

RESOLUTION 2023-03-07

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING 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 AUGUST 15, 2021; RECOMMENDING CITY COUNCIL APPROVAL TO AMEND THE PERFORMANCE SCHEDULE FOR THE REHABILITATION AND ADAPTIVE REUSE OF THE AMBASSADOR HOTEL WITH AXIS HOTELS LLC TO EXTEND THE COMPLETION DATE CONTAINED IN THE PERFORMANCE SCHEDULE; AUTHORIZING THE DIA’S CHIEF EXECUTIVE OFFICER (CEO) TO FILE LEGISLATION AND 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.

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 is located within the boundaries of the Downtown East CRA; 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, following City Council approval of Ordinance 2018-872, Developer, the City of Jacksonville, and DIA entered into a Redevelopment Agreement with an Effective Date of March 26, 2019, and

WHEREAS, following City Council approval of Ordinance 2020-0625, Developer, the City of Jacksonville, and DIA entered into an Amended and Restated Redevelopment Agreement with an Effective date of June 25, 2020 to exclude the Multifamily housing component of the project as originally provided, and

WHEREAS, following City Council approval of Ordinance 2021-0459, Developer, the City of Jacksonville, and DIA entered into a Second Amended and Restated Redevelopment Agreement with an Effective Date of August 15, 2021, to provide a revised Substantial Completion Date of the Project as December 31, 2022; and

WHEREAS, all permissible extensions of the Performance Schedule allowed under the terms of the Second Amended and Restated Redevelopment Agreement remain insufficient to achieve Substantial Completion of the Property, but extension of the Completion date to June 30,

2023 is within the authority of the DIA Board, and such extension is necessary to maintain continuity of development activity currently taking place; and

WHEREAS, Developer has provided documentation from the General Contractor dated February 9, 2023, detailing the causes for continued delays brought about by supply chain issues that does not provide confidence that the project will be completed by June 30, 2023; and

WHEREAS, following discussion and further commitment from the Developer, DIA staff recommends additional extension of the Completion Date from June 30, 2023, to September 30, 2023 to allow adequate time for completion of the Project consistent with other Project funding commitments; and

WHEREAS, to effectuate such additional extension in the Completion Date, an amendment to the Second Amended and Restated Redevelopment Agreement requires approval by the Jacksonville City Council.

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 March 31, 2023, to June 30, 2023.

Section 3. The DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary actions, including the filing of legislation before the City Council, to modify and amend the Performance Schedule contained in the August 15, 2021 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 June 30, 2023 to September 30, 2023.

Section 4. 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 5. The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.

*** SIGNATURES FOUND ON THE FOLLOWING PAGE ***

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

_____ Carol Worsham, Chairman _____ Date

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