



Downtown Investment Authority  
Strategic Implementation Committee

Wednesday, November 16<sup>th</sup>, 2022 at 3:30 p.m.

## SIC AGENDA

Braxton Gillam, Esq., Chair  
Craig Gibbs, Esq., Committee Member

Carol Worsham, Ex Officio

Committee Members Excused:

- I. CALL TO ORDER
  - II. PUBLIC COMMENTS
  - III. OCTOBER 19, 2022, STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES APPROVAL
  - IV. RESOLUTION 2022-11-01: FINCANTIERI RATIFICATION
  - V. RESOLUTION 2022-11-08: REGIONS REINSTATEMENT AND MODIFICATION
  - VI. RESOLUTION 2022-11-04: 120 EAST FORSYTH (DPRP)
  - VII. RESOLUTION 2022-11-06: LOFTS AT CATHEDRAL (DPRP)
  - VIII. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR
  - IX. ADJOURN
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### **MEETING LOCATION**

#### **Physical Location**

Jacksonville Public Library-Main Library/Downtown  
303 North Laura Street  
Multipurpose Room (located in the Conference Center)  
Jacksonville, Florida 32202

**PLEASE NOTE:** The multipurpose room will **not be accessible through the Main Street entrance**. The Main Street entrance will be closed. Please use the Laura Street entrance to enter the building.

Visitors are encouraged not to enter City owned public buildings if they have: symptoms of COVID-19, a fever of 100.4 degrees Fahrenheit or higher, are currently undergoing evaluation for COVID-19 infection, a diagnosis of COVID-19 in the prior 10 days, or have had close contact with someone infected with COVID-19 during the prior 14 days. Any member of the public entering City owned public building may choose to wear a mask inside the building.



**Downtown Investment Authority  
Strategic Implementation Committee**

**Wednesday, November 16<sup>th</sup>, 2022 at 3:30 p.m.**

**Virtual Location**

Interested persons desiring to attend this meeting virtually can do so via Zoom (including by computer or telephone) using the following meeting access information:

**Join Zoom Meeting**

<https://us02web.zoom.us/j/82644809997?pwd=VGQ2d29qVHFoUEwrOGFIT2YxcEsyZz09>

**Meeting ID: 826 4480 9997**

**Passcode: 487848**

**One tap mobile**

+1 (312) 626-6799 (Chicago)

+1 (646) 558-8656 (New York)

Find your local number: <https://zoom.us/u/acSPRiVnGd>

**TAB III**

**OCTOBER 19, 2022, STRATEGIC IMPLEMENTATION COMMITTEE MEETING  
MINUTES APPROVAL**



**Downtown Investment Authority**  
**Strategic Implementation Committee Hybrid Meeting**  
***Monday, October 19, 2022 – 2:00 p.m.***

**Strategic Implementation Committee Hybrid Meeting**  
***Draft – MEETING MINUTES***

**Strategic Implementation Committee Members (CM) in Attendance:**

Carol Worsham, DIA Board Chair  
Craig Gibbs, Esq.

**Committee Members Excused:** Braxton Gillam, Esq.

**DIA Board Members Participating Virtually:** Jim Citrano

**DIA Staff Present:** Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Susan Kelly, Redevelopment Coordinator; Guy Parola, Operations Manager; Antonio Posey, Project Manager; and Ina Mezini, Communication and Marketing Specialist.

**Office of General Counsel:** Joelle Dillard, Esq.

**Council Members Present:** None

**I. CALL TO ORDER**

The Strategic Implementation Committee meeting of October 19, 2022, was called to order at 2:01 p.m. by Carol Worsham, DIA Board Chair.

**II. PUBLIC COMMENTS**

Chairman Gibbs called for public comment.

*The following persons made in-person public comments, made public comments virtually through Zoom, or provided comments that were read into the record by DIA Staff. Note: the subject matter of the comment(s) indicated to the right of each person:*

Allan DeVault	Advocated for the Downtown Preservation and Revitalization Program, and the Historic Preservation and Revitalization Trust Fund; in reference to Resolution 2022-10-07, acknowledged timing lag between various incentive approvals and application dates.
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Cliff Miller Spoke to low cost cleanup within Downtown to improve Downtown, citing the abandoned rooftop billboard adjacent to the Downtown Library as an example.

**III. SEPTEMBER 19, 2022 STRATEGIC IMPLEMENTATION COMMITTEE MEETING APPROVAL OF THE MINUTES**

Chair Worsham called for a motion.

**Motion:** Member Gibbs moved to approve the minutes as presented

**Seconded:** Chair Worsham seconded the motion

**Vote: Aye: 2      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 2-0-0**

**IV. RESOLUTION 2022-10-03: EXTENSION OF COMPLETION OF CONSTRUCTION DATE, AMBASSADOR HOTEL**

**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.**

Steve Kelley, Director of Downtown Real Estate and Development, presented a summary of the resolution to the committee. Mr. Kelley explained that the Second Amended And Restated Redevelopment Agreement provides a Building Improvements Completion Date of December 31, 2022, and that extension authority is limited to the DIA Board. Although that authority allows up to six months with cause shown by the Developer, Mr. Kelley proposed a three month extension provided by the Board would establish a checkpoint at March 31, 2023 to determine the status of the project. This would allow time to prepare for City Council action if the project was continuing to show progress, but the remaining three months of Board authority was insufficient to see the Project achieve requirements established for Completion.

