



Downtown Investment Authority
Strategic Implementation Committee

Wednesday, October 19, 2022 at 2:00 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. SEPTEMBER 19, 2022, STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES APPROVAL
 - IV. RESOLUTION 2022-10-03: AMBASSADOR EXTENSION
 - V. RESOLUTION 2022-10-07: CARLUCCI DPRP AMENDMENT
 - VI. ADJOURN
-

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.

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:



**Downtown Investment Authority
Strategic Implementation Committee**

Wednesday, October 19, 2022 at 2:00 p.m.

[CONTINUED ON FOLLOWING PAGE]

Join Zoom Meeting

<https://us02web.zoom.us/j/82644809997?pwd=VGQ2d29qVHFoUEwrOGFIT2YxcEszZz09>

Meeting ID: 826 4480 9997

Passcode: 487848

One tap mobile

+1 (312) 626-6799 (Chicago)

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

TAB III

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



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

Strategic Implementation Committee Hybrid Meeting
Draft – MEETING MINUTES

Strategic Implementation Committee Members (CM) in Attendance:

Braxton Gillam, Esq., Chair
Craig Gibbs, Esq.
Carol Worsham, Ex Officio (via Zoom)

Committee Members Excused: David Ward, Esq.

Board Members in Attendance:

DIA Staff Present: Lori Boyer, Chief Executive Officer; Xzavier Chisholm, Administrative Assistant; Wanda James Crowley, Financial Analyst (via Zoom); Steve Kelley, Director of Downtown Real Estate and Development (via Zoom); Susan Kelly, Redevelopment Coordinator (via Zoom); Guy Parola, Operations Manager; Antonio Posey, Project Manager; and Ina Mezini, Communication and Marketing Specialist (via Zoom).

Office of General Counsel: Joelle Dillard, Esq.

Council Members Present:

I. CALL TO ORDER

The Strategic Implementation Committee meeting of September 19, 2022, was called to order at 2:00 p.m. by Chairman Gillam.

Chairman Gillam began the meeting with the citing of the Pledge of Allegiance followed by introductions from meeting participants.

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:

Stanley Scott	Advocated for using City funds to help the businesses in the Urban Core that are owned by residents of the downtown community.
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CM Gibbs asked how parking will be provided. Mr. Kelley responded that the applicant is also planning to repair and improve a portion of the adjacent surface lot to be used as parking for the development. None of the costs associated with the parking lot or proposed swimming pool area are eligible for DPRP funding.

Responding to a question from CM Gibbs regarding the estimated 50 percent occupancy rate described in the staff report, Mr. Kelley stated that he ran the numbers mostly out of intellectual curiosity to see what the debt service coverage might be and what the viability of the project might be considering that the property will be utilizing an Airbnb/Vrbo-type model with short-term rental which really hasn't been seen downtown. The model works very well at 25 percent vacancy rate but starts running into trouble at a 50 percent vacancy rate. LISC, who has underwritten the construction loan, might approach the underwriting utilizing different assumptions.

Responding to a question from Chairman Gillam regarding historic tax credits, Mr. Kelley stated getting those tax credits are not a requirement for the DPRP funding, but the applicant would have to fill that funding gap with either additional debt or additional equity as well as meeting the requirements of the Historic Preservation Commission (HPC).

Chairman Gillam asked if the time constraints are reasonable considering the amount of time it may take to get through the application process at the Federal level. Eric Adler, project developer, responded that he is cautiously optimistic that they will receive approval on their application package within 30 days.

Mr. Adler confirmed for Chairman Gillam that it is a "buy-and-hold" project and they do not intend to sell or dispose of the asset. Adding that, if they were to spend \$500 per square for the project, they are optimistic that within 5 to 10 years, with the continued development of the surrounding LaVilla district, they will achieve that return.

