

**RESOLUTION 2021-10-03**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF A MARKET RATE MULTI-FAMILY HOUSING RECAPTURE ENHANCED VALUE GRANT (“REV GRANT”), AUTHORIZING THE CHIEF EXECUTIVE OFFICER (THE “CEO”) TO NEGOTIATE A REDEVELOPMENT AGREEMENT REGARDING THE SAME BETWEEN THE CITY OF JACKSONVILLE, DOWNTOWN INVESTMENT AUTHORITY, AND AXIS 404 JULIA, LLC WHICH REDEVELOPMENT AGREEMENT WILL ALSO INCLUDE THE PURCHASE OF PARKING SPACES BY THE CITY FOR CITY USE; AUTHORIZING THE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO EXECUTE SUCH AGREEMENT; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Axis 404 Julia, LLC, a single purpose entity created by Augustine Development Group (“Augustine”) for the purposes of the subject development has ownership of real estate parcels within the Central Core District of the Downtown Northbank Community Redevelopment Area with RE#s 073803 0000, 073802 1000, 073802 0000, and 073805 0000; and

**WHEREAS**, the DIA is the Community Redevelopment Agency for the Combined North Bank Community Redevelopment Area; and

**WHEREAS**, the Developer proposes to build a mixed-use, residential apartment complex and structured parking garage on these parcels in two components; a new construction component and a historic redevelopment component. The new construction component is proposed to include 103 multifamily residential rental units and a structured parking garage with 450 parking spaces as proposed. Collectively the new construction component will result in an investment of approximately \$37.6 million for the construction of the multifamily apartment building and structured parking garage; and

**WHEREAS**, the City seeks to acquire 90 spaces in the structured parking garage for \$20,000 per space for use by Jacksonville Fire and Rescue Department (“JFRD”); and

**WHEREAS**, redevelopment of the Property will result in a minimum private capital investment of approximately \$33,956,210, which excludes the \$1.8 million acquisition cost to the City for 90 parking spaces within the structured parking facility; and

**WHEREAS**, to assist Augustine, or its related single purpose entity, to increase the amount of residential units and structured parking garage spaces 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**, the Strategic Implementation Committee of the DIA met on October 15, 2021, and recommended a REV Grant up to 50% of the incremental increase in the county portion of ad valorem taxes generated from the minimum private capital investment of \$33,956,210 for fifteen (15) years, not to exceed \$2,670,000; and

**WHEREAS**, the development qualifies for a 50% REV Grant under the Program Parameters as presented, 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 Augustine, or its single purpose entity, to expand its residential rental capacity in Jacksonville within the Northbank of downtown.

**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 hereby approves a REV Grant of up to 50% of the incremental increase in the county portion of ad valorem taxes generated from the minimum private capital investment of \$33,956,210 for fifteen (15) years, not to exceed \$2,670,000 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 in its capacity as the Department responsible for the Office of Public Parking, recommends that the City provide \$20,000 per space for 90 spaces to be located within the parking garage to be constructed as part of this project to provide required parking for City (JFRD) personnel, total of \$1,800,000, such finds to be paid upon completion of the garage and recording of a restriction ensuring use for the life of the garage, with an obligation to share pro rata in ongoing maintenance and operating expenses at no more than \$600 per space, per year, for a maximum of \$54,000 annually.

**Section 5.** The DIA hereby authorizes its CEO to negotiate a Redevelopment Agreement authorizing the REV Grant and Parking Garage Completion Grant as described above subject to the minimum terms and conditions contained in the term sheet attached as Exhibit A.

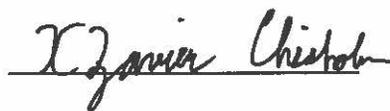
**Section 6.** The DIA recommends that City Council adopt an ordinance that authorizes a Redevelopment Agreement pursuant to Exhibit A, terms and conditions.

**Section 7.** The DIA hereby authorizes its CEO to take all necessary actions to effectuate the purposes of this Resolution, including but not limited to the filing of legislation and execution of a Redevelopment Agreement, or functional equivalents, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit A to this Resolution 2021-10-03.

