

RESOLUTION 2022-12-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING ACCEPTANCE OF THE OFFER OF AR POLAR (“DEVELOPER”) AS DESCRIBED IN THE TERM SHEET ATTACHED HERETO AS EXHIBIT ‘A’ FOLLOWING PUBLICATION OF A NOTICE OF DISPOSITION ON OCTOBER 27, 2022 FOR ALL OR A PORTION OF AN APPROXIMATELY 5.18 ACRE PARCEL AS DESCRIBED ON EXHIBIT B (THE “RETENTION POND PARCEL”) OF CITY-OWNED REAL PROPERTY LOCATED WITHIN THE BOUNDARY OF THE PARCEL IDENTIFIED BY DUVAL COUNTY TAX PARCEL NUMBER RE#130574-0150, (THE “PROPERTY”), AND RECEIPT OF NO OTHER OFFERS; FINDING THE DISPOSITION AND PROPERTY EXCHANGE DESCRIBED IN THE TERM SHEET TO BE IN FURTHERANCE OF THE NORTH BANK DOWNTOWN CRA PLAN AND IN THE PUBLIC INTEREST; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A REDEVELOPMENT AGREEMENT, PURCHASE AND SALE AGREEMENT, AND OTHER ANCILLARY DOCUMENTS AND OTHERWISE TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION INCLUDING THE FILING OF LEGISLATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, DIA is the designated Community Redevelopment Agency for the North Bank CRA, for which a BID Plan, inclusive of a Community Redevelopment Plan, was adopted by Ordinance 2014-560-E, as amended by 2022-372-E(“BID/CRA Plan”); and

WHEREAS, the City owns an approximately 14.38-acre parcel of real property which is identified by Duval County Tax Parcel Number RE# 130574-0150 (the “Property”); and

WHEREAS, Developer is the owner of the adjacent parcel identified by Duval County Tax Parcel Number RE# 130574-0000 consisting of approximately 20.37 upland acres (“Developer’s Parcel”); and

WHEREAS, Developer has approached the City and DIA regarding the acquisition of some or all of the Retention Pond Parcel in exchange for conveyance to the City of a portion of Developer’s Parcel to provide the City with a riverfront site and adjacent submerged lands to accommodate construction of a new marine fire station to serve Downtown; and

WHEREAS, in light of the redevelopment of Kids Kampus which has been approved by City Council and has closed, the existing marine fire station serving Downtown has been displaced and a new waterfront location must be secured; and

WHEREAS, the City-owned property originally contemplated for the fire station will require significant dredging to serve the needs of JFRD, at substantial expense to the City; and

WHEREAS, the Developer is unwilling to sell a riverfront parcel of their property to the City without securing a right to purchase a portion of the Retention Pond Parcel; and

WHEREAS, the City has determined that the Retention Pond Parcel could be made available for a more economically productive use without development of a replacement pond and that the loss of some or all of the associated stormwater credits will not impede development within Downtown due to other qualified improvements; 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 has obtained appraisals of the various parcels involved in the disposition including the Retention Pond Parcel, the Fire Station Parcel, and the remainder of the Developer's Parcel; and

WHEREAS, cost estimates have been obtained by Public Works from Waitz and Moye regarding the cost to fill the Retention Pond Parcel, the cost to construct a new access road to the Fire Station Parcel and the remainder of the Developer's Parcel and the cost of associated improvements to the WJCT parking lot; and

WHEREAS, both the Retention Pond Parcel and the Developer's Parcel are located within the Combined Downtown Northbank Community Redevelopment Area ("Northbank CRA"); and

WHEREAS, DIA entered into negotiations with Developer regarding the terms of the disposition and redevelopment in accordance with DIA's approved negotiated disposition process and has continued such negotiation since the close of the prior disposition notice; and

WHEREAS, on October 20, 2022, the DIA Board adopted Resolution 2022-10-01, instructing its CEO to cause to be issued a Notice of Disposition for the Property, consistent with Florida Statutes Chapter 163.380(3)(a) City of Jacksonville Ordinance Code Chapter 122, Subpart C *Community Redevelopment Real Property Dispositions* and incorporating the terms of and scoring criteria for such disposition; and