Motion: CM Gibbs moved to approve the resolution as presented

Seconded: Chairman Gillam seconded the motion

Vote: Aye: 2 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 2-0-0

CEO Boyer confirmed for Chairman Gillam that the resolution will be on the consent agenda for the full board meeting since it was approved unanimously with no amendments unless a board member elects to remove it.

V. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR

None.

VI. ADJOURNMENT

Chairman Gillam adjourned the meeting at 2:25 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 Xavier Chisholm at xchisholm@coj.net to acquire a recording of the meeting.

DRAFT

TAB IV

RESOLUTION 2022-10-03: AMBASSADOR EXTENSION

RESOLUTION 2022-10-03

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.

WHEREAS, in July 2018, the Developer purchased the property commonly known as Ambassador Hotel with a street address of 420 N. Julia Street, as well as the remaining undeveloped portion of the block (collectively, the “Original Parcel”), all of which are located within the boundaries of the Downtown East CRA; and

WHEREAS, the Developer proposed to renovate the Ambassador Hotel building, a historically designated structure, into a 127-room hotel, and on the undeveloped portion of the site, construct 200 units of multifamily market-rate housing and a structured parking facility of a size and nature to serve both the hotel and the housing project; and

WHEREAS, at their meeting of September 19, 2018, the DIA approved Resolution 2018-09-03 authorizing a Historic Preservation Trust Fund (HPTF) Grant upon redevelopment completion in an amount not to exceed \$1.5 million funded by the Downtown Historic Preservation and Revitalization Trust Fund; and

WHEREAS, at their meeting of January 22, 2019, the Jacksonville City Council approved Ordinance 2018-872, which included a Redevelopment Agreement with terms for the aforementioned HPTF, as well as specific performance criteria related thereto, and

WHEREAS, on March 26, 2019, the Redevelopment Agreement was executed by the Developer, the City of Jacksonville and DIA, and

WHEREAS, pursuant to Resolution 2019-12-03, the DIA approved a modification to the above referenced Redevelopment Agreement, which in turn was approved by City Council pursuant to Ordinance 2020-0625; and

WHEREAS, the Amended and Restated Redevelopment Agreement was executed by the parties thereto on June 25, 2020; and

WHEREAS, the Developer then requested and received all permissible extensions of the Performance Schedule allowed under the terms of the Amended and Restated Redevelopment Agreement; and

WHEREAS, following notice of default for failure to commence, the Developer timely commenced to cure said default, and pursuant to Resolution 2021-06-08, the DIA approved at its regularly scheduled Board meeting of June 17, 2021, an amendment to the Performance Schedule as found in the Amended and Restated Redevelopment Agreement of June 25, 2020, which in turn was approved by City Council pursuant to Ordinance 2021-0459; and

WHEREAS, Developer closed on financing for the Project and subsequently Commenced Construction on July 30, 2021; and

WHEREAS, the Second Amended and Restated Redevelopment Agreement was executed by the parties thereto on March 25, 2022, but made effective as of August 15, 2021, providing a Building Improvements Completion Date of December 31, 2022; and

WHEREAS, the Second Amended and Restated Redevelopment Agreement provides the DIA Board with the authority to extend the Building Improvements Completion Date by up to six months in its sole discretion for good cause shown by the Developer, and

WHEREAS, the Developer has identified that it is unable to meet the Building Improvements Completion Date and has formally requested an extension supported by a letter from the general contractor for the project summarizing the challenges faced in the delivery of materials and other factors contributing to delays in completion; and

WHEREAS, DIA staff, in discussion with the Developer, believe that an extension of the Completion Date from December 31, 2022, to March 31, 2023, is appropriate to determine the date of when the Project will be completed and allow sufficient time to assess further actions that may become necessary; and

WHEREAS, the authority to enter into a three-month extension as outlined herein is vested in the DIA Board,

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 to modify and amend the Performance Schedule contained in the March 25, 2022, Second Amended and Restated Redevelopment Agreement between the City of Jacksonville, the Downtown Investment Authority, and AXIS Hotels, LLC, in a manner necessary to extend the Completion of Construction Date from December 31, 2022, to March 31, 2023.