**Section 7.** This Resolution, 2021-10-03, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY



  
W. Braxton Gillam, Esq, Chair

10-20-2024  
Date

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

**Exhibit A:**

**DIA Market-Rate Multifamily REV Grant  
TERM SHEET  
CNB Multifamily and Parking Garage New Construction**

**Project:** The Central National Bank (“CNB”) Multifamily and Parking Garage New Construction, a 103-unit multifamily development with a structured parking facility providing an estimated 450 spaces located on N. Pearl St. between W. Duval Street and W. Church St. in the Central Core District of the Downtown Northbank Community Redevelopment Area on portions of parcels with RE#s 073803 0000, 073802 1000, 073802 0000, and 073805 0000. This “new construction” element is a component of a broader development plan that includes another 36 residential units, and approximately 5,769 square feet of commercial/retail space, within the historic renovation component of the Central National Bank building, all of which function as one integral development project. This term sheet shall only apply to the new construction component.

**Developer/ Applicant:** Axis 404 Julia, LLC (Axis 404), a single purpose entity created by Augustine Development Group, (George Bochis, CEO; Bryan Greiner, President).

**Total Development Costs (estimate):** \$37,627,136

**City Funding:** No more than \$4,470,000 (through the City of Jacksonville Downtown Investment Authority and the City of Jacksonville), as follows:

**REV Grant Incentive:** The Developer is requesting a Market Rate Multi-Family Housing REV Grant for 50% of the ad valorem tax increment generated by the project for a period of 15 years. The total REV grant indebtedness will not exceed \$2,670,000 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 (“Annual Project Revenues”), subject to other terms and conditions as found herein.

**Parking Garage Space Acquisition:** The City of Jacksonville will pay for the dedicated parking spaces in the amount of \$1,800,000 upon substantial completion of the Structured Parking Garage as further described herein, and providing a 1<sup>st</sup> priority parking restrictive covenant, superior to all liens on the property, for exclusive use of 90 dedicated parking spaces of which not less than 30 spaces to be provided in a segregated area at the ground floor level identified for exclusive use of JFRD. The remainder of the spaces to be provided elsewhere within the garage. All City parking in the garage must be available 24/7/365. The City will reimburse the owner operating and maintenance costs associated

with the garage in an amount of not more than \$600 per space per year, or \$54,000 annually.

Loans: No City loans are contemplated by this Term Sheet.

Infrastructure: No City of Jacksonville infrastructure improvements are contemplated.

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

**Minimum Capital Contribution:**

- 1) The Minimum Private Capital contribution through completion to remain eligible for the REV Grant is \$33,956,210, which shall not include the \$1.8 million contribution from the City for 90 parking spaces within the structured parking facility. Any Minimum Private Capital contribution below this amount will require a pro rata reduction in the REV Grant, and a reduction of the Minimum Private Capital of greater than 10% will result in a forfeiture of the REV Grant in its entirety.
- 2) Percent of COJ investment to overall project cost:  $\$4,470,000/\$37,627,136 = 11.9\%$
- 3) Percent of COJ investment to Minimum Private Capital:  $\$4,470,000/\$33,956,210 = 13.2\%$

**Additional Commitments:**

- 1) The Developer commits to the development of:
  - A minimum of 100 dwelling units.
  - A seven-story garage with a minimum of 440 spaces.
- 2) Eligibility for payment of the REV Grant under the New Construction Component is conditional upon the completion of the Historic Component of the Central National Bank Redevelopment project, including not less than 35 residential units and 5,250 square feet of Commercial/Retail space, not contemplated otherwise in this Term Sheet. No funding will be earned or paid until first full year following the substantial completion of the both the New Construction and the Historic components of the development project.
- 3) Adherence with all conditions of approval as provided by the DDRB board.

**Performance Schedule:**

- 1) Execution of the Redevelopment Agreement and filing for construction permits necessary to commence construction to occur within 90 days of final DIA and DDRB approvals.
- 2) Commencement of Construction to occur within 30 days following 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, but not later than 6 months following the Effective Date of the Redevelopment Agreement.
- 3) Substantial Completion to be achieved within twenty-four (24) months following Commencement of Construction as defined above.
- 4) 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.

Any such extension to the Commencement Date will have the same effect on the Substantial Completion Date.

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

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).

