



**Downtown Investment Authority
Strategic Implementation Committee**
Hybrid In-person/Virtual Meeting
Friday, April 12TH, 2024 at 2:00 PM

SIC AGENDA

MEMBERS:

Micha Heavener, Chair
Carol Worsham

Joe Hassan
Melinda Power, Esq.

- I. CALL TO ORDER
- II. PUBLIC COMMENTS
- III. FORM 8B: VOTING CONFLICT DISCLOSURES
- IV. FEBRUARY 15TH, 2024 STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES APPROVAL
(meeting minutes to be provided when available)
- V. RESOLUTION 2024-04-09 ST JOHNS RIVER PARK RESTAURANT
- VI. RESOLUTION 2024-04-10 TRIO
- VII. RESOLUTION 2024-04-11 500 N OCEAN STREET
- VIII. RESOLUTION 2024-04-12 GATEWAY MODIFICATIONS
- IX. DISCUSSION OF FUTURE REVENUE PROJECTIONS AND COMMERCIAL VALUES
- X. DISCUSSION OF HIGHRISE INCENTIVE ROI CALCULATIONS
- XI. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR
- XII. ADJOURN

PHYSICAL LOCATION

Jacksonville Public Library-Main Library/Downtown
303 North Laura Street
Multipurpose Room (located in the Conference Center)
Jacksonville, Florida 32202

Virtual Location

Interested persons desiring to attend this meeting virtually can do so via Zoom (including by computer or telephone) using the following meeting access information:

Join Zoom Meeting

<https://us02web.zoom.us/j/82644809997?pwd=VGQ2d29qVHFoUEwrOGFIT2YxcEsyZz09>

Meeting ID: 826 4480 9997

Passcode: 487848

One tap mobile

+1 (312) 626-6799 (Chicago)

+1 (646) 558-8656 (New York)

Find your local number: <https://us02web.zoom.us/u/k5EtIgMnZ>

TAB IV.

**FEBRUARY 15TH, 2024 STRATEGIC IMPLEMENTATION COMMITTEE MEETING
MINUTES APPROVAL**

(meeting minutes to be added when available)

TAB V.

RESOLUTION 2024-04-09: ST JOHNS RIVER PARK RESTAURANT

RESOLUTION 2024-04-09

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING THE DESIGN AND CONSTRUCTION BY THE SOUTHSIDE CRA OF A STANDALONE RESTAURANT IN ST. JOHNS RIVER PARK, ADJACENT TO FRIENDSHIP FOUNTAIN IN ACCORDANCE WITH THE TERMS IDENTIFIED ON EXHIBIT A; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA (“CRA”)PLAN; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, DIA is the designated Community Redevelopment Agency for the Southbank CRA, for which a BID Plan, inclusive of a Community Redevelopment Plan, was adopted by Ordinance 2014-560-E as updated by Ordinance 2022-372-E; and

WHEREAS, the adopted BID plan is the single comprehensive plan for Downtown as required by Chapter 55, including the plan for Downtown parks; and

WHEREAS, the CRA Plan for Southbank expressly identifies *Landmark Public Park System on the St. Johns River* and the *Complete Renovation of St. Johns River Park and Friendship Fountain* as projects to be competed on the Southbank; and

WHEREAS, The St. Johns River Park project expressly mentions the “addition of a restaurant with outdoor seating” as an amenity that will benefit park visitors and boaters; and

WHEREAS, pursuant to a prior Redevelopment Agreement with RD River City Brewery, LLC dated June 29,2021 it was contemplated that such restaurant would be developed on private property adjacent to the park however such agreement was terminated on January 11, 2023, due to Developer’s failure to proceed; and

WHEREAS, Halff and Associates was contracted by Acon Construction Company, the project general contractor, to design the park and amenities and identified a site within the park on which they recommended construction of a small standalone restaurant that would be complementary to the concession stand and planned park amenities; and

WHEREAS, the 6,500 plus or minus square feet portion of the park located closest to Museum Circle and as depicted on Exhibit B, has been envisioned as the future location for a standalone restaurant (“Park restaurant site”); and

WHEREAS, recent studies by the Jessie Ball duPont Fund, done in conjunction with national consultants and local non-profit stakeholders, Perkins & Will, Agency, Olin and GAI as well as community engagement meetings conducted by the City of Jacksonville and the DIA regarding riverfront parks have all identified the public’s desire for food and beverage options on the riverfront, in many cases ranking among the most desired amenities, and

WHEREAS, the approved CIP projects for St. Johns River park include a concession stand but did not contemplate inclusion of a restaurant as one of the park amenities; and

WHEREAS, the DIA may use CRA funds to add to the scope of an approved CIP project but may not contribute to the completion of the existing scope; and

WHEREAS, it is expressly contemplated in the CRA Plan that CRA funds could be used for *one or more new riverfront park spaces or elements*; and

WHEREAS, at the direction of the Board, DIA procured the services of a professional market study and hospitality consultant to advise on the feasibility, timing, and type of restaurant that should be considered for this and other waterfront park sites; and

WHEREAS, the hospitality consultant, Streetsense, determined that St. Johns River Park site offers a *prime opportunity* to capitalize on the riverfront and recently renovated Friendship Fountain; and

WHEREAS, the hospitality consultant, Streetsense, determined that the optimal time to open the food and beverage location would be when park construction is complete in 2025; and

WHEREAS, the hospitality consultant, Streetsense, determined that the concession stand and future restaurant on the adjacent parcel were complementary and contribute positively to the park's overall appeal and success; and

WHEREAS, the DIA finds that this resolution and the funding of design and construction of a small, boutique restaurant within St. Johns River Park, a City public park, furthers the following BID Plan Redevelopment Goals and Strategic Objectives:

Redevelopment Goal 3: Increase and diversify the number and type of retail, food and beverage, and entertainment establishments within Downtown; and

Strategic Objective: Encourage growth of outdoor dining and entertainment options, most specifically within designated food and beverage districts and on the waterfront.

Redevelopment Goal 4: Increase the vibrancy of Downtown for residents and visitors through arts, culture, history, sports, theater, events, parks, and attractions; and

Strategic Objective: Increase number of daily visits to Downtown; and

WHEREAS, the design of any future restaurant or facility in the park should be guided by the *Riverfront Design Guidelines and Activity Nodes Plan* for Downtown Jacksonville that was completed in 2019 by SWA Group in conjunction with Haskell Company and incorporated in the BID Plan; and

WHEREAS, the theme of this destination park as adopted in the SWA Plan and the BID Plan is "Exploring the St. Johns River" and the park amenities have been designed to depict that theme and include a John Ribault themed playground, Batram's native gardens, Timicuan themed concession stand and other activation influenced by the essential role of the St. Johns River in shaping Jacksonville's past, present and future; and

WHEREAS, St. Johns River Park is now under construction and its completion is expected in 2025; and

WHEREAS, based on the CRA plan, the public's desire for food and beverage establishments on the riverfront, the recommendations of Streetsense and the timing of park construction, DIA staff recommends that the Board proceed with design and development of a standalone restaurant on the Park Restaurant Site; 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 approves the design and construction of a standalone restaurant on the Park Restaurant Site in St. Johns River Park in accordance with the terms set forth in attached Exhibit A

Section 3. The DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action necessary to effectuate the purposes of this Resolution.

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

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

James P Citrano, Chair

_____ Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

Exhibit A to Resolution 2024-04-09
St. Johns River Park Restaurant Site
Resolution 2024-04-09

Property:	A 7.82 plus or minus acre parcel of land commonly referred to St. Johns River Park and Friendship Park and depicted below in Figure 1.
Location of Park Restaurant Site:	An approximately 6,500 plus or minus square foot section located on the Property Southwest of the Friendship Fountain and on which a restaurant would be located as depicted in Figure 2.
General Size	The restaurant will have approximately 1,800, and no more than 2,400, square feet of indoor, conditioned space with the remainder of the parcel used for outdoor seating. The restaurant is envisioned to provide more outdoor seating than indoor to maximize the views of the park, river, and city.
Design Theme	<p>The design of the restaurant should be guided by the Riverfront <i>Design Guidelines and Activity Nodes Plan</i> for Downtown Jacksonville that was completed in 2019 by SWA Group in conjunction with Haskell Company and incorporated in the BID Plan.</p> <p>St. Johns River Park is the Primary Node for the Southbank and is themed with the Exploration of the St. Johns River. The restaurant building will integrate with the design of the park and take influences from the surrounding park amenities, like the Ribault themed playground, the Timicuan themed concession stand and the Batram’s native gardens.</p>
Potential Retail Option	<p>The market study provided by hospitality consultant Streetsense suggested a weekday gourmet retail operation that would accommodate some weekday activity with retail items and a light food and wine menu that could grow as the area evolves.</p> <p>The retail section, if included, would be in the Southern portion of the building facing the park’s entrance and anticipated to be approximately 25% or less of the total indoor area.</p>
Suggested type of establishment:	Consultation from Streetsense, a global creative collective that specializes in hospitality consulting, suggests a gourmet market, wine bar and tapas restaurant would be a desired operation for this Southbank location. A venue that could grow in service periods as needed, it would open as a gourmet shop and wine bar with very light food offerings on weekdays, a full service, tapas style menu in the evenings and a riverfront brunch on the weekends.
Design and Construction Costs	Figures provided by Streetsense, aligning with results of recent similar projects, estimate a buildout cost of \$195-\$255 per square foot for site work and the base building and an additional \$175-\$225 per square foot for tenant improvements. Assuming a maximum size of 2,400 square feet at the maximum cost of \$480 per square foot, the total cost, not counting FF&E provided by tenant, would be \$1,152,000. With average architectural and design fees being 7-15% of total cost, the estimated design cost is approximately \$170,000. Soft costs, construction overhead and contractor profit bring the total to approximately \$1,700,000.