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, Chair

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

TAB V

RESOLUTION 2022-10-07: CARLUCCI DPRP AMENDMENT

RESOLUTION 2022-10-07

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.

WHEREAS, the current Historic Preservation and Revitalization Trust Fund Guidelines were adopted pursuant to Ordinance 2020-527-E (the “HPRTF Guidelines”), which established a \$100,000 cap per eligible property and established percentages of eligible expenditures to be used in determining grant amounts; and

WHEREAS, the current Downtown Preservation and Revitalization Program Guidelines (“DPRP Guidelines”) were also adopted pursuant to Ordinance 2020-527-E, which created a new Downtown Preservation and Revitalization Program and Guidelines to incentivize the preservation and revitalization of unoccupied or deteriorating historic and qualified non-historic buildings in downtown Jacksonville; and

WHEREAS, over the last two years City Council has approved a number of redevelopment incentives for historic properties that authorized reimbursement for otherwise eligible work that occurred prior to authorization of funding by City Council, and

WHEREAS, Councilman Carlucci has prepared and plans to introduce legislation to modify the HPRTF Guidelines and DPRP Guidelines pursuant to this Ordinance to clarify that reimbursement pursuant to either program shall only be available for work performed and costs incurred after authorization of funding therefore by City Council; and

WHEREAS, the DIA has been requested to offer its opinion on such modification.

NOW THEREFORE, BE IT RESOLVED by the Downtown Investment Authority:

Section 1. The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

{SELECT ONE OF THE FOLLOWING}

Section 2. The DIA recommends that City Council approve the legislation and guideline changes included as Exhibit A without modification.

Section 2. The DIA recommends that the City Council reject the legislation and guideline changes included as Exhibit A.

Section 2. 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 HPTRF Guidelines as this program does not require City Council Approval of awards and is final when awarded by DIA; HPTRF Guidelines could be revised to allow reimbursement only for construction incurred after DIA approval.
2. _____

_____.

Section 3. The DIA authorizes its Chief Executive Officer to take all necessary actions to effectuate the purposes of this resolution.

Section 4. This Resolution 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

Introduced by the Council Member Carlucci:

ORDINANCE 2022-

AN ORDINANCE APPROVING AND ADOPTING UPDATED: (1) HISTORIC PRESERVATION AND REVITALIZATION TRUST FUND GUIDELINES; AND (2) DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM GUIDELINES; PROVIDING A 90-DAY PHASE-IN PERIOD; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the current Historic Preservation and Revitalization Trust Fund Guidelines were adopted pursuant to Ordinance 2020-527-E (the "HPRTF Guidelines"), which established a \$100,000 cap per eligible property and established percentages of eligible expenditures to be used in determining grant amounts; and

WHEREAS, the current Downtown Preservation and Revitalization Program Guidelines ("DPRP Guidelines") were also adopted pursuant to Ordinance 2020-527-E, which created a new Downtown Preservation and Revitalization Program and Guidelines to incentivize the preservation and revitalization of unoccupied or deteriorating historic and qualified non-historic buildings in downtown Jacksonville; and

WHEREAS, over the last two years City Council has approved a number of redevelopment incentives for historic properties that authorized reimbursement for otherwise eligible work that occurred prior to authorization of funding by City Council, and Council desires to modify the HPRTF Guidelines and DPRP Guidelines pursuant to this Ordinance to clarify that reimbursement pursuant to either program shall only be available for work performed and costs incurred after authorization of funding therefore by City Council; now,

therefore

BE IT ORDAINED by the Council of the City of Jacksonville:

Section 1. Downtown Historic Preservation and Revitalization Trust Fund Guidelines. The updated Downtown Historic Preservation and Revitalization Trust Fund Guidelines (the "HPRTF Guidelines"), attached hereto as **Exhibit 1**, shall replace the guidelines authorized by Ordinance 2020-527-E. The HPRTF Guidelines clarify that eligibility for incentive reimbursement shall apply only to costs incurred following approval of funding for the Development by City Council.

