

RESOLUTION 2019-05-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (THE "DIA") AUTHORIZING THE SALE OF DUVAL COUNTY TAX PARCEL 073794 0100 ("SITE") TO RYAN COMPANIES US, INC., IN ACCORDANCE WITH THEIR FINANCIAL OFFER OF APRIL 9, 2019 OF TWO MILLION SIX HUNDRED THOUSAND AND ZERO DOLLARS (\$2,600,000.00); INSTRUCTING THE CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, DIA is the designated Community Redevelopment Agency for the North Bank CRA, to which a Community Redevelopment Plan was adopted by Ordinance 2014-560-E; and

WHEREAS, the City owns an approximately 1.52-acre parcel of undeveloped real property identified by Duval County Tax Parcel Number 073794 0100 ("Site"); and

WHEREAS, the DIA received an unsolicited offer to purchase the Site from Ryan Companies US, Inc., the general terms of which are attached hereto as Exhibit "A"; and

WHEREAS, in response to the aforementioned unsolicited offer, the DIA adopted Resolution 2019-04-01, instructing its Chief Executive Officer to have issued a 30-day notice for the solicitation of proposals pursuant to Section 163.380(3)(a), Florida Statutes, Section 122.434(a), Jacksonville Code of Ordinances, and Section 122.434(b), Jacksonville Code of Ordinances; and

WHEREAS, the 30-day notice period has been satisfied, resulting in no further proposals; and

WHEREAS, the DIA finds that this Resolution is consistent with and in furtherance of the North Bank and Southside Community Redevelopment Area Plans, and more specifically with the following Redevelopment Goal: and

Redevelopment Goal No. 1

Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment, NOW THEREFORE

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BE IT RESOLVED by the Downtown Investment Authority:

Section 1. The DIA affirms that the aforementioned recitals are true and correct.

Section 2. The DIA approves the sale of the Site to Ryan Companies US, Inc., in accordance with their financial offer of April 9, 2019 of two million six hundred thousand and zero dollars (\$2,600,000) for fee simple title of the Site.

Section 3. The DIA instructs its Chief Executive Officer to take all necessary action to effectuate the purpose of this Resolution.

Section 4. The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the Downtown Investment Authority.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY





Craig Gibbs, Vice Chairman

05-15-19

Date

VOTE: In Favor: 8 Opposed: 0 Abstained: 0



One Independent Drive
Suite 1200
Jacksonville, Florida 32202

P (904) 301.1269
F (904) 301.1279
www.drivermcafee.com

April 9, 2019

Brian Hughes, CEO
Downtown Investment Authority
117 West Duval Street, Suite 310
Jacksonville, FL 32202

Re: Proposal to Purchase City-Owned Property at 337 West Adams Street
Tax Parcel 073794-0100 (the "Property")

Mr. Hughes:

On behalf of our client, Ryan Companies US, Inc., a Minnesota corporation ("Ryan"), we have been authorized to submit this proposal to the Downtown Investment Authority ("DIA") in its capacity as the Downtown Community Redevelopment Agency ("CRA"). Ryan proposes to purchase the City-owned Property located at the northeast corner of North Pearl Street and West Adams Street within the North Bank Downtown Redevelopment Area pursuant to Section 163.380, Florida Statutes, and Section 122.434, City of Jacksonville Code of Ordinances (the "Proposal").

Proposed Project

The Property is located in the Central Civic Core (the "Civic Core") of the Downtown Overlay adjacent to Duval County Courthouse site. This neighborhood is meant to be Downtown's premier cultural and entertainment district. Among the objectives of the CRA and Civic Core in particular are the eradication of blighted areas, elimination of surface parking lots, and the provision of additional parking facilities for Downtown visitors and workers with a focus on strong pedestrian and urban design features.