Development Timeline	Suggested by Streetsense, the goal is to open the restaurant as close to the opening of the park as possible. Depending on the disposition and negotiations with potential tenants, the design and construction phase could take a minimum of one year to a maximum of two years. The design team will be selected from RFP respondents in April 2004 and could begin design immediately. The pursuit of an operator shortly thereafter will allow for more operator input to design.
Potential Operator Lease Terms:	Like other current public-private partnerships like Palms Fish Camp, owning the land and building allows more operational direction and ensures better maintenance of the building and grounds. Built as an amenity to the park, ensuring operating hours during busy park periods will be strongly encouraged, if not required. In exchange, the chosen operator will receive reasonable lease terms on a riverfront parcel adjacent to the newly renovated Friendship Fountain.
Compatibility note:	Streetsense views neither the concession stand nor any future restaurant on the adjacent private property as competitors. Instead, these are regarded as complementary enhancements that will contribute positively to the park's overall appeal and success.
Community outreach and input:	The architectural design team will conduct a community workshop to receive input from the public prior to developing the design concepts that will ultimately be presented to the Board for decision.
Verification of costs:	Upon approval of the design, the DIA and architectural design team will bid out the construction and present to the Board for approval.

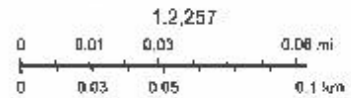
The provisions of this Term Sheet are intended to guide the design team and operator candidates. They are suggestions provided by the contracted Hospitality Consultant but not requirements.

Figure 1.

Duval Map



March 28, 2024



Esri Community Map Contributors, City of Jacksonville, FDEP, © OpenStreetMap, Microsoft, Esri, Bentley, Garmin, Swisstopo, GeoTechnology, Inc., METRASA, USGS, EPA, NPS, US Census Bureau, USDA, USGS

Figure 2.



SUPPLEMENTAL INFORMATION

RESOLUTION 2024-04-09: ST JOHNS RIVER PARK RESTAURANT STAFF REPORT

St. Johns River Park Restaurant Site (Park Surrounding Friendship Fountain)

DIA Staff Report

April 12, 2024

Park Background

St. Johns River Park and Friendship Fountain were originally designed by Jacksonville architect Taylor Hardwick. Initially a 14-acre park, fountain and marina, it is located on land donated by the Southside Businessmen’s Club on the Southbank of the St. Johns River in Downtown Jacksonville. Completed in March 1965, the park and “world’s largest and tallest” fountain became a popular attraction to locals and tourists alike. The original fountain opened with 252 lights and could project water up to 120 feet.

In 1990 when the Acosta Bridge was rebuilt, an existing restaurant was demolished and rebuilt on the western portion of the park which became a separate parcel and leased to private operators. That building functioned as a restaurant and marina until 2021 when it was obtained by Related Group for a private development which is still in planning.

Friendship Fountain was refurbished in 1985 but outdated mechanics forced its closure in 1999/2000. A 9-month rehabilitation was performed but because of a variety of reasons, the fountain has been in different levels of operation since.

In 2019, initial funding for multiple CIP projects focused on the overall renovation to the fountain and park was set aside and work began in 2020. While Covid and supply chain issues caused major delays, the fountain now boasts water projecting as high as 200 feet, LED lighting, a sound system and a 15-minute light and sound shows nightly. Renovations to the park surrounding the fountain continue and are expected to be complete in 2025.



Existing Park Conditions

The park and fountain are the subject of multiple CIP projects, *Friendship Fountain Repairs*, *Friendship Fountain Repair & Nodes* and *St. Johns River Park*. The projects are also expressly adopted in the CRA plan and BID Updates as two Southbank Redevelopment projects, *Landmark Public Park System on the St. Johns River* and the *Complete Renovation of St. Johns River Park and Friendship Fountain*. The CIP projects are 100% designed and mostly funded. The design and construction of the Park Restaurant would be a CRA funded *park element* as contemplated in the

adopted CRA plan. In accordance with applicable governing laws, the DIA may use CRA funds to add to the scope of an approved CIP project but may not contribute to the completion of the existing scope.

The fountain recently re-opened to great fanfare and press while the park renovations are approximately 50% complete. The renovation theme, established in the *Riverfront Design Guidelines and Activity Nodes Plan* for Downtown Jacksonville that was completed in 2019 by SWA Group in conjunction with Haskell Company is “Exploring the St. Johns River” and the influence of the St. Johns River in shaping Jacksonville’s past, present and future. The theme and SWA plan are incorporated in the Council adopted BID Plan. Specific improvements include a new Bartram’s botanical Garden, Jean Ribault-themed playground, Picnic Pavilions, a Wedding Garden with dressing and restrooms and a Timucuan-themed concession stand for light snacks and non-alcoholic beverages.

In the Southwest portion of the park, next to the park entrance and Museum Drive Circle, there is an approximately 6,500 square foot site that Halff, the sub-contracted design firm of the park, identified as a possible food and beverage location. This site is adjacent to a parcel on which a prior private development proposal had included a park side restaurant, but that plan was withdrawn and current plans for the private site do not include a restaurant adjacent to the park and fountain.

Viability & Timing

In August 2023, DIA engaged Streetsense, a global creative collective that specializes in hospitality consulting. They were tasked with analyzing and performing market due diligence, including development of a Broker Opinion of Value as to highest and best F&B use for assigned properties located within the CRA and riverfront parks. The locations analyzed were:

- Riverfront Plaza and CRA parcels
- Shipyards West Park and CRA parcels
- St. Johns River Park



Streetsense conducted a thorough evaluation of potential food and beverage competitors in the vicinity and along key retail and residential corridors in the neighboring areas situated south of the St. Johns River.

In analyzing St. John’s River Park, they concluded:

There is a prime opportunity to capitalize on the natural allure of the riverfront and the recently revitalized fountain site, as well as to create synergy with the upcoming high-rise developments planned along the Southbank of the river.

Streetsense recommends developing a vibrant hub that seamlessly integrates into the park's environment, merging indoor-outdoor spaces with retail and food & beverage. This concept is designed to closely connect with and be informed by the entertainment programming planned for the park.

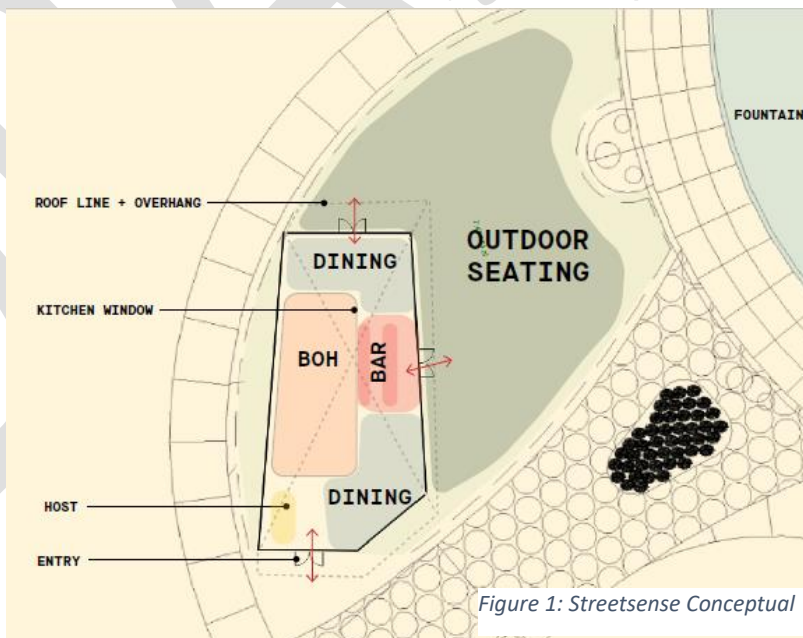
To best capitalize on its unique location, the concept should maximize views of the park, river, and city. The space should integrate so seamlessly with the park that it feels like a natural extension, welcoming guests from the Riverwalk, future development sites, and parking areas in a way that fosters a new social hub for the community.

