

RESOLUTION 2019-05-05

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (THE "DIA") INSTRUCTING ITS CHIEF EXECUTIVE OFFICER ("CEO") TO ISSUE A 30-DAYS NOTICE OF SOLICITATION FOR THE DISPOSITION OF AN APPROXIMATELY 3.45 ACRES OF CITY-OWNED REAL PROPERTY WITHIN THE LAVILLA DISTRICT OF DOWNTOWN JACKSONVILLE, HAVING DUVAL COUNTY TAX PARCEL NUMBERS 074846 0000, 07844 0000, 074843 0000, 074847 0000, THE WESTERN ½ OF 074828 0005, 074834 0000, 074830 0000, AND 074832 0000 ("SITE"); INSTRUCTING THE CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City owns approximately 3.45 acres parcel of undeveloped real property identified by Duval County Tax Parcel Numbers 074846 0000, 07844 0000, 074843 0000, 074847 0000, the Western ½ of 074828 0005, 074834 0000, 074830 0000, and 074832 0000.

WHEREAS, the DIA received an unsolicited offer to purchase the Site from Vestcor Companies, Inc., the general terms of which are attached hereto as Exhibit "A"; and

WHEREAS, Vestcor Companies, Inc., proposes to construct seventy (70) units of single-family townhomes; and

WHEREAS, the DIA commissioned a LaVilla Neighborhood Development Strategy, that, in part, calls for DIA to "Introduce fee-simple products in the form of townhomes and other attached unit types in order to offer greater [home] ownership opportunities"; and

WHEREAS, the Site is located within the North Bank Downtown Community Redevelopment Area ("North Bank CRA"); and

WHEREAS, The Northbank CRA Redevelopment Goal 2 calls for DIA to "Increase rental and owner-occupied housing Downtown, targeting key demographic groups seeking a more urban lifestyle."; and

WHEREAS, DIA is the designated Community Redevelopment Agency for the North Bank CRA, to which a Community Redevelopment Plan was adopted by Ordinance 2014-560-E; 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, Section 122.434(a), Jacksonville Code of Ordinances, and Section 122.434(b), Jacksonville Code of Ordinances, will be issued, **NOW THEREFORE**

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 the proposed development plan is consistent with and in furtherance of the LaVilla Neighborhood Development Strategy and the Northbank CRA Plan.

Section 3. The DIA instructs its Chief Executive Officer take all necessary action necessary to effectuate the Solicitation for disposition of the Site.