**RESOLUTION 2021-11-02**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM FORGIVABLE LOAN PACKAGE FOR RENOVATIONS TO THE CENTRAL NATIONAL BANK BUILDING LOCATED AT 404 N JULIA STREET (THE “PROPERTY”) PURSUANT TO A REDEVELOPMENT AGREEMENT WITH AXIS 404 JULIA, LLC (“AXIS 404”) OR ASSIGNS (“DEVELOPER”); FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE NORTH BANK DOWNTOWN AND SOUTHSIDE 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,** Axis 404 is the owner of the Property and the building located on the Property has been designated local historic landmark and is a contributing building located within the National Historic District of Downtown and within the boundaries of the Downtown Northbank CRA; and

**WHEREAS,** the Developer proposes to rehabilitate the Central National Bank Building into 36 studio, one-bedroom, and two-bedroom, market rate, multifamily housing units and approximately 3,240 square feet of retail space; and

**WHEREAS,** the increased private capital investment totaling not less than \$14 million in real property will increase the county ad valorem tax base over the useful life of the assets, will increase the availability of units for Downtown residents and increase retail activity in the Central Core District of Downtown Jacksonville; and

**WHEREAS,** the Strategic Implementation Committee of the Downtown Investment Authority (“DIA”) met on November 12, 2021 to consider the term sheet and recommendation of DPRP Program Forgivable Loans in accordance with the program guidelines established by City Council in accordance with the terms contained in the term sheet attached hereto as Exhibit A; 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 DPRP funding of up to \$5,814,697 pursuant to the Downtown Historic Preservation and

Revitalization Program guidelines in accordance with the terms set forth on the term sheet attached hereto as Exhibit A.

**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**

Xavier Chisholm

Carol C. Worsham  
W. Braxton Gillam, Esq., Chair  
Carol C. Worsham, Vice Chair

11-17-21  
Date

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

**Exhibit A:**

**DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM  
TERM SHEET**

**Central National Bank Building  
404 N. Julia Street, Jacksonville FL 32202**

**Project:** The project proposes the redevelopment of a historic property in the Central Core District of Downtown Jacksonville utilizing funding through the Downtown Preservation and Revitalization Program (“DPRP”).

The Central National Bank Building (“CNB”) located at 404 N. Julia Street, RE# 073802 0000, is a historic structure with three stories to be redeveloped with 36 residential units and a projected 5,769 square feet of gross commercial/retail space on the ground floor, including 3,240 sf of gross leasable space projected to be occupied by a fitness center.

**Applicant / Borrower:** Axis 404 Julia, LLC (Axis 404), a single purpose entity created by Augustine Development Group, George Bochis, CEO; Bryan Greiner, President

**Total Development Costs (estimate):** \$14,916,353

**Underwritten Development Costs Used for DPRP Calculations:** \$14,267,875

**Equity (proposed):** \$2,250,000 (15.8% of TDC as underwritten)

**City Funding:** No more than \$5,814,697 (through the City of Jacksonville Downtown Investment Authority), as follows:

	<b>Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)</b>	<b>Code Compliance Forgivable Loan (CCR)</b>	<b>DPRP Deferred Principal Loan</b>	<b>TOTAL</b>
<b>TOTAL</b>	\$2,261,349	\$2,303,348	\$1,250,000	<b>\$5,814,697</b>

In combination, the HPRR Forgivable Loan, the CCR Forgivable Loan, and the DPRP Deferred Principal Loan are referred to as the DPRP Loans. At the funding level and structure proposed, the incentive structure and funding under the DPRP is subject to further approvals and funding commitment by the Jacksonville City Council.

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

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

**Loans:** No other loans, grants, or other funding from the City of Jacksonville are contemplated for this Phase of the Project, although commercial tenants leasing space within these Properties may be eligible for

funding under separate programs. No costs may be submitted for duplicative funding under more than one DIA incentive program. However, costs incurred by the DPRP Applicant may count towards their required contribution under the Retail Enhancement Program (“REP”) to the extent such costs are directly attributable to space that would be occupied by the REP Applicant.

The broader project includes a new construction phase providing a REV Grant of \$4,450,000 and funding for garage spaces for the use of COJ JFRD totaling \$2,000,000 as detailed under Resolution 2021-10-03, and its Ex. A Term Sheet. None of that City funding, nor the related construction budgets and development costs, shall overlap or otherwise be comingled or included in funding of the subject DPRP request.

**Minimums:**

- A) The minimum Total Equity Capital contribution through completion to remain eligible for the maximum DPRP Funding as outlined is \$2,250,000.
- B) The minimum Total Development Costs for the Project is \$14,267,875, which may be reduced by a maximum of 15% overall to remain eligible for funding as approved.
- C) The minimum Total Construction Costs is \$9,920,625 and equals the total amount of the costs set forth in the budget submitted to the DIA. The minimum Total Construction Costs are further subject to each of the funding category minimums below:

DPRP Summary	TOTAL	CCR	HPRR
Exterior	\$ 2,928,530		\$ 1,491,398
Interior Restoration	\$ 137,500		\$ 103,125
Interior Rehabilitation	\$ 2,511,685		\$ 547,451
General Requirements	\$ 1,221,880		\$ 119,376
Code Compliance	\$ 3,111,130	\$ 2,303,348	
N/A	\$ 9,900		
<b>Total:</b>	<b>\$ 9,920,625</b>	<b>\$ 2,303,348</b>	<b>\$ 2,261,349</b>

- D) The minimum Total Construction Costs may be reduced by not more than 10% overall to remain eligible for funding as approved; however, such reduction requires pro rata reduction in the related DPRP Loans.
- E) Reduction of the Total Construction Costs within any funding category below the respective funding category minimum will require a pro rata reduction in the related DPRP Loans. Any reduction in the Total Construction Costs within any funding category below the respective funding category minimum of greater than 20% will require review and approval by DIA Staff to remain eligible for a DPRP Loan with respect to that funding category.
- F) Further, each funding category minimum as provided above also serves as the maximum dollar amount of expenditures that may be submitted for reimbursement, with respect to each funding category. No funding category minimum may be increased above the amount shown for funding reimbursement purposes under DPRP.

**Performance Schedule:**

- A) Execution of the Redevelopment Agreement and filing for construction permits necessary to commence construction to occur within 90 days of Bill Effective Date. .

- B) Commencement of Construction to occur within 30 days following 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, but not later than 6 months following the Effective Date of the Redevelopment Agreement. .
- C) Substantial Completion to be achieved within twenty-four (24) months following Commencement of Construction as defined above.
- D) 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. Any such extension to the Commencement Date will have the same effect on the Substantial Completion Date.

**Additional Commitments:**

- A) The Developer commits to the development of:
  - 1. A minimum of 34 dwelling units.
  - 2. A minimum of 5,500 square feet of gross commercial/retail space on the ground floor, including 3,200 sf of gross leasable space
  - 3. Recommendation as to the eligibility of the approved scope of work on the Properties by the Planning and Development Department shall be required prior to DIA Board approval. Such recommendation by the Planning and Development Department may be conditional on further review and approvals by the State Historic Preservation Office ("SHPO") and/or the National Park Service ("NPS").
- B) Upon completion and request for funding, all work on the Property must be inspected by the Planning and Development Department or designee for compliance with the approved COA and application prior to funding under any DPRP loan component.
- C) Funding under the DPRP will be secured by a subordinate lien position on the Property behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing.
- D) Payment defaults, or other defaults that trigger legal actions against the Applicant that endanger the lien position of the City, shall also be a default on the subject facilities.
- E) The subject DPRP Loans shall cross-defaulted with the City REV Grant commitments on the New Construction phase of the development activity, to the extent commercially reasonable.
- F) As Axis 404 will be utilizing a combination of HPRR Forgivable Loans, and CCR Forgivable Loans, the maturity of each of these Forgivable Loan will be five (5) years. Principal outstanding under each note will be forgiven at the rate of 20% annually, on the anniversary date of each such funding, so long as each Forgivable Loan is not in default per DPRP Guidelines.
- G) Standard claw back provisions will apply such that:
  - a) In the event the Borrower sells, leases or otherwise transfers the Historic Building during the first five (5) years after the disbursement of the Forgivable Loan, the following shall be due and payable at closing of the Sale:
    - i. 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
    - ii. 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;