Section 2. DIA Downtown Preservation and Revitalization Loan Program Guidelines. The updated DIA Downtown Preservation and Revitalization Loan Program Guidelines (the "DPRP Guidelines") are attached hereto as **Exhibit 2** and shall replace the guidelines authorized by Ordinance 2020-527-E. The DPRP Guidelines clarify that eligibility for incentive reimbursement shall apply only to costs incurred following approval of funding for the Development by City Council.

Section 3. Phase-in period. This Ordinance shall apply prospectively from the enactment date hereof, and shall not affect any existing, duly executed agreements authorizing HPRTF or DPRP funding as set forth therein.

Section 4. Effective Date. This Ordinance shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

Form Approved:

Office of General Counsel

Legislation Prepared By: John Sawyer

Downtown Preservation and Revitalization Program Guidelines

Revised Exhibit 1 to Ordinance 2020-0527 (as further revised 1/21/22 and 6/28/22)

The intent of the Downtown Preservation and Revitalization Program (the “DPRP”) is to foster the preservation and revitalization of unoccupied, underutilized, and/or deteriorating historic, and qualified non-historic, buildings located in downtown Jacksonville. This program is designed to serve historic projects applying for in excess of \$100,000, and non-historic code compliance projects.

Development projects eligible for this program will be those deemed to promote the following downtown Community Redevelopment Area Goals:

Redevelopment Goal No. 1: Reinforce Downtown as the City’s unique epicenter for business, history, culture, education, and entertainment. Program specific emphasis will be placed on retail activity, food and beverage establishments, culture, and entertainment including the activation of open spaces.

Redevelopment Goal No. 2: Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle. Building on the success of growth in multi-family housing across the downtown corridor, providing additional housing units in historic buildings contributes to the unique residential atmosphere of our City and the opportunity to maximize Jacksonville’s historic attributes.

Performance Measures of the City of Jacksonville’s Downtown Investment Authority (DIA).

Such developments are considered particularly impactful meaning that their completion is expected to provide the highest level of interest and benefits for residents and visitors to the City, and the greatest impact on creating further demand for surrounding properties thereby stimulating additional investment in development and redevelopment activity.

Single-user, multi-tenant office space, or buildings without retail or public spaces will be considered eligible under this program in limited circumstances based on unique contributions made to the City and its residents such as healthcare providers, financial services, regional or nationally known owners or principal tenants that provide employment in Downtown Jacksonville.

Article 1. The DPRP has three general components for which funding will be considered:

- 1. Historic Preservation Restoration and Rehabilitation Forgivable Loan (“HPRR Forgivable Loan”)**
- 2. Code Compliance Renovations Forgivable Loan (“CCR Forgivable Loan”)**
- 3. Downtown Preservation and Revitalization Program Deferred Principal Loan (“DPRP Deferred Principal Loan”)**

The DPRP program will be administered in the form of a forgivable loan or loan and each project will require City Council approval. All funds will be disbursed upon completion of improvements subject to cost verification and other approvals as specified below.