Section 4. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

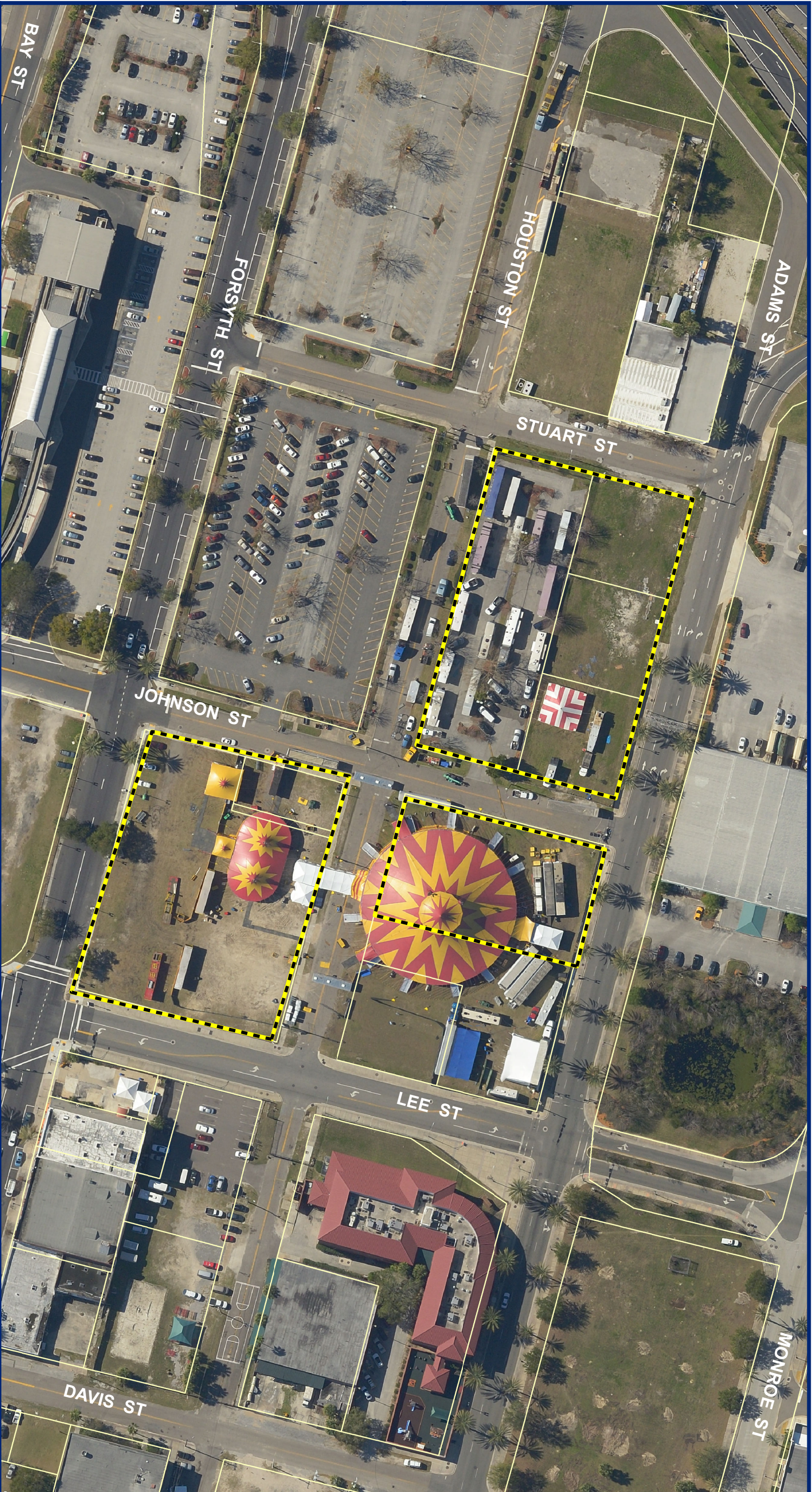
DOWNTOWN INVESTMENT AUTHORITY



Craig Gibbs, Vice Chairman

May 15, 2019
Date

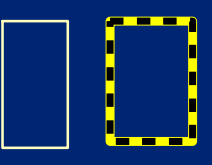
VOTE: In Favor: 7 Opposed: 0 Abstained: 1 (Gilliam)



LOCATION MAP

RESOLUTION 2019-05-05

LEGEND



SITE

TAX PARCELS



Not To Scale
May 15, 2019



One Independent Drive
Suite 1200
Jacksonville, Florida 32202

P (904) 301.1269
F (904) 301.1279
www.drivermcafee.com

May 8, 2019

Brian Hughes, CEO
Downtown Investment Authority
117 West Duval Street, Suite 310
Jacksonville, FL 32202

Re: Proposal to Purchase City-Owned Property at 1128 West Adams Street (RE# 074846 0000), 1062 West Adams Street (RE# 074844 0000), 1050 West Adams Street (RE# 074843 0000), 0 Johnson Street (RE# 074847 0000), 0 Lee Street (a portion of RE# 074828 0005), 1005 West Forsyth Street (RE# 074828 0005), 0 Johnson Street (RE# 074830 0000), and 125 Johnson Street (RE# 074834 0000) (collectively, the "Property")

Mr. Hughes:

On behalf of our client, Vestcor Companies, Inc., a Florida corporation ("Vestcor"), we have been authorized to submit this proposal to the Downtown Investment Authority ("DIA") in its capacity as the Downtown Community Redevelopment Agency ("CRA"). Vestcor proposes to purchase the City-owned Property in the LaVilla District within the North Bank Downtown Redevelopment Area pursuant to Section 163.380, Florida Statutes, and Section 122.434, City of Jacksonville Code of Ordinances (the "Proposal").