In furtherance of these objectives and in keeping with the theme of the Civic Core, Ryan proposes to redevelop the Property as the new JEA corporate headquarters (the "JEA HQ"). This catalyst project in the heart of the Civic Core will transform an unattractive and nonconforming surface parking lot with a modern built-to-suit office while supporting JEA's continued growth. With space for approximately 760 employees, the JEA HQ keep the JEA employees and their customers in the Civic Core.

The new JEA HQ will enhance JEA's daily operations and organizational effectiveness, resulting in better service to customers and employees. Conveniently located with essential access to multiple forms of public transportation, the JEA HQ will provide customers with convenient and secure access to JEA services. Features include a customer service center, display areas for product and services, a bid receipt and opening office as well as bid meeting space. Utilizing state-

of-the-art design with a focus on wellness initiatives, the JEA HQ will support the efficient provision of JEA services by attracting and retaining an engaged service-oriented workforce. Highlights include a call center for more than 100 agents, flex space for a training center, and an auditorium that can be utilized as an emergency operations center, all designed with innovative safety and security features, a variety of work stations supporting individual and collaborative styles, and access to daylighting and outdoor spaces.

Consistency with CRA Plan

The JEA HQ furthers each of the established redevelopment goals of the Downtown CRA Plan.

Redevelopment Goal No. 1: Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment. The JEA HQ will increase opportunities for Downtown employment throughout the redevelopment process and thereafter in ongoing operation of the facility. The JEA HQ will provide space for approximately 760 employees with design features specifically targeted toward attraction and retention of a dedicated workforce. It further includes a service center and bid processing space encouraging the public to visit the Civic Core to engage in business. Finally, the JEA HQ will eliminate an unattractive surface parking lot and establish new parking facilities.

Redevelopment Goal No. 2: Increase rental and owner-occupied housing Downtown, targeting key demographic groups seeking a more urban lifestyle. The expansion of job opportunities in the Civic Core fulfills one of the benchmarks required to achieve the broader goal of attracting more residents to the Downtown area. Adding density to the Civic Core further supports the establishment of neighborhood retail which is essential to the support of Downtown residents.

Redevelopment Goal No. 3: Simplify the approval process for Downtown development and improve departmental and agency coordination. The JEA HQ provides public land for development and enables Ryan to become a partner in fulfilling a key initiative for the JEA. It features a privately-developed office building which supports Downtown's commercial and residential base. The JEA HQ fosters alliances and relationships between governmental officials and staff by bringing JEA next door to City offices located in the Ed Ball Building and a short distance from City Hall.

Redevelopment Goal No. 4: Improve walkability/bike-ability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes. The JEA HQ supports achievement of benchmarks for achieving this goal including increasing real estate value, providing private capital investment, increasing the number of observable pedestrians in the Civic Core which should have the added effect of increasing desirable street activity during and outside of business hours. The JEA HQ will bring an immediate influx of hundreds of employees and visitors encouraging an active street life, which, in turn, will create an environment of growth for other restaurant, retail and entertainment business Downtown.

Redevelopment Goal No. 5: Establish a waterfront design framework to ensure a unique experience and sense of place. The JEA HQ will keep approximately 760 employees in the Civic Core, maintaining the observed number of pedestrians, desirable street activity, and utilization of public open spaces and amenities such as the Riverwalk.

Redevelopment Goal No. 6: Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors. The JEA HQ will improve the pedestrian experience at street level by eliminating an unsightly surface parking lot and replacing it with a building utilizing urban design principles including appropriate building transparency and lighting. The JEA HQ will promote a greater sense of activity and public safety by bringing approximately 760 employees and visitors to the area, which, in turn, will support and attract additional commercial, service, residential and transportation uses.

Redevelopment Goal No. 7: Use planning and economic development policies to promote design for healthy living. The JEA HQ puts people first with design considerations including access to daylighting and outdoor spaces, a focus on safety and security, and establishment of workspaces that facilitate a variety of styles including collaborative environments. The JEA HQ provides the public with enhanced access to services through its new customer service center and bid processing facilities, which are supported by new parking facilities and close proximity to a variety of public transportation options.

