



**Downtown Investment Authority
Strategic Implementation Committee**

Wednesday, October 19, 2022 at 2:00 p.m.

SIC AGENDA

Braxton Gillam, Esq., Chair
Craig Gibbs, Esq., Committee Member

Carol Worsham, Ex Officio

Committee Members Excused:

- I. CALL TO ORDER
 - II. PUBLIC COMMENTS
 - III. SEPTEMBER 19, 2022, STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES APPROVAL
 - IV. RESOLUTION 2022-10-03: AMBASSADOR EXTENSION
 - V. ADJOURN
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MEETING LOCATION

Physical Location

Jacksonville Public Library-Main Library/Downtown
303 North Laura Street
Multipurpose Room (located in the Conference Center)
Jacksonville, Florida 32202

PLEASE NOTE: The multipurpose room will **not be accessible through the Main Street entrance**. The Main Street entrance will be closed. Please use the Laura Street entrance to enter the building.

Visitors are encouraged not to enter City owned public buildings if they have: symptoms of COVID-19, a fever of 100.4 degrees Fahrenheit or higher, are currently undergoing evaluation for COVID-19 infection, a diagnosis of COVID-19 in the prior 10 days, or have had close contact with someone infected with COVID-19 during the prior 14 days. Any member of the public entering City owned public building may choose to wear a mask inside the building.

Virtual Location

Interested persons desiring to attend this meeting virtually can do so via Zoom (including by computer or telephone) using the following meeting access information:

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**Downtown Investment Authority
Strategic Implementation Committee**

Wednesday, October 19, 2022 at 2:00 p.m.

Join Zoom Meeting

<https://us02web.zoom.us/j/82644809997?pwd=VGQ2d29qVHFoUEwrOGFIT2YxcEsyZz09>

Meeting ID: 826 4480 9997

Passcode: 487848

One tap mobile

+1 (312) 626-6799 (Chicago)

+1 (646) 558-8656 (New York)

Find your local number: <https://zoom.us/j/82644809997>

TAB III

**SEPTEMBER 19, 2022, STRATEGIC IMPLEMENTATION COMMITTEE MEETING
MINUTES APPROVAL**



Downtown Investment Authority
Strategic Implementation Committee Hybrid Meeting
Monday, September 19, 2022 – 2:00 p.m.

Strategic Implementation Committee Hybrid Meeting
Draft – MEETING MINUTES

Strategic Implementation Committee Members (CM) in Attendance:

Braxton Gillam, Esq., Chair
Craig Gibbs, Esq.
Carol Worsham, Ex Officio (via Zoom)

Committee Members Excused: David Ward, Esq.

Board Members in Attendance:

DIA Staff Present: Lori Boyer, Chief Executive Officer; Xzavier Chisholm, Administrative Assistant; Wanda James Crowley, Financial Analyst (via Zoom); Steve Kelley, Director of Downtown Real Estate and Development (via Zoom); Susan Kelly, Redevelopment Coordinator (via Zoom); Guy Parola, Operations Manager; Antonio Posey, Project Manager; and Ina Mezini, Communication and Marketing Specialist (via Zoom).

Office of General Counsel: Joelle Dillard, Esq.

Council Members Present:

I. CALL TO ORDER

The Strategic Implementation Committee meeting of September 19, 2022, was called to order at 2:00 p.m. by Chairman Gillam.

Chairman Gillam began the meeting with the citing of the Pledge of Allegiance followed by introductions from meeting participants.

II. PUBLIC COMMENTS

Chairman Gibbs called for public comment.

The following persons made in-person public comments, made public comments virtually through Zoom, or provided comments that were read into the record by DIA Staff. Note: the subject matter of the comment(s) indicated to the right of each person:

Stanley Scott	Advocated for using City funds to help the businesses in the Urban Core that are owned by residents of the downtown community.
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Carnell Oliver Advocated for pursuing state and federal dollars to help fund downtown projects and initiatives; advocated for working with more Black business owners.