Proposed Project

The Property is located in the LaVilla Catalyst Site ("LaVilla") of the Downtown Overlay. The vision for this area includes an urban and dense metropolitan center with mixed-income housing, retail and office development with a direct connection to the proposed regional transportation hub. The area is intended to include a mix of urban housing such as loft apartment and walk-ups to sustain the neighborhood. The City's BID Plan found that the optimal residential future of LaVilla is a family-oriented mixed-income neighborhood of low-to-moderate-density housing, including a mix of single family habitat-type homes and other financially-assisted attached and multifamily housing, both for-sale and for-rent.

In furtherance of these objectives and in keeping with the theme of LaVilla, Vestcor proposes to develop the Property as a new residential project including approximately seventy townhome units (the "LaVilla Townhomes"). The LaVilla Townhomes will be the area's first new market rate project designed to compliment the existing affordable and workforce housing projects in the area including the Lofts at LaVilla, Lofts at Jefferson Station, and Lofts at Monroe. The average sales price of each townhome is expected to be Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000).

EXHIBIT 'A': RESOLUTION 2019-05-05

Consistency with CRA Plan

The LaVilla Townhomes further each of the established redevelopment goals of the Downtown CRA Plan.

Redevelopment Goal No. 1: Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment. The LaVilla Townhomes will increase opportunities for Downtown employment throughout the development process and thereafter in ongoing operation of the townhomes. The LaVilla Townhomes will increase residential opportunities by adding to the inventory of available housing units and satisfy one benchmark of success through an increased number of residents in the area. Finally, the LaVilla Townhomes will replace an unattractive vacant lot with a modern residential development.

Redevelopment Goal No. 2: Increase rental and owner-occupied housing Downtown, targeting key demographic groups seeking a more urban lifestyle. While new affordable and workforce housing projects have flourished in LaVilla, these projects have not provided residents with an opportunity for home ownership. The LaVilla Townhomes will provide one of the first new market rate, owner-occupied projects in LaVilla. Including this product will fill a gap in the housing market and satisfy the stated objective of providing a mix of for-sale and for-rent single and multifamily housing. Adding density to LaVilla further supports the establishment of neighborhood retail which is essential to the support of Downtown residents.

Redevelopment Goal No. 3: Simplify the approval process for Downtown development and improve departmental and agency coordination. The LaVilla Townhomes satisfy the strategic objective of providing publicly-owned land and building space for private development which will support and strengthen Downtown's commercial and residential base. Moreover, Vestcor is a proven partner for satisfying key residential initiatives in the LaVilla neighborhood.

Redevelopment Goal No. 4: Improve walkability/bike-ability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes. The LaVilla Townhomes support achievement of benchmarks for this redevelopment goal including increasing real estate value, providing private capital investment, and increasing the number of observable pedestrians in LaVilla which should have the added effect of increasing desirable street activity during and outside of business hours. By encouraging an active street life beyond traditional daylight business hours, the LaVilla Townhomes will create an environment of growth for other restaurant, retail and entertainment business Downtown. Finally, the LaVilla Townhomes will reinforce residential development near the new transportation hub, which promotes walkability.

Redevelopment Goal No. 5: Establish a waterfront design framework to ensure a unique experience and sense of place. The LaVilla Townhomes will add more residents to LaVilla, which will increase the observed number of pedestrians, desirable street activity, and utilization of public open spaces and amenities such as the Riverwalk.

