

## **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**

*Ina Meyer*

*Carol C. Worsham*  
Carol Worsham, Chair

*10/20/22*  
Date

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