**Motion:** Member Gibbs moved to approve the resolution as presented

**Seconded:** Chair Worsham seconded the motion

**Vote: Aye: 2      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 2-0-0**

**V. RESOLUTION 2022-10-07: PROPOSED COUNCILMEMBER SPONSORED LEGISLATION RELATING TO THE DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM AND THE HISTORIC PRESERVATION AND REVITALIZATION TRUST FUND**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”), AS THE COMMUNITY REDEVELOPMENT AGENCY FOR THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA AND THE SOUTHSIDE COMMUNITY REDEVELOPMENT AREA RECOMMENDING [APPROVAL/DENIAL/APPROVAL WITH AMENDMENT] OF THE LEGISLATION ATTACHED HERETO EXHIBIT A REVISING THE TERMS OF THE DPRP AND HPRTF GUIDELINES TO LIMIT REIMBURSABLE CONSTRUCTION COSTS TO THOSE INCURRED AFTER CITY COUNCIL APPROVAL; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

Citing a concern by City Councilmember(s) that reimbursements were being made to developers for work that occurred prior to a DPRP award by City Council, or in the case of HPRTF, work occurring prior to an HPRTF award by the DIA Board, CEO Boyer provided the purpose and a summary of the legislation. Concerns relayed by CEO Boyer to the Committee include the questioning of a financial need by the Developer when work is undertaken prior to an incentive. CEO Boyer acknowledged that DPRP and HPRTF incentives address a project’s standalone financial feasibility, not a developer’s overall financial capacity to perform the work at their expense.

The legislation as proposed would add the following conditions to the DPRP and the HPRTF programs, as applicable:

Construction costs eligible for funding under the DPRP shall be limited to those costs incurred following approval by the City Council. For clarity, development costs, which may include construction costs, incurred prior to approval by City Council may be included in the calculation of Total Development Cost but will not be eligible for incentive payments under the program.

Construction costs eligible for funding under the HPRTF shall be limited to those costs incurred following approval by the DIA Board. For clarity, development costs, which may include

construction costs, incurred prior to approval by the DIA Board may be included in the calculation of Total Development Cost but will not be eligible for incentive payments under the program.

CEO Boyer provided a summary of Resolution 2022-10-07, and spoke specifically to the Committee's options as proffered within the draft resolution, section 2, with those options being:

- 1) The DIA recommends that City Council approve the legislation and guideline changes included as Exhibit A, draft legislation with proposed amended program conditions, without modification.

Or

- 2) The DIA recommends that the City Council reject the legislation and guideline changes included as Exhibit A, draft legislation with proposed amended program conditions, without modification.

Or

- 3) The DIA recommends that City Council approve the legislation and guideline changes attached as Exhibit A with the following modifications:

1. Delete any reference to HPRTF Guidelines as this program does not require City Council Approval of awards and is final when awarded by DIA; HPRTF Guidelines could be revised to allow reimbursement only for construction incurred after DIA approval.

2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Motion:** Member Gibbs moved the resolution for discussion

**Seconded:** Chair Worsham seconded the motion

**Discussion:**

Member Gibbs: To the CEO, would it be prudent to put a reimbursement date for work occurring prior to Council action of not greater than six (6) months prior to City Council approval for a DPRP award?

CEO Boyer: provided a hypothetical timeline on an award by City Council of four to six months from a complete application

Member Citrano: Opined that it would be prudent to wait on an award before undertaking the costs of construction, but confirmed agreement with the CEO's

discussion on the distinction between financial capacity of a developer versus the financial feasibility of an individual project.

Stated that he would not support legislation or a DIA resolution supporting legislation unless that legislation and DIA resolution contained an eligible reimbursement date for work began prior to an incentive award and suggested that expenditures incurred following the application date would be more appropriate as long as Developers understand they are doing so at their own risk if the necessary approvals are not ultimately received.

Chair Worsham: Echoing Member Citrano, questioned if the work that occurred between DIA approval and City Council approval should be eligible for reimbursement. Chair Worsham also acknowledged that applications and the programs are complex.

Acknowledging the importance of the DPRP and HPRTF programs, Chair Worsham suggested that the Resolution should not be addressed at the Committee level with only two members present, but rather at the Board level.

Following guidance from the General Counsel on the appropriate way to move the resolution out of committee for discussion and action by the full DIA Board, without making a finding on the merits of the legislation or the DIA resolution, the following action occurred:

**Amended Motion:** Member Gibbs moved to amend the motion and deny Resolution 2022-10-07

**Seconded:** Chair Worsham seconded the motion as amended

**Vote: Aye: 2      Nay: 0      Abstain: 0**

*Following the vote, CEO Boyer spoke briefly regarding changes to changes in state statutes regarding CRAs that could potentially affect DIA, and state continuing research on the matter is being done.*

## **VI. ADJOURNMENT**

Chair Worsham adjourned the meeting at 2:35 p.m.

*The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a recording is available upon request. Please contact Ina at [RMezini@coj.net](mailto:RMezini@coj.net) to acquire a recording of the meeting.*



**TAB IV**  
**RESOLUTION 2022-11-01: FINCANTIERI RATIFICATION**

**RESOLUTION 2022-11-01**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AMENDING RESOLUTION 2022-04-10; REMOVING ANY REFERENCE WITHIN RESOLUTION 2022-04-10 TO THE FILING OF LEGISLATION AND APPROVAL BY CITY COUNCIL; CLARIFYING THAT THE AUTHORITY FOR APPROVAL OF A RECAPTURED ENHANCED VALUE GRANT (“REV”) MEETING THE BID PLAN CRITERIA LIES ENTIRELY WITH THE DIA; AUTHORIZING THE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION AND RESOLUTION 2022-04-10, AS AMENDED AND RESTATED, PURSUANT TO THE TERMS AND CONDITIONS CONTAINED WITHIN EXHIBIT ‘A’ TO RESOLUTION 2022-04-10; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Downtown Investment Authority (“DIA”) is authorized per section 55.108 of the City Ordinance Code, and the adopted BID Plan, to utilize the Tax Increment Finance District Trust Funds to foster the redevelopment of the Downtown Northbank Community Redevelopment Area, to support private capital investment therein, and to support the creation of new jobs within Downtown; and

**WHEREAS**, the DIA adopted Resolution 2022-04-10, approving the terms and conditions for a REV Grant with Fincantieri Marine Repair, LLC, in April of 2022; and

**WHEREAS**, at that time the DIA’s Business Investment & Development Plan (“BID Plan”) required that the REV Grant and accompanying Economic Development Agreement obtain City Council approval; and

**WHEREAS**, Ordinance 2022-0372-E, adopted by City Council on June 28, 2022, expressly authorized DIA to have final authority for provision of REV Grants consistent with the criteria specifically identified in the BID Plan, including the City’s adopted Public Investment Policy,

**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.** Resolution 2022-04-10 is amended to remove any reference to the filing of legislation and subsequent adoption by City Council, including the elimination of Section 2 in its entirety.