Redevelopment Goal No. 6: Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors. The LaVilla Townhomes will improve the pedestrian experience at street level by eliminating an unsightly vacant lot and replacing it with a building utilizing urban design principles including

appropriate urban streetscape and lighting elements. The LaVilla Townhomes will promote a greater sense of activity and public safety by bringing residents and visitors to the area, which, in turn, will support and attract additional commercial, service, residential and transportation uses.

Redevelopment Goal No. 7: Use planning and economic development policies to promote design for healthy living. The LaVilla Townhomes add a much-needed market-rate residential option to the LaVilla neighborhood. The addition of residential development in close proximity to a variety of public transportation options will improve the walk score of the area. The streetscape improvements that activate the block and improve its sense of safety at all hours and will make walkability and bikeability a reality rather than an aspirational goal.

Vestcor Experience and Ability to Complete LaVilla Townhomes

The LaVilla Townhomes will be constructed by Vestcor, a local company founded in 1983. Since formation, Vestcor has grown to become one of Florida's largest developers with more than eighty partnerships investing in raw land, existing apartments, new multifamily developments, condominiums, student communities and retirement communities. In particular, Vestcor has an established record of successful Downtown development including 11 East Forsyth and the Carling (both market rate projects), the Lofts at LaVilla (affordable housing), Lofts at Monroe (affordable housing), and Lofts at Jefferson Station (mix of affordable and workforce housing). Additional details regarding Vestcor and its history of Downtown development are included as Appendix 1.

Vestcor will finance the project through a traditional bank lender. A letter of reference from two banks expressing their interest in the LaVilla Townhomes and history with Vestcor is included as Appendix 2. Further inquiries may be directed to each of the contacts listed on the letters in Appendix 2.

Financial Offer

Vestcor offers One Hundred and 00/100 Dollars (\$100.00) for fee simple title to the Property, payable at closing, pursuant to the terms and conditions detailed in the Term Sheet attached as Appendix 3.

On behalf of the Vestcor we appreciate the opportunity to provide this Proposal to develop the LaVilla Townhomes. Should you have any additional questions regarding this matter, please do not hesitate to call me at (904) 301-1269 or Cyndy Trimmer at (904) 807-0185.

Sincerely,



Steven Diebenow

cc: Guy Parola, DIA
Vestcor Companies, Inc.

Agent Authorization


You are hereby advised that Clarence S. Moore, as President of The Vestcor Companies, Inc., a Florida corporation, hereby submits the attached Proposal and authorizes and empowers Driver, McAfee, Hawthorne & Diebenow, PLLC, to act as agent in connection with such Proposal and provides authorization to Driver, McAfee, Hawthorne & Diebenow, PLLC, to file such applications, papers, documents, request and other matters necessary in connection with such Proposal.

THE VESTCOR COMPANIES, INC.,
a Florida corporation

By: 
Clarence S. Moore, President

STATE OF FLORIDA
COUNTY OF DUVAL

Sworn and subscribed before me this 8th day of May, 2019, by Clarence S. Moore, as President of The Vestcor Companies, Inc., a Florida corporation, who is personally known to me or has produced _____ as identification.


(Notary Signature)



APPENDIX 1
Vestcor Companies, Inc.

VESTCOR

Company Overview

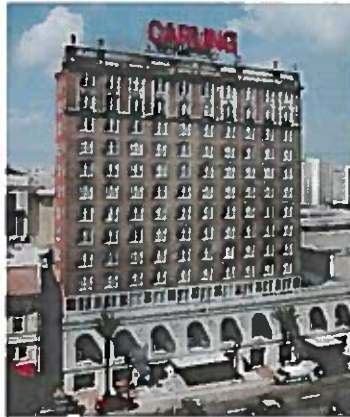
- 36 Year Track Record
- Developed/Acquired over 14,800 multifamily rental units
- Developed and sold 5 condominium complexes
- Currently own 22 communities with over 3,500 rental units
- Currently has 4 communities with 708 units under construction
- Sold 44 communities consisting of 11,326 units

