

RESOLUTION 2018-03-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING INCENTIVES AND A REDEVELOPMENT TERMS FOR THE REHABILITATION AND ADAPTIVE REUSE OF THE JONES FURNITURE BUILDING AND ASSOCIATED REAL ESTATE PARCELS (THE “PROJECT”) WITH ACE JAX LLC (“DEVELOPER”); FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE NORTH BANK DOWNTOWN AND SOUTHSIDE COMMUNITY REDEVELOPMENT AREA PLAN (“CRA PLAN”); AUTHORIZING THE CHIEF EXECUTIVE OFFICER 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, the Developer currently have the property commonly known as the Jones Furniture Building with a street address of 520 N. Hogan Street, as well as the building located at 502 N Hogan St., both of which are located within the boundaries of the Downtown East CRA, under contract for purchase; and

WHEREAS, the Developer proposes to renovate the buildings into 28 units of residential rental apartments, 10,247 square feet of retail space, and 1,040 square feet of office space. Collectively the project will result in the investment of approximately \$11.1 million for the construction of the rental apartment facility, retail space, and associated improvements; and

WHEREAS, the increased private capital investment totaling \$11.1 million in real property will increase the county ad valorem tax base over the useful life of the assets, will increase the availability of units for working households, and rehabilitate two historic buildings in Downtown; and

WHEREAS, the DIA is proposing incentives set forth on the Term Sheet, attached as Exhibit A to this Resolution; and

WHEREAS, The Jones Furniture Building is historically designated and will apply for the Downtown Historic Preservation & Revitalization Trust Fund (“HPTF”) for grant monies to assist with the historical rehabilitation costs; and

WHEREAS, the Downtown Investment Authority (“DIA”) is authorized per section 111.910 *Downtown Historic Preservation and Revitalization Trust Fund* of the City Ordinance Code, to utilize the Downtown Historic Preservation and Revitalization Trust Fund to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“DIA”) is authorized per section 55.108 *Economic Development* of the City Ordinance Code, to utilize the Downtown Economic

Development Fund to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“DIA”) is authorized per section 55.108(8)-(9)(b) *Economic Development* of the City Ordinance Code, to implement the BID Plan, grant final approval of redevelopment agreements, without further action of Council, in furtherance of the BID Plan; and

WHEREAS, to assist the Developer to increase the amount of residential units and retail space in Jacksonville will require financial assistance from the Downtown Investment Authority; **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 provide funding of up to \$1,500,000 from the Downtown Historic Preservation and Revitalization Trust Fund and up to \$750,000 from the Downtown Economic Development Fund, and the Disposition of the City owned surface parking lot to the Northwest of the project, for the redevelopment of the Jones Furniture Building and associated redevelopment project.

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



James Bailey, Chairman

3-21-2018
Date

VOTE: In Favor: 5 Opposed: 2 Abstained: 0



Downtown Investment Authority

Final 02-23-2018

TERM SHEET

Project Name: Jones Furniture Co. Building Mixed Use Redevelopment (residential/commercial)

Developer/ Applicant: ACE JAX, LLC

City Funding: No more than \$2,370,141 (through the City of Jacksonville Downtown Investment Authority) over 21 years, as follows:

Infrastructure: No City of Jacksonville infrastructure funding or support is requested.

Land: The City will sell the parking lot located at 0 Ashley St. W., RE Parcel # 073856-0000, with an estimated value of \$120,142.00 for \$1.00; a net benefit to the project of \$120,141.00.

Grant: \$1,500,000 (subject to verification of qualified development expenses) from the Downtown Historic Preservation and Revitalization Trust Fund (the "HPTF").

These grant funds shall be used in accordance with the Downtown Historic Preservation and Revitalization Trust Fund guidelines.

- THE HPTF Grant will be disbursed at issuance of the last needed Certificate of Occupancy ("CO") for the Building, both residential and commercial space.
- The Grants will be subject to standard "claw-back" language.

Loans: A loan from the Downtown Economic Development Trust Fund of no more than \$750,000 currently payable over a Twenty (20) year period at a 1.50% annual interest rate. The Loan will have a term of 252 months, with the first 12 months being interest only. The loan will fully amortize over the remaining 240 months of the loan term. The payments are estimated on the attached loan debt service schedule. This Loan will be secured with a 2nd position mortgage on all the real property.

(The remainder of this page left intentionally blank)

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

Downtown Investment Authority review of the development and construction timelines; and

A completed and approved application to the Jacksonville Historic Preservation Commission for the funding out of the Historic Preservation and Revitalization Trust Fund; and

These proposed financial terms are subject to and contingent upon the approval of the Downtown Investment Authority, the City of Jacksonville Administration, and the Jacksonville City Council.

All terms contained within this Term Sheet are contingent upon the successful commitment and closing of all Historic Rehabilitation Tax Credit Agreements, Construction /Senior Debt Agreements and Commitments, Any Private Junior Lien Loan Agreements and Commitments, evidence of Marketable Title by the Developer, and the inclusion of the City of Jacksonville Lease(s) as also insureds under the Developer's Property & Casualty insurance, and the Hotel Management & Operating Agreement. All terms contained within this Term Sheet are also contingent upon evidence of the funding of the Developer's Equity commitment.

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).

This Term Sheet expires and becomes void, if not executed by the Parties by April 3, 2018.

Additionally, this Term Sheet expires and all the terms contained within become void, upon October 1, 2018, unless extended in writing by the parties.

(The remainder of this page left intentionally blank)

(Signature Page to Follow)

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

Aundra C. Wallace 3-26-18

Aundra C. Wallace its CEO

Accepted on behalf of Developer by

Allen 3/26/18

Print Name: Christian Allen

Its (print Officer Title): Manager, ALE Jax