The estimated completion of park construction is Summer 2025. If the Board decides to move forward, the design of the restaurant building could begin in May of 2024 with the newly selected design team from a previously Board approved RFP. The design would take approximately four to six months with permitting and construction taking another ten to twelve months. This would allow the restaurant to open very near the opening of the park. Streetsense advises that the launch of this food and beverage concept be strategically aligned with the last phase of the park's renovation. Further, prioritizing the construction of the St. Johns River Park Restaurant will minimize the disruption to the park and its visitors after completion. *The full Streetsense report is attached as Exhibit A*

Planned and Potential F&B Locations at St. Johns River Park and Adjacent Development Pad

1. Timucuan Concession

- a. Small – 100 sq ft with nearby Picnic Pavilions
- b. Snacks, ice cream and soft drinks/iced tea
- c. Likely open afternoons, early evenings and weekends
- d. Comp menu - Current Park concession stands, but smaller
- e. Anticipated opening – mid 2025



2. Proposed St. John's River Park Food & Beverage

- a. Small/Medium – 1,800 – 2,400 sq ft indoor with permanent and expandable outdoor seating
- b. Contemporary casual, full or counter service

- c. Likely brunch on weekends and light dinner nightly
 - d. Comps – Glass & Vine (Miami), former Grotto (San Marco)
 - e. Anticipated opening – late 2025/early 2026
3. Additional Facilities in adjacent Private Development Pad
- a. Restaurant – Medium+ size, likely mid-upper scale
 - b. Ship store with ice, canned beverages, snacks

Streetsense views neither the concession stand, nor any future restaurant on the adjacent private property as competitors. Instead, these are regarded as complementary enhancements that will contribute positively to the park’s overall appeal and success.

Financial Estimates

The designated site is approximately 6,500 square feet with the building to take up no more than 2,400 square feet and the remainder to accommodate outdoor seating. Streetsense and other recent comparable projects estimate a total build out, not including tenant provide FF&E, at \$370-\$480 per square foot. Assuming the maximum size at the maximum cost, total development costs would be \$1,152,000. Additional design costs estimated at a maximum of 15% and soft costs and construction overhead estimated at 25% bring a total estimated cost of approximately \$1,700,000.

In their assessment, and consistent with market conditions, Streetsense recommends a lease rate of \$35-55 per square foot with NNN of \$10 per square foot. This would provide a return of \$135,000 to \$195,000 per year for rent, insurance and maintenance. However, in other park managed restaurant locations, PRCS has elected to accept lower rents in exchange for greater control over operations.

Recommendation

The staff recommends moving forward with the design and construction of a boutique food and beverage location at St. Johns River Park in accordance with the terms of Resolution 2024-04-09.

<u>SITE CONSIDERATIONS</u>	
—	Access + deliveries from road
—	Optimal guest views to river, city and fountain
—	Grade changes
—	Adjacent development pedestrian approach
—	Parking access for entirety of site
<u>SQUARE FOOTAGES + SEATING</u>	
ENTRY/HOST	300 SF
BACK OF HOUSE	750 SF
DINING + BAR <i>70 seats</i>	1,050 SF
INDOOR TOTAL	2,100 SF
OUTDOOR TERRACE <i>185 seats</i>	3,700 SF



JACKSONVILLE WATERFRONT

FRIENDSHIP FOUNTAIN F&B ANALYSIS

**PREPARED FOR DOWNTOWN INVESTMENT ALLIANCE
REVISED: MARCH 27, 2024**

STREETSSENSE

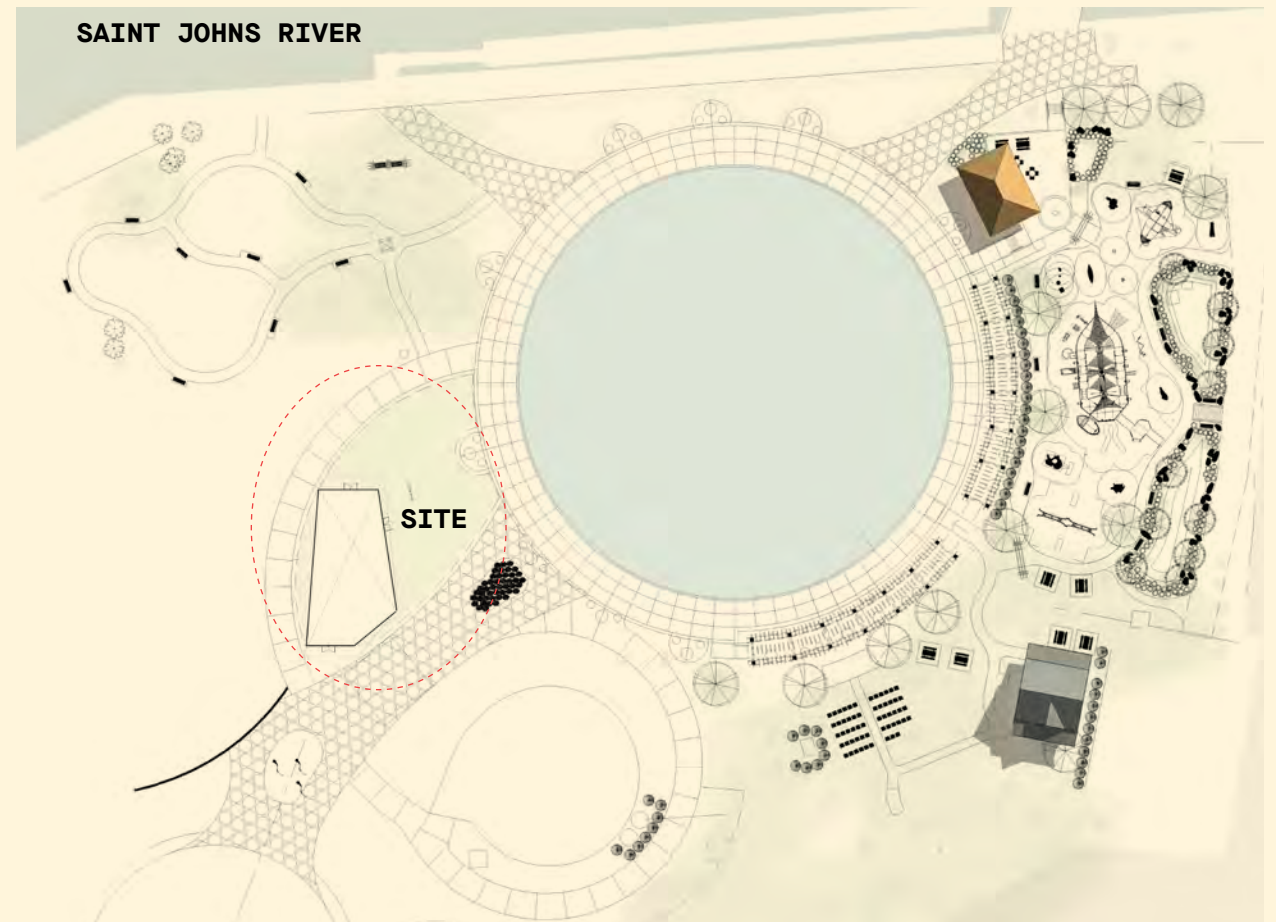
CONTENTS

PROJECT OVERVIEW	3
NEIGHBORHOOD CONTEXT	5
OPPORTUNITY	6
CONCEPT DIRECTION	8

PROJECT OVERVIEW

The Downtown Investment Alliance (DIA) has commissioned Streetsense to provide strategic recommendations concerning the design, format, and economic feasibility of a prospective food and beverage venue at Friendship Fountain, located on the Southbank of the St. Johns in Jacksonville, Florida.

Drawing on insights from a previously conducted market survey and analysis at Shipyards West and Riverfront Plaza, Streetsense will utilize this valuable market knowledge to shape our strategic advice for Friendship Fountain. Our approach will take into account the viewpoints of potential guests, forthcoming developments, prospective operators, and the property owner.



SOUTHBANK

Streetsense conducted a thorough evaluation of potential food and beverage competitors in the vicinity and along key retail and residential corridors in the neighboring areas situated south of the St. Johns River.

SOUTHBANK

- 1 Chart House
- 2 Sake House
- 3 The Southern Grill
- 4 bb's restaurant and bar
- 5 Ruth's Chris Steak House
- 6 High Tide

SAN MARCO

- 1 Locals'
- 2 1937 Spirits & Eatery
- 3 Sidecar
- 4 Bar Molino
- 5 Pink Salt Restaurant and Wine
- 6 Bistro AIX
- 7 Matthew's Restaurant
- 8 Rue Saint Marc
- 9 Town Hall Restaurant Jacksonville
- 10 Oceana
- 11 Taverna

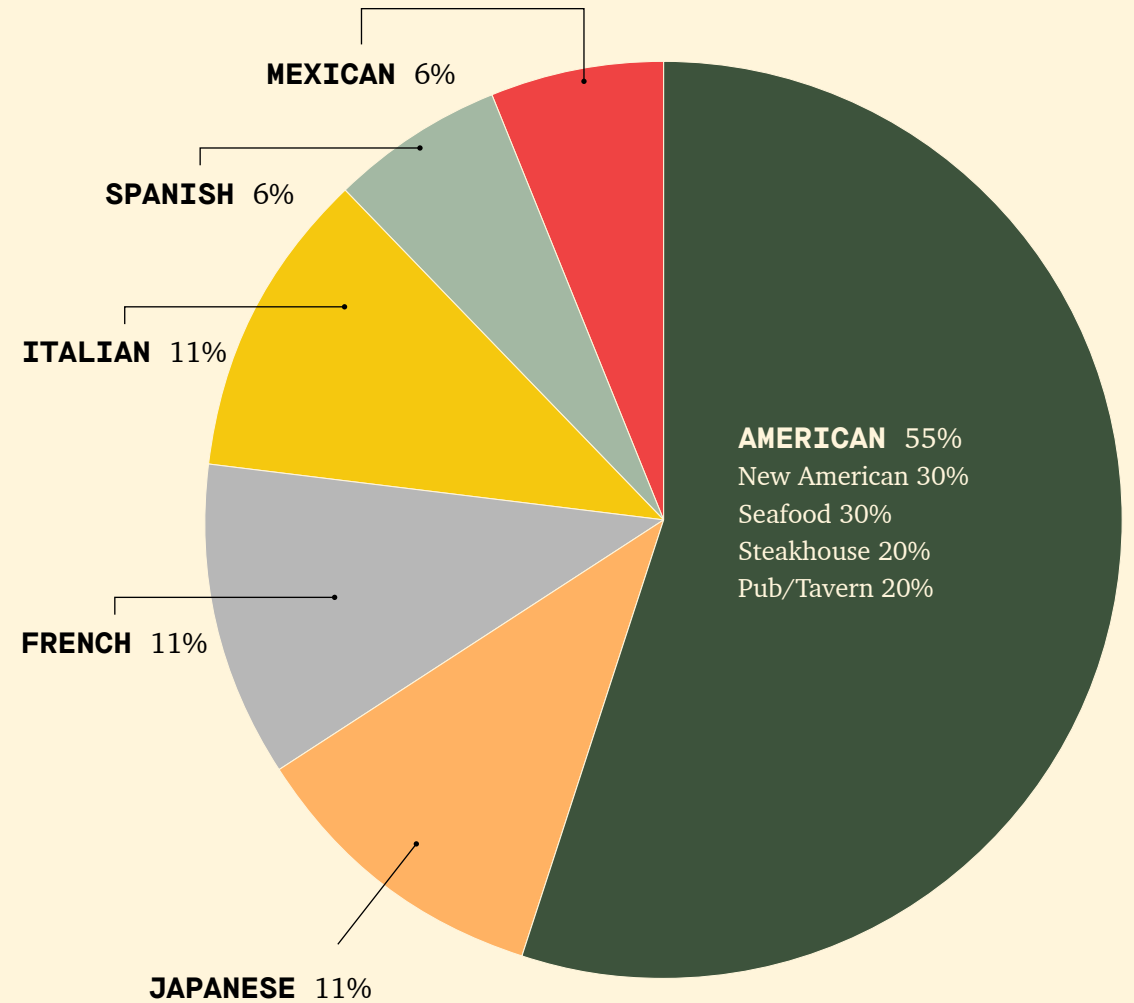


NEIGHBORHOOD CONTEXT

The vicinity of Friendship Fountain is lightly populated, with its landscape dominated by vast hospital complexes and employment centers flanking the site. Along Riverplace Boulevard and Prudential Drive, a cluster of high-occupancy hotels and emerging high-rise residences are situated eastward, accessible via the Riverwalk. In the area, a select number of established restaurants operate as destinations, offering ample parking or integration within hotel or building infrastructures. Notably, the immediate area lacks street-level retail presence.

Just beyond the southern boundary of I-95 lies one of Jacksonville's most dynamic and pedestrian-friendly neighborhoods, brimming with boutique stores, a variety of restaurants, bars, and sidewalk cafes. The culinary offerings in this zone are quite diverse and eclectic, serving the tastes of both local residents and visitors from afar.

In contrast, the San Marco area is witnessing the rise of neighborhood-oriented, beverage-centric, upscale casual bar concepts—a niche not reflected in Southbank, where the options are predominantly larger, hotel-adjacent chain establishments or smaller dine-in restaurants, along with a smattering of dive bars.

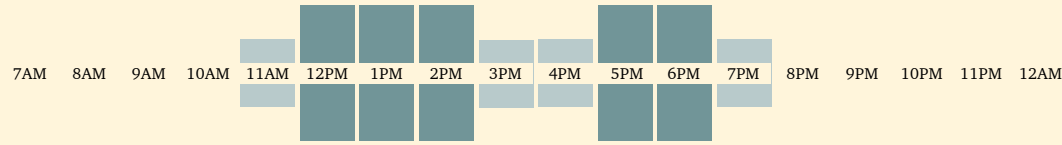


	BEER	COCKTAIL	ENTRÉE
SAN MARCO	\$ 7.25	\$ 13.14	\$ 29.00
SOUTHBANK	\$ 6.67	\$ 13.00	\$ 29.73

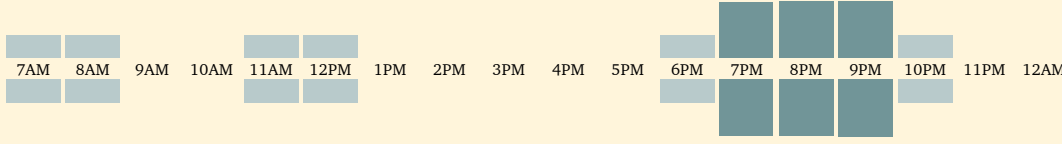
DAYPART POTENTIAL



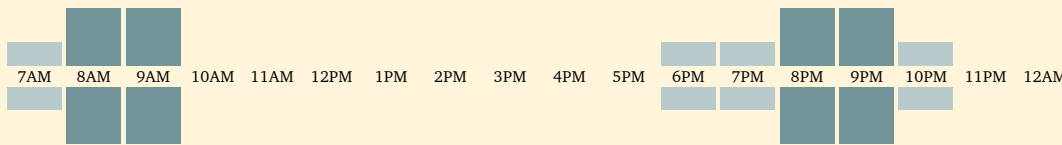
SOUTHBANK WORKFORCE



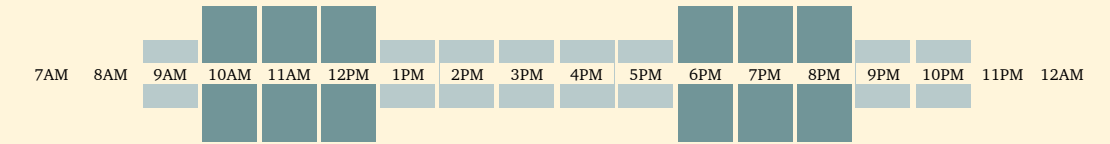
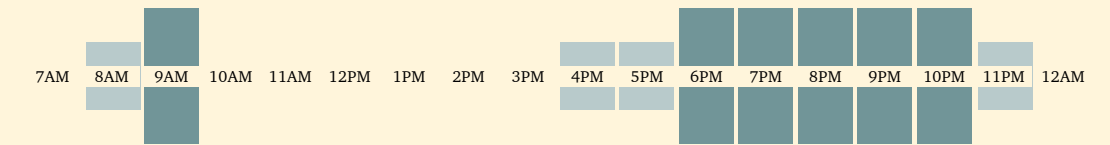
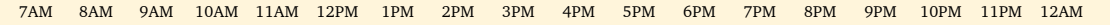
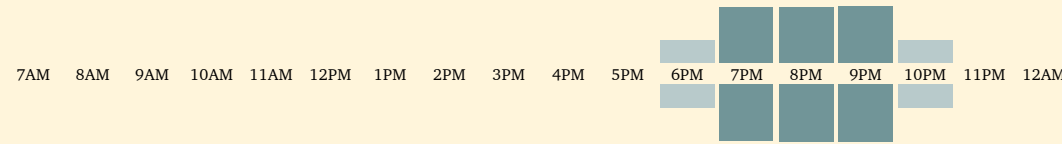
SOUTHBANK RESIDENTS



