

LEGISLATIVE FACT SHEET

DATE: 02/22/17

BT or RC No: _____
(Administration & City Council Bills)

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

Contact for all inquiries and presentation: Office of Economic Development

Provide Name: Kirk Wendland/Paul Crawford

Contact Number: 630-7063

Email Address: paulc@coj.net

PURPOSE: White Paper (Explain Why this legislation is necessary? Provide; Who, What, When, Where, How and the Impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation.

(Minimum of 350 words - Maximum of 1 page.)

The proposed legislation is a recommendation of the Industrial Development Revenue Bond Review Committee, that the Mayor submit legislation to approve, for purposes of Section 147(f) of the Internal Revenue Code, the issuance by the Capital Trust Agency of its revenue bonds for a 444-unit multifamily rental housing facility, known as "Mission Springs Apartments, located at 5327 Timquana Road in Council District 9.

The Capital Trust Agency (the "Issuer") proposes to issue its revenue bonds, in one or more installments or series, in an aggregate principal amount not to exceed \$28,500,000 (the "Bonds"), for the purpose of providing funds to be loaned by the Issuer to 2017 IAVF Mission Springs LLC, a Florida limited liability company, the sole member of which is invest in America's Veterans Foundation, Inc. (the "Sole Member"), a Florida not for profit corporation. The purpose of this bond issuance is for financing the costs of the acquisition, rehabilitation and equipping of a 444-unit multifamily residential rental housing facility, including related facilities, fixtures, furnishings and equipment, known as "Mission Springs Apartments," for persons of low and moderate income, including qualifying veterans, and located on a site containing approximately 34 acres of land at 5327 Timuquana Road, Jacksonville, Florida. The facility is to be owned and operated by the Borrower and initially managed by The Lynd Company, a Texas corporation, with an initial goal of 20% to 25% occupancy by qualified veterans within two to five years.

There is no fiscal impact or obligation to the City of Jacksonville as a result of the issuance of these bonds.

APPROPRIATION: Total Amount Appropriated \$0 as follows:
 List the source name and provide Object and Subobject Numbers for each category listed below:

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

Name of Federal Funding Source(s)	From: _____	Amount: _____
	To: _____	Amount: _____
Name of State Funding Source(s)	From: _____	Amount: _____
	To: _____	Amount: _____
Name of City of Jacksonville Funding Source(s)	From: _____	Amount: _____
	To: _____	Amount: _____
Name of In-Kind Contribution(s)	From: _____	Amount: _____
	To: _____	Amount: _____
Name & Number of Bond Account(s)	From: _____	Amount: _____
	To: _____	Amount: _____

PLAIN LANGUAGE OF APPROPRIATION / FINANCIAL IMPACT / OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)

There is no fiscal impact or obligation to the City of Jacksonville as a result of the issuance of these bonds.

ACTION ITEMS: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:

	Yes	No	
Emergency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Justification of Emergency: If yes, explanation must include detailed nature of emergency. <div style="border: 1px solid black; height: 60px; width: 100%;"></div>
Federal or State Mandate?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision. <div style="border: 1px solid black; height: 60px; width: 100%;"></div>
Fiscal Year Carryover?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Note: If yes, note must include explanation of all-year subfund carryover language. <div style="border: 1px solid black; height: 60px; width: 100%;"></div>
CIP Amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.
Contract / Agreement Approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Attachment & Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted? <div style="border: 1px solid black; padding: 5px;"> Office of Economic Development and the Office of the General Counsel have reviewed the proposed uses and application of the potential Bonds. </div>
Related RC/BT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Attachment: If yes, attach appropriate RC/BT form(s).
Waiver of Code?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper. <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Code Exception?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper. <div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Related Enacted Ordinances?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper. <div style="border: 1px solid black; height: 30px; width: 100%;"></div>

ACTION ITEMS CONTINUED: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:

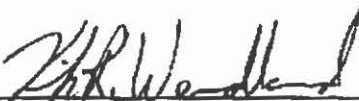
	Yes	No
Continuation of Grant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant? Are there long-term implications for the General Fund?

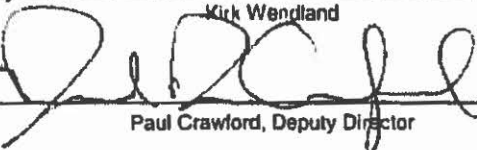
Surplus Property Certification?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reporting Requirements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Attachment: If yes, attach appropriate form(s).