Ryan Experience and Ability to Complete JEA HQ

The JEA HQ will be constructed and owned by Ryan, a company founded in 1938 with sixteen offices nationwide including an office in Florida. Ryan has a strong track record of more than 30 million square feet of built-to-suit work with a full range of services including design, development, construction, finance, and management. In 2018, Ryan realized more than \$1.7 billion in revenue and has completed over 167 built-to-suit projects with a value of \$4 billion.

Ryan's build-to-suit utilities clients include MidAmerican Energy, Minnesota Energy Resources, Alliant Energy and Tuscon Electric Power. A sample of Ryan's representative projects are included in Appendix 1. Additional information regarding the company's history, leadership team, services, and past projects can be found at www.ryancompanies.com.

Ryan anticipates a loan-to-cost percentage of 80 to 85% for the JEA HQ and will fund the balance of the JEA HQ cost. A letter of reference from Wells Fargo expressing their interest in the JEA HQ and history with Ryan is included as Appendix 2. Further inquiries may be directed to Glenn Sansburn, Senior Vice President, at glenn.a.sansburn@wellsfargo.com and (612) 316-4148.

Financial Offer

Ryan offers Two Million Six Hundred Thousand and 00/100 Dollars (\$2,600,000.00) for fee simple title to the Property, payable at closing, pursuant to the terms and conditions detailed in the Letter of Intent attached as Appendix 3.

Downton Investment Authority

April 9, 2019

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On behalf of the Ryan we appreciate the opportunity to provide this Proposal to complete this JEA HQ. Should you have any additional questions regarding this matter, please do not hesitate to call me at (904) 301-1269 or Cyndy Trimmer at (904) 807-0185.

Sincerely,



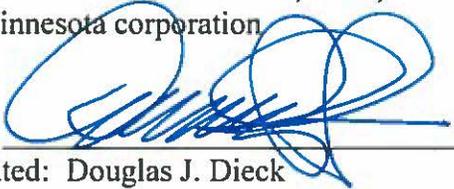
Steven Diebenow

cc: Mayor Lenny Curry
Council President Aaron Bowman
Aaron Zahn, CEO JEA
Ryan Companies US, Inc.

Agent Authorization

You are hereby advised that Douglas J. Dieck, as Executive Vice President of Ryan Companies US, Inc., a Minnesota corporation, hereby submits the attached Proposal and authorizes and empowers Driver, McAfee, Hawthorne & Diebenow, PLLC, to act as agent in connection with such Proposal and provides authorization to Driver, McAfee, Hawthorne & Diebenow, PLLC, to file such applications, papers, documents, request and other matters necessary in connection with such Proposal.

RYAN COMPANIES US, INC.,
a Minnesota corporation

By: 
Printed: Douglas J. Dieck
Its: Executive Vice President

STATE OF Florida
COUNTY OF Duval

Sworn and subscribed before me this 9th day of April, 2019, by Douglas J. Dieck, as Executive Vice President of Ryan Companies US, Inc., a Minnesota corporation, who is personally known to me or has produced _____ as identification.


(Notary Signature)