WHEREAS, a new 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, was published for the Retention Pond Parcel on October 27, 2022, with a Proposal Due Date of November 28, 2022; and

WHEREAS, the DIA received no other proposals in response to the Notice of Disposition; and

WHEREAS, in accordance with the direction provided in Resolution 2022-10-01, since no alternate proposals were received, DIA staff has finalized negotiation of a term sheet with Developer and is presenting it to the Board for final approval at the next regularly scheduled meeting following closure of the required notice period; and

WHEREAS, the DIA finds that the proposed disposition and property acquisition proposal further the following Redevelopment Goal and Strategic Objectives currently found in

the BID/CRA Plan and those proposed by the DIA Board for adoption by City Council within the BID/CRA Plan Update:

Redevelopment Goal No. 5 | Improve the safety, accessibility, and wellness of Downtown Jacksonville and cleanliness and maintenance of public spaces for residents, workers, and visitors.

Strategic Objectives:

- Support a clean and safe Downtown 24-7, including the work of Downtown Vision Inc
- Promote safe and equitable access to all Downtown facilities by improving access to buildings and other properties, amenities, transit, events, and attractions; by eliminating obstacles; and by designing for all ages and abilities beyond code requirements
- Expand the installation of public infrastructure that enhances safety such as countdown timer pedestrian signals, enhanced lighting, security cameras, etc.

Redevelopment Goal 8 | Simplify and increase the efficiency of the approval process for Downtown development and improve departmental and agency coordination.

Strategic Objective:

- Streamline and improve the transparency of the disposition process for publicly owned land and building space.
- Initiate public/private partnerships where private participation can accelerate achievement of Years Table projects or provide more efficient or cost-effective project management.
- Identify motivated and cooperative property owners/developers and develop key pilot initiatives.
- Promote clean-up and redevelopment of brownfields through coordination with the state and the Department of Public Works.

WHEREAS, the Retail Enhancement and Property Disposition committee of the DIA has considered the term sheet attached hereto as Exhibit A and has recommended that the DIA Board approve this Resolution 2022-12-01.

NOW THEREFORE, BE IT RESOLVED by the Board of 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 the Developer's proposal as reflected in the Term Sheet attached as Exhibit A is in the public interest, furthers the North Bank Community Redevelopment Area Plan and furthers Sec. 163.380 Florida Statutes.

Section 3. The DIA hereby authorizes the CEO of the DIA to negotiate the Redevelopment Agreement, Purchase and Sale Agreement, and other associated agreements and to take all other appropriate action to file legislation and seek City Council approval of the disposition and Project.


Section 4. The DIA 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 contracts, agreements, and other documents as may be necessary to effectuate the purposes of this Resolution 2022-12-01.

Section 5. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.


WITNESS:

DOWNTOWN INVESTMENT AUTHORITY





Carol Worsham, Vice Chair



Date

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

Term Sheet
Ex A to Resolution 2022-12-01

- Developer:** AR Polar Jacksonville, LLC (“Developer”)
- The Property:** A 14.38 plus or minus acre parcel of City-owned land identified by Duval County Tax Parcel Number RE# 130574-0150 (the “Property”) and depicted in the Exhibit 1 to this term sheet.
- Retention Pond Parcel:** An approximately 5.183-acre portion of the Property located between Gator Bowl Boulevard and the St. Johns River, currently developed as a retention pond, and depicted in the sketch included in Exhibit B to Resolution 2022-12-01.
- Offer Parcel:** An approximately 4.75-acre portion of the Retention Pond Parcel that excludes any portion located under the expressway ramps or subject to aerial easements as depicted in Exhibit 2 to this term sheet
- Developer’s Parcel:** Developer is the owner of the adjacent parcel identified by Duval County Tax Parcel Number RE# 130574-0000 and consisting of approximately 20.37 upland acres (“Developer’s Parcel”)
- Fire Station Parcel:** A 1.2-acre upland parcel appraised at \$75 per square foot (“psf”) and a .4 acre or 17,424 square feet of submerged land valued at \$2.43 psf the location and dimensions of which are depicted on Exhibit 3 to this term sheet and labeled as Fire Station Parcel, located in the southwest corner of Developer’s Parcel.
- Fire Station Plans:** The preliminary plans for the location and design of the fire station and docks to be located on the Fire Station Parcel attached hereto as Exhibit 4 to this term sheet and which developer has approved as to location, and design. The final plans for the location and design of the fire station and docks to be located on the Fire Station Parcel shall be subject to Developer’s written approval, not to be unreasonably withheld.
- Property interest swaps:**
- Developer will provide to the City/DIA the following at Closing:
- a. Fee simple title to the Fire Station Parcel valued at \$3,941,000 (the “Appraised Value”). to close as soon as possible following execution of the RDA The Fire Station Parcel would be conveyed subject to a reverter that it be developed as a fire station, which reverter will terminate upon construction of the fire station; provided, however, that there shall be an

