

**RESOLUTION 2021-10-04**

**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 THE NEGOTIATED DISPOSITION PROCEDURE ADOPTED BY DIA; AUTHORIZING THE PUBLICATION OF A NOTICE OF DISPOSITION FOR THE GROUND LEASE OF A .38 ACRE PARCEL OF CITY-OWNED REAL PROPERTY LOCATED AT THE INTERSECTION OF MARKET STREET NORTH AND FORSYTH STREET EAST AND IDENTIFIED BY DUVAL COUNTY TAX PARCEL NUMBER RE# 073386-0000, (“THE PROPERTY”); EXPRESSING THE INTENTION TO DISPOSE OF SAID PROPERTY IN ACCORDANCE WITH THE NEGOTIATED TERMS TO CHURCHWELL LOFTS AT EAST BAY CONDOMINIUM ASSOCIATION, INC. (THE “TENANT”) UPON EXPIRATION OF THE THIRTY DAY NOTICE PERIOD ABSENT HIGHER RESPONSIVE OFFERS; APPROVING THE TERMS AND CONDITIONS OF SAID DISPOSITION INCLUDED AS EXHIBIT ‘A’; AUTHORIZING THE GROUND LEASE OF THE PROPERTY ON THE TERMS SET FORTH ON EXHIBIT A IF NO ALTERNATIVE RESPONSIVE OFFER IS RECEIVED; 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 NEGOTIATE A GROUND LEASE AND ASSOCIATED DOCUMENTS; AUTHORIZING THE CEO TO INITIATE THE FILING OF LEGISLATION WITH THE CITY COUNCIL REGARDING THE SAME; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING THE EXECUTION OF A GROUND LEASE OR FUNCTIONAL EQUIVALENT; 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**, the City owns an approximately .38-acre parcel of real property currently developed as a surface parking lot and utilized by Tenant; and

**WHEREAS**, Tenant’s prior lease of the Property has expired and pursuant to recent interpretations of Florida Law, a new lease of the Property not only requires approval by City Council, but also the issuance of a 30-day Notice of disposition; and

**WHEREAS**, the continued use of the site for surface parking accessory to the residential units of Tenant is in the best interest of the CRA in the short-term to promote residential growth Downtown; and

**WHEREAS**, DIA entered into negotiation with Tenant regarding the terms of the disposition and lease in accordance with DIA's approved negotiated disposition process; and

**WHEREAS**, the terms of the ground lease proposal including Tenant's obligations and proposed incentives are set forth in the Term Sheet attached as **Exhibit A** and

**WHEREAS**, in order to determine fair value for the ground lease of the Property pursuant to Florida Statutes Chapter 163.380(2), and as required by City of Jacksonville Code of Ordinances §122.432, the DIA has reviewed the parking rates charged by public and private parking lots in the vicinity of the Property; and

**WHEREAS**, the Property is located within the Combined Downtown Northbank Community Redevelopment Area ("Northbank CRA"); 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

**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, and negotiating and approving downtown development and redevelopment agreements, grant agreements, license agreements, and lease agreements; and

**WHEREAS**, upon adoption of this Resolution, a 30-day 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; and

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

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

**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 instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action necessary to effectuate the thirty (30) day Notice of Disposition for the Property in accordance with its Negotiated Notice of Disposition Process and consistent with Florida Statutes and the Ordinance Code.

**Section 3.** Proposals received, if any, will be reviewed by the DIA Chief Executive Officer, who will make a recommendation to the DIA Board regarding any responsive alternate proposals received.

**Section 4.** If no alternate responsive and qualified proposals are received, or if they are determined by the CEO to be lower in value or unresponsive, the DIA has determined that the disposition and redevelopment of the Property in accordance with the term sheet attached hereto as Exhibit A is hereby approved.

**Section 5.** The DIA Board hereby authorizes the CEO of the Downtown Investment Authority, upon expiration of the thirty (30) day notice period, to negotiate the terms of a Ground Lease of the Property, subject to the minimum terms and conditions contained in Exhibit 'A' to this Resolution 2021-10-04.


**Section 6.** The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to initiate legislation for approval by City Council of a Ground Lease and any associated agreements in accordance with the purposes of this Resolution.

**Section 7.** The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to take all action necessary to effectuate the purposes of this Resolution, including the execution of a Ground Lease or functional equivalent, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit 'A' to this Resolution 2021-10-04.

