

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



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Bill Type and Number: Ordinance 2022-763

Introducer/Sponsor(s): Council President at the request of the Downtown Investment Authority

Date of Introduction: October 11, 2022

Committee(s) of Reference: NCSPHS, F

Date of Analysis: October 13, 2022

Type of Action: Authorization to execute discounted loan payoff agreement; providing for deposit of repayment funds

Bill Summary: The bill authorizes the execution of a Discounted Payoff Agreement between the City and W.A. Knight Building Development, LLC. for the company to pay off a City loan made for the renovation of the Knight building 9 years before its maturity date for the discounted amount of \$323,083.30 and provides that the proceeds of the repayment shall be deposited into the Downtown Economic Development Fund for future appropriation by the DIA Board.

Background Information: In March of 2000 the Jacksonville Economic Development Commission (JEDC) made a \$300,000 loan to LB Jax Development, LLC to assist in the purchase and renovation of the W.A. Knight Building at 113 West Adams Street downtown. The loan amortizes at a rate of 2% per year and matures to a lump sum payment due on October 31, 2031. W.A. Knight Building Development, LLC, the successor to LB Jax Development, and the DIA, successor to the JEDC, have negotiated an early loan repayment that would occur by November 30th of this year in an amount of \$323,083.30, which represents the present value of the loan at maturity, discounted by 6%. The discounted amount would be realized immediately and could be put to other authorized uses by the DIA

Policy Impact Area: Downtown development

Fiscal Impact: The loan, if run to full maturity before payoff, would return \$543,408.48.

Analyst: Clements