

## Historic Preservation and Revitalization Trust Fund Guidelines

### HPRTF Guidelines

The purpose of the Historic Preservation and Revitalization Trust Fund Guidelines ("HPRTF") is to establish the parameters for use of the Trust Fund to facilitate renovation of historically designated landmarks within the DIA boundaries (Downtown). The Trust Fund was created to foster the preservation and revitalization of unoccupied, underutilized, and/or deteriorating historic buildings located in downtown Jacksonville. The Downtown Investment Authority ("DIA") shall, in coordination with the Planning and Development Department ("PDD"), process applications for and the DIA shall administer grants awarded from the Trust Fund.

1. Only projects that apply for \$100,000 or less in the aggregate are eligible for funding from the Trust Fund.
2. All DIA approvals of Trust Fund allocations are subject to the available unencumbered balance in the Trust Fund at time of award, and all grants awarded by the DIA shall encumber the related balance in the Trust Fund upon execution of a Redevelopment Agreement.
3. Projects that apply for \$100,000, or less may be approved by DIA without further Council approval in compliance with the following criteria:
  - a. The building must be a locally designated historic landmark at the time of application or an application for local landmark status must be filed and pending. Application may be made for a HPRTF Grant prior to final designation; however, no funds under this component will be disbursed prior to the building receiving formal designation as a local historic landmark. Any grant award will expire unless designation is obtained within 12 months of the award by the DIA.
  - b. All work must be reviewed and approved by the Planning and Development Department for consistency with the United States Secretary of Interior Standards and applicable design guidelines during application processing and for verification upon completion and request for funding.
  - c. Eligible expenses include up to:
    - i. 75% of eligible costs for the Restoration or Rehabilitation of the building Exterior
    - ii. 75% of eligible costs for the Restoration of Historic features on the building Interior
    - iii. 30% of eligible costs for the Rehabilitation of the building Interior, and
    - iv. 75% of eligible costs for bringing the property up to levels as required for Code Compliance or related fire and safety requirements. Environmental remediation or abatement within the building such as asbestos removal is included as well as new code requirements.
    - v. 20% of the above eligible costs for General Requirements and Overhead of the GC
  - d. HPRTF grants will be awarded for a five-year term and will be forgiven 20% per year over the term of the grant with a claw-back in the event of sale, transfer, or default.
  - e. The HPRTF Grant will be interest free.

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- f. All funds will be disbursed upon completion of improvements subject to cost verification and other approvals as specified below.
- g. Project must be located within the DIA boundary.
- h. Must conform to the goals and objectives of the BID and CRA Plan.
- i. Applicant and/or its General Contractor must demonstrate significant, relevant experience and performance on projects of similar type and scale.
- j. Total Development Costs ("TDC") is defined as:
  - i. costs for the acquisition of eligible buildings and associated land, and;
  - ii. the negotiated construction costs with a qualified General Contractor; and
  - iii. additional soft costs typically eligible for capitalization in development activity of this type.
  - iv. Developer Fee is to be excluded from both Sources and Uses.
  - v. The market value of property owned, and any related debt, may be included in TDC for purposes of these calculations.
- k. DIA funding, including HPRTF funds, in the aggregate may not exceed 40% of Total Development Costs.
- l. Developer Equity (less Developer Fee) shall be not less than 10% of TDC.
- m. Total Development Costs must be determined reasonable for the scope of the project utilizing third party verification where available.
- n. ROI must reach 0.50X minimum incorporating the following assumptions:
  - i. Ad valorem real property taxes calculated on the cost basis using twenty-year time horizon from date property is projected to be placed into service.
  - ii. Ad valorem property taxes on historic properties are abated for ten years from placed into service date.
  - iii. Tangible Personal Property tax included based on FF & E information provided by the applicant
  - iv. Local Opportunity Sales Tax and Employment based on 50% of any speculative commercial lease space and employment information provided by the applicant
  - v. Where preservation and revitalization activities are being performed on a property where business operations are established, ROI will be calculated on existing ad valorem, local opportunity sales tax, and employee metrics.
- o. All property, business, and income taxes must be current at the time of application and maintained in a current status during the approval process, the term of the Redevelopment Agreement and through the HPRTF grant period.
- p. Payment defaults, bankruptcy filings, or other material defaults during the HPRTF Grant period will trigger the right for the City of Jacksonville to accelerate all amounts funded and outstanding under any or all programs at such time.
- q. HPRTF funding is subject to standard claw back language related to disposition of the property within 5 years of disbursement, or similar circumstances of conversion.
- r. DIA reserves the right to approve any sale, disposition of collateral property during the HPRTF Grant period.