 Marlena White
NOTARY PUBLIC
STATE OF FLORIDA
Comm# GG110381
Expires 5/31/2021

APPENDIX 1

RYAN

A Sample of Ryan's Build-To-Suit Clients





Oracle Campus

SIZE: 560,000 SF

LOCATION: Austin, TX



Tucson Electric Power Headquarters

SIZE: 250,000 SF

LOCATION: Tucson, AZ



Nationwide Operations Center

SIZE: 340,000 SF

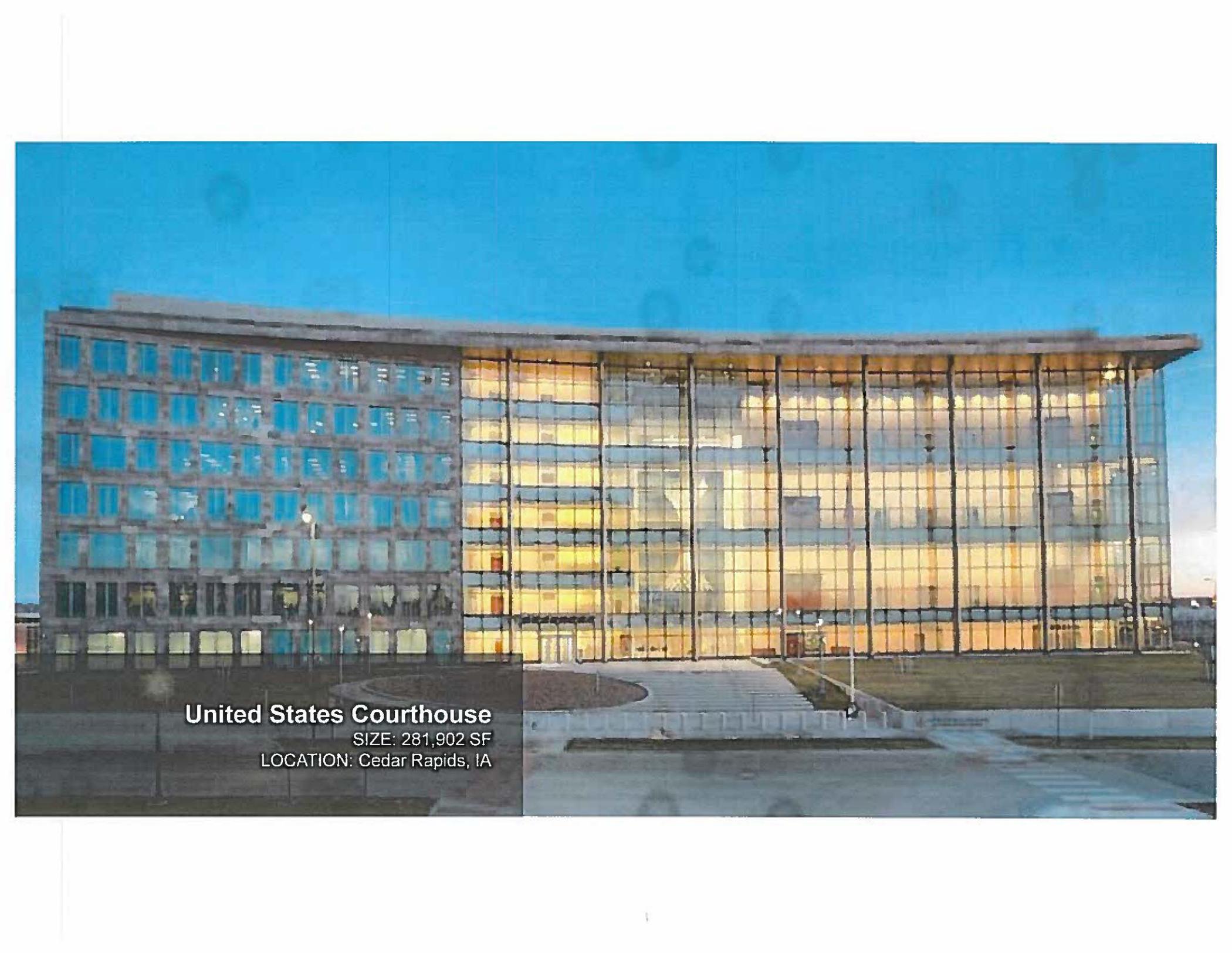
LOCATION: Des Moines, IA



U.S. Bancorp Center

SIZE: 929,000 SF

LOCATION: Minneapolis, MN

