

**RESOLUTION 2018-05-01**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (THE "DIA") SELECTING SADS, INC. AS THE MOST RESPONSIVE BIDDER TO NOTICE OF DISPOSITION ISP-0343-18; FINDING THE SADS, INC. BID PROPOSAL, ATTACHED HERETO AS EXHIBIT 'A', IN FURTHERANCE OF THE NORTH BANK DOWNTOWN AND SOUTHSIDE CRA PLANS; ACCEPTING THE PURCHASE PRICE OF SIXTY THOUSAND DOLLARS (\$60,000); INSTRUCTING ITS CHIEF EXECUTIVE OFFICER ("CEO") TO NEGOTIATE A PURCHASE AND SALE AGREEMENT OR FUNCTIONAL EQUIVALENT AND OTHERWISE TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS, the City owns a 0.24 acre property located at 905 West Forsyth Street and identified by Duval County Tax Parcel Number 074784 0000("Property"); and**

**WHEREAS, the Property is located within the North Bank Downtown Community Redevelopment Area ("North Bank CRA"); and**

**WHEREAS, DIA is the designated Community Redevelopment Agency for the North Bank CRA, to which a Community Redevelopment Plan was adopted by Ordinance 2014-0560-E; and**

**WHEREAS, the Property was acquired by the City in 2003; and**

**WHEREAS, the Property is vacant and is in a state of disrepair; and**

**WHEREAS, the Property has a blighting influence on adjoining properties; and**

**WHEREAS, the DIA adopted Resolution 2017-10-03 instructing its CEO to cause to be issued a Notice of Disposition for the Property, consistent with Florida Statutes Chapter 163.380(3)(a) City of Jacksonville Ordinance Code Chapter 122, Subpart C *Community Redevelopment Real Property Dispositions*; and**

**WHEREAS, the DIA, through the City's Procurement Division, issued Notice of Disposition ISP-0343-18; and**

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**WHEREAS**, the DIA received two (2) bid proposals in response to ISP-0343-18; and

**WHEREAS**, the DIA Strategic Implementation Committee held a public meeting on April 18, 2018, and selected SADS, Inc. as the most responsive bidder to ISP-0343-18, **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 finds that the SADS, Inc. bid proposal, attached hereto as Exhibit 1, the most responsive bidder to ISP-0343-18.

**Section 3.** The DIA finds that the SADS, Inc. proposal in furtherance of the following CRA Plan Goals:

**Redevelopment Goal No. 1**

Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment.

**Redevelopment Goal No. 2**

Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.

**Section 4.** Accepting the purchase price of sixty thousand dollars (\$60,000).

**Section 5.** Instructing the DIA Chief Executive Officer to negotiate a Purchase and Sale Agreement or a functional equivalent, establishing a due diligence period, a close-by date, and a begin construction date.

**Section 6.** DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action to effectuate the purpose of this resolution.

**Section 7.** This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

**SIGNATURES ON FOLLOWING PAGE**

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WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

  
\_\_\_\_\_

  
\_\_\_\_\_ James Bailey, Chairman

Date 5/23/18

VOTE: In Favor: 8 Opposed: 0 Abstained: 0

**DMP&H**  
**DRIVER·MCAFFEE**  
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January 9, 2018

City of Jacksonville  
Procurement Division  
214 N. Hogan Street, Room 105  
Jacksonville, FL 32202

Re: Invitation to Purchase City-Owned Property Within LaVilla Neighborhood  
905 West Forsyth Street/Tax Parcel 074784 0000 ("Property")  
Bid No. ISP-0343-18

To the Downtown Investment Authority:

On behalf of our client, Paul Sifton and SADS, Inc. ("Developer"), we have been authorized to submit this response (the "Proposal") to the Downtown Investment Authority ("DIA") invitation made in its capacity as the Downtown Community Redevelopment Agency ("CRA") to purchase the City-owned Property located at the intersection of West Forsyth Street and North Davis Street within the North Bank Downtown Redevelopment Area pursuant to Section 163.380, Florida Statutes and Section 122.434, Jacksonville Code of Ordinances.

**Proposed Project**

The Property is located in the LaVilla neighborhood immediately adjacent to the LaVilla Catalyst Site. This neighborhood is meant to be Downtown's center for cultural and arts facilities with vibrant, mixed-use projects encouraging an urban area with commercial, cultural, entertainment and urban housing all located in close proximity. Neighborhood-serving retail and incubator business opportunities are to be encouraged as well as urban housing types above ground floor commercial establishments.

In furtherance of these objectives and in keeping with the theme of the La Villa district, Developer proposes to redevelop the Property as a three-story project, known as the "La Mesa Building", featuring apartments/condos above an approximately 5,000 square foot upscale neighborhood convenience store and including a urban rooftop apiary (the "Project").

More than just a mixed-use residential/retail development, the focus of the Project will be utilizing the "La Mesa" (meaning "the table") theme to have a cultural and educational impact on the area. A celebratory shrine in the shape of a table with inscriptions honoring local history and an integrated balance of local historical figures will activate the streetscape and cultivate a sense of belonging where everyone is welcome at the table. The rooftop apiary will introduce beekeeping

to the community and serve as a unique destination for educational events. As owner of the nearby 927 Events space located at 927 West Forsyth Street, Developer intends to create synergy between the projects and emerging development in the area by hosting wellness activities and providing meeting space. Recognizing that foot traffic is essential to achieving these goals, Developer proposes to improve the block between his two properties with solar lighting, street seating and bicycle parking to cultivate a safe, walkable and inviting environment.

### **Financial Resources**

The Project will be owned by a limited liability company, funded entirely by Developer from existing personal resources, and completed within thirty-six (36) months from execution of a purchase and sale agreement. Developer represents that he has sufficient cash on hand to execute the Proposal and provides the attached reference from the local BB&T office to establish that he has the financial relationships to complete the Project with debt, if necessary.

### **Past Development Experience and Ability to Complete Building Rehabilitation**

Developer has been active in development in Florida since 1978 when he moved from London Ontario Canada to Palm Beach County to develop a 55+ senior development called Sunny South Estates. For example, Developer's personal responsibilities on Sunny South Estates crossed the spectrum of tasks including resettling cows on the property, refurbishing and constructing and completing infrastructure such as sewer, water, and storm drainage and roads, conceptualizing, designing and constructing elevations for homes and the clubhouse, and preparing the property for sales and marketing. Prior to relocating to Florida, Developer was instrumental in the conception and completion of many developments in and around London Ontario. He also served for 44 years on the board of Awata Funding, which owns Sifton Properties Ltd. and is one of the largest commercial construction and residential development companies in Ontario. Sifton Properts Ltd. are developing the first Net Zero Project in Canada called West 5 in London Ontario.

Developer has been involved in commercial development, redevelopment and gentrification of historic commercial properties in Jacksonville since 1987. For example, Developer converted the dilapidated Sally building at 745 West Forsyth Street, including installation of the existing decorative glass block work and efforts to encourage foot traffic, and was further involved in the complete restoration of vacant and condemned buildings on Beaver Street east of McDuff Avenue. Additionally, Developer prevented the building at 927 West Forsyth Street from being demolished and completely renovated the structure into a beautiful, vibrant and active mixed-use project with event rental space and a residence on the 3rd floor. Through successful rehabilitation of the building, Developer was able to save the oldest pulley-driven freight elevator in Jacksonville, which has now been restored to its near original form.

Developer's extensive background in the development industry demonstrates that he has the technical experience to complete the Project. Developer is committed to taking part in reestablishing the downtown area as an attractive, accommodating, affordable and user-friendly locus for residents, commerce, and tourists, all of which add to the City of Jacksonville's cultural and economic prosperity. Upon completion, Developer anticipates the Project will yield an

approximately \$2,550,000 taxable basis<sup>1</sup> while fulfilling key objectives of the North Bank and Southside Community Redevelopment Area plan and Section 163.380, Florida Statutes, as detailed below.

### **Consistency with North Bank and Southside Community Redevelopment Area Plan**

**Redevelopment Goal No. 1: Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment.** The Project will increase opportunities for Downtown employment throughout the redevelopment process and thereafter in operation of the proposed apartment complex and community convenience store. The Project will increase residential opportunities by adding to the inventory of available housing units. The Project will diversify attractions by providing a rooftop apiary. The streetscape improvements will energize the block and add to the inventory of art in public places with the celebratory shrine.

**Redevelopment Goal No. 2: Increase rental and owner-occupied housing Downtown, targeting key demographic groups seeking a more urban lifestyle.** The Project will contribute to the stated objective of constructing 350 new multi-family dwelling units per year while adding a much-needed neighborhood retail component to the La Villa area in support of the proposed and recently developed residential properties.

**Redevelopment Goal No. 3: Simplify the approval process for Downtown development and improve departmental and agency coordination.** The Project features a privately-developed mixed-use building which will add to the commercial and residential base of the LaVilla neighborhood. The Project increases recreation, entertainment, cultural heritage and programming opportunities through the establishment of a celebratory shrine, rooftop apiary, and creation of community space in partnership with the 927 Events property.

**Redevelopment Goal No. 4: Improve walkability/bike-ability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.** The Project establishes a residential/retail mixture promoting walkability and of the LaVilla neighborhood. This objective will be furthered through the proposed streetscape improvements to increase street level pedestrian and bike activity. The Project will encourage an active street life beyond traditional daylight business hours, which, in turn, will create an environment of growth for other restaurant, retail and entertainment business Downtown.