**Section 3.** The DIA Board 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 a Redevelopment Agreement, or functional equivalents, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit 'A' to this Resolution 2022-11-01.

**Section 4.** This Resolution, 2022-11-01, shall become effective on the date it is signed by the Chair of the DIA Board.

**WITNESS:**

**DOWNTOWN INVESTMENT AUTHORITY**

\_\_\_\_\_

\_\_\_\_\_  
Carol Worsham, Chair

\_\_\_\_\_  
Date

**VOTE:** In Favor: \_\_\_\_\_ Opposed: \_\_\_\_\_ Abstained: \_\_\_\_\_

**Exhibit A:**

**DIA RECAPTURED ENHANCED VALUE GRANT  
TERM SHEET**

**Fincantieri Marine Repair LLC**

**Developer/Applicant:** The applicant, Fincantieri Marine Repair LLC (“Fincantieri,” “Applicant,” or “Tenant”), is a subsidiary of Fincantieri Marine Systems North America under the parent organization, The Applicant has established a location in Jacksonville Florida through a long-term lease from Commodore Point Properties, Ltd. (“Property Owner”) of approximately 31 acres at 2060 E. Adams St. in the Working Waterfront District of Downtown Jacksonville.

**Project:** Applicant is expected to spend approximately \$30 million on improvements to the leased property and will ultimately be conducting repair and maintenance operations on ships and large vessels at the site. Per the terms of the NNN lease, the Applicant is responsible for incremental property taxes incurred on the leased property for increases in the value of the leased property above ~~\$5,914,915.76 a level not yet established but estimated at \$5,458,300~~ (“Minimum Property Value”).

**Total Development Costs (estimate):** \$29,067,799

**DIA Funding:**

Not more than **\$1,500,000** through the City of Jacksonville Downtown Investment Authority as the Northbank CRA, as follows:

**REV Grant:** The Developer is requesting a REV Grant equal to 50% of the City of Jacksonville portion of the estimated incremental ad valorem taxes generated by the project for a period of 10 years above the Minimum Property Value, as established in the lease and approved by the DIA. The total REV grant indebtedness will not exceed \$1,500,000.

**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated with this proposal.

**Land:** No City of Jacksonville land is committed to the project.

**Minimum Property Value Increase per the Duval County Property Appraiser:**

- Eligibility for funding under the DIA REV Grant is contingent upon the Minimum Property Value, as established in the lease, increasing by \$5,000,000 or greater per the Duval County Property Appraiser in its annual assessment.

**Additional Commitments:**

- REV Grant payments will be paid annually beginning in any year of eligibility, but such first tax year shall not be later than 2025 (with REV Grant payment made in 2026).
- The payment period will commence with the submission of the first REV payment request and will continue uninterrupted for ten consecutive years thereafter.
- REV Reimbursement shall be made only from increases realized in the City of Jacksonville portion of the ad valorem taxes collected in any eligible tax year.
- Applicant must be in continuous operation at the subject site, subject to force majeure, to be eligible for REV Grant payments for any given tax year.
- Create a minimum of 10 New Jobs with an average annual salary of \$59,146 or greater prior to the end of the calendar year 2025 and maintain the 10 New Jobs throughout the term of this agreement.
- ~~The final Minimum Property Value must be established with the Property Owner/Landlord prior to filing the legislation for final approval with the City of Jacksonville City Council.~~

**This Term Sheet is limited by the following conditions:**

There will be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).

**Note for information purposes only: The City of Jacksonville has previously approved the following incentive for this project:**

Not more than **\$300,000** through the City of Jacksonville as administered by the Office of Economic Development, as follows:

Fincantieri was approved in May 2020 under ordinance 2020-0241 for up to \$300,000 from the City for Qualified Target Industry (QTI) funding in conjunction with State of Florida QTI, which may not exceed \$1,500,000 on a combined basis.

**TAB V**

**RESOLUTION 2022-11-08: REGIONS REINSTATEMENT AND MODIFICATION**

**RESOLUTION 2022-11-08**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING REINSTATEMENT AND AMENDMENT OF THAT CERTAIN ECONOMIC DEVELOPMENT AGREEMENT (“EDA”) BETWEEN REGIONS BANK, AN ALABAMA STATE BANKING CORPORATION (“REGIONS”), THE CITY OF JACKSONVILLE, AND DIA, DATED JUNE 15, 2021; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO FILE LEGISLATION SEEKING APPROVAL OF THE REINSTATEMENT AND MODIFICATIONS RECOMMENDED HEREIN; AUTHORIZING THE CEO TO 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,** Regions is the owner of its regional branch headquarters building located at 51 West Bay Street, which has been designated a local historic landmark and is within the National Historic District of Downtown and within the boundaries of the Downtown East CRA and an adjacent surface parking lot which Regions sold to facilitate the construction of a structured parking garage and associated retail spaces thereon; and

**WHEREAS,** the DIA approved the terms of the EDA pursuant to Resolution 2021-01-05; and

**WHEREAS,** the City Council approved the terms of the EDA and authorized up to \$900,000 of Downtown Preservation and Revitalization Program (“DPRP”) Loans and up to \$200,000 in Downtown Economic Development Grant funding therein pursuant to Ordinance 2021-210E; and