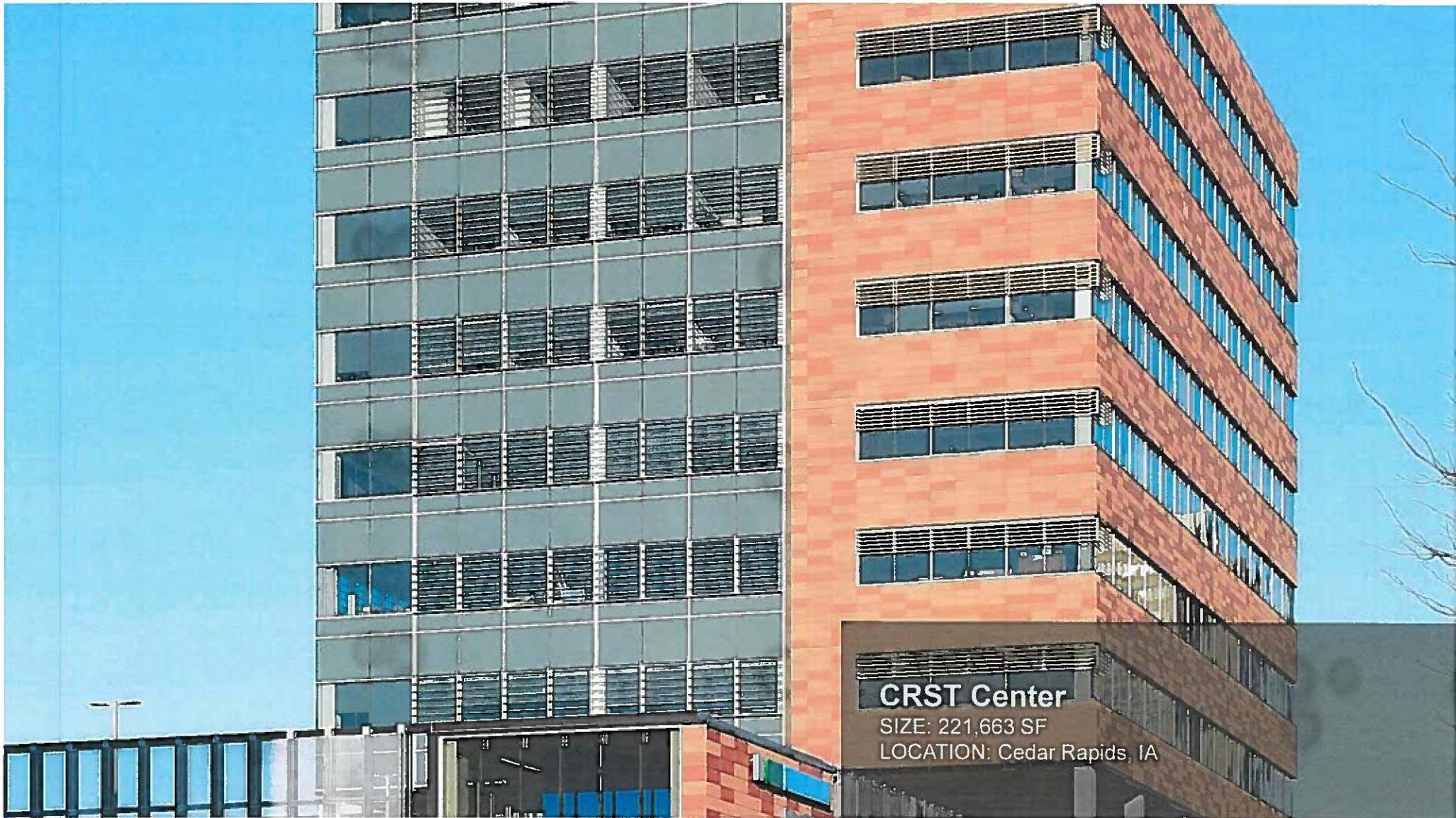


The image shows the exterior of the United States Courthouse in Cedar Rapids, IA, during the blue hour. The building is a large, modern structure with a prominent glass facade on the right side, which is illuminated from within, showing the interior levels. The left side of the building is clad in stone or concrete. The sky is a deep blue, and the foreground shows a paved plaza and a grassy area.