A. General Program Requirements applicable to all proposed projects:

1. Project must be located within the DIA boundary. For this program, a project will be considered within the DIA boundary if, as of the effective date of this program, any portion of the tax parcel on which the building or buildings to be restored or renovated are located, is within the boundary of DIA.
2. Must conform to the goals and objectives of the BID and CRA Plan.
3. Applicant and/or its General Contractor, working in conjunction with the project Architect as applicable, must demonstrate significant, relevant experience and performance on projects of similar type and scale.
4. Total Development Costs ("TDC") is defined as:
 - a. For properties under contract or owned less than one year, the lesser of the current appraised value or the costs for the acquisition of eligible buildings and associated land, less any associated debt, and;
 - b. the negotiated construction costs with a qualified General Contractor; and
 - c. additional soft costs typically eligible for capitalization in development activity of this type.
 - d. Developer Fee is to be excluded from both Sources and Uses.
 - e. The current market value of property owned for more than one year, and any related debt, may be included in TDC for purposes of these calculations. Appraisals must be dated within one year of the application.
5. The following limits apply to Total Development Costs unless otherwise stated (Existing property owners are also considered the Developer for these purposes):
 - a. Developer equity *plus* third-party debt *plus* outside tax credit or other subsidies of not less than:
 - i. 50% if Developer Equity (less Developer Fee) is > 15% of TDC; or
 - ii. 60% if Developer Equity (less Developer Fee) is ≤ 15% of TDC.
 - b. Developer Equity (less Developer Fee) shall be not less than 10% of TDC.
 - c. COJ total capitalization from all sources not to exceed:
 - i. 50% if Developer Equity (less Developer Fee) is > 15% of TDC; or
 - ii. 40% if Developer Equity (less Developer Fee) is ≤ 15% of TDC; or
 - iii. 25% if the property being improved does not have, nor is applying for, local landmark status (i.e. No HPRR Forgivable Loan component in the request).
 - d. HPRR Forgivable Loan not to exceed 30% of TDC, as applicable.
 - e. CCR Forgivable Loan not to exceed:
 - i. 25% of TDC if the property does not have historic landmark status; or
 - ii. 30% of TDC if the property has historical landmark status
 - f. DPRP Deferred Principal Loan not to exceed 20% of TDC, as applicable.
 - g. DPRP Deferred Principal Loan shall be *not less than* 20% of the aggregate gap funding requirement for any project where Developer Equity is less than 25% of TDC.

14. DIA reserves the right to approve any sale, disposition of collateral property, or refinance of senior debt during the DPRP loan period.

15. 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.

B. Historic Preservation Restoration and Rehabilitation Forgivable Loan Component (“HPRR Forgivable Loan”)

1. The building must be designated as a local historic landmark at the time of application or an application for local landmark status must be filed and pending. Application may be made for an award under the DPRP prior to final designation; however, request for funding under this component will not be approved prior to the building receiving designation as a local historic landmark.
2. 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.
3. This HPRR Forgivable Loan component may include up to:
 - a. 75% of eligible costs for the Restoration or Rehabilitation of the building Exterior
 - b. 75% of eligible costs for the Restoration of Historic features on the building Interior
 - c. 30% of eligible costs for the Rehabilitation of the building Interior; and
 - d. 20% of eligible costs for General Requirements and Overhead of the GC
4. Funding attributable to the HPRR Forgivable Loan may not exceed 30% of Total Development Cost.
5. Downtown Preservation and Revitalization Program funding in the amount of the HPRR Forgivable Loan component will be forgiven 20% per year over the first five years of the loan.
6. This funding component of the Downtown Preservation and Revitalization Program will be interest free.

C. Code Compliance Renovations Forgivable Loan Component (“CCR Forgivable Loan”)

1. The building need not be designated a local historic landmark but must be a contributing structure in the National Historic District or a structure at least 50 years old and meet the applicable general program requirements above.
2. This CCR Forgivable Loan component may include up to:
 - a. 75% of eligible costs for bringing the property up to levels as required for Code Compliance or related fire and safety requirements.
 - b. Cost of environmental remediation or abatement on the property or within the building, such as asbestos removal, as included in Total Development Cost, may be included as well as new code requirements.