**Redevelopment Goal No. 5: Establish a waterfront design framework to ensure a unique experience and sense of place.** The Project will bring more residents to the LaVilla neighborhood, and the urban-style development will encourage use of nearby public open spaces and amenities such as the Riverwalk.

**Redevelopment Goal No. 6: Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors.** The Project reinforces a Downtown residential presence. The residential units, coupled with a community convenience store that has evening hours, and the proposed streetscape lighting and bicycle parking improvements, will promote a greater sense of activity and public safety in the LaVilla neighborhood.

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<sup>1</sup> The taxable basis is 85% of the estimated construction cost of \$200 per square foot x 15,000 square foot building,

**Redevelopment Goal No. 7: Use planning and economic development policies to promote design for healthy living.** The establishment of a mixed-use residential/retail project that adds a much-needed community convenience store to the LaVilla neighborhood will improve the walk score of the area. The streetscape improvements that activate the block and improve its sense of safety at all hours and will make walkability and bikeability a reality rather than an aspirational goal. The rooftop apiary adds a healthy living element to the Project that can be shared with the community. Finally, the partnership with 927 Events provides ample space for hosting wellness activities for residents.

### **Financial Offer**

Developer offers \$60,000.00 for fee simple title to the Property, payable at closing, with the understanding that Developer will be responsible for all transfer costs associated with the transaction including, without limitation, costs for title insurance, survey and environmental site assessment, deed stamps, Developer's attorney fees, recording fees, and prorated taxes. This offer exceeds the assessed value of the land after taking into account the anticipated costs of preparing the Property for redevelopment including: potential environmental remediation and additional streetscape improvements which may be required by the City within and outside the right-of-way. In light of potential environmental issues, Developer requests a minimum of one hundred twenty (120) days in order to complete due diligence on the Property. In further support of the offer, Developer represents and warrants that that he requires no contingencies for equity or financing to complete the Project.<sup>2</sup>

Developer further understands, represents, and acknowledges the following:

1. Developer currently has no delinquent obligations to the City of Jacksonville or any of its independent agencies;
2. The Proposal is submitted in good faith and without any prior consultation or agreement with any other proposer;
3. To the best of the knowledge of the person signing the Proposal, neither the Developer, his affiliates, subsidiaries, owners, partners, principals or officers:
  - a. is currently under investigation by any governmental authority for conspiracy or collusion with respect to bidding on any public contract;
  - b. is currently under suspension or debarment by any governmental authority in the United States;
  - c. has within the preceding three years been convicted of or had a civil judgment rendered against it, or is presently indicted for or otherwise criminally or civilly

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<sup>2</sup> Developer's only contingencies prior to closing are verifying title, survey and completion of environmental remediation, which will be completed by Developer, if necessary. Developer reserves the right to apply for competitive grants.

charged, in connection with (i) obtaining, attempting to obtain, or performing a federal, state, or local government transaction or public contract; (ii) violation of federal or state antitrust statutes; or (iii) commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; or

- d. has within the preceding three-year period had one or more federal, state, or local government contracts terminated for cause or default.
4. Developer has read and understands the Notice terms and conditions, and the Proposal is submitted in conformance with those terms and conditions.
5. All information provided by, and representations made by, Developer are material and important and may be relied upon by City in selecting the Agreement.

Developer has adopted and will maintain throughout the term of this contract a policy of nondiscrimination or harassment against any person with regard to race, color, sex including pregnancy), sexual orientation, gender identity or expression, religion, political affiliation, national origin, disability, age, marital status, veteran status, or any other impermissible factor in recruitment, hiring, compensation, training, placement, promotion, discipline, demotion, transfers, layoff, recall, termination, working conditions and related terms and conditions of employment. Developer agrees that, on written request, he will permit reasonable access to records of employment, employment advertisement, application forms and other pertinent data and records, by the Executive Director of the Community Relations Commission, or successor agency or commission, for the purpose of investigation to ascertain compliance with the non-discrimination policies incorporated into any contract with the City; provided however, that Developer shall not be required to produce, for inspection, records covering periods of time more than one (1) year prior to the effective date of any contract with the City. Developer further agrees that similar terms will be incorporated into and become part of any subcontract for products or services to be provided pursuant to any contract with the City.

On behalf of the Developer we appreciate the opportunity to provide this Proposal to complete this Project. Should you have any additional questions regarding this matter, please do not hesitate to call me at (904) 301-1269.

Sincerely,



Steven Diebenow

cc: Paul Sifton



### Agent Authorization

You are hereby advised that Paul Sifton, as President of SADS, Inc., a corporation organized under the laws of the State of Florida, hereby submits the attached Proposal and authorizes and empowers Driver, McAfee, Peek & Hawthorne, P.L. to act as agent in connection with such Proposal and provides authorization to Driver, McAfee, Peek & Hawthorne, P.L. to file such applications, papers, documents, request and other matters necessary in connection with such Proposal.

SADS, Inc.



Paul Sifton, President

Date: 6/9/18