United States Courthouse

SIZE: 281,902 SF

LOCATION: Cedar Rapids, IA



CRST Center

SIZE: 221,663 SF

LOCATION: Cedar Rapids, IA



Wells Fargo Downtown East Campus

SIZE: 1,334,196 SF

LOCATION: Minneapolis, MN



Marina Heights

SIZE: Office — 2,000,000 SF | Retail — 40,000 SF

LOCATION: Tempe, AZ



City of Austin Planning & Development Center

SIZE: 253,000 SF
LOCATION: Austin, TX

APPENDIX 2

December 5, 2018

Dan Levitt
SVP – Capital Markets Group
Ryan Companies US, Inc.
533 South Third Street, Suite 100
Minneapolis, MN 55415

RE: Jacksonville Electric BST

Dear Dan:

It's my understanding that Ryan Companies US, Inc ("Ryan") is submitting a proposal to construct a 200,000 square foot, Class A office building located in Jacksonville, Florida. Furthermore, Jacksonville Electric, a public utility company possessing an investment grade credit rating, will execute a triple net lease for a minimum of 15 years.

Wells Fargo considers this development project to be a strong candidate for construction financing. Please use this communication as confirmation of Ryan's banking relationship with Wells Fargo and our expressed interest in said project.

Ryan has been a valued customer of Wells Fargo's Commercial Real Estate Group for more than 30 years and we have provided financing for multiple real estate projects covering a wide range of property types (including but not limited to office, retail, industrial, hospitality, GSA build-to-suits, medical, senior housing, mixed-use and land). In the capacity of Senior Vice President and Market Manager for our Commercial Real Estate Group, I have been involved with the Ryan relationship and its principals for more than 15 years. My team has provided more than \$500MM in commercial real estate financing to Ryan over this period and all loans have been paid as agreed. We have the utmost respect for Ryan's ownership and leadership teams, their capabilities for managing all facets of complicated development projects and accessing institutional capital markets.

We have financed a number of corporate build-to-suit projects, such as the proposed Jacksonville Electric project, for Ryan. In addition, Wells Fargo contracted with Ryan to construct 1.2 million sf of BTS office space to be owned and occupied by Wells Fargo in downtown Minneapolis. We have a sincere interest in providing the financing for the subject Florida BTS project and we look forward to receiving more details in the near future. In the meantime, please don't hesitate to call with any questions.

Best regards,



Glenn A. Sansburn
Sr Vice President

Together we'll go far



APPENDIX 3

Ryan Companies US, Inc.
201 North Franklin Street, Suite 3500
Tampa, FL 33602

April 9, 2019

City of Jacksonville
c/o Sam Mousa
Chief Administrative Officer
117 West Duval Street, 4th Floor
Jacksonville, FL 32202

Re: Letter of Intent for the purchase of 1.52+/- acres located at 337 Adams Street West, Jacksonville, Florida (RE# 073794-0100)

Dear Sam:

This letter constitutes an expression of the terms upon which Ryan Companies US, Inc. or its assignees ("RC") is prepared to enter into an agreement with The City of Jacksonville ("COJ"), for the purchase and sale of the real property described below. The basic terms are as follows:

1. Property: Approximately 1.52+/- acres located at 337 Adams Street West, Jacksonville, Florida (RE# 073794-0100).
2. Seller: City of Jacksonville.
3. Buyer: Ryan Companies US, Inc., or its assigns.
4. Purchase Price: Two Million Six Hundred Thousand and 00/100 Dollars (\$2,600,000.00).
5. Payment of Purchase Price: RC shall pay the Purchase Price either (a) in cash, cashier's check or wire transfer of immediately available funds (U.S. Dollars) or (b) such other method as is approved by COJ in writing.
6. Deposit: Fifty Thousand Dollars (\$50,000.00) to be deposited by RC with First American Title Insurance Company as escrow agent ("Escrow Agent") within three (3) business days following the effective date of the Purchase Agreement. RC may deposit up to two (2) additional amounts of \$10,000.00 each with Escrow Agent in order to extend the Approvals Period, in each event extending the Approvals Period by thirty (30) days.