3. If a building is historically designated with local landmark status and therefore exempt from certain code compliance requirements, the cost of any elective renovations may not be included in this section.
4. If a building is historically designated with local landmark status, 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.
5. If a building is historically designated with local landmark status, the scope of Building and Fire Code Improvement work must use the Downtown Historic Building Code Matrix and be approved by the Building Inspection Division of the Public Works Department and the Fire Marshall.
6. If a building is not historically designated but is a contributing structure in the National Historic District, plans must be reviewed and approved by COJ PDD to ensure that no work included in the application would render the building ineligible for local landmark designation. Further, the property must remain in good standing as eligible for local landmark designation during the compliance period of the DPRP.
7. If a building is neither a local landmark nor a contributing structure, but is at least 50 years old, the eligibility of code compliance expenditures will be determined by DIA with the assistance of COJ Planning.
8. Funding derived from the CCR Forgivable Loan component may not exceed 30% of the Total Development Cost when the building is a locally designated landmark.
9. Redevelopment projects where the property being improved neither has, nor is applying for, local landmark status, are only eligible for a CCR Forgivable Loan if the total scope of work of the redevelopment project is CCR eligible and no other work is contemplated. In this event, eligibility is limited to 25% of Total Development Costs. Other program requirements remain applicable, including that 20% of COJ funding must come in the form of a DPRP Deferred Principal Loan, unless waived under any other provision found in the program guidelines.
10. Downtown Preservation and Revitalization Program funding in the amount of the CCR Forgivable Loan component will be forgiven 10% per year over the ten-year life of the loan when not used in combination with an HPRR Forgivable Loan. When combined with a HPRR Forgivable Loan, both loans will be forgiven over a five-year period at 20% per year, and therefore shall be coterminous.
11. This funding component of the Downtown Preservation and Revitalization Program will be interest free.

D. Downtown Preservation and Revitalization Program Deferred Principal Loan Component (“DPRP Deferred Principal Loan”)

1. The DPRP Deferred Principal Loan amount shall be determined by the gross funding gap found in the Total Development Costs with a requirement that the amount will be not less than 20% of gap funding requirement in any development plan where developer equity (net of developer fee) is less than 25% of TDC.
2. Downtown Preservation and Revitalization Program funding in the amount of the DPRP Deferred Principal Loan component will be structured as non-amortizing with a maturity of ten years from closing.

4. Although principal payments on the DPRP Deferred Principal Loan are not required on the loan prior to maturity, interest payments will be due and payable annually based on a rate of the Ten-Year Treasury Note Rate at the time of closing.
5. Partial principal reductions may be made after the fifth anniversary with no prepayment penalty; however, 50% of the loan balance must remain outstanding through the loan maturity date unless the property is sold or refinanced during that period, subject to DIA approval.
6. 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.
7. Funding derived from DPRP Deferred Principal Loan may not exceed 20% of the Total Development Costs and may not be used on a stand-alone basis.

E. Other DIA programs

Applicants for funding pursuant to this Downtown Preservation and Revitalization Program may also seek funding from DIA pursuant to the other programs for which they may qualify and choose to fund the applicable portion of redevelopment costs under the program of their choice. However, the Construction Budget provided with the each application must clearly delineate costs by the program for which application is made and no portion of a single line item cost can be considered for or qualify for partial funding under more than one program. For example, the operator of a restaurant could seek funding for build out of a restaurant while the building owner seeks funding under this DPRP program for the building exterior, interior of other spaces, and code compliance. See the separate guidelines for each program for more information.

F. Project Approval Process

For applications under the Downtown Preservation and Revitalization Program, the following apply:

1. If the total amount requested is \$100,000 or less, and the property has or is seeking local historic landmark status, the Historic Preservation and Revitalization Trust Fund ("HPRTF") Guidelines shall apply.
2. If total amount requested is more than \$100,000, and the applicant is seeking funding under the HPRR Forgivable Loan component, the redevelopment agreement requires Historic Preservation Commission Landmark (Local) Recommendation, City Council Landmark Designation, Planning and Development Department Approval of Scope of Work, DIA Board Approval, and City Council approval.
3. If applicant requests funding under the CCR Forgivable Loan:
 - a. In any amount, and the property does not have and is not seeking local historic landmark status, the redevelopment agreement requires Planning and Development

