

1 Introduced by the Council President at the request of the DIA and
2 amended by the Finance Committee:

3
4 **ORDINANCE 2022-163-E**

5 AN ORDINANCE MAKING CERTAIN FINDINGS;
6 AUTHORIZING THE CHIEF EXECUTIVE OFFICER OF THE
7 DOWNTOWN INVESTMENT AUTHORITY ("DIA"), OR HIS OR
8 HER DESIGNEE, TO EXECUTE AND DELIVER A LEASE
9 AGREEMENT ("LEASE") BETWEEN THE DIA AND
10 CHURCHWELL LOFTS AT EAST BAY CONDOMINIUM
11 ASSOCIATION, INC. ("TENANT"), FOR THE LEASE OF
12 A 0.38 ACRE PARKING LOT PARCEL (THE "PREMISES")
13 KNOWN AS THE 300 EAST FORSYTH LOT AND LOCATED AT
14 THE NORTHEAST CORNER OF THE INTERSECTION OF
15 NORTH MARKET AND EAST FORSYTH STREETS,
16 JACKSONVILLE, FLORIDA IN COUNCIL DISTRICT 7,
17 WITH AN INITIAL LEASE TERM OF FIVE YEARS WITH
18 ONE, FIVE YEAR RENEWAL TERM, AT A LEASE RATE OF
19 \$2,176.74 PER MONTH SUBJECT TO A MONTHLY RENT
20 CREDIT IN THE AMOUNT OF \$610.00 PER MONTH;
21 DESIGNATING THE DIA AS AUTHORIZED OFFICIAL FOR
22 THE LEASE; AUTHORIZING THE EXECUTION OF ALL
23 DOCUMENTS RELATING TO THE LEASE AND
24 TRANSACTIONS, AND AUTHORIZING TECHNICAL CHANGES
25 TO THE DOCUMENTS; AMENDING SECTION 122.201
26 (DEFINITIONS), *ORDINANCE CODE*, TO REMOVE CERTAIN
27 PARKING FACILITIES; PROVIDING AN EFFECTIVE DATE.

28
29 **WHEREAS**, the City owns a 0.38 acre parking lot parcel at the
30 northeast corner of the intersection of North Market and East Forsyth
31 Streets (the "Premises"), and more commonly known as 300 East Forsyth

1 Lot, which is located within the Combined Northbank Community
2 Redevelopment Area ("Northbank CRA");

3 **WHEREAS**, pursuant to Ordinance 2012-0364-E, the Downtown
4 Investment Authority ("DIA") is the City's Community Redevelopment
5 Agency for the Northbank CRA and the DIA is authorized to lease City
6 assets located in the Northbank CRA;

7 **WHEREAS**, Churchwell Lofts at East Bay Condominium Association,
8 Inc. ("Tenant") is currently occupying the Premises as a holdover
9 tenant pursuant to an expired lease and submitted a proposal to the
10 DIA for a new lease of the Premises;

11 **WHEREAS**, the DIA has considered the Tenant's proposal and has
12 determined that Tenant's continued occupancy of the Premises in
13 connection with the Tenant's residential units pursuant to the Lease
14 is in the best interest of the City;

15 **WHEREAS**, the Lease is consistent with the DIA BID/CRA Plan, and
16 furthers Redevelopment Goal 2, Increase rental and owner-occupied
17 housing downtown, targeting key demographic groups seeking a more
18 urban lifestyle;

19 **WHEREAS**, on October 20, 2021, the DIA Board approved a resolution
20 (the "Resolution") to issue a Notice of Disposition, and thereafter
21 to enter into the Lease, said Resolution being attached hereto as
22 **Exhibit 1**; and

23 **WHEREAS**, it has been determined to be in the interest of the
24 City to enter into the Lease and approve of and adopt the matters set
25 forth in this Ordinance; now, therefore,

26 **BE IT ORDAINED** by the Council of the City of Jacksonville:

27 **Section 1. Findings.** It is hereby ascertained, determined,
28 found and declared as follows:

29 (a) The recitals set forth herein are true and correct.

30 (b) The authorizations provided by this Ordinance are for public
31 uses and purposes for which the City may use its powers as a

1 municipality and as a political subdivision of the State of Florida
2 and may expend public funds, and the necessity in the public interest
3 for the provisions herein enacted is hereby declared as a matter of
4 legislative determination.

5 (c) This Ordinance is adopted pursuant to the provisions of
6 Chapters 163, 166 and 125, Florida Statutes, as amended, the City's
7 Charter, and other applicable provisions of law.

