

RESOLUTION 2022-02-12

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”), AS THE COMMUNITY REDEVELOPMENT AGENCY FOR THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA, APPROVING A SETTLEMENT AGREEMENT BETWEEN METROPOLITAN PARKING SYSTEMS (“MPS”) AND THE CITY AND DIA (THE “SETTLEMENT AGREEMENT”); AUTHORIZING THE CEO TO FILE LEGISLATION SEEKING CITY COUNCIL APPROVAL OF THE SETTLEMENT AGREEMENT AND AUTHORIZING THE BORROWING OF FUNDS, ENTRY INTO A LEASE AND OTHER AGREEMENTS COMTEMPLATED BY THE SETTLEMENT AGREEMENT; ACKNOWLEDGING THE RESPONSIBILITY OF THE DIA FOR PAYMENT OF DEBT SERVICE ON THE BORROWED FUNDS AS WELL AS FOR THE OBLIGATIONS UNDER THE LEASE; RECOMMENDING THAT CITY COUNCIL CREATE A NEW SUBPART OF CHAPTERS 55 OF THE JACKSONVILLE CODE OF ORDINANCES TO SET FORTH THE AUTHORITY, RIGHTS AND RESPONSIBILITIES OF THE DIA ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY, IN MANAGEMENT OF THE GARAGES WHICH ARE THE SUBJECT OF THE SETTLEMENT AGREEMENT; AND THAT CITY COUNCIL WAIVE THE PROVISION OF CHAPTER 122 OF THE ORDINANCE CODE FOR A PERIOD OF 6 MONTHS TO FACILITATE TRANSITION OF OPERATION; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City, the Northside West Community Redevelopment Area in 1981 and the Downtown East Community Redevelopment Area in 1985; and

WHEREAS, the City combined the Northside West Community Redevelopment Area and the Downtown East Community Redevelopment Area into a consolidated Northbank Downtown Community Redevelopment Area via Ordinance 2000-1078-E; and

WHEREAS, in 2004, the Jacksonville Economic Development Corporation (“JEDC”), for itself and as agent for the City, entered into a Redevelopment Agreement (“RDA”) with Metropolitan Parking Systems, LLC, which was subsequently assigned to DIA as successor JEDC; and

WHEREAS, Combined Northbank CRA has funded the operating losses and expenses incurred pursuant to the RDA as amended; and

WHEREAS, the RDA, as amended, remains in effect and the parties thereto have been engaged in litigation over alleged defaults under the RDA; and

WHEREAS, pursuant to court ordered mediation, the parties have reached agreement on the terms of the Settlement Agreement presented for approval by the Board; and

WHEREAS, the settlement terminates the existing Redevelopment Agreement from 2004 and the City’s obligations to make continuing advances to MPS to cover net operating losses and provide MPS with an annual return on their original equity investment; and

WHEREAS, the settlement contemplates that the City will refinance the underlying bond debt of approximately \$27 million at a lower interest rate generating substantial savings to the City and extend the term of the debt by 10 years which together free up current cash flow for DIA; and

WHEREAS, MPS retains ownership of the garages, but DIA has full operating control, receives all revenue, and has responsibility for all repairs (DIA has that financial burden now); the annual rent payable under the lease is \$150,000/year payable to MPS; \$25,000/year payable into a City/DIA controlled maintenance reserve, and annual forgiveness of a portion of the outstanding debt owed by MPS to the City for prior advances; and

WHEREAS, the lease term runs through 2051, however the City/DIA may elect at any time after 2041 to purchase one or more of the garages for a purchase price of \$262,500 prorated between the garages, the outstanding rent under the term for that garage, and a prorated debt forgiveness of the outstanding uncollectible Development Loan; and

WHEREAS, to effectuate the terms of the Settlement Agreement and operating turnover of the garages, the legislation to be filed not only authorizes the settlement but also authorizes City borrowing to fund the refinance and establishment of a reserve for maintenance, waives certain Ordinance provisions to facilitate operational transition and creates a new part 4 to Chapter 55 establishing the authority and role in management and operation of the garages of the DIA acting as the CRA as opposed to operation through the Office of Public Parking.

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 hereby approves the Settlement Agreement between the City, DIA and MPS and requests approval thereof by City Council.

Section 3. The DIA hereby authorizes the filing of legislation authorizing the settlement agreement, all agreements and financial actions contemplated therein, and the legislative changes necessary and appropriate to facilitate management and operation by DIA acting as the CRA.

Section 4. The DIA authorizes its Chief Executive Officer to take all necessary actions to effectuate the purposes of this 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




W. Braxton Gillam IV, Esq., Chairman

2/23/22
Date

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