Downtown Jacksonville Living



11 East Forsyth

- 127 Units
- Historical renovation
- Completed in 2003



The Carling

- 100 Units
- Historical renovation
- Completed in 2005



Lofts at LaVilla

- 130 Units
- Completed in 2017



Lofts at Monroe

- 108 Units
- Completed in 2018



Lofts at Jefferson Station

- 133 Units
- Will be complete in 2019

APPENDIX 2
Letter of Reference



Lesli Carroll
Senior Vice President

SunTrust Bank
200 S. Orange Blvd
7th Floor
Orlando, FL 32801
Tel 407.237.1112
lesli.carroll@suntrust.com

May 8, 2019

Steve Moore
The Vestcor Companies
3030 Hartley Road, Suite 310
Jacksonville, FL 32257

Re: LaVilla Townhomes

To Whom It May Concern:

SunTrust Bank is a significant lender and investor in real estate developments in the United States. We have substantial experience and success in providing creative and responsive financing solutions for a variety of commercial and residential real estate projects.

The Vestcor Companies has been a client of SunTrust Bank since 2015 and they have accomplished an extensive and very positive track record in the development of real estate projects. SunTrust has financed the acquisition and construction of a number of Vestcor Developments and all projects were completed on time, within budget, and met all covenant requirements for stabilization with no problems. Since their first closing with SunTrust in 2015, Vestcor has continued to be a model client and exceeds their proforma projections.

Based on our positive history with The Vestcor Companies, SunTrust would be interested in the opportunity to provide financing for the LaVilla Townhomes.

Sincerely,

A handwritten signature in blue ink that reads "Lesli Carroll".

Lesli Carroll
Senior Vice President
SunTrust Community Capital

Commercial Real Estate
200 W. Forsyth Street
Ste. 510
Jacksonville, FL 32202

May 8, 2019

Downtown Investment Authority
117 West Duval Street, Suite 310
Jacksonville, FL 32202

RE: Vestcor- LaVilla Townhomes

To Whom It May Concern:

It is my understanding that Vestcor is proposing to purchase city owned property(s) in the LaVilla neighborhood, with the intent to develop 70 residential townhomes. BB&T has had a longstanding business relationship with Vestcor and its affiliates and consider it to be a valued client. Our current lending relationship consists of multiple loans on development projects, with a total commitment amount in the mid-eight figure range.

BB&T would welcome the opportunity to provide financings for the LaVilla project, subject to our standard underwriting and approval process. Please give me a call if I can answer any questions or provide any additional information at (904)361-5232.

Sincerely,



Jim Citrano, Jr.

Senior Vice President

Commercial Real Estate Banking

APPENDIX 3
Letter of Intent

VESTCOR COMPANIES, INC.

TERM SHEET

May __, 2019

This Term Sheet sets out the terms whereby the City of Jacksonville (“City”) would grant certain real property to Vestcor Companies, Inc. (“Vestcor” and, together with City, the “Parties”) in exchange for Vestcor developing the Project (defined below). This indicative Term Sheet is not intended to be legally binding on either party or to impose any legal obligations on either party, including any obligation of continued negotiation. Such binding obligations shall arise, only pursuant to a definitive Purchase and Sale Agreement and such other agreements as the Parties may execute and deliver in connection with such investment (collectively, the “Definitive Agreement”), if, and when executed by the Parties.