**WHEREAS,** the Economic Development Agreement (“EDA”) was executed by the parties establishing an Effective Date of June 15, 2021; and

**WHEREAS,** a Renovation Improvements Performance Schedule, memorialized in Section 3.1 of the EDA, includes a requirement that within 180 days from the effective date, Regions will submit its first DPRP Loan Request; and

**WHEREAS,** Regions sold its parking lot as required by the Economic Development Agreement but submitted its first DPRP Loan Request beyond the abovementioned time frame, which nullifies the processing of any funding requests under the DPRP Loans or the Downtown Economic Development Grant; and

**WHEREAS,** upon further review of the terms of the EDA, including the Renovation Improvements Performance Schedule, and recognizing the benefits to the City from the rehabilitation and preservation of this historic building, the DIA and Regions have agreed to seek

approval to amend and reinstate the Economic Development Agreement, which requires legislative action by 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 recommends that City Council approve the amendment and reinstatement of the Economic Development Agreement with the following operative changes:

- 1) Modify Section 3.1(a) to extend the submission date for the first DPRP Loan request from “within one hundred eighty (180) days after the Effective Date” to “not later than August 31, 2022.”
- 2) Modify Section 4.1(i) from “five (5) DPRP Loan Requests” to “three (3) DPRP Loan Requests,” which will include the one already submitted and allow for two (2) more.
- 3) Modify Section 4.1(iv) to change the outside submission date from “on or before the fifth (5th) anniversary” to “on or before the third (3rd) anniversary” of the Effective Date.

The remainder of the EDA will remain unchanged, with the exception that if any other sections are related to the modifications proposed above, changes to such Sections will also be made to maintain consistency with the proposed modifications throughout the EDA.

**Section 3.** The Chief Executive Officer is hereby authorized to file legislation, 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**

\_\_\_\_\_

\_\_\_\_\_  
Carol Worsham, Chair

\_\_\_\_\_  
Date

**VOTE:** In Favor: \_\_\_\_\_ Opposed: \_\_\_\_\_ Abstained: \_\_\_\_\_



**TAB VI**

**RESOLUTION 2022-11-04: 120 EAST FORSYTH (DPRP)**

**RESOLUTION 2022-11-04**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM (“DPRP”) LOAN PACKAGE FOR REHABILITATION OF THE BUILDING LOCATED AT 120 E. FORSYTH STREET (“PROPERTY”) PURSUANT TO A REDEVELOPMENT AGREEMENT WITH 120 E FORSYTH, LLC OR ASSIGNS (“OWNER” OR “DEVELOPER”); FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA PLAN (“CRA PLAN”); AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE THE CONTRACT AND ASSOCIATED DOCUMENTS AND FILING OF LEGISLATION WITH THE CITY COUNCIL REGARDING THE DPRP LOAN PACKAGE; TO 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,** 120 E FORSYTH, LLC is the owner of the Property and the building located on the Property, which has been designated a local historic landmark by the Jacksonville City Council in Ordinance 2014-17-E and is a contributing building located within the National Historic District of Downtown and within the boundaries of the Downtown Northbank CRA; and

**WHEREAS,** the Developer proposes to rehabilitate the Property to provide a minimum of 10,800 square feet of leasable space as a commercial use property in the City Center District of Downtown Jacksonville; and

**WHEREAS,** the increased private capital investment totaling not less than \$4,347,344 in real property will increase the county ad valorem tax base over the useful life of the assets, will add to the commercial/retail tenancy options in Downtown Jacksonville; and

**WHEREAS,** the Strategic Implementation Committee of the Downtown Investment Authority (“DIA”) met on November 16, 2022, to consider the recommendation of DPRP Program Forgivable Loans in accordance with the program guidelines established by City Council in accordance with the terms contained in the term sheet attached hereto as Exhibit A and recommended that the DIA Board adopt Resolution 2022-11-04; 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 instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary actions necessary, including the filing of legislation before the City Council, to seek DPRP funding of up to **\$ 1,207,100** pursuant to the Downtown Preservation and Revitalization Program guidelines in accordance with the terms set forth on the term sheet attached hereto as Exhibit A.

**Section 3.** The Chief Executive Officer is hereby authorized to execute the contracts and associated 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**

\_\_\_\_\_

\_\_\_\_\_  
Carol Worsham, Chairman

\_\_\_\_\_  
Date

**VOTE:** In Favor: \_\_\_\_\_ Opposed: \_\_\_\_\_ Abstained: \_\_\_\_\_

**Exhibit A:**

**DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM  
TERM SHEET**

**120 E Forsyth, LLC  
120 E. Forsyth Street, Jacksonville, FL 32202**

**Project:** The project comprises the redevelopment of the historic New York Steam Laundry Building in the City Center District of Downtown Jacksonville, utilizing funding through the Downtown Preservation and Revitalization Program (“DPRP”).

The historic two-story building at 120 E. Forsyth Street, RE# 073451-0000, comprises 11,870 gross square feet, originally constructed in 1903. Upon completion, the building will provide approximately 10,800 square feet of commercial space with the proposed use as an entertainment venue and bar on the second floor under related ownership. With approximately 5,600 sq ft on the first floor and approximately 5,200 square feet on the second floor, Mathers Social Gathering - Jacksonville will occupy the entire 2nd floor and a small lobby on the 1st floor.