7. Inspection Period: RC shall have a ninety (90) day period (the "Inspection Period") from the date of execution of the Purchase Agreement to inspect the Property. During the Inspection Period, RC and its duly appointed agents and representatives shall be permitted to complete all inspections and investigations it may choose to pursue of the Property, including but not limited to title, survey, environmental, building and zoning and land use restrictions, and such other investigations deemed prudent by RC. RC's entry onto the Property is subject to compliance with insurance requirements, which shall be set forth in the Purchase Agreement. COJ shall make available to RC copies of all files, documents and any other items in its possession or control relating to the condition of the Property including all correspondence regarding the environmental condition of the property. If for any reason RC is not satisfied with the results of any investigation, then within the Inspection Period RC shall deliver to COJ written notice of cancellation cancelling this Agreement and the Deposit shall be refunded to RC.

8. Approvals Period: RC shall have a period of one hundred and eighty (180) days from the date of execution of the Purchase Agreement (the "Approvals Period"), in which to apply for and obtain any and all governmental authority approvals, permissions or permits, including but not limited to city, county, state, quasi-governmental authority approvals, and/or utility providers and regulators (the "Approvals"). COJ, in its proprietary capacity, will cooperate with RC in its pursuit of the Approvals. If RC has failed to obtain the Approvals prior to the end of the Approvals Period, then RC may terminate this Agreement by giving written notice of termination to COJ and Escrow Agent prior to expiration of the Approvals Period, whereupon the Deposit shall be disbursed to RC. RC may extend the Approvals Period for up to two (2) additional thirty (30) day periods by notifying COJ in writing prior to the termination of the Approvals Period. Within three (3) business days after such extension, RC shall deposit with Escrow Agent an additional \$10,000.00 for each extension of the Approvals Period. Any such amount shall be considered as part of the Deposit. If RC elects to proceed beyond the Approvals Period, the Deposit shall become non-refundable to RC, except for default by COJ and as otherwise expressly provided in the Purchase Agreement. The extension deposits shall be applicable to the Purchase Price.

9. Remediation: The parties acknowledge that hazardous materials, as described in those certain Site Assessments marked as "RECEIVED JUL 05 2012 Solid Waste Division", exist on the Property (the "Environmental Conditions"). The parties agree that they will work together, cooperatively and in good faith, to remediate the Environmental Conditions to the extent required by law, and to pursue a No Further Action ("NFA") letter from the Florida Department of Environmental Protection ("FDEP") prior to Closing. All costs associated with the pursuit of the NFA letter shall be borne by each respective party as and when incurred. If the parties are not able to secure a NFA letter from FDEP prior to Closing RC may either: 1) terminate the Purchase Agreement and receive a full refund of any Deposit, notwithstanding the expiration of the Approvals, or 2) close the transaction, acquire the Property, and pay all future costs associated with remediation and monitoring of the Property, or 3) postpone Closing for a period of up to ninety (90) days in anticipation of the NFA letter. Should the RC close the transaction and acquire the Property prior to the issuance of the NFA letter, COJ will continue to support RC's efforts to secure a NFA letter from FDEP until the NFA letter is secured. The covenants and agreements contained in this Section shall survive closing.

10. Survey. RC shall, at RC's sole cost and expense, during the Inspection Period obtain a survey of the Property. RC shall cause the survey to be certified to COJ.

11. Title Commitment: RC shall order a title commitment for the full amount of the Purchase Price within fifteen (15) days following the effective date of the Purchase Agreement.

12. Defects in Title: Within five (5) business days after receipt of the last to be received of the title insurance commitment and the survey for the Property, RC shall provide COJ with written notice of any defect evidenced by the commitment or the survey (each, a "Title Defect"). If COJ elects or is deemed to have elected not to cure any or all Title Defects or fails to cure any Title Defects which such party has agreed to attempt to cure, RC has the option to terminate the Purchase Agreement and receive return of the Deposit and neither party shall have any obligations or liability thereunder.

