

**RESOLUTION 2020-10-02**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY APPROVING A MARKET RATE MULTI-FAMILY HOUSING RECAPTURE ENHANCED VALUE GRANT (“REV GRANT”) BETWEEN THE DOWNTOWN INVESTMENT AUTHORITY AND JACKSONVILLE PROPERTIES I, LLC; AUTHORIZING THE CHIEF EXECUTIVE OFFICER (THE “CEO”) TO NEGOTIATE A REDEVELOPMENT AGREEMENT REGARDING SAME; AUTHORIZING THE CEO OF THE DOWNTOWN INVESTMENT TO EXECUTE SUCH AGREEMENT; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** Jacksonville Properties I, LLC, a single purpose entity created by RISE: a Real Estate Company (“RISE” or the “Developer”) for the purposes of the subject development has ownership of real estate parcels commonly known as the Doro Fixtures property located principally at 102 & 128 A. Philip Randolph Blvd, located within the Sports and Entertainment Overlay District of the Downtown Northbank Community Redevelopment Area through a ground-lease investor; and

**WHEREAS,** the Developer proposes to build a mixed-use, residential apartment complex on the site located principally at 102 & 128 A. Philip Randolph Blvd. The new proposed mixed-use rental apartment facility is proposed to include 247 residential rental units and more than 9,000 square feet of retail space. Collectively the project will result in an investment of approximately \$50.3 million for the construction of the rental apartment facility and associated improvements; and

**WHEREAS,** the increased private capital investment totaling \$50.3 million in real property will increase the county ad valorem tax base over the useful life of the assets and meets the existing CRA Plan Multi-family REV Grant guidelines; and

**WHEREAS,** to assist RISE, or its related single purpose entity, to increase the amount of residential units in Jacksonville will require financial assistance from the Downtown Investment Authority; and

**WHEREAS,** the Downtown Investment Authority (“DIA”) is authorized per section 55.108 *Economic Development* of the City Ordinance Code, to utilize the Tax Increment Finance District Trust Funds 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,** DIA is proposing a REV Grant up to 65% of the incremental increase in the county portion of ad valorem taxes generated from their proposed private capital investment of up to \$50.3 million for fifteen (15) years not to exceed \$5,751,559, and the REV Grant is consistent with the DIA Market Rate Multi-Family Housing REV Grant guidelines set forth in the Bid Plan; and

**WHEREAS,** the REV Grant annual payments will be funded through the Northside Tax Increment Finance District Trust Fund; and

**WHEREAS,** the proposed City of Jacksonville REV Grant incentive is a material factor in assisting RISE, or its single purpose entity, to expand its residential rental capacity in Jacksonville within the Northbank of downtown.

**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 approves a REV Grant of up to 65% of the incremental increase in the county portion of ad valorem taxes generated from the proposed private capital investment of up to \$50.3 million for fifteen (15) years not to exceed \$5,751,559 subject to the terms and conditions as provided in the Term Sheet attached hereto as Exhibit A.

**Section 3.** The DIA finds that this resolution and the allocation of development rights furthers the following Redevelopment Goals and Strategic Objectives within the Northbank Downtown Community Redevelopment Area Plan:

**Redevelopment Goal 2:** Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.

**Strategic Objective:** Actively pursue a minimum of 3,850 built and occupied multi-family dwelling units by 2025; and strive to induce construction of 350 multi-family dwelling units per year.

**Redevelopment Goal No. 4:** Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.

**Strategic Objective:** Create a mixture of uses so that housing, activities, retail and other businesses are within useful walking distance.

**Section 4.** The DIA hereby authorizes its CEO to negotiate a Redevelopment Agreement authorizing the REV Grant as described above in accordance with the term sheet attached as Exhibit A.

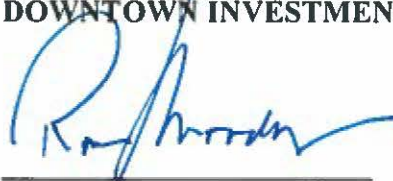
**Section 5.** The DIA hereby authorizes its CEO to execute said agreement on behalf of the DIA.

**Section 6.** This Resolution, 2020-10-02, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

  
\_\_\_\_\_

  
\_\_\_\_\_

Ron Moody, Chairman

10/14/2020  
Date

VOTE: In Favor: 8 Opposed: 0 Abstained: 0

**Exhibit A:**

**DIA Market-Rate Multifamily REV Grant  
TERM SHEET  
The Doro**

**Project:** The Doro, a 247-unit multifamily development located at 102 A. Philip Randolph Blvd. in the Sports and Entertainment District of the Downtown Northbank Community Redevelopment Area.

**Developer/ Applicant:** Jacksonville Properties I, LLC, a single-asset entity created for this development by RISE: A Real Estate Company based in Valdosta, Georgia; however, the property will be developed under a ground lease with iStar who is anticipated to be the property owner for tax purposes, but is not a co-applicant.

<b>Total Development Costs (estimate):</b>	\$65,645,213
<b>Underwritten Development Costs Used for Grant Calculation:</b>	\$50,327,566
<b>Equity (proposed):</b>	\$30,645,213 (46.7% of TDC)

**City Funding:** No more than \$5,751,559 (through the City of Jacksonville Downtown Investment Authority), as follows:

**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated.

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

**REV Grant:** The Developer is requesting a Market Rate Multi-Family Housing REV Grant for 65% of the ad valorem tax increment generated by the project for a period of 15 years. The total REV grant indebtedness will not exceed \$5,751,559 and will be paid annually beginning the first year of taxation following completion based upon the incremental increase in the Duval County Operating Millage ad valorem taxes collected.

**Loans:** No other loans, grants, or other funding from the City of Jacksonville are contemplated for this project.

**Minimum Capital Contribution:**

- The minimum total capital contribution through completion to remain eligible for the REV Grant is \$50,000,000
- Percent of COJ investment to overall project cost:  $\$5,751,559 / \$65,645,213 = 8.76\%$
- Percent of COJ investment to underwritten project cost:  $\$5,751,559 / \$50,327,566 = 11.4\%$

**Additional Commitments:**

- 1) The Developer commits to the development of:
  - A minimum of 240 dwelling units.
  - A seven-story garage with a minimum of 280 spaces.
  - Rooftop swimming pool, fitness center, and other amenities generally as outlined in plans submitted with the application.

- Not less than 9,000 square feet of retail/restaurant/lounge space which will be open to the public during normal business hours. Such space will be split roughly in equal proportion between the ground floor and the rooftop space.
- 2) In association, the Developer commits to the incorporation of design elements, signage, and other measures that recognize the historical significance of the existing property and the area in which it is located.
  - 3) Developer commits to pursue in good faith, with all best efforts including financial support, to finalize negotiations with the adjacent property owner to utilize the current Forsyth Street E roadway for activated public space for use during game days and other events within the Sports and Entertainment District.

**Performance Schedule:**

- **Commencement of Construction:** Within six (6) months following execution of the Redevelopment Agreement, applicant commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities and has actually broken ground to begin work.
- **Substantial Completion:** Within twenty-four (24) months following commencement of construction as defined above.
- The DIA CEO will have authority to extend this Performance Schedule, in the CEO's discretion, for up to six (6) months for good cause shown by the Developer / Applicant.

**This Term Sheet proposal is limited by the following conditions:**

The proposed REV Grant requires adherence to all terms and conditions found in the DDRB approval letter dated May 21, 2020.

There will be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties which shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).