Rehabilitation efforts proposed include, but are not limited to, the following:

- Demolition of the remaining interior spaces
- Repair structural damage throughout
- Repair the roof; increase waterproofing in other areas
- Make other needed repairs to exteriors, brick, etc.
- All new Plumbing / Electrical / HVAC throughout
- Reframe interior walls, increasing load capacity
- Replace doors, frames, casings, and windows
- All new interior walls and ceilings
- Install new hardwood floors
- Install new elevator
- Bring staircases up to code
- Address all safety codes (fire sprinklers, etc.)
- Address ADA compliance

**Developer/ Applicant / Borrower:**

120 E Forsyth, LLC (“Borrower”)  
All of Eight Investments, LLC (Owner of 120 E Forsyth, LLC)  
Eight K Investments, LLC (Manager of 120 E Forsyth, LLC and All of Eight Investments, LLC)  
Ms. Yvette Perez (Authorized Representative of Eight K Investments, LLC)

**Total Development Costs (estimate):**

\$4,347,344

**Equity (proposed):**

\$528,103

**City Funding:** No more than **\$1,207,100** (through the City of Jacksonville Downtown Investment Authority), as follows:

	<b>Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)</b>	<b>Code Compliance Forgivable Loan (CCR)</b>	<b>DPRP Deferred Principal Loan</b>	<b>TOTAL</b>
<b>TOTAL</b>	<b>\$268,900</b>	<b>\$696,800</b>	<b>\$241,400</b>	<b>\$ 1,207,100</b>

At this level of funding and structure, the incentives proposed are subject to further approvals by the Jacksonville City Council.

To be eligible for funding, all work must be reviewed and approved by the Planning and Development Department for consistency with the United States Secretary of Interior Standards and applicable design guidelines during application processing and for verification upon completion and request for funding under terms defined further herein.

**Budget.** The construction budget reviewed and approved by the DIA in the total amount of \$1,901,016 (the "Total Budget Amount"), which includes Construction Costs to be incurred in each of the funding categories (each, a "Funding Category") and in the minimum amounts (each a "Funding Category Minimum") set forth in the table below:

<b>Funding Category</b>	<b>Funding Category Minimum</b>
Interior Rehabilitation	\$ 46,395
Interior Restoration	\$ 0
Exterior	\$ 145,061
Code Compliance	\$ 929,029
General Requirements/Other	\$ 730,681
N/A <sup>1</sup>	\$ 49,850
<b>Total Budget Amount:</b>	<b>\$1,901,016</b>

1 The category "N/A" is not required to be met as a Funding Category Minimum for reimbursement of other categories under the DPRP. For further clarity, there will be no reimbursement for expenditures categorized as "N/A" in the construction budget.

**Minimum Expenditures:** In order to be eligible for the maximum amount of the DPRP Loans, the Borrower must provide evidence and documentation prior to the applicable DPRP Loan closing sufficient to demonstrate to the DIA, in its sole but reasonable discretion, the following:

- (i) a total equity capital contribution of at least FIVE HUNDRED TWENTY-EIGHT THOUSAND ONE HUNDRED THREE DOLLARS AND NO/100 (\$528,103.00) (the "Required Equity");

- (ii) Total Development Costs incurred of at least FOUR MILLION THREE HUNDRED FORTY-SEVEN THOUSAND THREE HUNDRED FORTY-FOUR DOLLARS AND NO/100 (\$4,347,344), which shall exclude all costs allocated for funding under the FAB-REP program or any other City funding, holding costs, tangible personal property (IT, FF&E), marketing, third party costs for risk management, and loan fees (the "Minimum Total Development Costs");
- (iii) Minimum Eligible Construction Costs incurred of ONE MILLION EIGHT HUNDRED FIFTY-ONE THOUSAND ONE HUNDRED SIXTY-SIX DOLLARS AND 00/100 (\$1,851,166), calculated as the Total Budget Amount less costs classified as "N/A" (the "Minimum Eligible Construction Costs"), and
- (iv) Construction Costs incurred of at least the Funding Category Minimum with respect to each Funding Category.

**Funding Eligibility:**

Notwithstanding the foregoing,

- 1) the required Minimum Total Development Costs of \$4,347,344 may be reduced by a maximum of ten percent (10%) overall, as approved by the DIA Staff in its sole and absolute discretion, or a maximum of fifteen percent (15%) as approved by the DIA Board in its sole and absolute discretion, without affecting the Borrower's eligibility for funding under the DPRP.
- 2) the required Minimum Eligible Construction Costs of \$1,851,166 may be reduced by a maximum of ten percent (10%) overall, as approved by the DIA Staff in its sole and absolute discretion, or a maximum of fifteen percent (15%) as approved by the DIA Board in its sole and absolute discretion, without affecting the Borrower's eligibility for funding under the DPRP.
- 3) any Funding Category Minimum may be reduced by a maximum of ten percent (10%) on a stand-alone basis, as approved by DIA Staff in its sole and absolute discretion; or a maximum of fifteen percent (15%), as approved by the DIA Board in its sole and reasonable discretion, provided that, in such event, there shall be a pro rata reduction in the applicable DPRP Loan(s), as required. Eligibility for funding under any Funding Category shall be eliminated if the corresponding Funding Category Minimum is reduced by more than fifteen percent (15%), and eligibility for funding under the remaining Funding Categories shall remain in place, unless it has been determined that material components of the rehabilitation have not been met as determined by DIA and HPS staff, in their sole discretion.

**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated.

**Land:** No City of Jacksonville land is committed to the project.

**Loans:** No other loans, grants, or other funding from the City of Jacksonville are contemplated for this project, although commercial tenants, including those related to the Owner, leasing space within these Properties may be eligible for funding under separate programs.

No costs may be submitted for duplicative funding under more than one DIA incentive program. However, costs incurred by the DPRP Applicant may count towards their required contribution under the Retail

Enhancement Program to the extent such costs are directly attributable to space that would be occupied by the REP Grant Applicant.