- iii. 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
  - iv. 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
  - v. 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.
- b) In the event Borrower or any lessee or assignee of the Borrower uses the Project or the Historic Property or Properties for any use not contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan, the full amount of such Forgivable Loan, together with all accrued but unpaid interest thereon, shall immediately become due and payable to the City by the Borrower.
- H) Funding in the amount of the DPRP Deferred Principal Loan component will have a stated maturity date of ten years from the Funding Date. The loan balance is due in full upon maturity, sale, or refinancing of the property prior to maturity subject to terms of the disposition and value of the property at the time of such event.
- I) The DPRP Deferred Principal Loan component requires an annual interest payment equal to the total principal outstanding multiplied by the prevailing Ten-Year Treasury Note Rate at the time such rate was set.
- J) Partial Principal reductions on the DPRP Deferred Principal Loan may be made after the fifth anniversary with no prepayment penalty; however, a minimum of 50% of the initial loan balance must remain outstanding through the loan maturity date unless the Property or Properties are sold or refinanced during that period, subject to DIA approval.
- K) DIA reserves the right to approve any sale, disposition of collateral property, or refinance of senior debt during the DPRP Compliance Period.
- L) All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the DPRP loan period.
- M) Payment defaults, bankruptcy filings, or other material defaults during the DPRP loan period will trigger the right for the City of Jacksonville to accelerate repayment of all amounts funded and outstanding under any or all programs at such time, plus a 20% penalty of any amounts amortized or prepaid prior to that date.
- N) The property shall be rehabilitated and constructed in a manner materially consistent with all plans and specs submitted to and approved by the DIA, along with DDRB conditions and approvals, and conditions and approvals by other City, State, and National governmental departments and agencies.

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).

**RESOLUTION 2022-07-02**

**RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AMENDING RESOLUTION 2021-11-02 TO REVISE THE DWELLING UNIT MINIMUM ESTABLISHED THEREIN AS REFLECTED IN THE AMENDED TERM SHEET ATTACHED HERETO AS EXHIBIT ‘A’; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE AN AMENDED REDEVELOPMENT AGREEMENT AND ASSOCIATED DOCUMENTS; AUTHORIZING THE DIA CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL ACTIONS, INCLUDING THE FILING OF LEGISLATION, AND THE EXECUTION OF CONTRACTS, AGREEMENTS AND OTHER DOCUMENTS AS ARE NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the DIA is the Community Redevelopment Agency and Economic Development entity for Downtown Jacksonville; and

**WHEREAS**, in its role as the Community Redevelopment Agency and Economic Development entity for Downtown, the DIA is responsible for administering the Downtown Preservation and Revitalization Program; and

**WHEREAS**, the Downtown Preservation And Revitalization Program (“DPRP”) was created by Ordinance 2020-0527-E for purpose of fostering the preservation and revitalization of unoccupied, underutilized, and/or deteriorating historic buildings; and

**WHEREAS**, via Ordinance 2020-0485-E, the Central National Bank Building (“Property”) located at 404 N. Julia Street was designated as a local historic landmark; and

**WHEREAS**, Resolution 2021-11-02 was approved by the DIA Board at its regularly scheduled meeting of November 17, 2021, for a DPRP forgivable loan package with Axis 404 Julia, LLC (“Axis 404”) or assigns (“Developer”) for renovations to the Property; and

**WHEREAS**, Developer has diligently proceeded with design, approvals, and permitting and is prepared to move forward with development plans in accordance with the Performance Schedule contained in the Term Sheet; and

**WHEREAS**, a conditional approval by the National Park Service of the Part 2 application issued April 12, 2022, restricts the proposed installation of windows which limits the number of dwelling units that may be developed on the Property below the previously approved minimum; and

**WHEREAS**, no other terms or conditions as set forth in the original Ex. A Term Sheet approved in Resolution 2021-11-02 is modified by this Resolution 2022-07-02 and Ex. A Term Sheet; and

**WHEREAS**, the Project requires City participation in accordance with those amounts and subject to those requirements as found in the revised Exhibit ‘A’ Term Sheet as attached; and

**NOW, THEREFORE, BE IT RESOLVED**, by the Downtown Investment Authority:

Section 1. The DIA finds that the abovementioned recitals are true and correct.

Section 2. The DIA hereby approves the attached revised Exhibit 'A' Term Sheet reflecting the lower dwelling unit minimum.

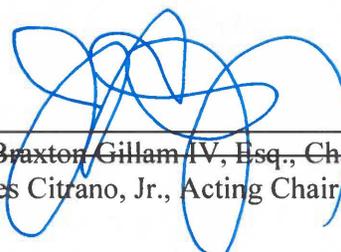
Section 3. The DIA authorizes its CEO to take all necessary action, including the filing of legislation and the execution of contracts, agreements and other documents as may be necessary to effectuate the purposes of this Resolution 2022-07-02.

