

RESOLUTION 2022-06-04

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 FEE SIMPLE DISPOSITION OF AN APPROXIMATELY 1.05 ACRE PARCEL (THE “OFFICE PARCEL”) OF CITY-OWNED REAL PROPERTY AS DEPICTED ON THE SITE PLAN ATTACHED HERETO AS EXHIBIT “A” AND COMPRISING A PORTION THE LAND GENERALLY KNOWN AS KIDS KAMPUS LOCATED BETWEEN GATOR BOWL BOULEVARD AND THE ST. JOHNS RIVER, AND IDENTIFIED BY DUVAL COUNTY TAX PARCEL NUMBER RE# 130572-0100, “THE PROPERTY”; EXPRESSING THE INTENTION TO DISPOSE OF SAID PROPERTY SUBSTANTIALLY IN ACCORDANCE WITH THE NEGOTIATED TERMS TO IGUANA INVESTMENTS OF FLORIDA, LLC (THE “DEVELOPER”) UPON EXPIRATION OF THE THIRTY-DAY NOTICE PERIOD ABSENT HIGHER RESPONSIVE OFFERS, SUBJECT TO BOARD APPROVAL OF FULLY NEGOTIATED TERMS AT A MEETING AT WHICH THE CEO OF DIA PRESENTS SUCH TERMS TO THE BOARD; ESTABLISHING THE TERMS OF THE PUBLISHED NOTICE OF DISPOSITION; 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, 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 1.05-acre parcel of real property which is included within a larger parcel identified by Duval County Tax Parcel Number RE# 130572-0100; and

WHEREAS, Developer was previously approved under Ordinance 2021-0673-E to develop the Property as part of a broader development effort in accordance with the Site Plan, attached as **Exhibit A**; and

WHEREAS, the Developer is under contract with the City to enter into a ground lease of the Property for a period of 40-years with one ten-year extension, which the Developer now wishes to purchase in lieu of leasing; and

WHEREAS, DIA entered into negotiation with Developer regarding the terms of the disposition and redevelopment of the Property in accordance with DIA's approved negotiated disposition process; and

WHEREAS, in order to determine fair value for the property pursuant to Florida Statutes Chapter 163.380(2), and as required by City of Jacksonville Code of Ordinances §122.432, the DIA engaged an appraiser to appraise the fee simple value of the Property involved in the disposition where such value was determined to be \$3,200,000 as of March 7, 2022; and

WHEREAS, the City will consider an offer to purchase the Property for a cash payment at closing of \$3,200,000 or greater, together with a development proposal that furthers the adopted BID Plan; 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;

Planning and proposing Projects and Public facilities within Downtown; and

WHEREAS, at a publicly noticed meeting held on June 15, 2022, the DIA Retail Enhancement and Property Disposition Committee ("REPD") recommended that the DIA Board adopt Resolution 2022-06-04; 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. 1 - Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment.

Applicable Strategic Objectives:

1. Increase the opportunities for employment within Downtown.
2. Support the expansion of entertainment and restaurant facilities.
3. Increase venues, workspaces, and residential opportunities.
4. Focus efforts on drawing many diverse attractions, rather than a small number of large ones.
5. Create a consistent theme and image that conveys a sense of the excitement and activity Downtown.

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

Applicable Strategic Objectives:

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
3. Promote clean-up and redevelopment of brownfields.
4. Provide spaces for residents to conduct community business and spaces for social events and educational programs.

Redevelopment Goal No. 4 – Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.

Applicable Strategic Objectives:

1. Improve access to and from the St. Johns River and enhance Downtown experience for all Jacksonville citizens and visitors through variety of spaces, signage, lighting, and technology.
2. Protect, enhance, and increase public perpendicular access to the Riverwalk in line with street grid.
3. Provide for proper management and maintenance of public spaces.
4. Create a mixture of uses so that housing, activities, retail, and other businesses are within useful walking distance.
5. Require all buildings to have active facades at street level. Encourage active street life through a mixture of restaurants (including cafes with outdoor seating), retail, services, and connection to the street. Minimize blank walls and surface 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 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 pursuant to the terms set forth on Exhibit C 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 authorizes its CEO to finalize negotiation of a term sheet with Developer and present it to the Board for final approval at a meeting at which the CEO of DIA presents such terms to the board.