**Section 8.** This Resolution, 2021-10-04, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

  
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W. Braxton Gillam, Esq., Chair

10/20/2021  
Date

VOTE: In Favor: 1 Opposed: 0 Abstained: —

**Exhibit A**

**Term Sheet**

**Prospective Tenant:** Churchwell Lofts at East Bay Condominium Association, Inc.  
A Florida Not-for-Profit Organization, Organized March 7, 2005  
Dimitri Demopoulos, President  
William Farnsworth, Jr., Treasurer  
Cameron Nord, Secretary

**Subject:**  
Ground Lease for a Surface Parking Lot located at the northeast corner of 0 Market St N, with RE# 073386 0000, more generally located at the northeast corner of the intersection of E Forsyth Street and N Market Street in Jacksonville, Florida. See Figure 1. below.

**Rate:**  
Equivalent to the prevailing market rate for similar surface lots in Downtown Jacksonville currently estimated at \$65.00 per space, per month, payable monthly. This equates to \$2,340 per month for 36 spaces.

**Offsets:**  
The Monthly Rent shall be offset by the amount provided by the Tenant as being incurred in the fulfillment of the Maintenance, Repairs, and Utilities and Operations as defined further below.

Monthly expenses and average non-recurring capital maintenance costs as provided by Churchwell Lofts at East Bay Condominium Association, Inc. total \$605.79. Therefore, the monthly rate of \$2,340.00 less monthly expenses averaging \$610 (rounded) provides a proposed cost of \$1,730.00 to be received each month through the end of the Term of the Ground Lease Agreement.

**Term:**  
The term of the Ground Lease shall be for a period of five years from the Effective Date of the Ground Lease Agreement unless terminated earlier by Tenant Default or the provisions as found herein.

Renewal for one five-year term upon maturity and without further Notice of Disposition shall be available upon mutual agreement of terms by both Lessor and Lessee, in which such terms may not mirror those as found in the original Ground Lease agreement.

**Maintenance, Repairs, Utilities, and Operations:**  
Tenant shall be responsible for payment of the following activities and related costs:

- 1) Maintain and keep the Premises in good, safe, and attractive condition including all improvements including Tenant signage.
- 2) Pay and be responsible for the costs of all maintenance and repair associated with Tenant's use of the Surface Parking Lot. All maintenance shall be performed by Tenant to the standard of other City properties at minimum.
- 3) Place all trash for pickup in the location or receptacles designated by the City.
- 4) All utility costs including all costs associated with extending existing electric, water, sewer, telephone or other communication lines from the exterior of the Premises to such locations as shall be required for Tenant's use.
- 5) All other operating costs as may be required in the routine operation of the parking lot for its intended use including permits as may be required, and insurance coverage in the minimum amounts as determined by the City of Jacksonville Risk Management Division.

Sec. 656.361.6.2. - Private Realm Regulations:

Tenant shall be responsible for all costs associated with compliance with Municipal Code, Subpart H. - Downtown Overlay Zone And Downtown District Use And Form Regulations Sections 656.361.6.2.L by July 1, 2024 and must also be in compliance the regulations of 656.361.16 and 656.351.17, subject to immediate Code Enforcement action.

Costs incurred in compliance with this requirement, as approved by the DIA in its own discretion and prior to incurrence, may be used to further offset rent in equal monthly amortization over a one-year period, but without allowing rent to fall below zero dollars per month. To the extent that such approved cost cannot be fully amortized over a one-year period, costs may be further amortized over the number of months necessary to fully recoup such approved expenditures.

Further, if the Ground Lease Agreement is terminated prior to the end of any such amortization, for reasons other than Tenant default, Tenant will be eligible for lump sum repayment from the DIA or City of remaining, unamortized approved expenditures owed as of such date of termination.

City's Right to Terminate:

The City shall have the right to terminate this Lease Agreement at any time by giving not less than one-hundred eighty (180) days prior written notice to Tenant but only if City plans to use the Premises for City or public purposes, develop the Premises, contract with a third party to develop the Premises, or issue a request for proposals for further development and/or sale of the Premises.

Alteration of Premises:

Tenant shall not make additions or improvements in or to the Premises or any part thereto not contemplated by this Term Sheet without the prior written consent of the City. All additions or

RESOLUTION 2021-10-04

PAGE 6 OF 7

improvements made by Tenant shall be constructed at Tenant's sole expense and shall become the property of the City upon the expiration or termination of this Lease Agreement.

**Figure 1. Parcel Identification**

A surface parking lot located at the northeast corner of 0 Market St N, with RE# 073386 0000, more generally located at the northeast corner of the intersection of E Forsyth Street and N Market Street in Jacksonville, Florida.