Section 4. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

X *Zavier Chisholm*

  
~~W. Braxton Gillam IV, Esq., Chairman~~  
James Citrano, Jr., Acting Chair

7/20/22  
Date

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

**Exhibit A:**

**DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM  
 TERM SHEET**

**Central National Bank Building  
 404 N. Julia Street, Jacksonville FL 32202**

**Project:** The project proposes the redevelopment of a historic property in the Central Core District of Downtown Jacksonville utilizing funding through the Downtown Preservation and Revitalization Program (“DPRP”).

The Central National Bank Building (“CNB”) located at 404 N. Julia Street, RE# 073802 0000, is a historic structure with three stories to be redeveloped with a proposed 32 residential units and a projected 5,769 square feet of gross commercial/retail space on the ground floor, including 3,240 sf of gross leasable space.

**Applicant / Borrower:** Axis 404 Julia, LLC (Axis 404), a single purpose entity created by Augustine Development Group, George Bochis, CEO; Bryan Greiner, President

**Total Development Costs (estimate):** \$14,916,353

**Underwritten Development Costs Used for DPRP Calculations:** \$14,267,875

**Equity (proposed):** \$2,250,000 (15.8% of TDC as underwritten)

**City Funding:** No more than \$5,814,697 (through the City of Jacksonville Downtown Investment Authority), as follows:

	<b>Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)</b>	<b>Code Compliance Forgivable Loan (CCR)</b>	<b>DPRP Deferred Principal Loan</b>	<b>TOTAL</b>
<b>TOTAL</b>	\$2,261,349	\$2,303,348	\$1,250,000	<b>\$5,814,697</b>

In combination, the HPRR Forgivable Loan, the CCR Forgivable Loan, and the DPRP Deferred Principal Loan are referred to as the DPRP Loans. At the funding level and structure proposed, the incentive structure and funding under the DPRP is subject to further approvals and funding commitment by the Jacksonville City Council.

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

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

**Loans:** No other loans, grants, or other funding from the City of Jacksonville are contemplated for this Phase of the Project, although commercial tenants leasing space within these Properties may be eligible for

funding under separate programs. No costs may be submitted for duplicative funding under more than one DIA incentive program. However, costs incurred by the DPRP Applicant may count towards their required contribution under the Retail Enhancement Program (“REP”) to the extent such costs are directly attributable to space that would be occupied by the REP Applicant.

The broader project includes a new construction phase providing a REV Grant of \$4,450,000 and funding for garage spaces for the use of COJ JFRD totaling \$2,000,000 as detailed under Resolution 2021-10-03, and its Ex. A Term Sheet. None of that City funding, nor the related construction budgets and development costs, shall overlap or otherwise be comingled or included in funding of the subject DPRP request.

**Minimums:**

- A) The minimum Total Equity Capital contribution through completion to remain eligible for the maximum DPRP Funding as outlined is \$2,250,000.
- B) The minimum Total Development Costs for the Project is \$14,267,875, which may be reduced by a maximum of 15% overall to remain eligible for funding as approved.
- C) The minimum Total Construction Costs is \$9,920,625 and equals the total amount of the costs set forth in the budget submitted to the DIA. The minimum Total Construction Costs are further subject to each of the funding category minimums below:

DPRP Summary	TOTAL	CCR	HPRR
Exterior	\$ 2,928,530		\$ 1,491,398
Interior Restoration	\$ 137,500		\$ 103,125
Interior Rehabilitation	\$ 2,511,685		\$ 547,451
General Requirements	\$ 1,221,880		\$ 119,376
Code Compliance	\$ 3,111,130	\$ 2,303,348	
N/A	\$ 9,900		
<b>Total:</b>	<b>\$ 9,920,625</b>	<b>\$ 2,303,348</b>	<b>\$ 2,261,349</b>

- D) The minimum Total Construction Costs may be reduced by not more than 10% overall to remain eligible for funding as approved; however, such reduction requires pro rata reduction in the related DPRP Loans.
- E) Reduction of the Total Construction Costs within any funding category below the respective funding category minimum will require a pro rata reduction in the related DPRP Loans. Any reduction in the Total Construction Costs within any funding category below the respective funding category minimum of greater than 20% will require review and approval by DIA Staff to remain eligible for a DPRP Loan with respect to that funding category.
- F) Further, each funding category minimum as provided above also serves as the maximum dollar amount of expenditures that may be submitted for reimbursement, with respect to each funding category. No funding category minimum may be increased above the amount shown for funding reimbursement purposes under DPRP.

