

**Florida State College at Jacksonville**  
**District Board of Trustees**  
**Regular Meeting**  
**A G E N D A**  
**December 10, 2019 – 1 p.m.**  
**Betty P. Cook Nassau Center, Room T-126**

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**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

**COMMENTS BY THE PUBLIC**

The District Board of Trustees welcomes comments before the Board relating to matters under the Board's consideration during today's meeting. Please note that consideration of the Action Items today will also constitute a public hearing under the Administrative Procedures Act. Any comments regarding the revised Board Rules under consideration today should also be made at this time. Those who wish to address the Board are required to complete a Public Comment Request form prior to the meeting. Requestors will be called upon by the Board Chair, and should immediately come to the podium. Comments are limited to three minutes per person, and the Board is not required to respond.

**MINUTES OF THE SEPTEMBER 10, 2019, DISTRICT BOARD OF TRUSTEES FINANCE & AUDIT COMMITTEE QUARTERLY MEETING (p. 157-158)**

**MINUTES OF THE SEPTEMBER 10, 2019, DISTRICT BOARD OF TRUSTEES WORKSHOP (p. 159-161)**

**MINUTES OF THE SEPTEMBER 10, 2019, DISTRICT BOARD OF TRUSTEES REGULAR MEETING (p.162-179)**

**MINUTES OF THE OCTOBER 8, 2019, DISTRICT BOARD OF TRUSTEES DEEP DIVE WORKSHOP (p. 180-182)**

**REPORT OF THE COLLEGE PRESIDENT**

**CONSENT AGENDA**

Trustees may remove any item from the Consent Agenda for individual consideration under Action Items.

1. Purchasing: Annual Contract Extensions (p. 183)
2. Purchasing: Construction Services – Pre-Qualification of General Contractor Renewal (p. 184-185)
3. Purchasing: Construction Services – Pre-Qualification of New General Contractors (p. 186-187)
4. Purchasing: Delivery Order Contracting Services – Electrical (p. 188)
5. Purchasing: HVAC and Chiller Maintenance and Warranty Services – South Campus, Deerwood Center and Advance Technology Center (p. 189)
6. Facilities: Certificate of Final Inspection for the Wilson Center Theatrical Lighting Upgrade Project – South Campus (p. 190)

**ACTION ITEMS**

1. Approval of Consent Agenda (p. 191)
2. Administrative Procedure Act – Board Rules, Section 5 – Purchasing (p. 192-195)
3. Administrative Procedure Act – Board Rules, Section 9 – Instruction (p. 196-197)
- 3.A. Finance: Agreement for Operation of Student Housing and Retail Space (p. 197-A – 197-D)
4. Finance: Fees and Charges (p. 198-200)
5. Academic Affairs: Inactivation of Biomedical Engineering Technology Associate in Science (p. 201)
6. Academic Affairs: Inactivation of Paramedic Post-Secondary Adult Vocational Certification Program (p. 202)

**Florida State College at Jacksonville  
District Board of Trustees**

**AGENDA ITEM NO. A – 3.A.**

Subject:	Finance: Agreement for Operation of Student Housing and Retail Space
Meeting Date:	December 10, 2019

RECOMMENDATION: It is recommended that the District Board of Trustees approve the College entering into a Term Sheet agreement with the City of Jacksonville Downtown Investment Authority for the operation of a 60-unit student housing and retail space.

BACKGROUND: The College negotiated terms of an Agreement whereby the Developer renovated vacant property on the Historic Register into 60 housing units and retail space on the first floor.

The administration is confident the units can be leased at an initial rate of \$750 per month, utilities included, and the cash flow analysis anticipates a 3% escalation in rent to offset the 3% annual increase in the Master Lease. Allowing for a 90% occupancy rate and College-incurred operating costs, the total anticipated College net revenue came up significantly short of the funding needed by the Developer for a successful project with a minimal return on investment.

Since the project will be a significant asset in the redevelopment of the downtown district, the City of Jacksonville Downtown Investment Authority (DIA) has agreed to provide financial assistance to close the gap between funding needed by the developer and anticipated revenue from the College. The financial assistance will be in the form of two successive \$300,000 lines of credit with 5-year terms for the College. The line of credit would be available to the College for draw when the combination of net housing revenue and net retail space revenue do not match the annual Master Lease payment. The College anticipates drawing \$60,000 annually in the initial years of the project. Future years should rely less on the line of credit when operations generate a net profit at the retail space and/or occupancy in the student housing exceeds 90%.

RATIONALE: The Agreement allows the College to realize its goal of providing student housing in the Downtown area as well as providing retail space for operation of a restaurant and food service. The College would also be supporting the City of Jacksonville's revitalization effort. The administration believes demand for these housing units will be very good, and the market is also very strong for a restaurant in the Adams Street area.