**Performance Schedule:**

- A) Redevelopment Agreement to be executed within thirty (30) days of the Bill Effective Date which shall establish the Redevelopment Agreement Effective Date.
- B) Commencement of Construction: Within six (6) months following the Redevelopment Agreement Effective Date, Applicant commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities and has actually broken ground to begin work.
- C) Substantial Completion: Within eighteen (18) months following Commencement of Construction as defined above.
- D) The DIA CEO will have the authority to extend this Performance Schedule, in the CEO's discretion, for up to six (6) months for good cause shown by the Borrower / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

**Additional Commitments:**

- A) The Borrower commits to the development of:
  - 1. A minimum of 5,600 square feet of commercial space on the first floor to be used for a lobby.
  - 2. A minimum of 5,200 square feet of commercial/retail space for an entertainment venue on the second floor.
- B) Recommendation as to the eligibility of the approved scope of work on the Properties by the Planning and Development Department shall be required prior to DIA Board approval of any program funding. Such recommendation by the Planning and Development Department may be conditional on further review and approvals by the State Historic Preservation Office ("SHPO") and/or the National Park Service ("NPS") as may be required.
- C) Upon completion and request for funding, all work on the Properties must be inspected by the Planning and Development Department or designee for compliance with the approved application prior to funding under any DPRP loan component.
- D) Funding under the DPRP will be secured by a stand-alone, subordinate lien position on the Property behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing, as long as such subordination does not alter the DIA approved maturity date of any DPRP Loan.
- E) Each DPRP loan will be cross-defaulted with one another.
- F) Payment defaults, or other defaults that trigger legal actions against the Applicant that , if adversely decided, would invalidate the City's mortgage lien on Property, shall also be a default on the subject facilities.

- G) As the Borrower will be utilizing a combination of HPRR Forgivable Loans, Retail Enhancement Grant and CCR Forgivable Loans, the maturity of each of these Forgivable Loans will be five (5) years. Principal outstanding under each note will be forgiven at the rate of 20% annually on the anniversary date of each such funding, so long as each Forgivable Loan is not in default per loan documents.
- H) Standard clawback provisions will apply such that:
- a) In the event the Borrower sells to a third-party, including without limitation a capital lease transaction, or otherwise transfers the Historic Building during the first five (5) years after the disbursement of the Forgivable Loans, the following amounts of any Forgivable Loan shall be due and payable at closing of the Sale:
    - i. 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
    - ii. 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;
    - iii. 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
    - iv. 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
    - v. 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.
  - b) Changes in the proposed intended use of the property must continue to contribute towards the relevant Redevelopment Goals and Performance Measures of the DIA and shall be presented to the DIA for further approval not less than 90 days in advance of such changes, and such approval shall not be unreasonably withheld. In the event Borrower or any lessee or assignee of the Borrower uses the Project or the Historic Property or Properties for any use not contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan or Loan without such approval, the full amount of the amounts awarded, together with all accrued but unpaid interest thereon, may be declared by the DIA to become due and payable by the Borrower.
- I) Funding in the amount of the DPRP Deferred Principal Loan component (if any) will have a stated maturity date of ten years from the Funding Date. The loan balance is due in full upon maturity, sale, or refinancing of the property prior to maturity, subject to terms of the disposition and value of the property at the time of such event.
- J) The DPRP Deferred Principal Loan component (if any) requires fixed annual interest payments equal to the total principal outstanding multiplied by the prevailing Ten-Year Treasury Note Rate at the time established for closing.
- K) Partial Principal reductions on the DPRP Deferred Principal Loan (if any) may be made after the fifth anniversary with no prepayment penalty; however, a minimum of 50% of the initial loan balance must remain outstanding through the loan maturity date unless the Property or Properties are sold or refinanced during that period, subject to DIA approval.
- L) DIA reserves the right to approve any sale, disposition of collateral property, or refinance of senior debt prior to the forgiveness or repayment of any DPRP Loan. DIA Staff may negotiate terms in



the Redevelopment Agreement and/or Loan Documents that allow de minimis levels of refinancing that may be undertaken without requiring further approvals.

- M) All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the DPRP loan period.
- N) Minimum insurance requirements as established by the City of Jacksonville Risk Management Department must be met prior to closing and maintained throughout the term of the development agreement.
- O) Payment defaults, bankruptcy filings, or other material defaults during the DPRP loan period will trigger the right for the City of Jacksonville to accelerate all amounts funded and outstanding under any or all programs at such time, plus a 20% penalty of any amounts amortized or prepaid prior to that date.

There will be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties which shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).

**TAB VII**

**RESOLUTION 2022-11-06: LOFTS AT CATHEDRAL (DPRP)**

## RESOLUTION 2022-11-06

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM (“DPRP”) LOAN PACKAGE FOR THE REHABILITATION OF THE BUILDING LOCATED AT 325 E DUVAL STREET, JACKSONVILLE, FL 32257 (“PROPERTY”) PURSUANT TO A REDEVELOPMENT AGREEMENT WITH LOFTS AT CATHEDRAL, LTD OR ASSIGNS (“OWNER” OR “DEVELOPER”); FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA PLAN (“CRA PLAN”); AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE THE CONTRACT AND ASSOCIATED DOCUMENTS AND FILING OF LEGISLATION WITH THE CITY COUNCIL REGARDING THE DPRP LOAN PACKAGE; TO 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,** LOFTS AT CATHEDRAL, LTD is the owner of the Property and the building located on the Property, which has been designated a local historic landmark by the Jacksonville City Council in Ordinance 2017-436-E, and is a contributing building located within the National Historic District of Downtown; and

**WHEREAS,** the Developer proposes to rehabilitate the Property to provide a minimum of 28 units of mixed-income housing as part of a larger overall development providing 120 multifamily mixed-income units, including 84 with rent limits providing affordable housing for tenants with income of 80% or less of the Area Median income, in the Cathedral Hill District within the boundaries of the Downtown Northbank CRA of Downtown Jacksonville; and

**WHEREAS,** the Developer was awarded Low Income Housing Tax Credits of \$1,868,000 per year for a period of ten years under RFA 2021-202 by the Florida Housing Finance Corporation to facilitate the development of affordable housing within the overall development activity; and

**WHEREAS,** RFA 2021-202 required a Local Government Support Loan of \$625,000, which was approved by the DIA in Resolution 2021-07-04 to facilitate the development of affordable housing within the overall development activity; and

**WHEREAS,** the increased private capital investment totaling not less than \$7,235,489 in real property will increase the county ad valorem tax base over the useful life of the assets related solely to the redevelopment of the Historic building as a component of the overall development activity, and will add to the residential tenancy options in Downtown Jacksonville; and

**WHEREAS**, the Strategic Implementation Committee of the Downtown Investment Authority (“DIA”) met on November 16, 2022, to consider the recommendation of DPRP Program Forgivable Loans following the program guidelines established by City Council in accordance with the terms contained in the term sheet attached hereto as Exhibit A; 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 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 seek DPRP funding of up to **\$2,398,400** pursuant to the Downtown Historic Preservation and Revitalization Program guidelines in accordance with the terms set forth on the term sheet attached hereto as Exhibit A.

