

LEGISLATIVE FACT SHEET

DATE: 05/02/16

BT or RC No: _____
(Administration Bills)

SPONSOR: Office of Economic Development / Northwest Economic Development Fund
(Department/Division/Agency/Council Member)

PURPOSE/SUMMARY:

Third and Main, LLC is the developer of a mixed use project comprising 36 apartment units and 7,359 SF of retail commercial space developed in 2009. When developed the project received \$850,000 from the Northwest Economic Development Fund (NWEDF) as gap financing for the project. The loan term expired and the developer has requested an extension of the loan term for eleven years through April 30, 2026 and 24 months of interest only payments through May 1, 2017. The extension request was reviewed and approved by the NWEDF Advisory Board on June 23, 2015.

APPROPRIATION: Total Amount Appropriated: _____ as follows:

(Name of Fund as it will appear in title of legislation) _____

Name of Federal Funding Source: _____ Amount: _____

Name of State Funding Source: _____ Amount: _____

Name of City of Jax Funding Source: _____ Amount: _____

Name of In-Kind Contribution: _____ Amount: _____

Name of Bond Acct: _____ Amount: _____

Bond Account Number: _____

IMPACT - FINANCIAL / OTHER:

The first mortgage loan of \$4,386,030 expires on June 15, 2016. Due to ever changing market conditions since 2009 the project value is not sufficient at this time to completely refinance both the first and second mortgage loans into one loan. As a result the Developer is requesting their first mortgage lender renew their loan for an additional five years. Additionally, the Developer is requesting the City extend the NWEDF loan for a term of 11 years, through May 1, 2026 and interest only payments for an additional 24 months. These loan extensions will allow additional time for the real estate market to recover value sufficient for the developer to refinance the loan on or before May 1, 2026. The developer, Third and Main, LLC is current on all loan principal and interest payments to the Bank and the City, property taxes and assessments are paid in full, and there are no liens on any of the condo parcels comprising the project site. The developer will remain responsible for all principal and interest payments on the loans and cover any and all operating deficits. The loan will be personally guaranteed by the principals of Third and Main, LLC, William R. Cesery and Barbara Cesery.

ACTION ITEMS:

	Yes	No
Emergency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Federal or State Mandates?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fiscal Year Carryover?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CIP Amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Contract / Agreement (C/A) Approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
C/A Negotiations On-going?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Justification of Emergency:
 (Attach CIP Form(s))
 (Attach a copy)

Oversight Department Required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Name of Dept.: <u>Office of Economic Development</u>
Related RC/BT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(Attach a copy)
Waiver of Code?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Identify Code: <u>Northwest Fund Guidelines 2007-281-E</u>
Code Exception?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Identify Code: _____
Continuation of Grant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	(Attach a copy)
Surplus Property Certification?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Ordinance #: _____
Related Enacted Ordinances?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Report Required to City Council or Council Auditors?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Date: _____ Frequency: _____

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Roselyn Chall, Budget Office, St. James Suite 325

Cc: Sam Mousa, Chief Administrative Officer
Mayor's Office, Fourth Floor, City Hall at St James

From: Kirk Wendland, Executive Director, Office of Economic Development (OED)
(Name, Job Title, Department)

Phone: 630-2455

E-mail: kwendland@coj.net

Contact Paul Crawford, Deputy Director, Office of Economic Development (OED)

Person: (Name, Job Title, Department)

Phone: 630-7063

E-mail: paulc@coj.net

COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL

To: Peggy Sidman, Office of General Counsel, St. James Suite 480

Phone: 630-4647

E-mail: psidman@coj.net

From: _____
(Name, Job Title, Department)

Phone: _____

E-mail: _____

Contact _____
Person: (Name, Job Title, Department)

Phone: _____

E-mail: _____

Legislation from Independent Agencies require a resolution from the Independent Agency Board approving the legislation.

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED