

RESOLUTION 2022-11-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING A FORGIVABLE LOAN FROM THE DOWNTOWN ECONOMIC DEVELOPMENT FUND; AUTHORIZING THE CEO TO NEGOTIATE AND EXECUTE FORGIVABLE LOAN DOCUMENTS WITH THE JACKSONVILLE CHILDRENS CHORUS (“JCC”); PROVIDING AN EFFECTIVE DATE.

WHEREAS, The Downtown Investment Authority (“DIA”) has been designated by the City of Jacksonville as the Community Redevelopment Agency for community redevelopment areas within the boundaries of Downtown pursuant to Chapter 55, Jacksonville Ordinance Code; and

WHEREAS, the DIA has been designated the Economic Development Agency for the Downtown area of Jacksonville pursuant to Chapter 55, Jacksonville Ordinance Code; and

WHEREAS, City Council has appropriated funds within the Downtown Economic Development Fund for Forgivable Loans to be utilized to further economic investment and development in downtown; and

WHEREAS, the DIA seeks to assist JCC in buildout and furnishing of new leased space which will facilitate the organization’s return to Downtown Jacksonville; and

WHEREAS, JCC has requested assistance and DIA has proposed an incentive to assist JCC in relocation of its programs and associated classroom space to Downtown Jacksonville and JCC has agreed to provide public performances within Downtown during the term of the incentive as well as to maintain a chorus membership and staffing level that further activates Downtown; and

WHEREAS, the proposed DIA incentive would be a Forgivable Loan (grant with claw backs) to help defray the costs of moving the programs, including tenant improvements and tangible personal property expenditures, into the Downtown Jacksonville; and

WHEREAS, the proposed Forgivable Loan (grant with claw backs) would be in an Amount of \$175,000 and funded from the Downtown Development Fund and shall be in accordance with the terms of the Term Sheet attached to this Resolution 2022-11-03 as Exhibit “A”; and

WHEREAS, the incentive effectuated by adoption of this Resolution further the following BID Plan Redevelopment Goals:

No. 1- Increase commercial office utilization, occupancy, and job growth to reinforce Downtown as the region’s epicenter for business.

- Grow or maintain the Downtown workforce each year by adding new permanent jobs and/or retaining existing permanent jobs within Downtown.
- Leverage incentive packages to include partnerships with recipients to fund maintenance and programming of adjacent park spaces and to encourage promotion of Downtown events and activities to employees and customers of incentive recipients.

No. 3 - Increase and diversify the number and type of retail, food and beverage, and entertainment establishments within Downtown.

No. 4 - Increase the vibrancy of Downtown for residents and visitors through arts, culture, history, sports, theater, events, parks, and attractions.

- Create and promote a consistent brand for Downtown that conveys a sense of excitement and within the boundary of Downtown foster distinct neighborhood identities that evoke a unique sense of place.
- Support the installation of public art and aesthetic and sensory enhancements
- Market and promote Downtown programming and visitor attractions.
- Support the expansion, renovation, and improvement of existing, and creation of new, diverse civic attractions, cultural venues, theaters, and parks that provide a mix of activities and attract a broad range of demographics.
- Provide regular, routine, and accessible events and programming for Downtown workers, residents, and visitors
- Partner with arts and culture organizations as well as educational institutions to create culturally specific attractions, competitions and workforce development programs that bring students, young professionals, etc. Downtown.
- Increase number of daily visits to Downtown.

No. 6 - Improve the walkability/bike-ability of Downtown and pedestrian and bicycle connectivity between Downtown and adjacent neighborhoods and the St. Johns River.

- Create a compact and walkable Downtown through requiring a mixture of uses in each district so that housing, activities, retail, and other businesses are within useful walking distance, requiring buildings to have active facades at street level through a mixture of restaurants (including cafes with outdoor seating), retail, and services, and by requiring direct doorways and access to the street. Minimize blank walls and surface parking.

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 authorizes a forgivable loan in the amount of \$175,000.00 from the Downtown Economic Development Fund Forgivable Loan account.

Section 3. The DIA authorizes the CEO to negotiate and execute Forgivable Loan (Grant with claw back) documents with JCC, subject to the terms and conditions set forth in the Term Sheet attached to this resolution as Exhibit "A".

