

RESOLUTION 2017-12-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING AND APPROVING THE ACQUISITION OF THE FORMER JEA SOUTHSIDE GENERATING STATION PROPERTY (“PROPERTY”) BY THE CITY; APPROVING THE REDEVELOPMENT AGREEMENT PROPOSED FOR THE DEVELOPMENT OF THE PROPERTY (“REDEVELOPMENT AGREEMENT”), WHICH WILL INCLUDE A GROUNDLEASE, AN OPTION AGREEMENT, A CONSTRUCTION AGREEMENT, AND OTHER RELATED DOCUMENTS; APPROVING THE ISSUANCE OF A PROMISSORY NOTE (“JEA NOTE”) TO JEA IN THE AMOUNT OF \$18,590,000 AND RELATED LOAN DOCUMENTS FOR THE PURCHASE PRICE OF THE PROPERTY; APPROVING THE ISSUANCE OF A CASH FLOW NOTE (“CITY NOTE”) TO THE CITY OF JACKSONVILLE IN THE UP TO AMOUNT OF \$26,410,000 TO REIMBURSE THE CITY FOR THE COST OF CERTAIN INFRASTRUCTURE IMPROVEMENTS ON THE PROPERTY; APPROVING A PROPERTY SWAP AGREEMENT AMONG THE CITY OF JACKSONVILLE DIA, ELEMENTS DEVELOPMENT OF JACKSONVILLE, LLC (“DEVELOPER”), AND THE DUVAL COUNTY SCHOOL BOARD (“DCSB”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE AND ENTER INTO SUCH ADDITIONAL AGREEMENTS AND DOCUMENTS AS NECESSARY TO EFFECTUATE THE PURPOSES HEREOF AS MAY BE RECOMMENDED BY THE OFFICE OF GENERAL COUNSEL, PROVIDED THERE IS NO INCREASED FINANCIAL OBLIGATION TO THE DIA; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the JEA, a body politic and corporate (“JEA”) entered into a Purchase and Sale Agreement dated February 11, 2015 (the “PSA”) with the Developer for the purchase of the Property for a purchase price of \$18,590,000; and

WHEREAS, the DIA and Developer have negotiated certain terms and conditions for the redevelopment of the Property as described in the memorandum attached to this Resolution as Exhibit “A” (the “Memorandum”); and

WHEREAS, on November 28, 2017, JEA extended the closing date of the PSA until March 30, 2018, for the purpose of allowing the Developer, City of Jacksonville (“City”) and DIA to reach agreement on and have approved by City Council an assignment of the PSA to the City (the “Nomination Agreement”), and the DIA has negotiated the Redevelopment Agreement and related agreements as described above; and

WHEREAS, the Developer and the Duval County School Board have previously negotiated a property swap agreement to reconfigure the surface parking lot that serves the DCSB

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building adjacent to the Property, to allow for the realignment of Prudential Drive to improve vehicular access to the Property; and

WHEREAS, the DCSB, JEA, the Developer, DIA, and the City will enter into a new property swap agreement (the "DCSB Agreement") to effectuate the previously negotiated property swap agreement; and

WHEREAS, the Redevelopment Agreement negotiations have resulted in the terms and deal structure set forth in the Memorandum, which includes a Nomination Agreement and Redevelopment Agreement, as described above, and may include an Amendment 5 to the PSA to authorize in part the JEA Note from the DIA to the JEA; and

WHEREAS, the DIA proposes, as described in the Memorandum, to tender cash and issue the JEA Note in favor of the JEA as payment of the purchase price in the PSA; and

WHEREAS, the DIA proposes, as described in the Memorandum, to issue the Cash Flow Note in favor of the City to reimburse the City for advance funding of the public infrastructure improvements on the Property in connection with its redevelopment; and

WHEREAS, the DIA and Developer, with City Council approval as required desire to enter into the agreements described herein consistent with the Memorandum.

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.

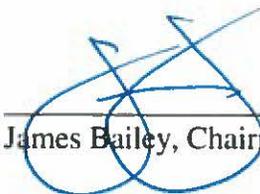
Section 2. The DIA hereby approves and directs the CEO to seek all contingent and necessary other approvals, including the filing of Legislation with the City Council to effectuate the execution of the Redevelopment Agreement described herein, inclusive of a Ground Lease, an Option Agreement, the Construction Agreement, the DCSB Property Swap, Amendment 5 to PSA, JEA Note, City Note and other related documents as may be required to effectuate the purposes hereof, with no increase in the financial obligations of the DIA, as may be recommend by the Office of General Counsel.

Section 3. Upon approval by City Council, the CEO is authorized to execute such documents on behalf of the DIA.

Section 4. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY



James Bailey, Chairman

January 10, 2018
Date

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