

RESOLUTION 2020-11-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING APPROVAL OF A MARKET RATE MULTI-FAMILY HOUSING RECAPTURED ENHANCED VALUE GRANT (“REV GRANT”) BETWEEN THE DIA AND JACKSONVILLE I-C PARCEL ONE HOLDING COMPANY; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Jacksonville I-C Parcel One Holding Company, LLC (the “Developer”), a joint venture between Gecko Investments, LLC (an affiliate of the Jacksonville Jaguars) and Jacksonville I-C Parcel One Holding Company Investors, LLC (an affiliate of The Cordish Companies), was formed for the purpose of creating a Master Development Plan and developing property commonly referred to as Parking Lot J and the Storm Water Detention Pond Area immediately to the west thereof (collectively “Lot J”), all of which is located within the Sports and Entertainment District of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, Ordinance 2020-0648 (the “Legislation”) is currently pending City Council action, and includes a Development Agreement with the Developer for the redevelopment of Lot J; and

WHEREAS, the Development Agreement with the Developer provides for conveyance of portions of Lot J to the Developer, and provides for the creation of two luxury midrise buildings collectively known as the “Mixed-Use Component”; each building including a multifamily component with a minimum of 400 class “A” residential units between the two buildings, a parking component providing 700 parking spaces, and portions of the Live! component that provide retail and food and beverage operations to the public; and

WHEREAS, in accordance with the Development Agreement, the Developer Subsidiary will own the condominium interest in the residential units in each Mixed-Use Component building and the City will own the condominium interest in the parking garage and Live! components contained in such buildings; and

WHEREAS, financial assistance from the DIA is necessary and appropriate to make development of the residential portion of the Mixed-Use Component feasible thus increasing the number of residential units in the Downtown Northbank Community Redevelopment Area; and the DIA's assistance for this purpose is reasonable and not excessive, taking into account the needs of the Developer to make the residential portion of the Mixed-Use Component economically and financially feasible; and

WHEREAS, the DIA is authorized per section 55.108 *Economic Development* of the City Ordinance Code, and DIA's adopted BID Plan, to utilize the Tax Increment Finance District Trust Funds to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the DIA BID Plan authorized by 2014-560-E authorizes a maximum of a 75% Market Rate Multi-Family Housing REV Grant for a maximum period of 15 years, to be determined based on evaluation of certain criteria, and to the extent a REV Grant term in excess of 15 years or based on different criteria is desired, City Council approval is required;

WHEREAS, Ordinance 2020-648 waives the provisions of the BID Plan with regard to requirements for the calculation of the amount of the REV Grant and the maximum term thereof, and authorizes a 75% Market Rate Multi-Family Housing REV Grant for a term of 20 years as set forth in the Development Agreement; and

WHEREAS, DIA is recommending approval of a REV Grant in an aggregate amount not to exceed \$12,500,000, calculated as up to 75% of the incremental increase in the municipal and county portion of ad valorem taxes received from the project for twenty (20) years on the condominium interest in the residential units in each Mixed-Use Component building, using the assessed value for the year 2020 as the "Base Year", which shall be \$9.00 per square foot of the underlying property actually conveyed for such development; and

WHEREAS, the Developer is required to make a minimum capital investment of \$95,000,000 in the Mixed-Use Component by the date that is 48 months from the Effective Date of the Development Agreement otherwise the REV Grant will be terminated and the Developer will repay the City the entire amount of the REV Grant that has been previously paid to the Developer, if any; and

WHEREAS, eligibility for the REV Grant does not require a minimum capital investment level for the development of the condominium residential units in the Mixed-Use Component independent of the minimum capital investment required for the Mixed-Use Component in total; and

WHEREAS, the REV Grant annual payments will be funded initially through the Northbank Downtown Redevelopment Trust Fund and

WHEREAS, the Downtown East portion of the Northbank Downtown TIF District has duration through December 31, 2045, pursuant to Section 163.387(2)(a), Florida Statutes, and the Development Agreement provides that should the Downtown East portion of the Combined Northbank Downtown TIF District terminate or expire prior to full payment of the REV Grant in accordance with such Development Agreement, the City shall pay any remaining portion of the REV Grant in accordance with the terms of the Development Agreement; and

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 finds that this resolution furthers the following Redevelopment Goals and Strategic Objectives within the Northbank Downtown Community Redevelopment Area Plan:

Redevelopment Goal No. 1 - Reinforce Downtown as the City's unique epicenter for business, history, culture, education and entertainment.

Strategic Objectives:

1. Increase the opportunities for Downtown employment.
2. Support the expansion of entertainment and restaurant facilities.

Redevelopment Goal No. 2 – Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.

Strategic Objectives:

1. Actively pursue a minimum of 3,850 built and occupied multi-family dwelling units by 2025; and strive to induce construction of 350 multi-family dwelling units per year.
2. Coordinate marketing efforts for downtown housing opportunities to achieve blanket coverage on a local, regional, state, and national level.

The Project increases the opportunities in the rental market, and contributes to the annual dwelling unit count goals.

Redevelopment Goal No. 3 - Simplify the approval process for downtown development and improve departmental and agency coordination.

1. Provide publicly owned land and building space for public and private development which will support and strengthen Downtown's commercial and residential base and comply with the other Redevelopment Goals.
2. Initiate public-private partnerships.

Redevelopment Goal No. 6 – Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors.

1. Promote a larger residential presence through development opportunities of all types of price ranges, including mixed-income and mixed-use structures.
2. Provide increased walkability through: Support and attract additional commercial, service, residential, transportation, recreation, and open space uses.

The Project will allow for residential uses that do not currently exist in the immediate vicinity.

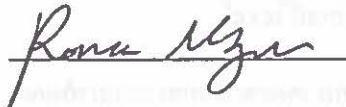
Section 3. The DIA hereby recommends approval of a REV Grant of up to 75% of the incremental increase in the municipal and county portion of ad valorem taxes generated from the condominium interest in the residential units in each Mixed-Use Component building above the Base Year taxable value, for twenty (20) years, in an amount not to exceed \$12,500,000 subject to the terms and conditions as captured herein, in the Legislation, and in the Development Agreement.

Section 4. The DIA hereby authorizes its CEO to take all necessary action to effectuate the purposes of this Resolution subject to the terms and conditions as captured herein, in the Legislation, and in the Development Agreement.

Section 5. This Resolution, 2020-11-02, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY





Ron Moody, Chairman

11/18/20
Date

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