Section 5. 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 6. This Resolution, 2022-06-04, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY





Braxton Gillam, Chairman

6/21/22

Date

VOTE: In Favor: 6 Opposed: 0 Abstained: 0

**Exhibit A to Resolution 2022-06-04
Site Plan including the Property (Bordered in Red)**

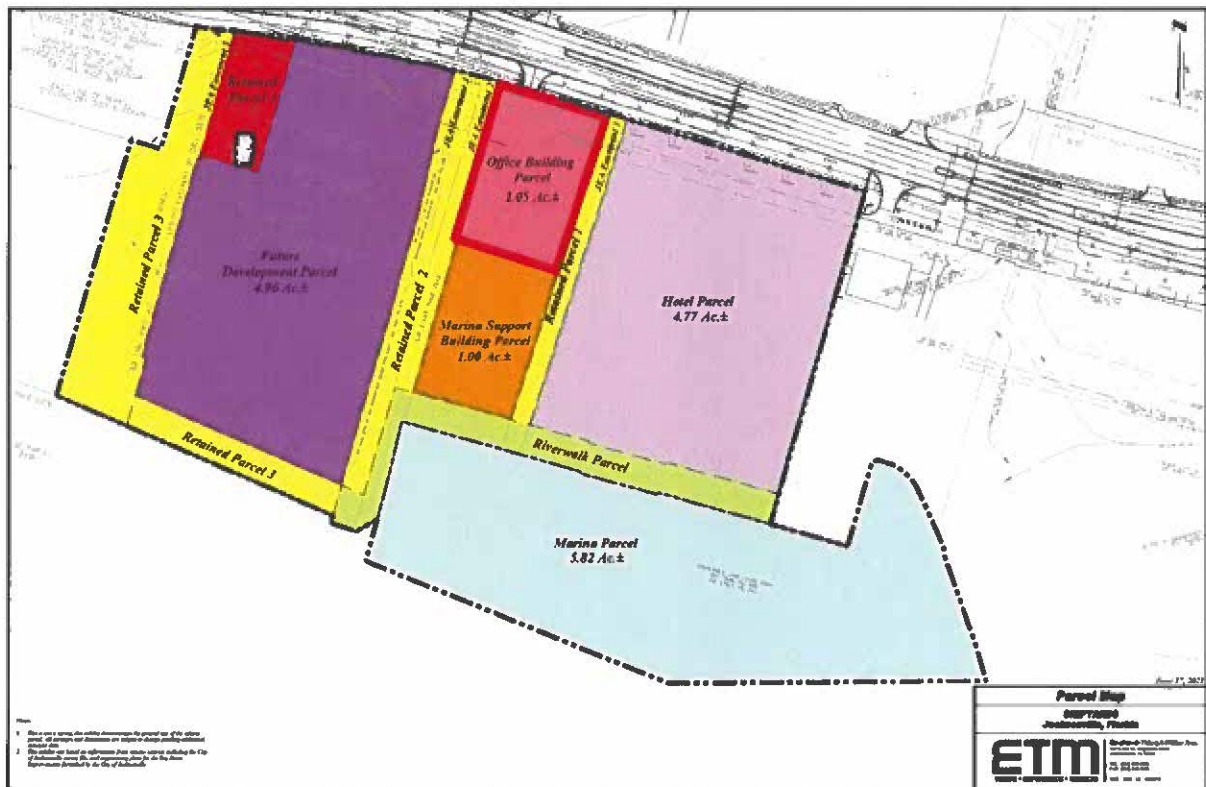


Exhibit B to Resolution 2022-06-04

CRA LAND INTERESTS TO BE CONVEYED

Office Parcel. COJ and the Downtown Investment Authority (“DIA”) to convey to Developer fee simple title to a parcel consisting of approximately 1.05-acre parcel comprising the western portion of Kids Kampus and depicted as the Office Parcel on the survey map attached hereto as **Exhibit 1**. The Office Parcel is bounded on the north by the new proposed right of way line of Gator Bowl Boulevard, bounded on the east by the JEA Easement recorded in OR Book 11109 at page 1942 and on the west by the JEA Easement recorded in OR Book 17483 at page 2143 and is a depth of 260.00 feet as measured from the northerly boundary of the Parcel. The Office Parcel does not include any interest in riparian rights or submerged lands). At Closing, the Property will be deed-restricted to preclude industrial, manufacturing, or assembly on such parcel, to ensure proper long-term maintenance and to include a right of reversions if construction is not commenced upon an agreed upon schedule.

COMPENSATION PAID TO DIA/COJ FOR PROPERTY INTERESTS

1. Fee simple purchase price for Office Parcel at the appraised value of \$3,200,000.

DEVELOPER OBLIGATIONS OFFICE PARCEL

1. Conveyance of the property will be subject to property reversion requirements to the satisfaction of the DIA Board.
2. On the Property, Developer shall design and construct the office improvements (“Office Improvements”) to include the following minimum requirements:
 - i) a Class A office building with 157,027 gross square feet (but not less than 141,300 square feet) to include leasable spaces, terraces, ground floor and common spaces, mechanical room space (including rooftop mechanical). Approximately 99,000 (but no less than 90,000 square feet) shall consist of leasable office space, and approximately 10,000 (but no less than 9,000) square feet retail/amenity/activated space (the “Office Building”) as conceptually depicted on **Exhibit 2**.
 - ii) The ground floor of the Office Building shall be constructed so that a minimum of 50% of those facades fronting Gator Boulevard and the Marina Support Building Parcel are businesses open to the general public. A majority of such space shall be retail space as defined herein. As used herein retail shall include businesses that sell products on a transactional basis to end consumers, food and beverage establishments, or providers of services targeted towards the general public (other than healthcare, advising, or counseling; provided, such exclusion shall not prohibit a gym, spa, or other amenity).

Locations should be ground floor, street or marina facing, and designed to attract the general public onto the property. Businesses, other than a gym or spa, operating primarily or exclusively on a membership basis, conducting business with customers under term arrangements, or providing goods and services targeted principally to other businesses shall not generally meet this definition, unless approved on a case-by-case basis.

3. Any improvements constructed on the Office Parcel shall comply with the Downtown Zoning Overlay and be subject to DDRB approval.
4. Upon commencement of vertical construction of the Office Improvements, Developer shall provide DIA/COJ with a completion guaranty ensuring completion of the Hotel Improvements. The completion guaranty in favor of DIA/COJ shall be subordinate to any completion guaranty provided to Developer's lender, if any.

COJ AND DIA OBLIGATIONS TO DEVELOPER

1. DIA/COJ to convey the Office Parcel, with an appraised fee simple value of \$3,200,000, in as-is condition subject to easements and encumbrances of record, if any.