**Performance Schedule:**

- A) Execution of the Redevelopment Agreement and filing for construction permits necessary to commence construction to occur within 90 days of Bill Effective Date.

- B) Commencement of Construction to occur within 30 days following 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, but not later than 6 months following the Effective Date of the Redevelopment Agreement.
- C) Substantial Completion to be achieved within twenty-four (24) months following Commencement of Construction as defined above.
- D) 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. Any such extension to the Commencement Date will have the same effect on the Substantial Completion Date.

**Additional Commitments:**

- A) The Developer commits to the development of:
  - 1. A minimum of 30 dwelling units.
  - 2. A minimum of 5,500 square feet of gross commercial/retail space on the ground floor, including 3,200 sf of gross leasable space
  - 3. Recommendation as to the eligibility of the approved scope of work on the Properties by the Planning and Development Department shall be required prior to DIA Board approval. Such recommendation by the Planning and Development Department may be conditional on further review and approvals by the State Historic Preservation Office ("SHPO") and/or the National Park Service ("NPS").
- B) Upon completion and request for funding, all work on the Property must be inspected by the Planning and Development Department or designee for compliance with the approved COA and application prior to funding under any DPRP loan component.
- C) Funding under the DPRP will be secured by a subordinate lien position on the Property behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing.
- D) Payment defaults, or other defaults that trigger legal actions against the Applicant that endanger the lien position of the City, shall also be a default on the subject facilities.
- E) The subject DPRP Loans shall cross-defaulted with the City REV Grant commitments on the New Construction phase of the development activity, to the extent commercially reasonable.
- F) As Axis 404 will be utilizing a combination of HPRR Forgivable Loans, and CCR Forgivable Loans, the maturity of each of these Forgivable Loans will be five (5) years. Principal outstanding under each note will be forgiven at the rate of 20% annually, on the anniversary date of each such funding, so long as each Forgivable Loan is not in default per DPRP Guidelines.
- G) Standard clawback provisions will apply such that:
  - a) In the event the Borrower sells, leases or otherwise transfers the Historic Building during the first five (5) years after the disbursement of the Forgivable Loan, the following shall be due and payable at closing of the Sale:
    - i. 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
    - ii. 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;

- iii. 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
  - iv. 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
  - v. 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.
- b) In the event Borrower or any lessee or assignee of the Borrower uses the Project or the Historic Property or Properties for any use not contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan, the full amount of such Forgivable Loan, together with all accrued but unpaid interest thereon, shall immediately become due and payable to the City by the Borrower.
- H) Funding in the amount of the DPRP Deferred Principal Loan component will have a stated maturity date of ten years from the Funding Date. The loan balance is due in full upon maturity, sale, or refinancing of the property prior to maturity subject to terms of the disposition and value of the property at the time of such event.
- I) The DPRP Deferred Principal Loan component requires an annual interest payment equal to the total principal outstanding multiplied by the prevailing Ten-Year Treasury Note Rate at the time such rate was set.
- J) Partial Principal reductions on the DPRP Deferred Principal Loan may be made after the fifth anniversary with no prepayment penalty; however, a minimum of 50% of the initial loan balance must remain outstanding through the loan maturity date unless the Property or Properties are sold or refinanced during that period, subject to DIA approval.
- K) DIA reserves the right to approve any sale, disposition of collateral property, or refinance of senior debt during the DPRP Compliance Period.
- L) All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the DPRP loan period.
- M) Payment defaults, bankruptcy filings, or other material defaults during the DPRP loan period will trigger the right for the City of Jacksonville to accelerate repayment of all amounts funded and outstanding under any or all programs at such time, plus a 20% penalty of any amounts amortized or prepaid prior to that date.
- N) The property shall be rehabilitated and constructed in a manner materially consistent with all plans and specs submitted to and approved by the DIA, along with DDRB conditions and approvals, and conditions and approvals by other City, State, and National governmental departments and agencies.

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 deemed necessary).