ongoing restrictive covenant limiting the use of the Fire Station Parcel to a fire station. In the event that City/DIA desire to develop or allow for development of the Fire Station Parcel for a use other than a fire station after the initial development thereof as a fire station, Developer, or its successor, shall have the right to acquire the Fire Station Parcel at the appraised value as of such date.

- b. A temporary construction access easement over Developer's Parcel in the vicinity of the existing paved drive running from Adams Street to the Retention Pond Parcel as depicted on Exhibit 5 to this term sheet in order to access that portion of the current retention pond over which the roadway will be constructed and provide construction access for construction of the improvements depicted in the Fire Station Plans.

City/DIA will provide to Developer at closing the following:

- a. In consideration of the conveyance of the Fire Station Parcel, DIA/City will grant AR Polar an option to acquire fee title to up to 58,750 sq. ft [\$3,055,000 (\$3,941,000 less \$886,000)/\$52.00 psf value as filled] of the Offer Parcel (the "Initial Area"), filled and level graded.
 - a. AR Polar will be required to give a minimum 9-month prior notice to DIA of the portion of the Pond Parcel to which it desires to take title, or 6 months after expiration of the Offer Due Diligence Period whichever is less, such that the City can fill that portion of the Pond Parcel prior to conveyance,
 - b. The Parcel must be contiguous to three sides of the pond after construction of the new access roadway over the western edge of the pond. (i.e., it may not be an island in the pond or a strip across the middle of the pond)
 - c. AR Polar will be required to give such notice on or before 5 years after Closing.
- b. DIA/City will provide a 5-year option to purchase fee simple interest, at a price of \$52.00 per sq. ft. as filled or \$38.20 psf as not filled, the balance of the Offer Parcel (the "Option Area").
- c. On or before the date that is 5 years after Closing, AR Polar may elect to not take title to the Initial Area, in which event DIA/City shall pay AR Polar \$3,055,000.00 within 6 months of receiving such notice. If AR Polar elects not to take title to the Initial Area, the option on the Option Area shall terminate.
- d. Any property conveyed to AR Polar would contain a reverter requiring development consistent with the CRA plan (reverter to be reviewed by the DIA and AR Polar). Upon completion of initial vertical development on the applicable portion of the Offer Parcel, the reverter shall terminate.
- e. The City will design, permit (including FDOT permitting if required), and construct and dedicate as a public road the "Enhanced Roadway Access" to include a signalized intersection providing full access at Gator Bowl Boulevard as depicted in Exhibit 6 (the "Festival Park Improvements"), at a

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value of \$886,000 (representing half of the City's projected cost, City being responsible for total actual cost).

- f. Development within Developer's property shall have a right to signage on Bay St. East/Gator Bowl Boulevard, the cost of which shall be the responsibility of Developer. Such signage will be authorized by a City right of way permit, subject to review of its design and precise location, and located near the entrance of the Festival Park Improvements.
- g. City's obligation to design, permit and construct the Festival Park Improvements on or before June 30, 2025, together with dedication of such roadway as a public right of way that will provide access to Developer's Parcel.