Section 4. The DIA hereby finds that the adoption of Resolution 2022-11-03 furthers Bid Plan Redevelopment Goals 1, 3, 4, and 6.

Section 5. This Resolution, 2022-11-03, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Lina Mejia

Carol Worsham
Carol Worsham, Chairman

12/2/22
Date

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

Exhibit A

TERM SHEET

Project Name: Jacksonville Children’s Chorus Downtown

Developer/ Applicant: Jacksonville Children’s Chorus, a Florida Not for Profit Corporation

Total Applicant Lease Costs: \$360,000.00

The Project:

Jacksonville Children’s Chorus has entered into a lease with VyStar to occupy 5886 square feet of ground floor space wrapping the new garage. The space is unfinished and JCC is raising the funds necessary to complete the build-out and furnishing of the space. JCC has budgeted a total cost of \$350,000 for the Project. The new space will allow JCC to relocate to Downtown and to have a facility designed and constructed for their unique needs including performances on-site.

Returning the chorus to Downtown will not only regularly bring hundreds of students to Downtown as well as the JCC staff but will also facilitate Downtown activation through performances. JCC has committed to 12 performances per year, open to the public in their new venue plus an additional three outreach public events per year in Downtown.

There are currently 316 children who participate in the chorus programs and approximately 54 employees on staff who will utilize this space. Since “in person”, (as opposed to virtual) practice is essential, the presence of this use on the street frontage will add to the vibrancy and success of Downtown on a daily basis. A minimum of 250 chorus participants and 45 staff members attending on site instruction and performances will be maintained throughout the term of the grant claw back or forgiveness period.

The Project Budget (related to the funding requested of the DIA) is as follows:

Tenant Improvements	Capital Expenditures	Tangible Personal Prop.	Request of DIA
\$ 282,791.85	\$0	\$128,207.14	\$200,000

City Funding: DIA is recommending **\$175,000** (through the City of Jacksonville Downtown Economic Development Fund) as follows:

Infrastructure: No City of Jacksonville infrastructure improvements are contemplated.

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

REV Grant: No REV Grant from the City of Jacksonville is contemplated by the project.

Grants: No Grants from the City of Jacksonville are contemplated for this project.

Forgivable Loans: Up to \$175,000 in Forgivable Loans described as follows:

No more than \$175,000 from the Downtown Development Fund. The Loan will be used to fund tenant improvements, capital expenditures, and purchase of tangible personal property as described above. The Loan will have a stated term of 5 years, with the expectation that the loan will be forgiven prior to that date as described below. The Loan will be at 0.0% interest and will be due in full at maturity.

Loan Forgiveness:

The Loan will be forgiven at a rate of 20% per year in which the program complies with the chorus membership and staffing, as well as performance requirements. The loan will require at least 250 chorus participants and 45 staff members to utilize the leased space each year during the term of the loan. Furthermore, the loan will require JCC to provide a minimum 12 performances per year, open to the public in their new venue plus an additional three outreach public events per year in Downtown. The loan forgiveness period will begin with the first month of on-premises occupancy and continue for five years thereafter, regardless of when the Forgivable Loan is disbursed.

Default:

Default provisions in the Loan Agreement will be negotiated between the parties before the loan documents are executed. One required instance of default, which must be included in the Loan Agreement and other loan documents pertains to JCC terminating the program before the loan has been forgiven in its entirety. Should JCC terminate the program (or if JCC indicates, in writing or by action, that the program will fail to be compliant with the requirements for space, staff and students), the loan shall accelerate and the unforgiven loan balance as of the date of termination shall be due to the DIA within 120 days from the date of termination of the program. In addition, if JCC fails to comply with its public performance commitments in any year, such failure shall constitute an event of default resulting in no forgiveness for that year, and acceleration of the principal balance due.

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

These proposed financial terms are subject to the approval of the Downtown Investment Authority and the City of Jacksonville.

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). Failure to agree upon and execute a written contract (or contracts) for these proposed financing terms, and any additional terms which have been agreed upon, will result in the nullification all obligations of both parties.