HOTEL GUESTS



REGIONAL RESIDENTS



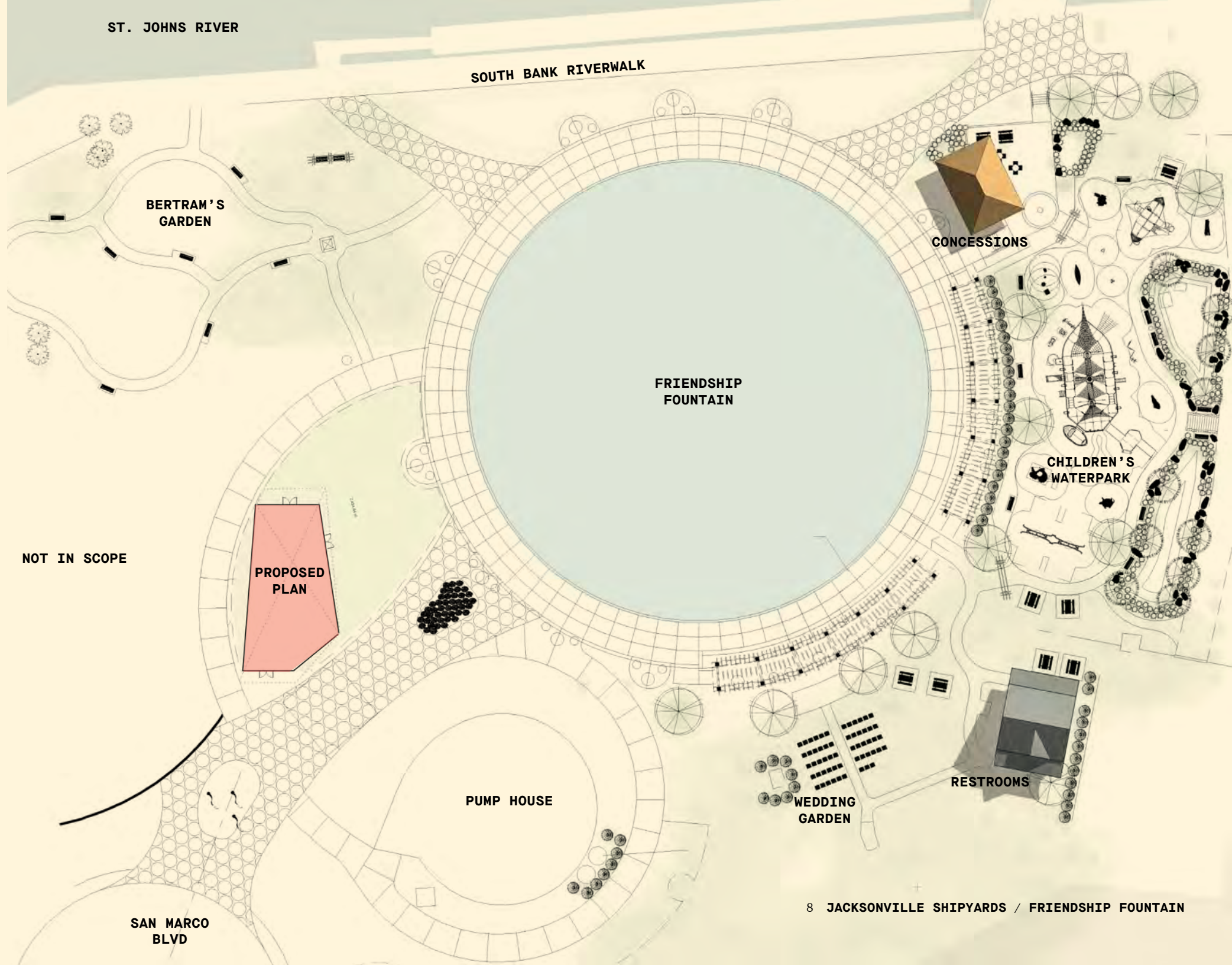
OPPORTUNITY

There is a prime opportunity to capitalize on the natural allure of the riverfront and the recently revitalized fountain site, as well as to create synergy with the upcoming high-rise developments planned along the Southbank of the river.



Streetsense recommends developing a vibrant hub that seamlessly integrates into the park's environment, merging indoor-outdoor spaces with retail and food & beverage. This concept is designed to closely connect with and be informed by the entertainment programming planned for the park.

SITE PLAN



ST. JOHNS RIVER

SOUTH BANK RIVERWALK

BERTRAM'S GARDEN

CONCESSIONS

FRIENDSHIP FOUNTAIN

CHILDREN'S WATERPARK

NOT IN SCOPE

PROPOSED PLAN

PUMP HOUSE

RESTROOMS

WEDDING GARDEN

STREETSENSE

SAN MARCO BLVD

8 JACKSONVILLE SHIPYARDS / FRIENDSHIP FOUNTAIN

CONCEPT DIRECTION



To best capitalize on its unique location, the concept should maximize views of the park, river, and city. The space should integrate so seamlessly with the park that it feels like a natural extension, welcoming guests from the Riverwalk, future development sites, and parking areas in a way that fosters a new social hub for the community. This concept aims to attract visitors from other neighborhoods by offering a distinctive open-air hospitality experience, unlike anything available in the San Marco streetscape or the quiet, but well-lit commercial and residential areas of Southbank.

EXPERIENCE BRIEF

FRIENDSHIP FOUNTAIN F&B

WINE BAR | GOURMET GROCER | WEEKEND BISTRO

The Friendship Fountain food and beverage space is poised to become an iconic destination for the residents of Jacksonville’s eclectic San Marco neighborhood, as well as a vibrant social hub for those living in the hotel and residential towers on the Southbank of the riverfront. Featuring generous riverfront seating and a straightforward operating model, this unique combination of retail, bar, and outdoor space will inject a lively new neighborhood concept into Jacksonville.



TENANT QUALITIES

- Local / Regional
- Casual Wine-Focused
- High-Calibre Operator
- Light Bright Culinary Concept
- Daytime Retail Appeal
- Neighborhood Tastemakers

DESIGN APPROACH

PARK INTEGRATION

The outdoor area of the Friendship Fountain food and beverage space will be seamlessly connected to the park’s pathways and landscaping, blurring the lines between the public park and the venue itself. This design is intentional, with an openness and accessibility from all directions that encourages patrons to casually gather and flow into the dining and leisure areas.

INDOOR RETAIL / OUTDOOR EVENTS

The indoor area will feature a cozy tasting bar alongside the back-of-house infrastructure, complemented by meticulously crafted millwork, coolers, and casegoods that highlight the gourmet offerings. The outdoor space will be designed to accommodate events that naturally extend into the park, providing an atmospheric backdrop when there is no other programming scheduled nearby.

LIMITED SERVICE MODEL

The daytime menu will be concise, offering a selection of snacks and wines available by the glass or bottle for social enjoyment. In the evening and on weekends, the menu will expand, though it will still utilize tableside QR codes and runners to facilitate orders, avoiding overly attentive service. This approach allows the space to adapt fluidly to accommodate dining groups of various sizes.