Redevelopment Agreement:

The Redevelopment Agreement will establish the essential terms of the Property Swap, the rights, and obligations of the parties thereto, and other terms relevant to the Property and Developer's Parcel as well as the Festival Park Improvements. The RDA will become effective upon its execution following approval by City Council. Its terms will govern the period prior to closing on the property swap as well as other rights and responsibilities of the parties throughout the term of the RDA.

Environmental:

Each party is granting the other temporary site access to their respective parcels to commence immediate site investigation as of the adoption of this Resolution and prior to execution of the Redevelopment Agreement. Such temporary access agreements shall authorize the recipient to conduct such site and environmental investigations or testing it may elect to perform on the parcels to be received. Such agreements shall contain standard insurance, indemnity, and restoration provisions. Following closing, each party shall be responsible for any remediation required on the property acquired by such party.

Site Investigation:

Following the execution of the Redevelopment Agreement, each party will have a period of 30 calendar days ("Due Diligence Period") to inspect and perform additional tests on the respective properties they will acquire in the swap to determine their suitability for their intended use, and to investigate the quality and marketability of the title it will receive. Upon notice to the other party thereto, either Developer or the City/DIA may terminate the Redevelopment Agreement any time within the Due Diligence Period if the property it will receive is unsuitable for its intended use or title is unmarketable without incurring any obligations under the Redevelopment Agreement. Furthermore, upon exercising its option to acquire the Initial Area and/or Option Area, AR Polar will have a period of 90 calendar days (the "Offer Due Diligence Period") to inspect and perform tests on such applicable portion of the Offer Parcel to determine its suitability for the intended use, and to investigate the quality and marketability of the title it will receive. Upon notice to City/DIA, the AR Polar may terminate

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the Redevelopment Agreement as to the Offer Parcel, only, any time within the Offer Due Diligence Period if the property it will receive is unsuitable for its intended use or title is unmarketable without incurring any further obligations under the Redevelopment Agreement.

Entitlements: No entitlements shall be assigned or provided to Developer as part of this agreement. Requests for new Stormwater credits, and Mobility Fee credits, for any development proposed on Developer's Parcel will be processed in accordance with the applicable Ordinance Code and BID plan requirements and criteria, including applicable fees.

Design:

a. Fire Station: The design and architecture of the marine fire station will be substantially as shown in the Fire Station Plans. The fire station will not exceed two stories in height. The dock and boathouse will be located as shown in the attached design. All landscape screening between the fire station and the remaining portion of Developer's Parcel shall be subject to review and approval of Developer, which shall not be unreasonably withheld, but is intended to provide an attractive buffer between the sites.

b. Developer's Parcel and Retention Pond Parcel: All development proposed on Developer's Parcel, or the Offer Parcel shall comply with the adopted BID and CRA Plan, the Downtown Zoning Overlay, applicable design standards and other City codes and shall obtain DDRB approval.

c. Any signage for Developer's property located on Bay Street East/Gator Bowl Boulevard, as described above, shall be subject to DDRB approval and compliance with applicable sign ordinances.

Use of the Offer Parcel: Any use consistent with the adopted BID and CRA Plan for Downtown. The property may remain as a retention pond or may be filled and redeveloped at the new owner's discretion, however the Retention Pond Parcel will be deed restricted to prevent use that would be exempt from payment of property taxes, except with respect to any publicly dedicated and accepted park or recreation areas.

Festival Park Avenue: The City will design, permit (including FDOT permitting if required), and construct and dedicate the Festival Park Improvements [at a value of \$886,000 (representing half of the City's projected cost, City being responsible for total actual cost)].

The City shall complete construction of Festival Park Improvements on or before June 30, 2025, together with dedication of such roadway as a public right of way that will provide access to Developer's Parcel.

City will be responsible for obtaining any stormwater credits required for the access road and related filling.

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City will be the sole permitting agency for AR Polar's access points on the access road.