8 **Section 2. Execution of Agreements.** The Chief Executive Officer
9 of the DIA, or his or her designee, is authorized to enter into the
10 Lease on behalf of the City substantially in the form placed **Second**
11 **Revised On File** with the Legislative Services Division (with such
12 "technical" changes as herein authorized). The Lease is for an initial
13 term of five (5) years, with one five (5) year renewal option, for
14 an approximately 0.38 acre parcel of City owned property known as the
15 300 East Forsyth Lot and located at the northeast corner of the
16 intersection of North Market and East Forsyth Streets (the
17 "Premises"), at a lease rate of \$2,176.74 per month subject to a
18 monthly rent credit in the amount of \$610.00 per month.

19 The Lease may include such additions, deletions and changes as
20 may be reasonable, necessary and incidental for carrying out the
21 purposes thereof, as may be acceptable to the CEO of the DIA with such
22 inclusion and acceptance being evidenced by execution of the Lease by
23 the CEO of the DIA. No modification to the Lease may increase the
24 financial obligations or the liability of the City or DIA and any such
25 modification shall be technical only and shall be subject to
26 appropriate legal review and approval of the General Counsel, or his
27 or her designee, and all other appropriate action required by law.
28 "Technical" is herein defined as including, but not limited to,
29 changes in legal descriptions and surveys, descriptions of
30 infrastructure improvements and/or any road project, ingress and
31 egress, easements and rights of way, performance schedules (provided

1 that no performance schedule may be extended for more than one year
2 without Council approval), design standards, access and site plan,
3 which have no financial impact.

4 **Section 3. Designation of Authorized Official.** The Chief
5 Executive Officer of the DIA is designated as the authorized official
6 of the City for the purpose of executing and delivering any contracts
7 and documents and furnishing such information, data and documents for
8 the Lease and related documents as may be required and otherwise to
9 act as the authorized official of the City in connection with the
10 Lease, and to furnish or cause to be furnished such information and
11 take or cause to be taken such action as may be necessary to enable
12 the Lease to be implemented according to its terms.

13 **Section 4. Further Authorizations.** The Chief Executive
14 Officer of the DIA is hereby authorized to execute the Lease and all
15 other contracts and documents and otherwise take all necessary action
16 in connection therewith and herewith. The Chief Executive Officer of
17 the DIA is authorized to negotiate and execute all necessary changes
18 and amendments to the Lease and other contracts and documents, to
19 effectuate the purposes of this Ordinance, without further Council
20 action, provided such changes and amendments are limited to amendments
21 that are technical in nature (as described in Section 2 hereof), and
22 further provided that all such amendments shall be subject to
23 appropriate legal review and approval by the General Counsel, or his
24 or her designee, and all other appropriate official action required
25 by law.

26 **Section 5. Amending Section 122.201 (Definitions),**
27 **Ordinance Code.** Chapter 122 (Public Property), Part 2 (Municipal
28 Parking Lots), Section 122.201 (Definitions), is hereby amended to
29 read as follows:

30 **CHAPTER 122 PUBLIC PROPERTY**

31 * * *

PART 2. MUNICIPAL PARKING LOTS

Sec. 122.201 (Definitions).

As used in this Part 2:

~~(a) Park Place Parking Facility is bounded on the East by Main Street which continues in a southerly direction for a distance of 107 feet. The South boundary adjacent to the rear of the Parkway Parking Garage runs in a westerly direction for a distance of 318 feet. The West boundary adjacent to the Dean Witter Building runs in a northerly direction for a distance of 107 feet. The North boundary is Forsyth Street and continues in an easterly direction for a distance of 318 feet. The entrance to this facility is 24 West Forsyth Street.~~

(a)(b) Courthouse West Parking Lot means the off-street parking facility bounded on the South by Coastline Drive, on the West by Market Street, on the North by Courthouse Drive and on the East by Liberty Street. The entrance to this facility is 300 Courthouse Drive.

(b)(e) Water Street Parking Garage is the City-owned parking garage bounded on the South by West Water Street, on the West by Broad Street. On the North by Bay Street, the easterly boundary is adjacent to and runs parallel to the most westerly boundary of the Federal Building. This parking garage has two entrances; one at 541 West Water Street, the other at the most southerly end of Clay Street.

(c)(d) Yates Building Parking Garage means the City-owned parking facility located at all of Block 3, Hart's Map of Jacksonville, bounded on the South by Forsyth Street, on the North by Adams Street, on the West by Newnan Street and on the East by Market Street. The entrance to this parking garage is 200 East Adams Street.

~~(e) 300 East Forsyth Street Lot means the parking lot located at Market and Forsyth Streets.~~

(d)(f) Duval Street (Library) Garage is the City-owned

1 parking garage facility bounded on the South by Duval Street, on the
2 West by Laura Street, on the North by Church Street, and on the East
3 by Main Street.