Proposed Transaction:	<p>At the Closing, Vestcor would acquire, and City would sell for \$100, all right, title and interest in and to certain real property owned by City and located in downtown Jacksonville, described as follows:</p> <p>(i) approximately 1.5 blocks between Stuart Street & Lee Street and Houston Street & Adams Street; and (ii) 1 block between Johnson Street & Lee Street and Forsyth Street & Houston Street (collectively, the “Property”), as more particularly shown on Exhibit A.</p> <p>The Property would be acquired free and clear of all liens, encumbrances, claims or other debts of any nature except for any security interest created in the transaction. As additional consideration for the Property, Vestcor would commit to build approximately seventy (70) townhome units as shown on Exhibit B attached hereto (the “Project”). The average sales price of each townhome unit is expected to be \$250,000. As additional consideration for the Property, Vestcor agrees to pay the City 50% of the sales price of any townhome unit in excess of \$250,000,</p>
Closing:	<p>The Parties would attempt to negotiate and execute the Definitive Agreement by July 1, 2019. Closing would occur within ten (10) days after satisfaction of all conditions to Closing in the Definitive Agreement (other than conditions to be satisfied at Closing), but in no event shall Closing occur later than December 31, 2019 (the “Closing Date”). Vestcor shall break ground on the Project no later than nine (9) months following the execution of the Definitive Agreement.</p>
Transaction Documents:	<p>The Definitive Agreement will be a purchase and sale agreement and will contain customary representations and warranties for a transaction</p>

	of this size and nature. In particular, City will represent, warrant and covenant to Vestcor that on the Closing Date all Property is owned by City free and clear, that the Property is properly zoned for the Project.
Conditions to Closing:	<p>The Closing will be subject to certain conditions to be set forth in the Definitive Agreement, including:</p> <p>(a) <u>Due Diligence.</u> Vestcor and its attorneys, consultants, accountants, lenders and other representatives and agents shall have satisfactorily completed their due diligence investigation of the Property. Between the date of this Term Sheet and the Closing, these representatives shall be given reasonable access to the Property, including any documentation associated with the Property. None of such information shall be used by such persons other than for evaluation of the Property for purposes of the Transaction, and such information shall be held in confidence. City agrees to cooperate fully with Vestcor's representatives and agents and to make themselves available to the extent necessary to complete the due diligence process and the closing of the Transaction.</p> <p>(b) <u>Absence of Adverse Change.</u> There shall have been no material adverse change in the condition of the Property or prospects of the Project since the date of execution of the Definitive Agreement.</p> <p>(c) <u>Third Party Approvals.</u> The Transaction shall have been approved by all third parties from whom such approval is required.</p> <p>(d) <u>City Approvals.</u> The Transaction shall have been approved by City.</p> <p>(e) <u>Vestcor Contribution.</u> Vestcor shall contribute \$100,000 to the Lift Ev'ry Voice and Sing Park at Closing.</p>
Certain Additional Terms:	<p>City would provide customary covenants, indemnifications and other protections for the benefit of Vestcor. Closing would be subject to the satisfaction of various conditions that are customary in transactions of the nature and magnitude of the Transaction. The foregoing would include: (a) indemnification for breach of representations and warranties, survival of representations and warranties for 24 months (except for those regarding tax, title, environmental, or authority or those fraudulently made, which will survive as permitted by the applicable statutes of limitations), (b) the absence of any material</p>

	adverse change in the condition (financial or otherwise) of the Real Property; and (c) each party to the Definitive Agreement would be responsible for its respective expenses (including broker's or finder's fees, legal fees and expenses and the fees and expenses of its other representatives).
Governing Law and Venue:	This Term Sheet and all Definitive Agreements shall be governed by Florida law and the parties thereto shall in all cases consent to the jurisdiction of the Florida courts with respect to any dispute arising thereunder.
Entire Agreement:	This Term Sheet contains the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior agreements or understandings between the Parties with respect thereto.
Counterparts:	This Term Sheet may be executed by facsimile signature and in counterparts, each of which will be deemed an original, and all of which will constitute the same agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Term Sheet as of the date first set forth above.

CITY:

City of Jacksonville

By: _____

Name: _____

Title: _____

VESTCOR:

Vestcor, Inc.

By: _____

Name: _____

Title: _____

**EXHIBIT A
PROPERTY**

See attached.