**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**

\_\_\_\_\_

\_\_\_\_\_  
Carol Worsham, Chairman

\_\_\_\_\_  
Date

**VOTE:** In Favor: \_\_\_\_\_ Opposed: \_\_\_\_\_ Abstained: \_\_\_\_\_

**Exhibit A:**

**DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM  
TERM SHEET**

**LOFTS AT CATHEDRAL  
325 E Duval Street, Jacksonville, FL 32257**

**Project:** The project comprises the redevelopment of the historic YWCA Building in the Cathedral Hill District of Downtown Jacksonville, utilizing funding through the Downtown Preservation and Revitalization Program (“DPRP”).

The historic two-story building at 325 E Duval Street, RE# 073617 0020, comprises 46,409 gross square feet, originally constructed in 1950. Upon completion, the building will provide approximately 28 units of mixed-income housing as part of a broader development which also includes a proposed 92 units of New Construction mixed-income housing.

Rehabilitation efforts include significant demolition costs associated with the conversion of the property from dormitory-style living with common restroom facilities on each floor to individual apartments with kitchens and restrooms within each.

**Developer/ Applicant / Borrower:** LOFTS AT CATHEDRAL. LTD or affiliated entity (“Borrower”)

**Total Development Costs (estimate):** \$7,235,489

**Equity (proposed):** \$770,000

**City Funding Under DPRP:** No more than **\$2,398,400** (through the City of Jacksonville Downtown Investment Authority), as follows:

	<b>Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)</b>	<b>Code Compliance Forgivable Loan (CCR)</b>	<b>DPRP Deferred Principal Loan</b>	<b>TOTAL</b>
<b>TOTAL</b>	<b>\$1,029,100</b>	<b>\$889,600</b>	<b>\$479,700</b>	<b>\$ 2,398,400</b>

At this level of funding and structure, the incentives proposed are subject to further approvals by the Jacksonville City Council.

To be eligible for funding, all work must be reviewed and approved by the Planning and Development Department for consistency with the United States Secretary of Interior Standards and applicable design guidelines during application processing and for verification upon completion and request for funding under terms defined further herein.

**Budget.** The construction budget reviewed and approved by the DIA in the total amount of \$5,449,720 (the “Total Budget Amount”), which includes Construction Costs to be incurred in each of the funding categories (each, a “Funding Category”) and in the minimum amounts (each a “Funding Category Minimum”) set forth in the table below:

<b>Funding Category</b>	<b>Funding Category Minimum</b>
Interior Rehabilitation	\$ 2,098,800
Interior Restoration	\$ 0
Exterior	\$ 1,001,800
Code Compliance	\$ 1,620,550
General Requirements/Other	\$ 125,000
N/A <sup>1</sup>	\$ 603,570
<b>Total Budget Amount:</b>	<b>\$ 5,449,720</b>

1 The category “N/A” is not required to be met as a Funding Category Minimum for reimbursement of other categories under the DPRP. For further clarity, there will be no reimbursement for expenditures categorized as “N/A” in the construction budget.

**Minimum Expenditures:** In order to be eligible for the maximum amount of the DPRP Loans, the Borrower must provide evidence and documentation prior to the applicable DPRP Loan closing sufficient to demonstrate to the DIA, in its sole but reasonable discretion, the following:

- (i) Total equity capital contribution of at least SEVEN HUNDRED SEVENTY THOUSAND DOLLARS AND NO/100 (\$770,000.00) (the “Required Equity”);
- (ii) Total Development Costs incurred of at least SEVEN MILLION TWO HUNDRED THIRTY-FIVE THOUSAND FOUR HUNDRED EIGHTY-NINE DOLLARS AND NO/100 (\$7,235,489), which shall exclude tangible personal property (IT, FF&E), Florida Housing Finance Corporation Fees, loan fees, developer fees, third party reports (appraisals, environmental, market studies, etc.), inspection fees, marketing costs, and holding costs, (the “Minimum Total Development Costs”);
- (iii) Minimum Eligible Construction Costs incurred of FOUR MILLION EIGHT HUNDRED FORTY-SIX THOUSAND ONE HUNDRED FIFTY DOLLARS AND 00/100 (\$4,846,150), calculated as the Total Budget Amount less costs classified as “N/A” (the “Minimum Eligible Construction Costs”), and
- (iv) Construction Costs incurred of at least the Funding Category Minimum with respect to each Funding Category.

**Funding Eligibility:**

Notwithstanding the foregoing,

- 1) the required Minimum Total Development Costs of \$7,235,489 may be reduced by a maximum of ten percent (10%) overall, as approved by the DIA Staff in its sole and absolute discretion, or a maximum of fifteen percent (15%) as approved by the DIA Board in its sole and absolute discretion, without affecting the Borrower’s eligibility for funding under the DPRP.