Utilities:

In its construction of utility infrastructure for the fire station, City will include at no cost to Developer an upgrade of conduits to a size identified by Developer as sufficient to serve future development within the Developer's Parcel. The City and Developer will coordinate regarding required utility infrastructure necessary for future development within the Developer's Parcel. This obligation is not intended to require the City to incur any costs for connection fees or reservation of service capacity for Developer's property including the Offer Parcel or to extend active service lines to Developer's Parcel but rather to simply include within the right of way line service lines/conduit sizes sufficient to accommodate said future development.

Permits:

Each party shall be responsible for all permits required for any work contemplated to be completed by such party by the Redevelopment Agreement.

Performance Schedule:

- a. The Redevelopment Agreement will be entered into by Developer and the City within 30 days following the effective date of the legislation authorizing the City's entry.
- b. Due Diligence Period: 30 days from execution of RDA, exclusive of Developer's Offer Due Diligence Period.
- c. Closing as to Fire Station Parcel: Within 30 days following the end of the Due Diligence Period but no later than March 31, 2023.
- d. Completion of Festival Park Improvements: June 30, 2025.
- e. Expiration of Option

The provisions of this Term Sheet are intended to guide the parties in negotiating the Redevelopment Agreement and any other documents that may be necessary to give effect to the manifest intent of the parties expressed herein