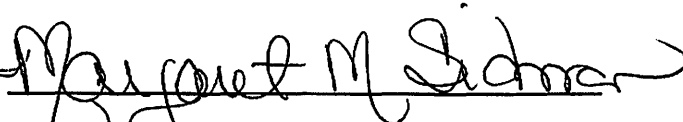
4 (e)(g) *Ed Ball Garage* is the City-owned parking garage
5 facility bounded on the South by Adams Street, on the West by Julia
6 Street, on the North by Monroe Street, and on the East by Hogan
7 Street.

8 (f)(h) *Bay and Ocean* is the off-street parking facility
9 bounded on the South by Independent Drive, on the West by Ocean
10 Street, on the North by Bay Street and on the East by Newnan Street.

11 (g)(i) *St. James Building* is the garage beneath the St. James
12 Building, bounded on the South by Duval Street, the West by Hogan
13 Street, the North by Church Street and the East by Laura Street.

14 **Section 6. Effective Date.** This Ordinance shall become
15 effective upon signature by the Mayor or upon becoming effective
16 without the Mayor's signature.

17
18 Form Approved:

19
20 
21 Office of General Counsel

22 Legislation Prepared By: Joelle J. Dillard

23 GC-#1493647-v1-2022-163-E.docx

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




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:

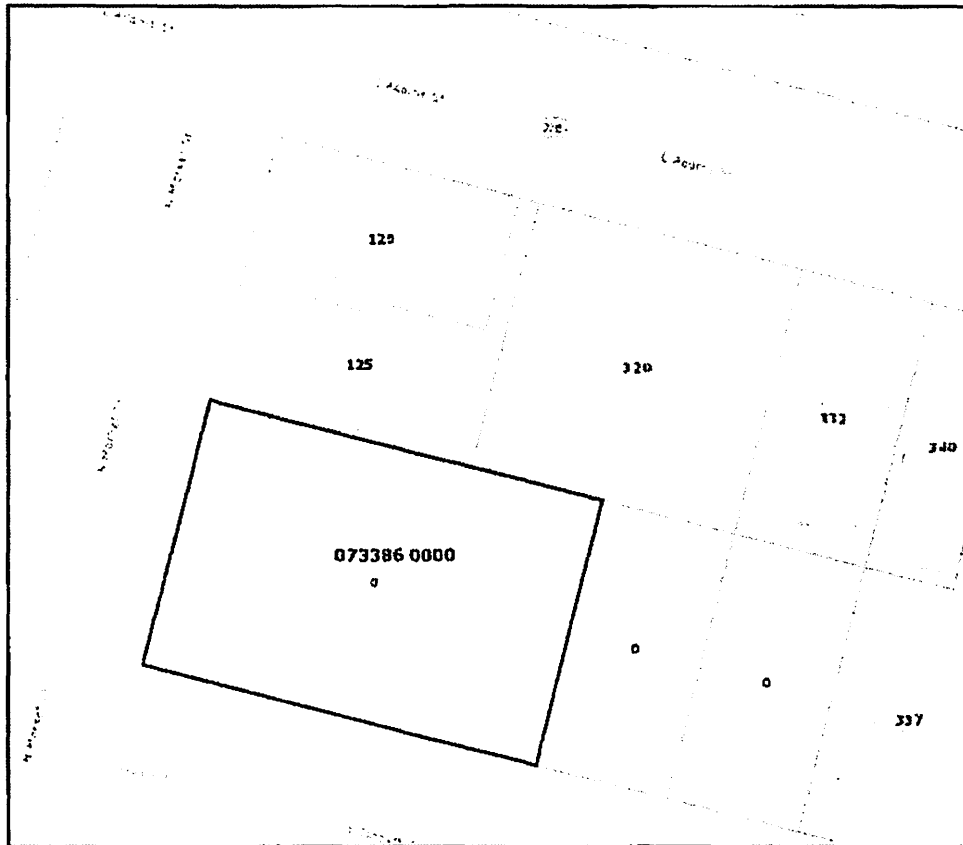
Tenant shall not make additions or improvements in or to the Premises or any part thereto not contemplated by this Term Sheet without the prior written consent of the City. All additions or

RESOLUTION 2021-10-04
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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.



ORDINANCE 2022-163-E

CERTIFICATE OF AUTHENTICATION

ENACTED BY THE COUNCIL

April 12, 2022



SAMUEL NEWBY
COUNCIL PRESIDENT

APR 1 4 2022

ATTEST:

APPROVED: _____



BERNADETTE D. SMITH
INTERIM CHIEF OF LEGISLATIVE SERVICES
PURSUANT TO THE AUTHORITY OF
SECTION 11.103, ORDINANCE CODE



LENNY CURRY, MAYOR