1128 West Adams Street (RE# 074846 0000)
1062 West Adams Street (RE# 074844 0000)
1050 West Adams Street (RE# 074843 0000)
0 Johnson Street (RE# 074847 0000)
0 Lee Street (a portion of RE# 074828 0005)
1005 West Forsyth Street (RE# 074828 0005)
0 Johnson Street (RE# 074830 0000)
125 Johnson Street (RE# 074834 0000)



**EXHIBIT B
PROJECT**

See attached.

The Vestcor Companies
downtown townhomes

architecture | interior | planning

4
GROUP
DESIGN

conceptual

05.03.2019

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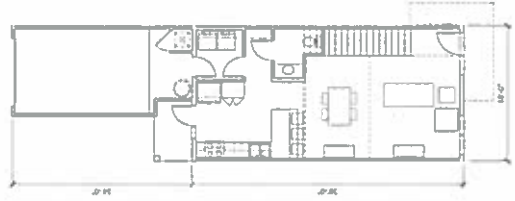
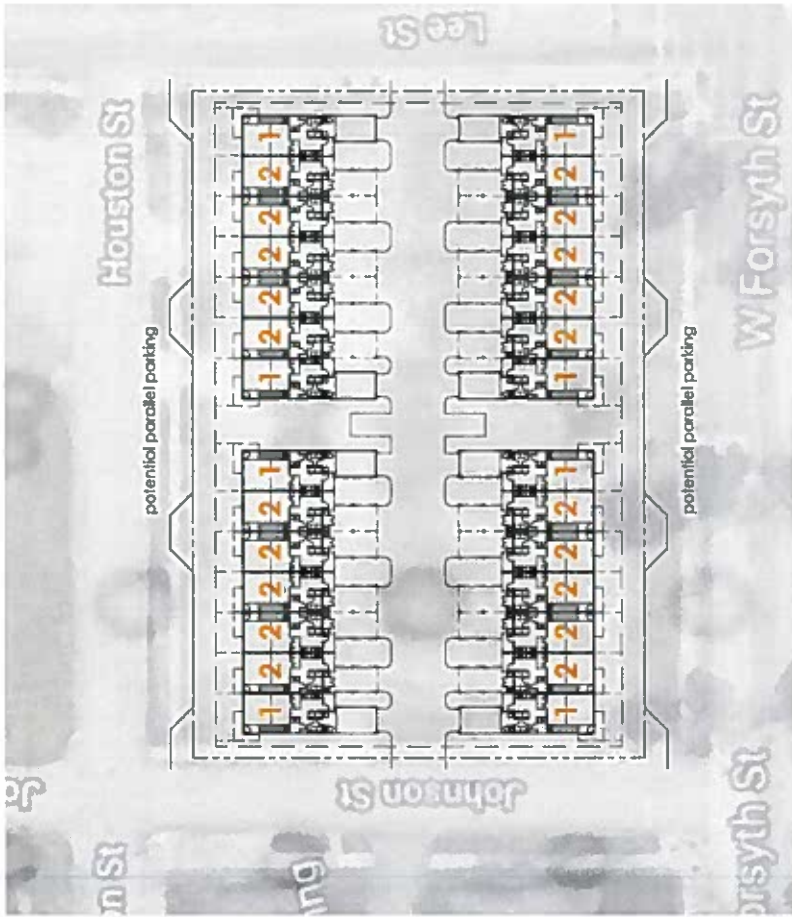


