

RESOLUTION 2015-11-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY SUPPORTING THE EXECUTION OF A REDEVELOPMENT AND INCENTIVE AGREEMENT BETWEEN THE DOWNTOWN INVESTMENT AUTHORITY AND 100 N. LAURA ST, LLC; AUTHORIZE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO NEGOTIATE THE LOAN AGREEMENT; AND AUTHORIZE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO EXECUTE SUCH AGREEMENTS; AND FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA'S BUSINESS INVESTMENT AND DEVELOPMENT PLAN ("BID PLAN"); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, 100 N. Laura Street, LLC (the "Owner") has purchased and seeks to make renovations and improvements to the commercial office space located at 100 North Laura Street and commonly known as the Jacksonville Bank Bldg. (the "Building"); and

WHEREAS, currently the Building is running at a 38% vacancy rate higher than the current Downtown Jacksonville office space vacancy rate of approximately 22%; and

WHEREAS, the Downtown Investment Authority ("DIA") is authorized per section 55.308 *Economic Development* of the City Ordinance Code, pending City Council and Mayoral approvals, to utilize the Downtown Economic Development Funds to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, to assist Owner in renovating the building in Downtown Jacksonville the DIA proposes to provide a Loan in an amount not to exceed \$130,000 to the Owner; and

WHEREAS, the financial assistance to the project will be in the form as detailed on the attached Term Sheet; and

WHEREAS, the proposed Loan will be funded through the Downtown Economic Development Fund, and secured by a mortgage on the propoerty; and

WHEREAS, requested allocation is consistent with the BID Plan and CRA Plan for Downtown, 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 hereby finds that the conversion is supported by the following Two Goals and Strategic Objective of the BID Plan:

- A. Goal 1: *Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment.*
 - a. *Increase the opportunities for Downtown employment.*
 - b. *Increase venues, workspaces, and residential opportunities with a focus on the Target Area.*

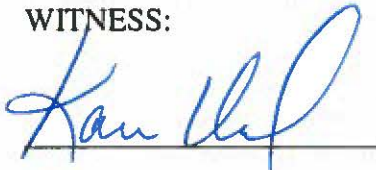
- B. Goal 2: *Simplify the approval process for downtown development and improve departmental coordination.*
 - a. *Initiate Public/private partnerships.*

Section 3. Authorizing the CEO of the Downtown Investment Authority to negotiate a Loan Agreement and Mortgage Security Documents with the Owner, subject to the terms and conditions in the Term Sheet.

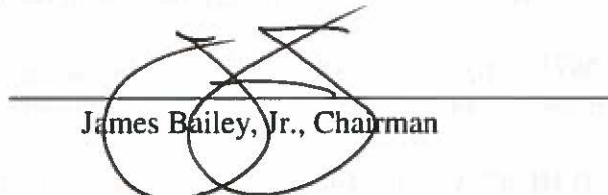
Section 4. Authorizing the CEO of the Downtown Investment Authority to execute such agreements.

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

WITNESS:



DOWNTOWN INVESTMENT AUTHORITY


James Bailey, Jr., Chairman

VOTE: In Favor: 3 Opposed: 2 Abstained: 1

FORM APPROVAL:

Office of General Counsel

TERM SHEET

Project Name: 100 North Laura Street

Developer/ Applicant: 100 N. Laura St., LLC (Owned and Guaranteed by E. Farrah & C. Farrah)

Total Development Costs (estimate): \$665,439.00

Equity (proposed): \$ (80.5% of TDC)

Owner's Equity: \$ 535,439

City Funding: No more than **\$130,000** (through the City of Jacksonville Downtown Investment Authority)

Breakdown:

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.

Loans: Up to \$130,000 in Loans described as follows:

No more than \$130,000 from the Downtown Economic Development Fund. The Note will have a 2.00% interest rate with a term of 10 years. The principal balance of the note will fully amortize over the 10 year term. The Loan would be secured by a second mortgage on the property. The annual payments on \$130,000 would be \$14,354.10, due annually based on a 10 year term/10 year amortization. The Loan would be funded upon the completion of the rehabilitation work as evidenced by the issuance of a certificate of occupancy or the equivalent.

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

All terms contained within this Term Sheet are also contingent upon the Commitment of the Developer's Equity, and Debt Financing.

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, by the expiration date of this Term Sheet will result in the nullification all obligations of both parties.

This Term Sheet expires and becomes void upon 12/1/2015.

Offered on behalf of the City of Jacksonville Downtown Investment authority by:

Aundra C. Wallace its CEO

Accepted on behalf of 100 N. Laura St, LLC by

Print Name:

Its (print Officer Title): _____