Department Approval of the Scope of Work, DIA Board Approval, and City Council approval; or

- b. In excess of \$100,000, and the property has or is seeking local historic landmark status, the redevelopment agreement requires Historic Preservation Commission Landmark (Local) Recommendation, City Council Landmark Designation, Planning and Development Department Approval of Scope of Work, DIA Board Approval, and City Council approval.
4. For any one project, the dollar amounts in all applications for loans or Forgivable Loans submitted within five years of the first HPTRF grant, or loan or Forgivable Loan approved under this program shall be aggregated to determine if the project requires City Council approval.

Article 2. PRE-APPLICATION

1. A pre-application meeting will be held for all proposed developments planning to utilize the DPRP loan program. Attendees shall include the Applicant and related members of the proposed development team, members of the COJ Planning and Development Department (PDD) Historical Preservation Section staff, Downtown Development Review Board (DDRB) staff, and Downtown Investment Authority (DIA) staff, as appropriate. From this meeting, a strategy that incorporates the following steps and requirements will be formulated to include task assignments and a timeline for target dates to accomplish the application processing goals.

Article 3. APPLICATION and PROCESSING

1. General

Application and processing of historic designation, Certificate of Appropriateness approval and DPRP funding approval through the Planning and Development Department and DIA may occur simultaneously, except as provided below.

2. Landmark Designation

Application shall be made to the Planning and Development Department (PDD) for Local Landmark designation unless the building is already a local landmark, or the program request is for a CCR loan only.

- a. The Planning and Development Department shall verify whether the building is already a local Landmark or is eligible for designation. PDD shall assist the applicant in Local Landmark Designation Procedures as needed and process any landmark designation application through the Historic Preservation Commission and City Council approval process.
- b. A staff report recommending designation must be provided to DIA Staff and an application regarding the same must be filed with the Planning and Development Department prior to any DIA action.

3. Scope of Work

- a. Application shall also be made to PDD for a Certificate of Appropriateness or other approval for the scope of work to be performed on any local landmark, or for approval of any CCR work on a contributing structure in the National Historic District.
 - i. Such application shall break down the work to be performed between exterior restoration and renovation work, interior restoration, interior renovation, and code compliance work.
- b. The Planning and Development Department shall review applications for work to be performed on any local landmark for compliance with the United States Secretary of the Interior Standards for Restoration or Rehabilitation, and any applicable historic preservation design guidelines, and shall issue an approval, denial, or approval with conditions and comments to the DIA. PDD may rely on National Park Service determination, or process locally. In the absence of final NPS approval, a conditional approval letter may be provided to DIA identifying by category any improvements that are considered ineligible. PDD Staff conditional approval shall serve as the basis for determination of qualified eligible expenses in reviewing incentive requests and calculating the “up to” award amount, however actual disbursement of loans will be based on final COA or NPS approved eligible expenses.
- c. All work on local landmarks must be consistent with United States Secretary of Interior’s Standards, approved by Certificate of Appropriateness (COA) by the Historic Preservation Commission, and approved by DDRB.
- d. PDD shall review applications for CCR work to be performed on contributing structures in the National Historic District to determine whether any of the proposed improvements would render the building ineligible for local landmark designation and identify the same. HPS shall issue a staff report to DIA with the results of their review and indicating whether the elimination of any particular improvements would allow the building to remain eligible for local landmark status.
- e. The application for a COA or approval of the scope of work can be submitted and reviewed simultaneously with landmark designation, and the HPS staff report regarding the scope of work may be issued to DIA prior to the filing of legislation for landmark status so long as the applicant fully understands the total set of approvals needed prior to being eligible for full approval and funding.
- f. Any work not approved through the COA review process by the Jacksonville Historic Preservation Commission, Planning and Development Department Staff or NPS, or determined to not meet the Secretary of the Interior Standards or other design guidelines will be removed from the list of qualified eligible expenses for consideration, even if previously approved by PDD Staff Conditional Approval as described in letter b. of this section.