- 2) the required Minimum Eligible Construction Costs of \$4,846,150 may be reduced by a maximum of ten percent (10%) overall, as approved by the DIA Staff in its sole and absolute discretion, or a maximum of fifteen percent (15%) as approved by the DIA Board in its sole and absolute discretion, without affecting the Borrower's eligibility for funding under the DPRP.
- 3) any Funding Category Minimum may be reduced by a maximum of ten percent (10%) on a stand-alone basis, as approved by DIA Staff in its sole and absolute discretion; or a maximum of fifteen percent (15%), as approved by the DIA Board in its sole and reasonable discretion, provided that, in such event, there shall be a pro rata reduction in the applicable DPRP Loan(s), as required. Eligibility for funding under any Funding Category shall be eliminated if the corresponding Funding Category Minimum is reduced by more than fifteen percent (15%), and eligibility for funding under the remaining Funding Categories shall remain in place unless it has been determined that material components of the rehabilitation have not been met as determined by DIA and HPS staff, in their sole discretion.

**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated.

**Land:** No City of Jacksonville land is committed to the project.

**Loans:** The total development project, which includes the new construction elements, was approved for a \$625,000 loan from Northbank CRA Loan Funds per Resolution 2021-0704. The subject development activity represents 20% of the total development in the unit count, and \$125,000 of this Development Loan is thereby allocated toward the subject historic building for analytical purposes. Further, Borrower assumed two obligations to the City secured by the property at acquisition, including 1) COJ HOME funds, \$235,200, and 2) COJ SHIP funds, \$134,280.

**Performance Schedule:**

- A) Redevelopment Agreement to be executed within thirty (30) days of the Bill Effective Date which shall establish the Redevelopment Agreement Effective Date.
- B) Commencement of Construction: Within six (6) months following the Redevelopment Agreement Effective Date, Applicant commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities and has actually broken ground to begin work.
- C) Substantial Completion: Within twenty-four (24) months following the Commencement of Construction as defined above.
- D) The DIA CEO will have the authority to extend this Performance Schedule, in the CEO's discretion, for up to six (6) months for good cause shown by the Borrower / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

**Additional Commitments:**

- A) The Borrower commits to developing 28 mixed-income multifamily dwelling units in the subject property. If the new construction component is not completed contemporaneously, the full \$625,000 Development Loan must be assigned to the subject, and the DPRP commitments will be

reduced to maintain the maximum DIA funding to less than or equal to 40% of Total Development Costs.

- B) Recommendation as to the eligibility of the approved scope of work on the Properties by the Planning and Development Department shall be required prior to DIA Board approval of any program funding. Such recommendation by the Planning and Development Department may be conditional on further review and approvals by the State Historic Preservation Office (“SHPO”) and/or the National Park Service (“NPS”), as may be required.
- C) Upon Substantial Completion and request for funding, all work on the Properties must be inspected by the Planning and Development Department or designee for compliance with the approved application prior to funding under any DPRP loan component.
- D) Funding under the DPRP will be secured by a stand-alone, subordinate lien position on the Property behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing, as long as such subordination does not alter the DIA approved maturity date of any DPRP Loan.
- E) Each DPRP loan will be cross defaulted with one another.
- F) Payment defaults, or other defaults that trigger legal actions against the Applicant that endanger the lien position of the City, shall also be a default on the subject facilities.
- G) As the Borrower will be utilizing a combination of an HPRR Forgivable Loan and a CCR Forgivable Loan, the maturity of each of these Forgivable Loans will be five (5) years. Principal outstanding under each note will be forgiven at the rate of 20% annually on the anniversary date of each such funding, so long as no defaults exist per loan documents.
- H) Standard clawback provisions will apply such that:
  - a) In the event the Borrower sells, including without limitation a capital lease transaction, or otherwise transfers the Historic Building during the first five (5) years after the disbursement of the Forgivable Loans, the following amounts of any Forgivable Loan shall be due and payable at closing of the Sale:
    - i. 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
    - ii. 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;
    - iii. 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
    - iv. 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
    - v. 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.
  - b) Changes in the proposed intended use of the property must continue to contribute towards the relevant Redevelopment Goals and Performance Measures of the DIA and shall be presented to the DIA for further approval not less than 90 days in advance of such changes, and such approval shall not be unreasonably withheld. In the event Borrower or any lessee



or assignee of the Borrower uses the Project or the Historic Property or Properties for any use not contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan or Loan without such approval, the full amount of the amounts awarded, together with all accrued but unpaid interest thereon, may be declared by the DIA to become due and payable by the Borrower.

- I) Funding in the amount of the DPRP Deferred Principal Loan component (if any) will have a stated maturity date of sixteen years from the Funding Date, which requires a waiver of DPRP Program guidelines. The loan balance is due in full upon maturity, sale, or refinancing of the property prior to maturity, subject to terms of the disposition and value of the property at the time of such event.
- J) The DPRP Deferred Principal Loan component (if any) requires fixed annual interest payments equal to the total principal outstanding multiplied by the prevailing Ten-Year Treasury Note Rate at the time established for closing.
- K) Partial Principal reductions on the DPRP Deferred Principal Loan (if any) may be made after the fifth anniversary with no prepayment penalty; however, a minimum of 50% of the initial loan balance must remain outstanding through the loan maturity date unless the Property or Properties are sold or refinanced during that period, subject to DIA approval.
- L) DIA reserves the right to approve any sale, disposition of collateral property, or refinance of senior debt prior to the forgiveness or repayment of any DPRP Loan. DIA Staff may negotiate terms in the Redevelopment Agreement and/or Loan Documents that allow de minimis levels of refinancing that may be undertaken without requiring further approvals.
- M) All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the DPRP loan period.
- N) Minimum insurance requirements as established by the City of Jacksonville Risk Management Department must be met prior to closing and maintained throughout the term of the development agreement.
- O) Payment defaults, bankruptcy filings, or other material defaults during the DPRP loan period will trigger the right for the City of Jacksonville to accelerate all amounts funded and outstanding under any or all programs at such time, plus a 20% penalty of any amounts amortized or prepaid prior to that date.

There will be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties, which shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).