Exhibit 1 to Term Sheet

The Property

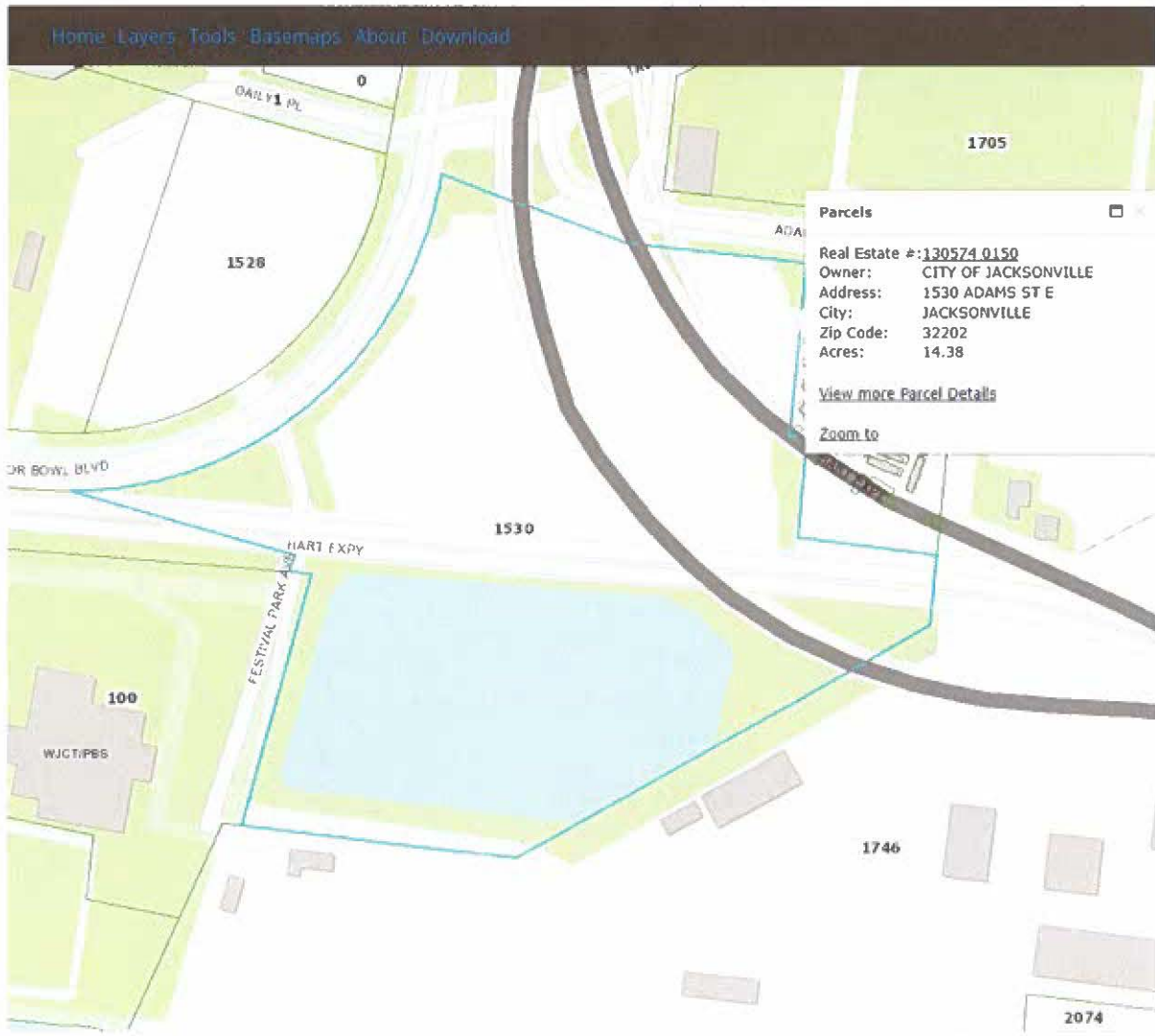


Exhibit 2 to Term Sheet

Offer Parcel

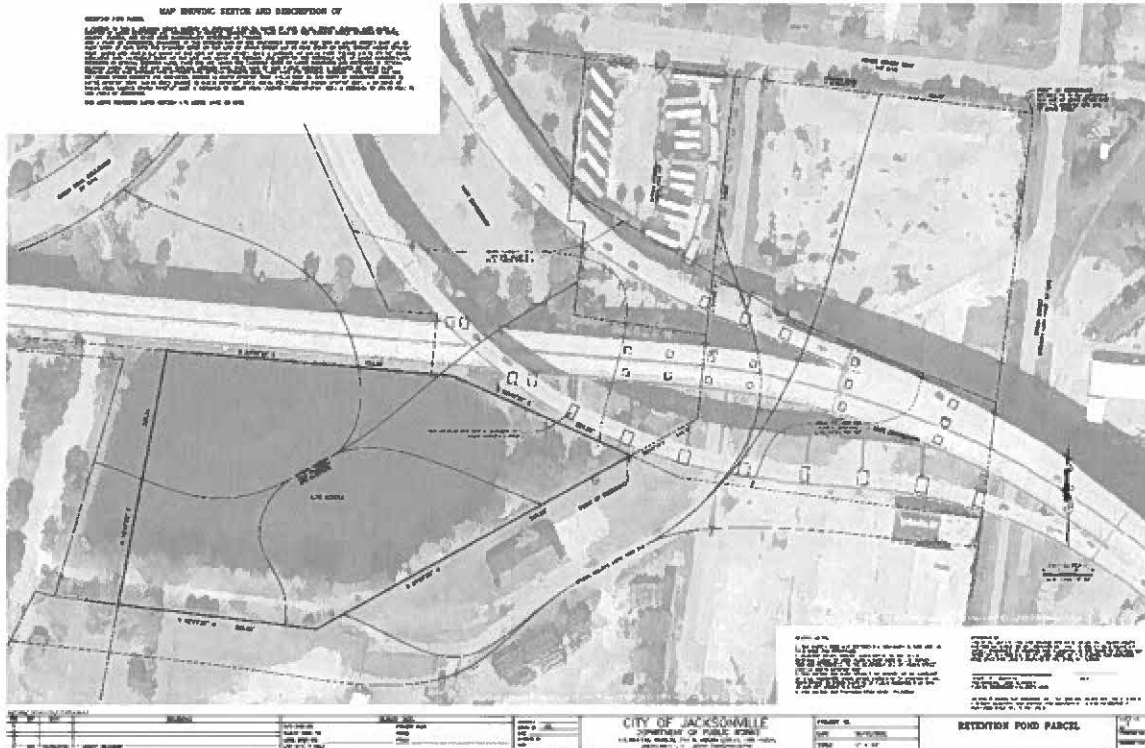


