

RESOLUTION 2016-12-05

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING THE CEO TO NEGOTIATE AND EXECUTE FORGIVABLE LOAN DOCUMENTS WITH JACKSONVILLE UNISVERSITY (“JU”); PROVIDING AN EFFECTIVE DATE.

WHEREAS, The Downtown Investment Authority (“DIA”) has been designated by the City of Jacksonville as the Community Redevelopment Agency for community redevelopment areas within the boundaries of Downtown pursuant to Chapter 55, Jacksonville Ordinance Code; and

WHEREAS, the DIA has been designated the Economic Development Agency for the Downtown area of Jacksonville pursuant to Chapter 55, Jacksonville Ordinance Code; and

WHEREAS, the DIA seeks to assist JU in establishing a series of Graduate School Programs (“Programs”) in Downtown Jacksonville; and

WHEREAS, the DIA has proposed an incentive to JU to locate the Programs and associated classroom space in Downtown Jacksonville; and

WHEREAS, the proposed DIA incentive would be a Forgivable Loan to help defray the costs of moving the Programs, including tenant improvements, capital, and tangible personal property expenditures, into the Downtown Jacksonville; and

WHEREAS, the proposed Forgivable Loan would be in an Amount of \$274,000 and funded from the Downtown Development Fund and shall be in accordance with the terms of the Term Sheet attached to this Resolution 2016-12-05 as Exhibit “1”; and

WHEREAS, the incentive effectuated by adoption of this Resolution further the following BID Plan Redevelopment Goals:

Redevelopment Goal 1: Reinforce Downtown as the City’s unique epicenter for business, history, culture, education, and entertainment.

Redevelopment Goal 3: Simplify the approval process for downtown development and improve departmental and agency coordination.

Redevelopment Goal 7: Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors; 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.

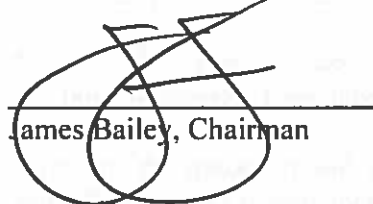
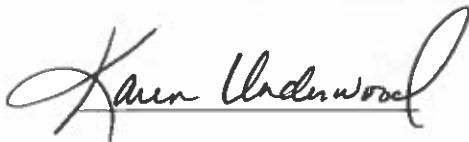
Section 2. The DIA authorizes the CEO to negotiate and execute Forgivable Loan Documents with Jacksonville University, subject to the terms and conditions set forth in the Term Sheet attached to this resolution as Exhibit "1".

Section 3. The DIA hereby finds that the adoption of Resolution 2016-12-05 furthers Bid Plan Redevelopment Goals 1, 3, and 6.

Section 4. This Resolution, 2016-12-05, Shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY


James Bailey, Chairman

12/14/2016
Date

VOTE: In Favor: 7 Opposed: 0 Abstained: 1

FORM APPROVAL:

Office of General Counsel

TERM SHEET

Project Name: Jacksonville University Downtown Campus

Developer/ Applicant: Jacksonville University, a Florida Not for Profit Corporation

Total Applicant Lease Costs: 15,083 sq. ft. @ \$11.00 / sq. ft. = \$165,913 annual lease payment or \$13,826.08 per month.

The Project:

The Jacksonville University (“JU”) Downtown Campus will be created with the adult working professional in mind offering cohort-based evening classes, hybrid options, and a wide variety of online asynchronous undergraduate and graduate programming.

The Project will be located on the 18th floor of the SunTrust Building, in Downtown Jacksonville. The 18th Floor is a 15,000 + square foot multi-function office space. The project will employ approximately 30 faculty and staff at the Downtown Location, and enrollment is expected to be approximately 100 students when fully “ramped up.” Classes will be held during the daytime and evening hours.

The Project Budget (related to the funding requested of the DIA) is as follows:

Tenant Improvements	Capital Expenditures	Tangible Personal Prop.	Request of DIA
\$112,000	\$65,000	\$97,000	\$274,000

City Funding: JU is requesting **\$274,000** (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: 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 \$274,000 in Loans described as follows:

No more than \$274,000 from the Downtown Development Fund. The Loan will used to fund tenant improvements, capital expenditures, and purchase of tangible personal property as described above. The Loan will have a stated term of 5 years, with the expectation that the loan will be forgiven prior to that date as described below. The Loan will be at 0.0% interest and will be due in full at maturity.

The Loan will be forgiven at a rate of 3.45% per month of which the program complies with the student and square footage requirements. The loan forgiveness period will begin in month 1 of the lease period, regardless of when the Forgivable Loan is disbursed. The Loan will require JU to maintain a presence in Downtown for the term of the lease.

Particular default provisions in the Loan Agreement will be negotiated between the parties before the loan documents are executed. One required instance of default, which must be included in the Loan Agreement and other loan documents pertains to JU terminating the program before the loan has been forgiven in its entirety. Should JU terminate the program (or if JU indicates, in writing or by action, that the program will fail to be compliant with the requirements for space, staff and students), the loan shall accelerate and the unforgiven loan balance as of the date of termination shall be due to he DIA within 120 days from the date of termination of the program.

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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, if not executed by the Parties upon December 13, 2016.

Additionally, this Term Sheet expires and all the terms contained within become void, upon February 15, 2017, unless extended in writing by the parties.

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(Signature Page to Follow)

DIA – JU Downtown Incentive Term Sheet
December 14, 2016

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

Aundra C. Wallace its CEO

Date: _____

Accepted on behalf of Jacksonville University by

Print Name:

Its (print Officer Title): _____

Date: _____

DRAFT