

RESOLUTION 2022-04-14

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AMENDING THE TERMS OF THE PREVIOUSLY APPROVED REDEVELOPMENT AGREEMENT WITH JOHNSON COMMONS, LLC (THE “DEVELOPER”) EXECUTED OCTOBER 19, 2021, AS AUTHORIZED BY ORDINANCE 2021-0496 AND PREVIOUSLY AUTHORIZED BY DIA IN RESOLUTION 2021-03-02; 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 AN AMENDED REDEVELOPMENT AGREEMENT AND ASSOCIATED DOCUMENTS; AUTHORIZING THE CEO TO INITIATE THE FILING OF LEGISLATION WITH THE CITY COUNCIL AS MAY BE REQUIRED; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING THE EXECUTION OF A REDEVELOPMENT AGREEMENT OR FUNCTIONAL EQUIVALENTS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City previously owned an approximately 3.45-acre parcel of real property (the Property) which has been acquired by Developer in accordance with the terms authorized in Resolution 2021-03-02 and Ordinance 2021-0496; and

WHEREAS, in accordance Ordinance 2021-0496, the City, DIA and the Developer entered into that certain Redevelopment Agreement dated October 19, 2021 (the “RDA”); and

WHEREAS, Developer has diligently proceeded with design and permitting and is prepared to break ground this summer in accordance with the Performance Schedule contained in the RDA; and

WHEREAS, due to extraordinary inflation and rising costs of construction, the Developer’s projected budget has changed significantly since early 2021, including projected sales price necessary to cover constructions costs; and

WHEREAS, DIA Staff has reviewed the construction budget changes and proposes an amendment to the threshold level of net sales proceeds after which the DIA and Developer split proceeds in order to induce the Developer to move forward with the project and provide the desired units to the market as quickly as possible; and

WHEREAS, the amendment does not change the project’s ROI as calculated at the time of original approval because no value was assigned to the potential split revenue; and

WHEREAS, the amendment does not impact the original finding of consistency with the BID and CRA plan adopted by Ordinance 2014-560-E; and

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 hereby approves and recommends amendment of the RDA and increases the threshold Net Revenue above which sales proceeds are split between the Developer and the City as contained in Section 1.1 of the RDA from \$250,250.00 to \$320,000.00. All other terms and conditions of the RDA remain in full force and effect and unchanged.

Section 3. The DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action to effectuate this Resolution including the filing of legislation to seek approval of the proposed amendment to the RDA.


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 an amendment to the RDA or First Amended RDA and appropriate ancillary documents.

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