4. DPRP Loan Approval

Simultaneously, the application shall be made to DIA for funding pursuant to one or more components of this DPRP. For all applications under the DPRP loan program, DIA Staff shall receive and analyze project information as outlined below:

- a. Business plan to include:
 - i. Proposed usage of the property following completion and contribution towards the relevant DIA Redevelopment Goals and Performance Measures.
 - ii. Names and descriptive summary of relevant experience for all members of the development team including principals, General Contractor, architect, consultants, and others as applicable.
 - iii. Market analysis summary and strategy relied upon in support of the development decision.
 - iv. Names of tenants where lease negotiations are near completion or have been finalized. Executed leases, or those ready for execution, should be provided for consideration in ROI calculations.
 - v. Anticipated job creation, both direct and from commercial spaces whether existing or to be created.
- b. Applications to include detailed Total Development Cost estimate for proposed acquisition and/or improvements along with sources and uses of funds, a thorough and detailed three-year pro forma financial statements (including time to stabilization), evidence of ownership or control of the subject property.
- c. A detailed construction budget must be provided that reconciles to the contract with the General Contractor, and that clearly allocates costs between Restoration or Rehabilitation of the building Exterior, Restoration of Historic features on the building Interior, Rehabilitation of the building Interior, General Requirements and Overhead of the GC, and Code Compliance Renovations, as may be appropriate per the DPRP loan request being made.
- d. Operating pro forma must be provided and DIA must generally agree with projected operating or rental income, operating expenses, and debt service. Market study or third-party data (CoStar or similar) will be relied upon where available.
- e. Provide evidence that all property, business, and income taxes are current.
- f. Evidence of Landmark status for the subject property as outlined above or application for the same, to be submitted as appropriate for the request made.
- g. All code compliance work on buildings not designated local landmarks shall require review by Planning and Development Department to ensure that no contributing structure is rendered ineligible for local landmark designation by the proposed work, and shall require DDRB and DIA Board approval, and City Council approval.
- h. PDD staff recommendation as to the eligibility of the approved scope of work on any local landmark shall be required prior to DIA board approval of any program funding, however, a contingent staff report will be accepted. The level of certainty required before presentation to the DIA Board and City Council will depend on the extent to which eligible costs exceed the request.
- i. Upon approval by the DIA Board of DPRP funding, DIA staff will negotiate a

proposed Redevelopment Agreement and associated loan documents, possibly combining other sources of revenue, and file the same for approval through MBRC and City Council.

5. Following Final City Council Approval

- a. The Redevelopment Agreement will be routed for execution.
- b. During the development process, JSEB goals and implementation will be consistent with the City JSEB Policy.
- c. DIA to be provided copies of periodic inspections and/or progress reports as applicable.

6. Loan Closing/Funding Requirements

- a. The DPRP loan will be funded following review and approval of the Request for Disbursement by the Applicant following the issuance of the last needed Certificate of Occupancy for the project.
- b. All work on locally designated historic landmarks must be inspected by the Planning and Development Department or designee for compliance with the approved application prior to funding.
- c. COJ PDD, and DIA jointly, or other appropriate COJ Department, will verify that paid invoices submitted for reimbursement align with the construction budget as approved and confirm Developer's compliance with previously approved building permits, Certificate of Appropriateness ("COA"), and all Planning and Development Department and NPS approvals, as applicable.
- d. All existing liens and code violations must be cleared prior to disbursement of funds and recordation of Loan security documents.
- e. Funds will be authorized for distribution in accordance with the approved Redevelopment Agreement including evidence of all permanent funding commitments, satisfaction of all liens and waiver of claims from general contractor and subcontractors, verification that there are no delinquent property taxes or other tax obligations outstanding beyond their respective due dates, and other requirements as may be found in that agreement.