INSPIRATION



DESIGN ANALYSIS

SITE CONSIDERATIONS

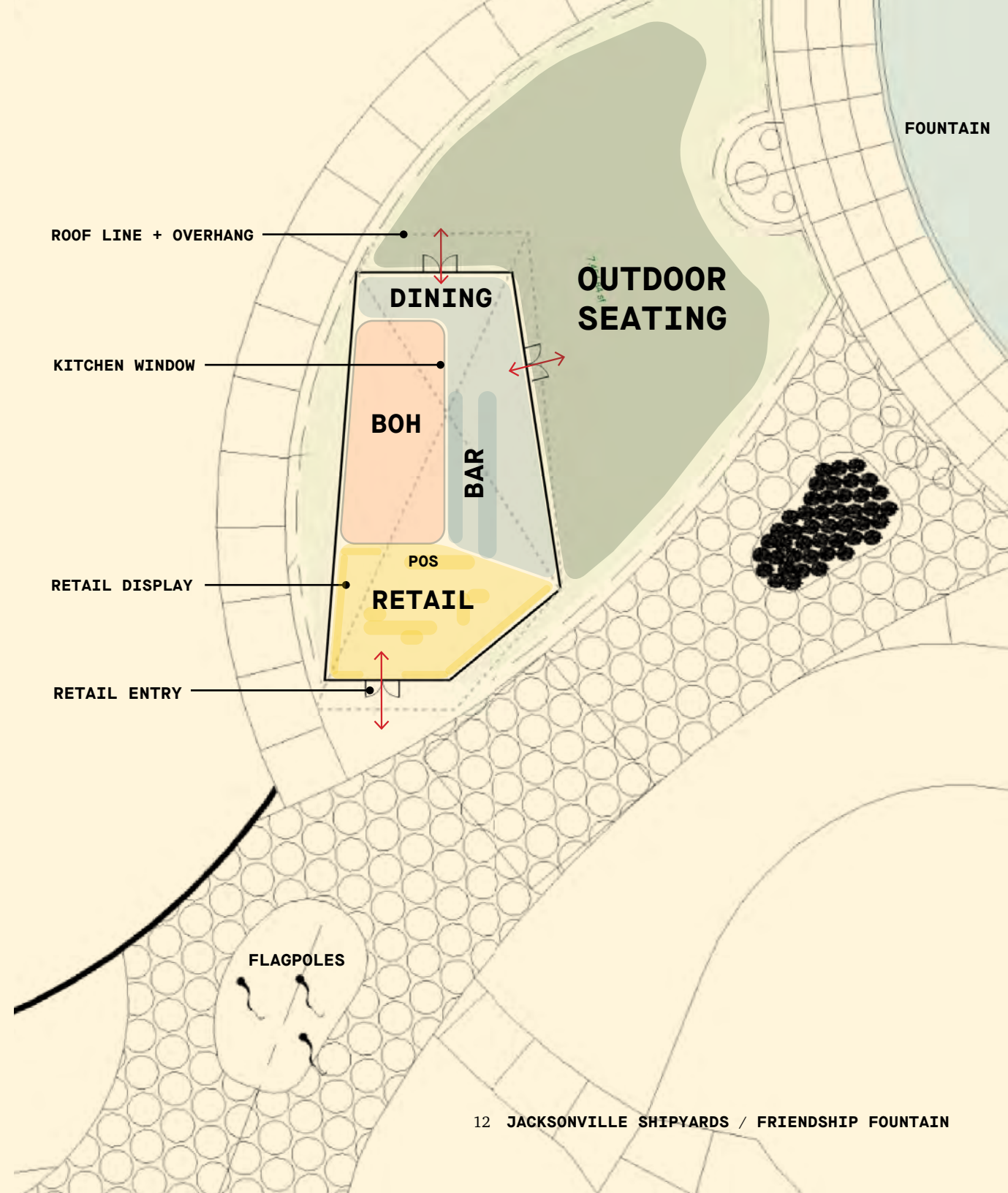
- Access + deliveries from road
- Optimal guest views to river, city and fountain
- Grade changes
- Adjacent development pedestrian approach
- Parking access for entirety of site

SQUARE FOOTAGES + SEATING

RETAIL	720 SF
BACK OF HOUSE	750 SF
BAR + DINING <i>60 seats</i>	930 SF
INDOOR TOTAL	2,400 SF
OUTDOOR TERRACE <i>185 seats</i>	3,700 SF

TOTAL SITE 7,455 SF

STREETSENSE



LOOK & FEEL / EXTERIOR

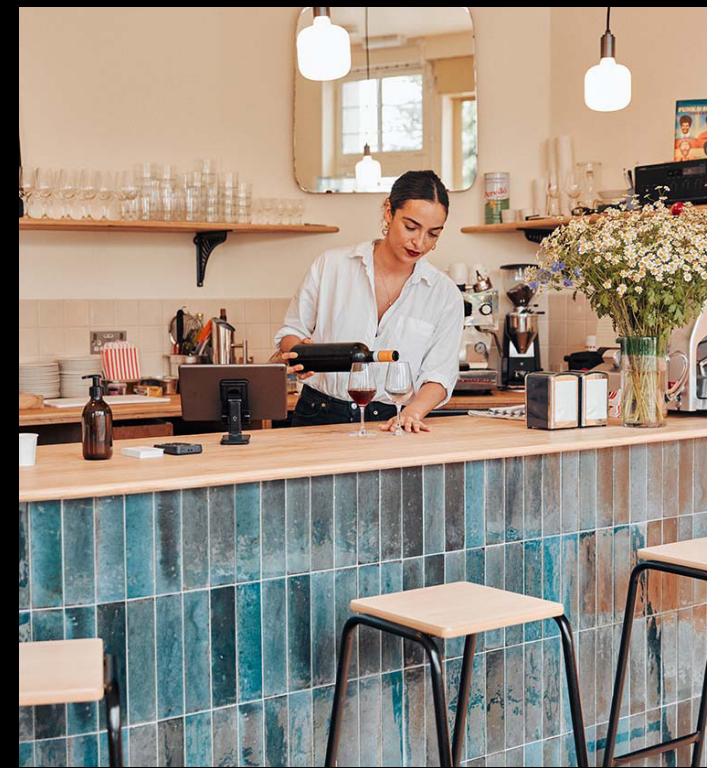
Inspired by the Prairie Style architecture in Jacksonville designed by architect John Klutho, the bottle shop + wine garden seamlessly integrates with its natural surroundings, with minimally-pitched rooflines and deep overhanging eaves at the retail entry and patio.

Large windows flood the bar and wine shop with sunlight and provide views of the outdoors, including St. Johns River and the revitalized Friendship Fountain.

Natural materials in soft tones and a terraced patio sweep down to the fountain maximizing views and harmonizing with the landscape.