13. Closing: Closing shall occur no later than thirty (30) days following the expiration of the Approvals Period, subject to RC's right to extend Closing pursuant to Section 9. RC may elect to close earlier at their sole discretion upon providing not less than ten (10) days' notice to the COJ.

14. Closing Costs: RC will pay the documentary revenue stamp tax and all other transfer taxes. RC shall pay the cost of recording the conveyance documents and any other recordable instruments necessary to assure good and marketable title to the Property, title insurance, costs for surveys, obtaining Approvals, environmental inspections and remediation and all other costs related to any inspections of the Property. Each party shall be responsible for its own attorney fees and the costs of any other advisors.

15. Brokers: Each party represents that no persons, firms, corporations or other entities are entitled to a real estate commission or other fees as a result of this Agreement or subsequent closing. COJ shall be responsible for any claim for such fees arising from either party's actions or alleged actions.

16. Contract for Purchase and Sale: Upon approval of this letter by both parties, RC will instruct its attorneys to prepare a draft of a purchase agreement (the "Purchase Agreement"). The parties contemplate that a draft of the Purchase Agreement will be delivered to COJ within four (4) business days after the execution of this letter by both parties.

17. Exclusivity Agreement: So long as this letter of intent remains in effect, COJ will not and will cause its respective employees, attorneys, and other representatives not to discuss or negotiate (either directly or indirectly) with any other corporation, firm or person, or solicit, entertain or consider any inquiries or proposals relating to the possible disposition of the property and/or any interest in COJ or any interest of any shareholder, member, general or limited partner of COJ.

18. Confidentiality: RC and COJ agree to maintain the terms of this Letter of Intent and all negotiations relating to the Property as confidential between the parties to the extent

permitted by law. Neither RC nor COJ will issue or cause to be issued any announcement, press release or other statement concerning the transaction contemplated herein. Except as required by law, the terms of this letter and the proposed transaction will be kept confidential by both parties; provided, however, that either party may disclose such terms to its employees, officers, shareholder's, financial advisors, consultants, partners, affiliates, lenders, and attorneys who need to know such terms for purposes of evaluating the proposed transaction.

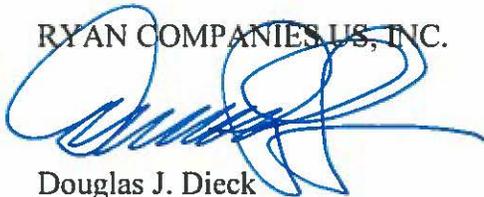
19. This Letter of Intent is not intended to constitute a contract for the purchase of the Property nor to otherwise create any legal obligations to purchase the Property, but is intended only to summarize the general terms and conditions under which RC and COJ agree to negotiate in good faith a satisfactory Purchase Agreement. Legal obligations shall arise only upon the negotiation, full execution and delivery of the Purchase Agreement. The parties acknowledge that the Purchase Agreement will contain additional terms and conditions. If the terms and conditions outlined in this Letter of Intent are acceptable to COJ, please acknowledge such acceptance on the following page and return an original signed copy to me.

This is a letter of intent only and shall be non-binding on the parties. Nothing in this letter shall be construed as a binding offer to sell or offer to purchase or create any rights in favor of RC or COJ or any third party. This letter does not address all matters upon which agreement must be reached in order for the proposed transaction to be consummated. COJ will not have any obligation to sell the Property and RC will not have any obligation to purchase the Property set forth in this letter until such time as RC and COJ have entered into the Contract for Purchase and Sale with terms acceptable to both RC and COJ at their sole and absolute discretion. COJ and RC agree to negotiate in good faith to reach a mutually acceptable Purchase Agreement. In the event that a Purchase Agreement is not approved by City Council June 25, 2019 this letter will terminate and be of no further force and effect.

Thank you for your consideration of our offer to purchase your property.

Sincerely,

RYAN COMPANIES US, INC.



Douglas J. Dieck
President, Southeast Region