Explanation: List agencies (including City Council / Auditor) to receive reports and frequency of reports, including when reports are due. Provide Department (include contact name and telephone number) responsible for generating

Executive Director 
Kirk Wendland

Date: 2/22/2017

Prepared By: 
Paul Crawford, Deputy Director

Date: 2/22/2017

ADMINISTRATIVE TRANSMITTAL

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

Thru: N/A

(Name, Job Title, Department)

Phone: _____

E-mail: _____

From: Kirk Wendland, Executive Director, Office of Economic Development (OED)

Initiating Department Representative (Name, Job Title, Department)

Phone: 630-2455

E-mail: kwendland@coj.net

Primary Contact: Paul Crawford, Deputy Director, OED

(Name, Job Title, Department)

Phone: 630-7063

E-mail: paulc@coj.net

CC: Allison Korman Shelton, Director of Intergovernmental Affairs, Office of the Mayor

904-630-1825 E-mail: akshelton@coj.net

COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL

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

Phone: 904-630-4647

E-mail: psidman@coj.net

From: _____

Initiating Council Member / Independent Agency / Constitutional Officer

Phone: _____

E-mail: _____

Primary Contact: _____

(Name, Job Title, Department)

Phone: _____

E-mail: _____

CC: Allison Korman Shelton, Director of Intergovernmental Affairs, Office of the Mayor

904-630-1825 E-mail: akshelton@coj.net

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

Independent Agency Action Item:

Yes

No

Boards Action / Resolution?

Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

Industrial Development Revenue Bond Review Committee

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED

**INDUSTRIAL DEVELOPMENT REVENUE BOND REVIEW COMMITTEE
RESOLUTION**


THE INDUSTRIAL DEVELOPMENT REVENUE BOND REVIEW COMMITTEE RECOMMENDS THAT THE CITY COUNCIL CONSIDER LEGISLATION, TO APPROVE, FOR PURPOSES OF SECTION 147(F) OF THE INTERNAL REVENUE CODE, THE ISSUANCE BY THE CAPITAL TRUST AGENCY OF ITS REVENUE BONDS FOR THE PURPOSE OF FINANCING THE COSTS OF THE ACQUISITION, REHABILITATION AND EQUIPPING OF A 444-UNIT MULTIFAMILY RESIDENTIAL RENTAL HOUSING FACILITY FOR PERSONS OF LOW AND MODERATE INCOME, INCLUDING QUALIFYING VETERANS, KNOWN AS "MISSION SPRINGS APARTMENTS," LOCATED ON THE WESTSIDE OF THE CITY OF JACKSONVILLE AT 5327 TIMUQUANA ROAD;

WHEREAS, the Capital Trust Agency (the "Issuer") proposes to issue its revenue bonds, in one or more installments or series, in an aggregate principal amount not to exceed \$28,500,000 (the "Bonds"), for the purpose of providing funds to be loaned by the Issuer to 2017 IAVF Mission Springs LLC, a Florida limited liability company, the sole member of which is Invest in America's Veterans Foundation, Inc., a Florida not for profit corporation (the "Sole Member"), or one or more affiliates or subsidiaries of the Sole Member (as applicable, the "Borrower"), for the purpose of financing the costs of the acquisition, rehabilitation and equipping of a 444-unit multifamily residential rental housing facility for persons of low and moderate income, including qualifying veterans; known as "Mission Springs Apartments" and located on a site containing approximately 34 acres, at 5327 Timuquana Road in Jacksonville, Duval County, Florida 32210 (the "Local Facility"), such Local Facility to be owned and operated by the Borrower and initially managed by The Lynd Company, a Texas corporation; with an initial goal of 20% to 25% occupancy by qualified veterans within two to five years; and

WHEREAS, the IRB Committee serves as the body to review Industrial Revenue Bonds, and action that ultimately must meet Internal Revenue Service Code (Section 147(f) including a TEFRA Hearing; and

WHEREAS, the Bonds, when issued by the Issuer, (i) will be rated in an investment grade category by Standard & Poor's Rating Services, and (ii) will be special, limited obligations of the Issuer payable solely from the proceeds to be derived from the repayment of the related loan to the Borrower or from the security pledged therefor by the Borrower, and the City will not be obligated to pay the Bonds or have any obligation or liability pecuniary or otherwise in any respect whatsoever with respect to the Bonds or the Local Facility;

NOW THEREFORE, BE IT RESOLVED that the IRB Committee approves this action, on the condition that the Borrower and the City reach a mutually acceptable arrangement regarding the payment of funds in lieu of ad valorem taxes with respect to the project.