LOOK & FEEL / INTERIOR



ECONOMICS / SITE

2,400

TOTAL SF

\$185-\$225

BASE BUILD CONSTRUCTION / SF

\$3m to \$4m

SALES

Cold Dark Shell

LANDLORD DELIVERY CONDITION

\$35-\$55

NET RENT / SF

\$175-\$225

TENANT IMPROVEMENT / SF

\$10

NNN'S / SF

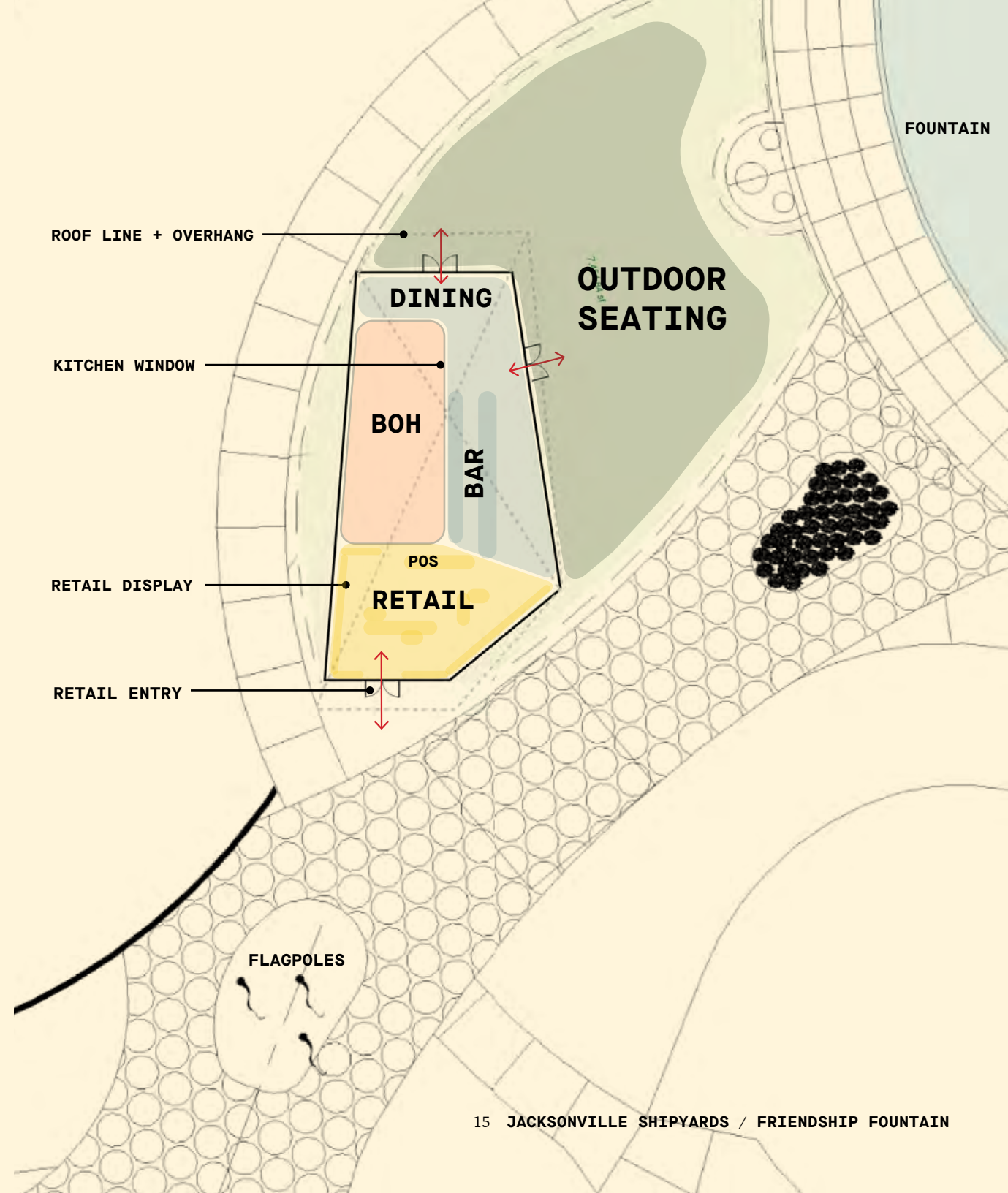
10 years

LEASE TERM

\$10-\$30

SITE WORK / SF

STREETSENSE



DAYPARTS

Primarily driven by afternoon, evening, and weekend traffic, the daytime is minimally staffed and operates at a higher margin, with the retail component driving the majority of daytime sales alongside a very limited à la carte offering. In the evening and throughout the weekend, the outdoor space will invigorate the neighborhood and serve as a unique attraction, enabling safe enjoyment of the park site with one of Jacksonville’s first outdoor-oriented waterfront concepts. Wine garden hours may extend into weekday lunches and later into the evenings as the market develops, supported by additional residential spaces, programmed events, and increased Riverwalk foot traffic. The gourmet grocer’s daytime staff can also support a larger food menu as the opportunity and area evolve, with retail sales cushioning the impact of lower daytime foot and vehicular traffic.

	M	T	W	T	F	S	S
GOURMET GROCER	11–8	11–8	11–8	11–8	11–9	10–9	10–8
WINE GARDEN	4–8	4–8	4–8	4–9	4–9	10–9	10–8

ECONOMICS / OPERATOR

DAYPART	ANNUAL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Breakfast	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lunch	\$ 978,250	\$ 42,065	\$ 43,043	\$ 94,695	\$ 120,031	\$ 131,086	\$ 88,923	\$ 89,706	\$ 80,608	\$ 96,749	\$ 90,879	\$ 58,988	\$ 41,478
Dinner	\$ 2,491,775	\$ 107,146	\$ 109,638	\$ 241,204	\$ 305,741	\$ 333,898	\$ 226,502	\$ 228,496	\$ 205,322	\$ 246,437	\$ 231,486	\$ 150,254	\$ 105,651
Retail	\$ 375,000	\$ 16,125	\$ 16,500	\$ 36,300	\$ 46,013	\$ 50,250	\$ 34,088	\$ 34,388	\$ 30,900	\$ 37,088	\$ 34,838	\$ 22,613	\$ 15,900
TOTAL	\$ 3,845,025	\$ 165,336	\$ 169,181	\$ 372,198	\$ 471,785	\$ 515,233	\$ 349,513	\$ 352,589	\$ 316,830	\$ 380,273	\$ 357,203	\$ 231,855	\$ 163,029

REVENUE TYPE	ANNUAL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Food	\$ 1,832,838	\$ 78,812	\$ 80,645	\$ 177,419	\$ 224,889	\$ 245,600	\$ 166,605	\$ 168,071	\$ 151,026	\$ 181,268	\$ 170,271	\$ 110,520	\$ 77,712
Beverage	\$ 1,637,188	\$ 70,399	\$ 72,036	\$ 158,480	\$ 200,883	\$ 219,383	\$ 148,820	\$ 150,130	\$ 134,904	\$ 161,918	\$ 152,095	\$ 98,722	\$ 69,417
Beer	\$ 173,501	\$ 7,461	\$ 7,634	\$ 16,795	\$ 21,289	\$ 23,249	\$ 15,771	\$ 15,910	\$ 14,297	\$ 17,159	\$ 16,118	\$ 10,462	\$ 7,356
Wine	\$ 1,463,686	\$ 62,939	\$ 64,402	\$ 141,685	\$ 179,594	\$ 196,134	\$ 133,049	\$ 134,220	\$ 120,608	\$ 144,759	\$ 135,976	\$ 88,260	\$ 62,060
Liquor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail	\$ 375,000	\$ 16,125	\$ 16,500	\$ 36,300	\$ 46,013	\$ 50,250	\$ 34,088	\$ 34,388	\$ 30,900	\$ 37,088	\$ 34,838	\$ 22,613	\$ 15,900
TOTAL	\$ 3,845,025	\$ 165,336	\$ 169,181	\$ 372,198	\$ 471,785	\$ 515,233	\$ 349,513	\$ 352,589	\$ 316,830	\$ 380,273	\$ 357,203	\$ 231,855	\$ 163,029

COST OF GOODS	ANNUAL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Food	\$ 476,538	\$ 20,491	\$ 20,968	\$ 46,129	\$ 58,471	\$ 63,856	\$ 43,317	\$ 43,699	\$ 39,267	\$ 47,130	\$ 44,270	\$ 28,735	\$ 20,205
Beverage	\$ 360,181	\$ 15,488	\$ 15,848	\$ 34,866	\$ 44,194	\$ 48,264	\$ 32,740	\$ 33,029	\$ 29,679	\$ 35,622	\$ 33,461	\$ 21,719	\$ 15,272
Retail	\$ 168,750	\$ 8,063	\$ 8,250	\$ 18,150	\$ 23,006	\$ 25,125	\$ 17,044	\$ 17,194	\$ 15,450	\$ 18,544	\$ 17,419	\$ 11,306	\$ 7,950
TOTAL	\$ 1,005,469	\$ 44,041	\$ 45,066	\$ 99,144	\$ 125,672	\$ 137,245	\$ 93,102	\$ 93,921	\$ 84,396	\$ 101,295	\$ 95,150	\$ 61,760	\$ 43,427

EXPENSE	ANNUAL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Labor Cost	\$ 1,464,666	\$ 62,981	\$ 64,445	\$ 141,780	\$ 179,715	\$ 196,265	\$ 133,138	\$ 134,310	\$ 120,688	\$ 144,855	\$ 136,067	\$ 88,319	\$ 62,102
Operating Expenses	\$ 631,853	\$ 27,170	\$ 27,802	\$ 61,163	\$ 77,528	\$ 84,668	\$ 57,435	\$ 57,941	\$ 52,065	\$ 62,490	\$ 58,699	\$ 38,101	\$ 26,791
TOTAL	\$ 2,096,519	\$ 90,150	\$ 92,247	\$ 202,943	\$ 257,243	\$ 280,934	\$ 190,574	\$ 192,251	\$ 172,753	\$ 207,346	\$ 194,767	\$ 126,420	\$ 88,892

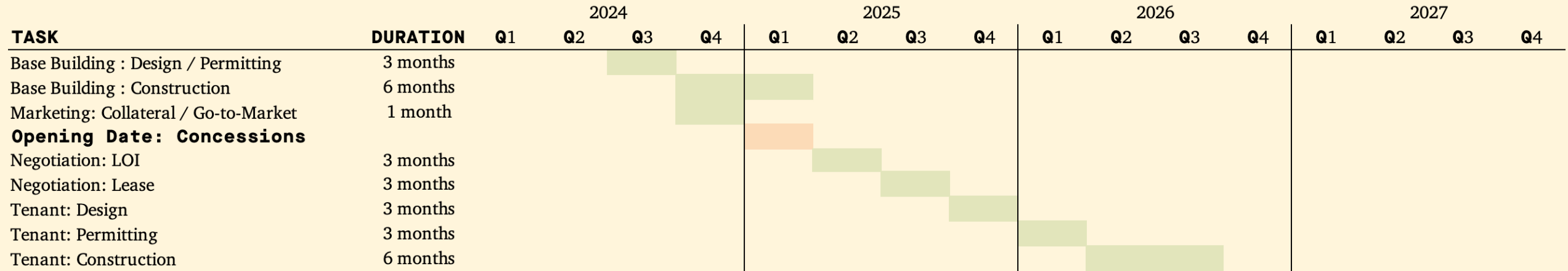
GROSS OPERATING PROFIT	\$ 724,287	\$ 31,144	\$ 31,869	\$ 70,111	\$ 88,870	\$ 97,054	\$ 65,838	\$ 66,417	\$ 59,681	\$ 71,632	\$ 67,286	\$ 43,674	\$ 30,710
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18.8%

As a beverage-focused, seated offering with a full back of house, wine, and retail program for off-premise sales, this venue performance will not be negatively impacted by the snack bar planned adjacent to the site.

A limited indoor footprint allows the operation to flex to support the business when it is there, and contract in slower times without stigma while still providing value to the neighborhood through retail and ample integrated park seating.

PHASING PLAN



Ensuring the seamless integration of both the outdoor seating and the indoor ambiance with Friendship Fountain park’s essence is vital. This cohesion should reflect a deep connection and thoughtful consideration of the park’s overall character and aesthetics.

Furthermore, Streetsense views neither the concession stand nor any future restaurant on the adjacent private property as competitors. Instead, these are regarded as complementary enhancements that will contribute positively to the park’s overall appeal and success.