Exhibit 3 to Term Sheet

Fire Station Parcel

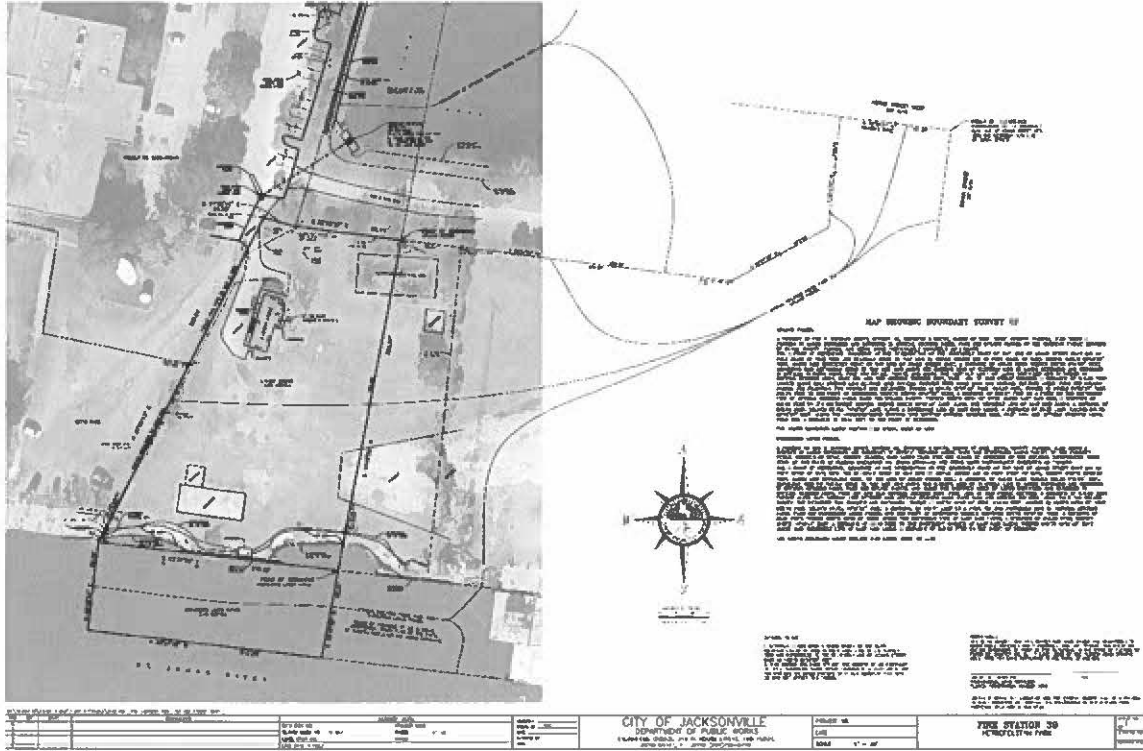
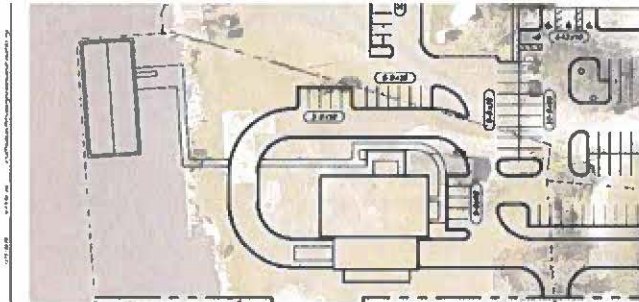


Exhibit 4 to Term Sheet

Fire Station Plans



Ex 4 to Term Sheet
Fire Station Plans (cont.)
Fire vessel docks

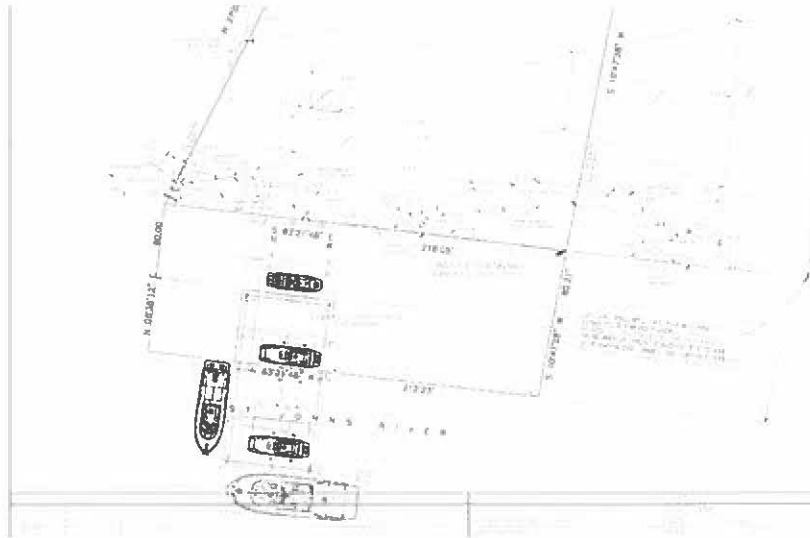


Exhibit 5 to Term Sheet

Temporary Construction Easement in favor of City



Exhibit 6 to Term Sheet
Festival Park Improvements
(highlighted in yellow)

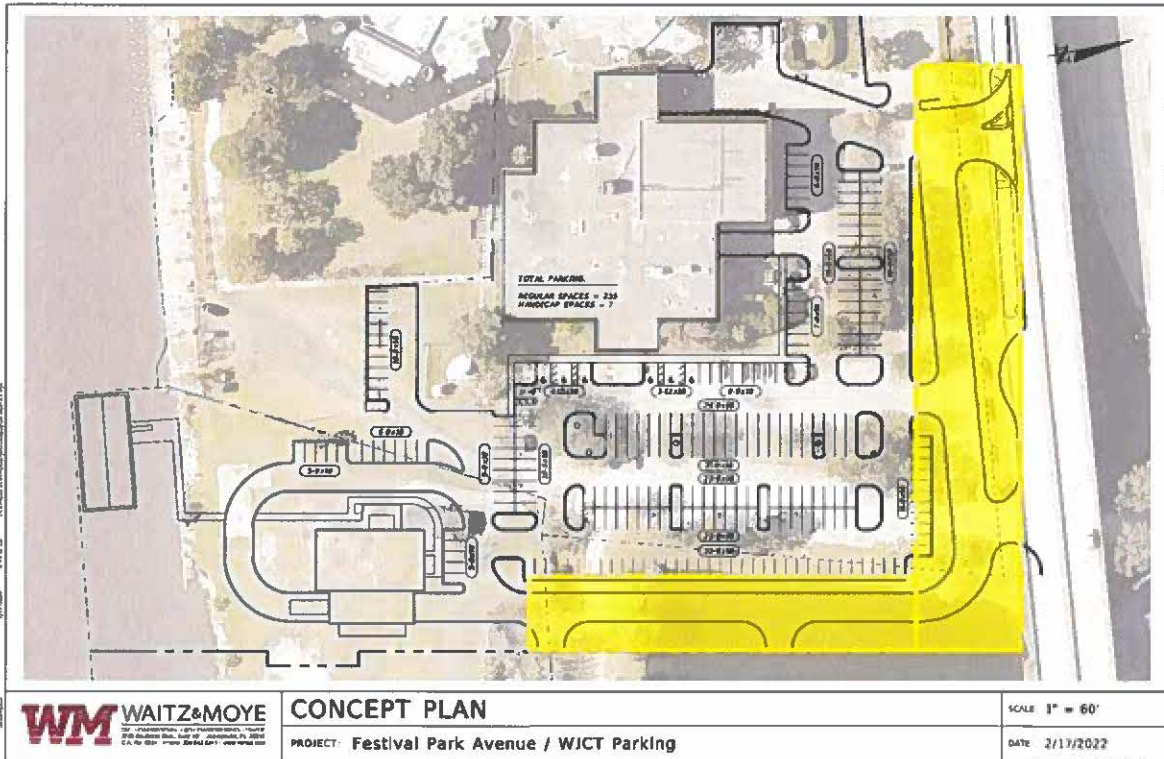


Exhibit B to Resolution 2022-12-02

Retention Pond Parcel

