

RESOLUTION 2022-02-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) WAIVING A PERFORMANCE REQUIREMENT IN THE LOAN AGREEMENT (“AGREEMENT”) DATED JULY 17, 2020 BETWEEN THE DOWNTOWN INVESTMENT AUTHORITY AND THE DISTRICT BOARD OF TRUSTEES OF FLORIDA STATE COLLEGE AT JACKSONVILLE (“FSCJ”) FOR A SUBSIDIZED LOAN RELATING TO A COMPLETED PROJECT AT 20 WEST ADAMS STREET; PROVIDING AN EFFECTIVE DATE.

WHEREAS, FSCJ executed a long-term lease with 20 West Adams Street Development, LLC (the “Developer”) who redeveloped the Lerner Building located at 20 West Adams Street into a mixed use building consisting of student housing providing approximately 58 beds and approximately 5,000 square feet of first floor retail space, an investment of approximately \$6.2 million for the restoration, preservation, and construction of the building and associated improvements; and

WHEREAS, the reuse of the building as student housing and retail space placed back into service a vacant building in the urban core of Downtown Jacksonville; and

WHEREAS, the increased private capital investment totaling \$6.2 million in real property has increased the county ad valorem tax base over the useful life of the assets; and

WHEREAS, DIA Resolution 2015-11-02 provided the project with \$600,000 in grant funds from the Downtown Historic Preservation and Revitalization Trust Fund (the “HPTF”) to the Developer to help pay for the exterior façade restoration and the preservation of significant interior features of the building which were authorized purposes pursuant to Sec. 111.910(e), *Ordinance Code*, and

WHEREAS, DIA Resolution 2020-06-04 also supported funding a subsidized loan to FSCJ in a total amount not to exceed \$300,000, with a five (5) year term, to run from calendar years 2019 through 2023, funded in five (5) annual loan draws of no more than \$60,000 each; and

WHEREAS, the DIA supported funding of the subsidize loan to FSCJ from the Downtown East Tax Increment Trust Fund to facilitate rental and operation of the student housing by FSCJ, consistent with the Northbank CRA Plan, and

WHEREAS, the Agreement included minimum annual performance requirements for both student housing occupancy and hours of operation for the retail space, and;

WHEREAS, for calendar year 2019, FSCJ met the minimum performance requirements for both student housing occupancy and hours of operation for the retail space and subsequently received a \$60,000 loan, and;

WHEREAS, for calendar year 2020, FSCJ met the minimum performance requirement for hours of operation for the retail space, but did not meet the minimum performance requirements for student housing occupancy and therefore did not qualify for or receive any loan draw, but did receive a one-year extension to the term of the Agreement, and;

WHEREAS, for calendar year 2021, FSCJ met the minimum performance requirement for hours of operation for the retail space, exceeded the minimum student occupancy requirement of 85% for the “Fall 2021” period, but did not meet the minimum student housing occupancy requirement of 50% for the “Spring 2021” period (achieving instead only 45% – a difference of three students) and therefore does not qualify to receive a loan, and;

WHEREAS, for comparison purposes, FSCJ has achieved a student housing occupancy rate of 95%, for the “Spring 2022” period, and;

WHEREAS, FSCJ’s failure to meet the minimum student occupancy rate for the “Spring 2021” period is largely attributable to a second surge in COVID-19 cases in Florida and Duval County during the period of December 2020 and January 2021, and;

WHEREAS, Resolution 2020-02-01, provided similar relief through June 30, 2021 from job creation and other business covenant requirements to recipients of Retail Enhancement Program loans, and;

WHEREAS, pursuant to Section 6(b) of the Agreement, if for any two consecutive years FSCJ fails to meet the benchmarks for residential occupancy and retail operations, no further loan draws shall be available to FSCJ and any outstanding balance shall become immediately due and payable.

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.

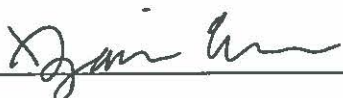
Section 2. The DIA hereby waives the performance requirement for minimum student housing occupancy for the “Spring 2021” period, described in the Agreement as January 1 – May 31, 2021.

Section 3. The Effective Date of this Resolution is the date upon execution of the Resolution by the Chairman of the DIA Board.

SIGNATURE PAGE TO FOLLOW

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY





W. Braxton Gillam IV, Esq., Chairman

VOTE: In Favor: 8 Opposed: 0 Abstained: 0 DATE: 2/23/22