
- The Project will provide a total of 85 residential units, including:
 - A minimum of seventy-five (75) affordable units designed for households earning at or below 80% of the Area Median Income (AMI).
 - Ten (10) unrestricted market-rate units, supporting the expansion of Cathedral Hill’s housing supply in response to ongoing investments and improvements in surrounding districts. Any reduction in the number of such unrestricted market-rate units shall require approval, in-writing, by the DIA CEO.
- Approximately 1,200 square feet of ground-floor commercial/retail space located at the corner of Newnan St. N. and Duval Street E.

Performance Schedule:

The Purchaser/Developer and DIA will enter into a Redevelopment Agreement (“RDA”) to provide terms and conditions relating to the proposed development, including the Performance Schedule and an eligible Purchase and Sale Agreement (the “PSA”) for the conveyance of the Property per guidelines set by the Florida Housing Finance Corporation (“FHFC”) and the Jacksonville Housing Finance Authority (“JHFA”) in order to be eligible to apply for applications released by FHFC and the JHFA. If chosen through the disposition process, the Purchaser/Developer and DIA will strive to complete negotiation and drafting of the RDA and all additional documentation, to include the PSA, as soon as possible following the end of the thirty (30) day Disposition Period in order to file legislation for approval by the Jacksonville City Council.

- The RDA will be executed within thirty (30) days of Council Approval.
- Commencement of Construction shall be within twelve (12) months following the Effective Date of the Redevelopment Agreement. Purchaser/Developer commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities

and has actually broken ground to begin work (the “Commencement Date”).

- Substantial Completion shall be within twenty-four (24) months following the Commencement Date as defined above (the “Completion Date”).

The DIA CEO will have the authority to extend this Performance Schedule, in the CEO’s discretion, for up to six (6) months for good cause shown by Purchaser/Developer. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

Right of Reverter:

The disposition will contain a right of reverter clause in the event Purchaser/Developer fails to commence construction as required by the Performance Schedule subject to any extensions, cure periods, and force majeure events.

**Exhibit C to Resolution 2025-04-13
Essential Terms of Disposition Notice**

1. Location: Approximately 0.21 acres consisting of three (3) City Owned Lots identified as Parcel ID #: 073558-0000, 073561-0000, and 073560-0000 (the "Property"), with approximately 85 combined feet of frontage on Duval Street E between Newnan Street N and Market Street N.
2. Property Interest considered for disposition: Fee simple including air rights by Quitclaim Deed. Fee simple title, in "as is" condition, subject to any representations and warranties in the Redevelopment Agreement and also subject to covenants, easements, and restrictions of record, if any.
3. All proposals must include the entirety of the Property. Proposals for only a portion of the Property will not be considered.
4. Restriction on Use: Any use consistent with the adopted CRA Plan and BID Strategy for Downtown, including the Downtown Design Guidebook and the Neighborhood Branding Identity Guidelines, as well as the Downtown Overlay Zone, subject to any waivers or deviations as may be granted by the Downtown Development Review Board ("DDRB").
5. Proposals must include a cash purchase price offered, if any.
6. Uses proposed must return the parcels to a taxable status and the parcels will be deed restricted to prevent use that would be exempt from payment of property taxes and cannot be conveyed to a tax-exempt entity or file for tax-exempt status.
7. The disposition will contain a right of reverter clause in the event Purchaser/Developer fails to commence construction as required by an agreed upon Performance Schedule, subject to any extensions, cure periods, and force majeure events.