The Vestcor Companies
downtown townhomes
■ architecture | interiors | planning

4
GROUP
DESIGN

conceptu

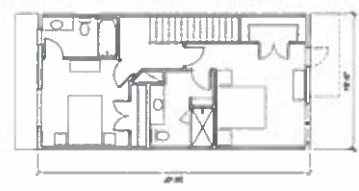
01
Perspective
05.03.2019



1 1 bed : 1.5 bath : garage



2 2 bed : 2.5 bath : carport



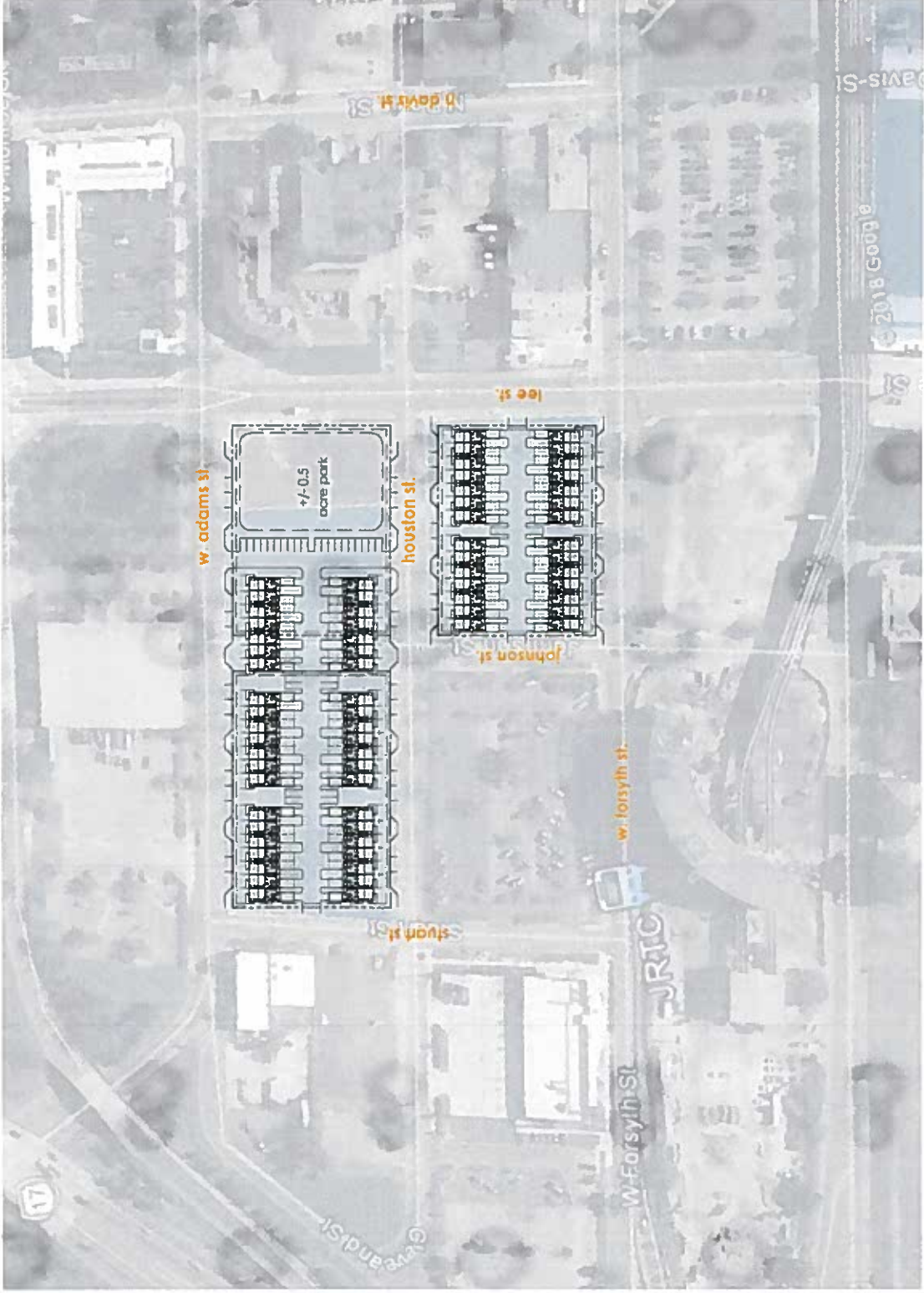
The Vesticor Companies
downtown townhomes

architecture | interior | planning



conceptu

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70 units
 70 garages/carport
 30 off-street parking

The Vestcor Companies
downtown townhomes

architecture | interior | planning



CONCEPTU

05
 overall site
 05.03.2019

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