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### Other DIA programs

Applicants for funding pursuant to the HPRTF Guidelines may also seek funding from DIA pursuant to the other programs for which they may qualify and choose to fund the applicable portion of redevelopment costs under the program of their choice. However, the Construction Budget provided with the each application must clearly delineate costs by the program for which application is made and no portion of a single line item cost can be considered for or qualify for partial funding under more than one program. For example, the operator of a restaurant could seek funding for build out of a restaurant while the building owner seeks funding under the HPRTF for the building exterior, interior of other spaces, and code compliance. See the separate guidelines for each program for more information.

### Project Approval Process

1. If total amount requested is \$100,000 or less then the redevelopment agreement requires Historic Preservation Commission Landmark (Local) Recommendation, City Council Landmark Designation, Planning and Development Department Historic Preservation Section Approval of Scope of Work, and DIA Board Approval.
2. For any one project, the dollar amounts in all applications for grants submitted within five years of the first grant approved under this program shall be aggregated to determine if the project qualifies.

### PRE-APPLICATION

1. A pre-application meeting will be held for all proposed developments planning to utilize the HPRTF program. Attendees shall include the Applicant and related members of the proposed development team, members of the COJ Planning and Development Department (PDD) Historical Preservation Section staff, Downtown Development Review Board (DDRB) staff, and Downtown Investment Authority (DIA) staff, as appropriate. From this meeting, a strategy that incorporates the following steps and requirements will be formulated to include task assignments and a timeline for target dates to accomplish the application processing goals.

### APPLICATION and PROCESSING

1. General  
Application and processing of historic designation, Certificate of Appropriateness approval and HPRTF funding approval through the Planning and Development Department and DIA may occur simultaneously, except as provided below.
2. Landmark Designation  
Application shall be made to the Planning and Development Department (PDD) for Local Landmark designation unless the building is already a local landmark.

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- a. The Planning and Development Department shall verify whether the building is already a local Landmark or is eligible for designation. PDD shall assist the applicant in Local Landmark Designation Procedures as needed and process any landmark designation application through the Historic Preservation Commission and City Council approval process.
  - b. A staff report recommending designation and legislation regarding the same must be filed prior to any DIA action.
3. Scope of Work
- a. Application shall also be made to PDD for a Certificate of Appropriateness or other approval for the scope of work to be performed on any local landmark.
    - i. Such application shall break down the work to be performed between exterior restoration and renovation work, interior restoration, interior renovation, and code compliance work.
  - b. The Planning and Development Department shall review applications for work to be performed on any local landmark for compliance with the United States Secretary of the Interior Standards for Restoration or Rehabilitation, and any applicable historic preservation design guidelines, and shall issue an approval, denial, or approval with conditions and comments to the DIA. PDD may rely on National Park Service determination, or process locally. In the absence of final NPS approval, a conditional approval letter may be provided to DIA identifying by category any improvements that are considered ineligible. PDD Staff conditional approval shall serve as the basis for determination of qualified eligible expenses in reviewing incentive requests and calculating the “up to” award amount, however actual disbursement of loans will be based on final COA or NPS approved eligible expenses.
  - c. All work on local landmarks must be consistent with United States Secretary of Interior’s Standards, approved by Certificate of Appropriateness (COA) by the Historic Preservation Commission, and approved by DDRB.
  - d. The application for a COA or approval of the scope of work can be submitted and reviewed simultaneously with landmark designation; however, no staff report regarding scope of work will be issued to DIA prior to the filing of legislation for landmark status.
  - e. Any work not approved through the COA review process by the Jacksonville Historic Preservation Commission, Planning and Development Department Staff or NPS, or determined to not meet the Secretary of the Interior Standards or other design guidelines will be removed from the list of qualified eligible expenses for consideration, even if previously approved by PDD Staff Conditional Approval as described in letter b. of this section.
4. HPRTF Grant Approval
- Simultaneously, application shall be made to DIA for funding pursuant to the HPRTF Guidelines. DIA Staff shall receive and analyze project information as outlined below:

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- a. Business plan to include:
    - i. Proposed usage of the property following completion and contribution towards the relevant DIA Redevelopment Goals and Performance Measures.
    - ii. Names and descriptive summary of relevant experience for all members of the development team including principals, General Contractor, architect, consultants, and others as applicable.
    - iii. Market analysis summary and strategy relied upon in support of the development decision, unless waived by DIA.
    - iv. Names of tenants where lease negotiations are near completion or have been finalized. Executed leases, or those ready for execution, should be provided for consideration in ROI calculations.
    - v. Anticipated job creation, both direct and from commercial spaces whether existing or to be created.
  - b. Applications to include detailed Total Development Cost estimate for proposed acquisition and/or improvements along with sources and uses of funds, evidence of ownership or control of the subject property, and unless waived by DIA, a thorough and detailed three-year pro forma financial statements (including time to stabilization).
  - c. A detailed construction budget must be provided that reconciles to the contract with the General Contractor, and that clearly allocates costs between Restoration or Rehabilitation of the building Exterior, Restoration of Historic features on the building Interior, Rehabilitation of the building Interior, General Requirements and Overhead of the GC, and Code Compliance Renovations, as may be appropriate per the HPRTF Grant request being made.
  - d. Corporate applicants shall submit two most recent years' tax returns (if available).
  - e. Applications must be accompanied with a personal financial statement and the two most recent years' tax returns of principals with ownership of more than 20% of the project, the project's general partner, and/or the project's controlling member.
  - f. Provide evidence that all property, business, and income taxes are current.
  - g. Evidence of Landmark status for the subject property as outlined above or application for the same, to be submitted as appropriate for the request made.
  - h. PDD staff recommendation as to eligibility of the approved scope of work on any local landmark shall be required prior to DIA board approval of any program funding, however a contingent staff report will be accepted. The level of certainty required before presentation to the DIA Board will depend on the extent to which eligible costs exceed the request.
5. Following Final DIA Approval
- a. Upon approval by the DIA Board of HPRTF funding, DIA staff will negotiate a proposed Redevelopment Agreement and associated grant documents.

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- b. The Redevelopment Agreement will be routed for execution.
  - c. During the development process, JSEB goals and implementation will be consistent with the City JSEB Policy.
  - d. DIA to be provided copies of periodic inspections and/or progress reports as applicable.
6. Closing/Funding Requirements
- a. The HPRTF Grant will be funded following review and approval of the Request for Disbursement by the Applicant following issuance of the last needed Certificate of Occupancy for the project.
  - b. All work on locally designated historic landmarks must be inspected by the Planning and Development Department or designee for compliance with the approved application prior to funding.
  - c. COJ PDD, and DIA jointly, or other appropriate COJ Department, will verify that paid invoices submitted for reimbursement align with the construction budget as approved, and confirm Developer's compliance with previously approved building permits, Certificate of Appropriateness ("COA"), and all Planning and Development Department and NPS approvals, as applicable.
  - d. All existing liens and code violations must be cleared prior to disbursement of funds and recordation of Loan security documents.
  - e. Funds will be authorized for distribution in accordance with the approved Redevelopment Agreement including evidence of all permanent funding commitments, satisfaction of all liens and waiver of claims from general contractor and subcontractors, verification that there are no delinquent property taxes or other tax obligations outstanding beyond their respective due dates, and other requirements as may be found in that agreement.