Exhibit 1

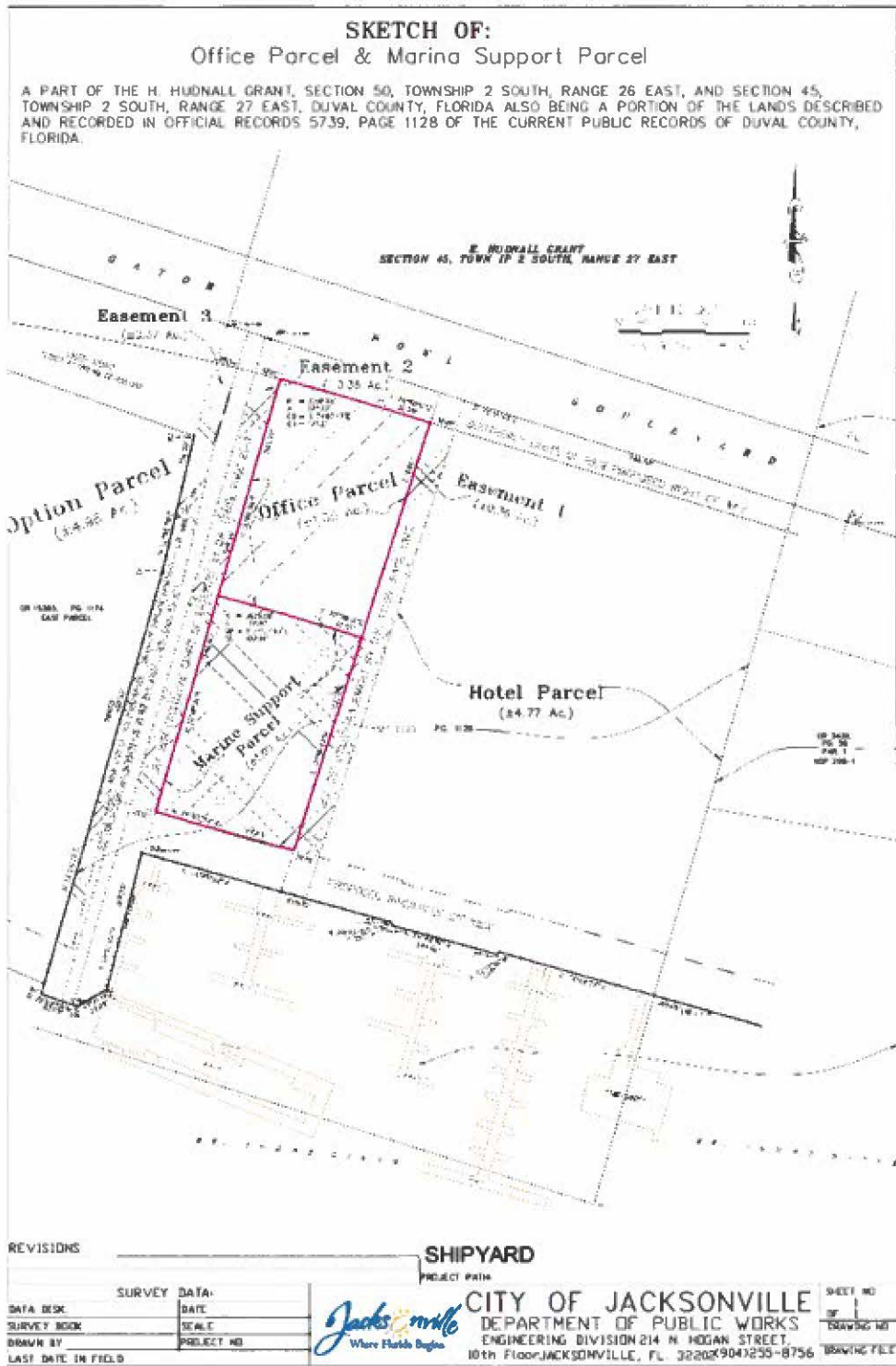


Exhibit C to Resolution 2022-06-04

Essential Terms of Disposition Notice

1. Location: A portion of Duval County Tax Parcel Number RE# 130572-0100 depicted on Exhibit A map as the Office Parcel.
2. Property Interest considered for disposition: Fee simple subject to any leases, encumbrances, and easements in addition to a restrictive covenant to ensure elimination of blight and proper maintenance over time and taxable status as well as a right of reversion if construction of vertical improvements is not commenced on a mutually agreeable schedule.
3. Disposition Parcel size: 1.05 acres
4. Use: Class A building with approximately 150,000 gross square feet or greater; at least 9,000 square feet of which shall be ground floor retail
5. Minimum private capital investment: \$48.5 million
6. Proposal must include cash purchase price offered including specifically amount payable in cash at closing. Proposal must identify any financing contingencies.
7. Proposal must identify if Developer/Tenant is exempt from payment of ad valorem taxes or if taxes will be paid on the proposed improvements to be constructed on the parcel.
8. Proposal must identify date for commencement of construction of proposed improvements and completion of the same
9. Development proposal must comply with the Downtown Zoning Overlay and Downtown Design Standards.