Chairman: 
Kirk Wendland, Executive Director
Office of Economic Development

Date: February 21, 2017

Introduced by the Council President at the Request of the Mayor:

RESOLUTION 2017 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JACKSONVILLE, FLORIDA, APPROVING, FOR PURPOSES OF SECTION 147(F) OF THE INTERNAL REVENUE CODE, THE ISSUANCE BY THE CAPITAL TRUST AGENCY OF ITS REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION, REHABILITATION AND EQUIPPING OF A MULTIFAMILY RENTAL HOUSING FACILITY FOR PERSONS OF LOW OR MODERATE INCOME, INCLUDING QUALIFIED VETERANS, LOCATED IN THE CITY OF JACKSONVILLE; PROVIDING FOR CERTAIN RELATED MATTERS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Capital Trust Agency (the "Issuer") proposes to issue its revenue bonds, in one or more installments or series, in an aggregate principal amount not to exceed \$28,500,000 (the "Bonds"), for the purpose of providing funds to be loaned by the Issuer to 2017 IAVF Mission Springs LLC, a Florida limited liability company, the sole member of which is Invest in America's Veterans Foundation, Inc. (the "Sole Member"), a Florida not for profit corporation, or one or more affiliates or subsidiaries of the Sole Member (as applicable, the "Borrower"), for the purpose of financing the costs of the acquisition, rehabilitation and equipping of a 444-unit multifamily residential rental housing facility, including related facilities, fixtures, furnishings and equipment, known as "Mission Springs Apartments," for persons of low and moderate income, including qualifying veterans, and located on a site containing approximately 34 acres of land at 5327 Timuquana Road, Jacksonville, Florida (the "Local Facility"), such Local Facility to be owned and operated by the Borrower and initially managed by The Lynd Company, a Texas corporation, with an initial goal of 20% to 25% occupancy by qualified veterans within two to five years; and

WHEREAS, the Issuer has requested the City Council (the "Council") of the City of Jacksonville, Florida (the "City") to approve the issuance of the Bonds by the Issuer, as the elected legislative body of the City, for purposes of Section 147(f) of the Internal Revenue Code, as amended (the "Code"); and

WHEREAS, the Bonds, when issued by the Issuer, (i) will be rated in an investment grade category by Standard & Poor's Rating Services, and (ii) will be special, limited obligations of the Issuer payable solely from the proceeds to be derived from the repayment of the related loan to the Borrower or from the security pledged therefor by the Borrower, and the City will not be obligated to pay the Bonds or have any obligation or liability pecuniary or otherwise in any respect whatsoever with respect to the Bonds or the Local Facility;

BE IT RESOLVED by the Council of the City of Jacksonville:

Section 1. Public Hearing. A Notice of Public Hearing to be held before the Economic Development Officer, or his designee, inviting comments and discussion concerning the nature and location of the Local Facility and the issuance of the Bonds by the Issuer (the "Notice of Public Hearing"), was published in the Financial News and Daily Record, a newspaper of general

circulation in the City, at least fourteen (14) days prior to the date of such public hearing. A proof of publication of such Notice of Public Hearing is **On File** with the Legislative Services Division and is incorporated herein by reference.

Following such notice, a public hearing was held by the Economic Development Officer or his designee during which comments and discussion concerning the plan of finance, the nature and location of the Local Facility and the issuance of the Bonds by the Issuer to finance or refinance the costs of the Local Facility were requested and allowed. A written report of the hearing officer relating to such public hearing is **On File** with the Legislative Services Division and is incorporated herein by reference.

Section 2. Approval. Having considered any and all comments and concerns expressed at the public hearing and other available information, and solely for the purpose of satisfying the provisions of Section 147(f) of the Code and other applicable provisions of law, the Council hereby approves the issuance of the Bonds by the Issuer to finance costs of the Local Facility. The Local Facility is appropriate to the needs and circumstances of the City and will provide needed low to moderate income housing in the City and advance the economic prosperity, living conditions and general welfare of the City. The City is able to provide public services, including water and sewer utilities, for the Local Facility subject to any local requirements.

Section 3. No Liability of City. The City shall have no obligation with respect to the Bonds, and the approval given herein shall not be deemed to create any obligation or liability pecuniary or otherwise of the City in any respect whatsoever. The general credit or taxing power of the City and the State or any political subdivision or public agency thereof shall not be pledged to the payment of the Bonds. No statement, representation or recital made herein shall be deemed to constitute a legal conclusion or a determination by the City that any particular action or proposed action is required, authorized or permitted under the laws of the State or the United States.

Section 4. Limited Scope of Approval. The approval given herein shall not be construed as (i) an endorsement of the creditworthiness of the Borrower or the financial viability of the Local Facility, (ii) a recommendation to any prospective purchaser of the Bonds to purchase the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) an approval of any necessary zoning or rezoning applications or approval or acquiescence to the alteration of existing zoning or land use nor approval for any other regulatory permits relating to the Local Facility, and the City shall not be construed by reason of its adoption of this Resolution to have made any such endorsement, finding or recommendation or to have waived any of the City's rights or to have estopped the City from asserting any rights or responsibilities the City may have in such regard.

Section 5. Effective Date. This Resolution shall become effective immediately upon signature by the Mayor or upon becoming effective without the Mayor's signature

Form Approved:

Office of General Counsel

Legislation prepared by: Foley & Lardner LLP and Assistant General Counsel