III. AUGUST 11, 2022 STRATEGIC IMPLEMENTATION COMMITTEE MEETING APPROVAL OF THE MINUTES

Chairman Gillam called for corrections or other edits by his fellow committee members.

Motion: CM Gibbs moved to approve the minutes as presented

Seconded: Chairman Gillam seconded the motion

Vote: Aye: 2 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 2-0-0

IV. RESOLUTION 2022-09-04: 525 W BEAVER STREET DPRP

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM FORGIVABLE LOAN PACKAGE FOR REHABILITATION OF THE BUILDING LOCATED AT 525 W BEAVER ST (THE “PROPERTY”) PURSUANT TO A REDEVELOPMENT AGREEMENT WITH 525 BEAVER, LLC OR ASSIGNS (“OWNER” OR “DEVELOPER”); FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA PLAN (“CRA PLAN”); AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE CONTRACTS AND DOCUMENTS AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

DIA’s Steve Kelley introduced the resolution, stating that the applicant is requesting Downtown Preservation and Revitalization Program (DPRP) funding for the redevelopment of the historic Hillman-Pratt and Walton Funeral Home Building. The project proposes 13 residential units and approximately 1,500 sq ft of leasable commercial/retail space. The proposed rehabilitation includes, but are not limited to, window replacement, roof repairs, building safety features, exterior repairs, and paint.

CM Gibbs asked if Downtown Development Review Board (DDRB) has weighed in on any of the proposed conditions. DIA’s Guy Parola responded that the applicant has received Conceptual Approval but has to receive Final Approval.

CM Gibbs asked how parking will be provided. Mr. Kelley responded that the applicant is also planning to repair and improve a portion of the adjacent surface lot to be used as parking for the development. None of the costs associated with the parking lot or proposed swimming pool area are eligible for DPRP funding.

Responding to a question from CM Gibbs regarding the estimated 50 percent occupancy rate described in the staff report, Mr. Kelley stated that he ran the numbers mostly out of intellectual curiosity to see what the debt service coverage might be and what the viability of the project might be considering that the property will be utilizing an Airbnb/Vrbo-type model with short-term rental which really hasn't been seen downtown. The model works very well at 25 percent vacancy rate but starts running into trouble at a 50 percent vacancy rate. LISC, who has underwritten the construction loan, might approach the underwriting utilizing different assumptions.

Responding to a question from Chairman Gillam regarding historic tax credits, Mr. Kelley stated getting those tax credits are not a requirement for the DPRP funding, but the applicant would have to fill that funding gap with either additional debt or additional equity as well as meeting the requirements of the Historic Preservation Commission (HPC).

Chairman Gillam asked if the time constraints are reasonable considering the amount of time it may take to get through the application process at the Federal level. Eric Adler, project developer, responded that he is cautiously optimistic that they will receive approval on their application package within 30 days.

Mr. Adler confirmed for Chairman Gillam that it is a "buy-and-hold" project and they do not intend to sell or dispose of the asset. Adding that, if they were to spend \$500 per square for the project, they are optimistic that within 5 to 10 years, with the continued development of the surrounding LaVilla district, they will achieve that return.

Motion: CM Gibbs moved to approve the resolution as presented

Seconded: Chairman Gillam seconded the motion

Vote: Aye: 2 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 2-0-0

CEO Boyer confirmed for Chairman Gillam that the resolution will be on the consent agenda for the full board meeting since it was approved unanimously with no amendments unless a board member elects to remove it.

V. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR

None.

VI. ADJOURNMENT

Chairman Gillam adjourned the meeting at 2:25 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a recording is available upon request. Please contact Xavier Chisholm at xchisholm@coj.net to acquire a recording of the meeting.