FISCAL NOTES: The anticipated fiscal impact to the College is \$6,199,056 over a 10-year period with anticipated net revenues (exclusive of the Master Lease) of \$5,611,046 and a draw of \$588,010 on the line of credit. It is possible some or all of the line of credit will not be needed if a combination of student housing revenues and retail space revenues exceed estimates.

2019 TERM SHEET (B)

Project Name: 20 West Adams Street

Developer/Applicant: The District Board of Trustees of Florida State College at Jacksonville

City Funding: No more than \$600,000 (through the City of Jacksonville Downtown Investment Authority)

Breakdown:

Infrastructure: No city of Jacksonville infrastructure improvements are contemplated.

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

REV Grant: No REV Grant is contemplated for this project.

Grants: A previous HPTF grant, in the amount of \$600,000, was awarded pursuant to DIA Resolution 2015-11-02.

Loan: Loan documents (originally authorized by DIA Resolution 2015-11-02) were never executed and the 2015 term sheet for the same has since expired.

First Note (Note 1)

- 0% interest rate
- Five year term (January 1, 2019 – December 31, 2023)
- No annual draw shall exceed \$60,000
- Maximum outstanding balance shall not exceed \$300,000
- Outstanding balance due by June 30, 2024

Second Note (Note 2)

- 0% interest rate
- Minimum term (January 1, 2024 – July 31, 2027) <sup>(1)</sup>
- Maximum term (January 1, 2024 – December 31, 2028) <sup>(2)</sup>
- No annual draw shall exceed \$60,000
- Maximum outstanding balance shall not exceed \$300,000
- Outstanding balance due by January 31, 2028 <sup>(1)</sup> or June 30, 2029 <sup>(2)</sup>

1, 2 FSCJ's current master lease for student housing expires on July 31, 2027. Minimum term for Note 2 shall apply if the lease is not renewed. Maximum term for Note 2 shall apply if the lease is renewed through at least December 31, 2028.

Both Notes will provide a drawdown facility to Florida State College of Jacksonville (FSCJ) to offset costs associated with the operation of the project

space as student housing. Each Note will be taken down in annual loan amounts not to exceed \$60,000 with a maximum outstanding balance of no more than \$300,000 during the term of each Note. The annual loan amount shall be based upon any shortfall (for the same year) resulting from the difference of;

- a. the sum of all revenues received by FSCJ in conjunction with the operation of the student housing, including room/dorm rentals, housing grants or subsidies, incidental revenue or net revenues, less the sum of the student housing lease rate FSCJ paid to the building owner and the operating expenses of the building, and
- b. the sum of net revenues (before taxes, insurance, interest and depreciation) received from the operation or rental of the retail space (an approximate 5,000 sq. ft. restaurant), less the sum of the retail space lease rate paid to the building owner.

To qualify for an annual loan amount in the second year of the term for the First Note, FSCJ shall have achieved a student housing occupancy rate of at least eighty five percent (85%) by the end of that year and the retail space shall have been open at least forty (40) hours each week during that year.

To qualify for an annual loan amount after the second year of the term of the First Note, or for any year during the term of a Second Note, FSCJ shall have maintained a student housing occupancy rate of at least eighty five percent (85%) and the retail space shall have been open at least forty (40) hours each week during that year.

If, for any year after the second year of the term of the First Note, it is determined that the student housing occupancy rate fell below eighty five percent (85%) or the retail space was not open for at least forty (40) hours each week, no further loan amounts will be available and any outstanding balance will be immediately due and payable.

Any request for an annual drawdown shall be submitted by FSCJ to DIA by no later than 30 days following the end of each calendar year and shall be accompanied with a detailed summary of all revenues received and expenses incurred. The annual drawdown amount shall be subject to review and verification by the DIA or their authorized agent, and FSCJ shall provide, upon request by DIA, evidence of such revenues and expenses. The drawdown facility will be provided to FSCJ solely for the use on this project and for the building's use as student housing.

The First Note must be paid in its entirety prior to execution of the Second Note.

Conditions: This term sheet is limited by the following conditions;

These proposed financial terms are subject to the approval of the Downtown Investment Authority/City of Jacksonville.

Any additional terms, conditions, rights, responsibilities, warranties and obligations for both parties shall be determined in a later negotiated mutually agreeable loan document (or multiple loan documents) as is deemed necessary. Failure to agree upon and execute a written loan document (or documents) for these proposed loan terms, and any additional terms which may have been agreed upon, by the expiration of this Term Sheet will result in the nullification of all obligations of the parties.

This Term Sheet shall expire and become void unless executed by both parties prior to December 15, 2019.

Offered on behalf of the City of Jacksonville Downtown Investment authority by:

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Lori N. Boyer, CEO

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Date

Accepted on behalf of The District Board of Trustees of Florida State College Jacksonville by:

\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Title