

**RESOLUTION 2022-08-04**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE A DISCOUNTED LOAN PAYOFF FROM W.A. KNIGHT BUILDING DEVELOPMENT, L.L.C. (“BORROWER”) ON DEBT ORIGINALLY ISSUED BY THE CITY OF JACKSONVILLE THROUGH THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION (“LENDER”) OCTOBER 5, 2001 WITH A DUE DATE OF OCTOBER 31, 2031 IN THE ORIGINAL AMOUNT OF \$300,000 AND SECURED BY A THIRD MORTGAGE ON THE COLLATERAL PROPERTY LOCATED AT 113 W ADAMS STREET (“PROPERTY”), JACKSONVILLE, FLORIDA; FINDING THAT PROPOSED DISCOUNTED LOAN PAYOFF IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE DOWNTOWN NORTHBANK 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,** W.A. Knight Building Development, L.L.C. is the owner of the Property located within the Northbank Downtown Community Redevelopment Area at 113 W. Adams Street, Jacksonville, Florida as further described by RE#073747 0000; and

**WHEREAS,** the City of Jacksonville through the Jacksonville Economic Development Commission loaned \$300,000 (“Loan”) to Borrower on October 5, 2001, for the acquisition and rehabilitation of the Property to further the goals of the Northbank Downtown CRA in the creation of housing and retail activity in Downtown Jacksonville, to stimulate capital investment north and west of the St. Johns River, to increase property taxes, to add vitality and improve the perception of downtown, to reduce Class B office space, and where each of these goals has been fulfilled by the Project; and

**WHEREAS,** the terms of the Loan call for interest to accrue at the rate of 2% per annum through the maturity date of October 31, 2031, at which time all principal, interest, and any fees or costs owed to the Lender, estimated in an amount equal to \$543,408, shall be due in full; and

**WHEREAS,** at September 31, 2022, the full payoff amount, discounted to a Present Value using a discount rate of 6% will equal approximately \$319,952, and represents an amount the Borrower proposes to pay to settle this debt obligation with the Lender (“Discounted Loan Payoff” or “DPO”); and

**WHEREAS,** the opportunity to redeploy the capital from the Discounted Loan Payoff to further advance the goals of the Downtown Investment Authority within the Northbank

Downtown CRA is considered more beneficial than maintaining the risk associated with holding the note generating 2% interest in a third lien position for an additional nine years; and,

**WHEREAS**, the Strategic Implementation Committee of the Downtown Investment Authority (“DIA”) met on August 11, 2022, to consider the comparative advantages of proposing acceptance of the DPO, and voted its support thereof; and

**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 seek approval of a Discounted Loan Payoff in an amount equal to the full payoff amount calculated at \$543,408, discounted to the date of repayment, not to be later than December 31, 2022, at the discount rate of 6%.


**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**

  
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Carol Worsham, Chair

8/17/22  
Date

VOTE: In Favor: 6 Opposed: 0 Abstained: 0