DRAFT

TAB IV

RESOLUTION 2022-10-03: AMBASSADOR EXTENSION

RESOLUTION 2022-10-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING AN EXTENSION TO THE BUILDING IMPROVEMENTS COMPLETION DATE FOR THE REHABILITATION AND ADAPTIVE REUSE OF THE AMBASSADOR HOTEL (THE “PROJECT”) AS FOUND IN THE SECOND AMENDED AND RESTATED REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF JACKSONVILLE, THE DOWNTOWN INVESTMENT AUTHORITY, AND AXIS HOTELS, LLC (“DEVELOPER”) WITH AN EFFECTIVE DATE OF MARCH 25, 2022; AUTHORIZING THE DIA’S CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE THE EXTENSION AGREEMENT AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, in July 2018, the Developer purchased the property commonly known as Ambassador Hotel with a street address of 420 N. Julia Street, as well as the remaining undeveloped portion of the block (collectively, the “Original Parcel”), all of which are located within the boundaries of the Downtown East CRA; and

WHEREAS, the Developer proposed to renovate the Ambassador Hotel building, a historically designated structure, into a 127-room hotel, and on the undeveloped portion of the site, construct 200 units of multifamily market-rate housing and a structured parking facility of a size and nature to serve both the hotel and the housing project; and

WHEREAS, at their meeting of September 19, 2018, the DIA approved Resolution 2018-09-03 authorizing a Historic Preservation Trust Fund (HPTF) Grant upon redevelopment completion in an amount not to exceed \$1.5 million funded by the Downtown Historic Preservation and Revitalization Trust Fund; and

WHEREAS, at their meeting of January 22, 2019, the Jacksonville City Council approved Ordinance 2018-872, which included a Redevelopment Agreement with terms for the aforementioned HPTF, as well as specific performance criteria related thereto, and

WHEREAS, on March 26, 2019, the Redevelopment Agreement was executed by the Developer, the City of Jacksonville and DIA, and

WHEREAS, pursuant to Resolution 2019-12-03, the DIA approved a modification to the above referenced Redevelopment Agreement, which in turn was approved by City Council pursuant to Ordinance 2020-0625; and

WHEREAS, the Amended and Restated Redevelopment Agreement was executed by the parties thereto on June 25, 2020; and

WHEREAS, the Developer then requested and received all permissible extensions of the Performance Schedule allowed under the terms of the Amended and Restated Redevelopment Agreement; and

WHEREAS, following notice of default for failure to commence, the Developer timely commenced to cure said default, and pursuant to Resolution 2021-06-08, the DIA approved at its regularly scheduled Board meeting of June 17, 2021, an amendment to the Performance Schedule as found in the Amended and Restated Redevelopment Agreement of June 25, 2020, which in turn was approved by City Council pursuant to Ordinance 2021-0459; and

WHEREAS, Developer closed on financing for the Project and subsequently Commenced Construction on July 30, 2021; and

WHEREAS, the Second Amended and Restated Redevelopment Agreement was executed by the parties thereto on March 25, 2022, but made effective as of August 15, 2021, providing a Building Improvements Completion Date of December 31, 2022; and

WHEREAS, the Second Amended and Restated Redevelopment Agreement provides the DIA Board with the authority to extend the Building Improvements Completion Date by up to six months in its sole discretion for good cause shown by the Developer, and

WHEREAS, the Developer has identified that it is unable to meet the Building Improvements Completion Date and has formally requested an extension supported by a letter from the general contractor for the project summarizing the challenges faced in the delivery of materials and other factors contributing to delays in completion; and

WHEREAS, DIA staff, in discussion with the Developer, believe that an extension of the Completion Date from December 31, 2022, to March 31, 2023, is appropriate to determine the date of when the Project will be completed and allow sufficient time to assess further actions that may become necessary; and

WHEREAS, the authority to enter into a three-month extension as outlined herein is vested in the DIA Board,

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 instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary actions to modify and amend the Performance Schedule contained in the March 25, 2022, Second Amended and Restated Redevelopment Agreement between the City of Jacksonville, the Downtown Investment Authority, and AXIS Hotels, LLC, in a manner necessary to extend the Completion of Construction Date from December 31, 2022, to March 31, 2023.

Section 3. The Chief Executive Officer is hereby authorized to execute the contracts and documents and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

Section 4. The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Carol Worsham, Chair

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____