Streetsense advises that the launch of this food and beverage concept be strategically aligned with the third phase of the park’s renovation. It should also establish a direct connection with Bertram’s Garden, enhancing the site with water views and an expansive outdoor seating area that naturally blends with both the fountain and garden amenities.

Addressing the need for patron parking is crucial. Developing a comprehensive plan to optimize the use of available area parking and minimize the effects of any ongoing construction is essential for the success of this concept, ensuring convenient access for all visitors.

CASE STUDIES



GLASS & VINE MIAMI, FLORIDA

Neighborhood bar and restaurant with a large canopied patio spilling into Peacock Park



ST. VINCENT WASHINGTON, DC

Small wine shop with upstairs cocktail bar and small restaurant opens up to a backyard garden



BACCHANAL WINE NEW ORLEANS, LOUISIANA

Corner wine and cheese shop hosts casual backyard parties with daily jazz and paired small plates

GLASS & VINE

MIAMI, FLORIDA

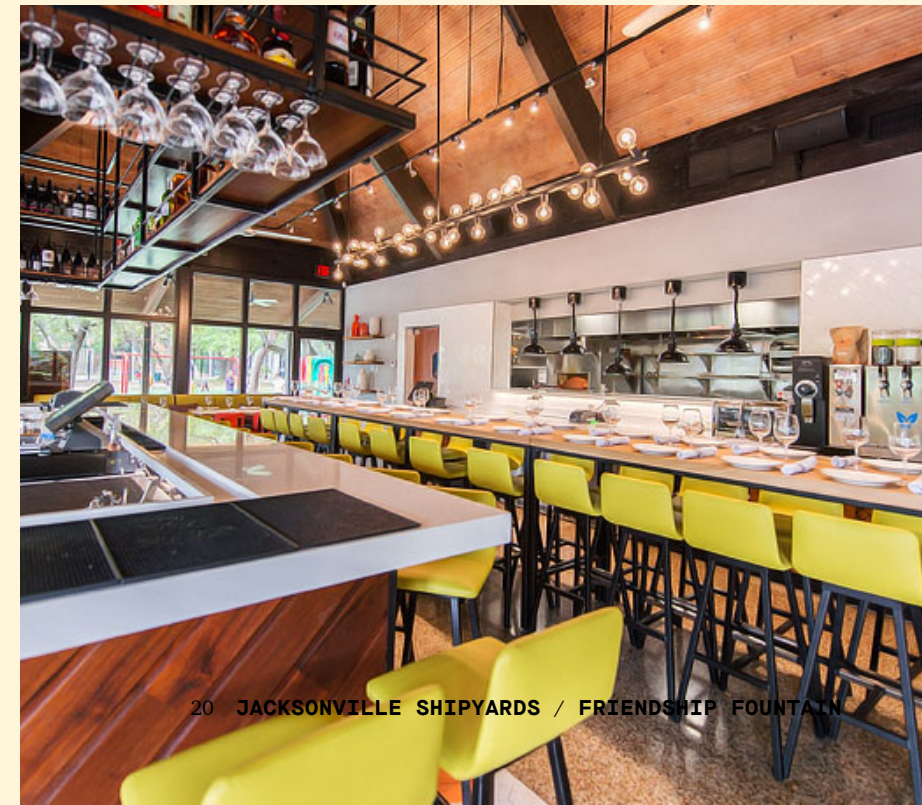
DEVELOPER Grove Bay Hospitality
OPENED 2016
SIZE 1,500 square feet; 4,600 square feet total; 200 seats
F&B 1 indoor/outdoor bar | small kitchen for lunch, weekend brunch, dinner + happy hour

Nestled within Miami's Coconut Grove neighborhood, Glass & Vine is located in the historic Chamber of Commerce "Glass House" building amidst the lush greenery of Peacock Park. From leisurely brunches to lively happy hours, Glass & Vine is a neighborhood favorite with its canopy of lights, central location and expansive tiered patio that makes up the majority of the seating. Weekly events infuse the park with energy and excitement, making it a destination for locals and visitors alike.

WHAT WE LIKE | LEARNED LESSONS

- Indoor/outdoor bar brings guests into the patio
- Canopy of sparkling lights and leaves create a special ambience perfect for events and group gatherings
- Landscaping and tiered terraces provide sense of place integrated into the natural surroundings
- Historic architecture feels tied to the neighborhood

STREETSENSE



ST. VINCENT

WASHINGTON, DC

DEVELOPER Privately Owned by Frederick Uku and Peyton Sherwood

OPENED 2020

SIZE 2,800 sf indoors; 6,814 square feet total; 300 seats

F&B 1 indoor cocktail bar | Wine-&-cheese store featuring small plates and weekend brunch

At St. Vincent in Washington DC, wine enthusiasts are welcomed by an inviting bottle shop upfront, offering a curated selection of wines. Beyond, the space unfolds into an upstairs cocktail bar and expansive, casual “wine garden” where guests can enjoy their chosen bottles or cocktails alongside simple food offerings, creating a convivial atmosphere for wine lovers to gather and unwind.

WHAT WE LIKE | LEARNED LESSONS

- Guests are greeted by storefront wine shop, providing an “in-the-know” experience for those enjoying the bar and outdoors
- Programming includes a wine club, live jazz, delivery options
- Daily cheese + charcuterie menu with full brunch menu for Saturday + Sunday

STREETSENSE



21 JACKSONVILLE SHIPYARDS / FRIENDSHIP FOUNTAIN

BACCHANAL WINE

NEW ORLEANS, LOUISIANA

DEVELOPER Privately owned by Adrian Mendez and Joaquin Rodas

YEAR BUILT 2002

SIZE 200 seats & 50-person private dining

F&B 1 indoor bar with wine and cheese shop and outdoor kitchen

What started as a sleepy wine shop in New Orleans' outskirts has become one of the city's most vibrant venues featuring hundreds of wines, weekly free wine tastings, live music and outdoor dining. Taking advantage of the year-round warm weather, Bacchanal is a quintessential, neighborhood corner shop hosting laidback backyard parties perfect for friends and groups.



WHAT WE LIKE | LEARNED LESSONS

- Outdoor kitchen and daily jazz performances draw in guests all week long
- Deeply connected to the neighborhood
- Private dining room and buyout options make for a perfect event space
- No fuss, no frills design encourages casual gatherings



STREETSENSE

641 S ST NW
WASHINGTON, DC 20001
STREETSENSE.COM

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THANK YOU.

TAB VI.

RESOLUTION 2024-04-10: TRIO

RESOLUTION 2024-04-10

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) REGARDING RESTORATION OF THE THREE BUILDINGS COLLECTIVELY REFERRED TO AS THE “LAURA TRIO” (AND INDIVIDUALLY KNOWN AS THE FLORIDA NATIONAL BANK BUILDING, THE BISBEE BUILDING AND THE FLORIDA LIFE INSURANCE BUILDING), AND ASSOCIATED NEW CONSTRUCTION MULTIFAMILY AND HOTEL; FINDING THAT THE PROPOSAL SUBMITTED BY THE DEVELOPER ON MARCH 30, 2024 IS UNTENABLE AND RECOMMENDING THAT NO FURTHER ACTION BE TAKEN ON SAID PROPOSAL; ENCOURAGING THE CEO TO INVESTIGATE FURTHER ALL POSSIBLE OPPORTUNITIES TO SAVE AND RESTORE THE LAURA TRIO; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO FORWARD THIS RESOLUTION TO THE MAYOR AND CITY COUNCIL AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Laura Trio, LLC, is the owner of three (3) historic buildings collectively referred to as the “Laura Trio” a/k/a “Laura Street Trio” and individually known as the Florida National Bank Building, the Bisbee Building and the Florida Life Insurance Building”; and

WHEREAS, Ordinance 2023-876 was filed in late 2023 and proposed a variety of incentives to support renovation of the Laura trio and facilitate the proposed new construction multifamily and hotel; and

WHEREAS, Ordinance 2023-876 was discussed by City Council following presentations by the Developer, City staff, and DIA on January 4, 2024; and

WHEREAS, in light of the many concerns raised by the City’s Office of general Counsel, the City’s CFO, the Council Auditors and DIA staff, City Council directed DIA to work with Mr. Stephen Atkins and Mr. Jason Gabriel, his attorney, to as quickly as possible consider other potential funding solutions to save the historic buildings and return to Council with those recommendations; and

WHEREAS, the Council President did not impose a deadline of April but suggested that we should have a response by April; and

WHEREAS, Mayor’s Office did establish a deadline of the April DIA Board meeting for DIA Board approval of any proposal; and

WHEREAS, in early January, the DIA staff , in consultation with the CFO and Office of General Counsel (“OGC”), developed three options to fund restoration of the historic buildings that OGC found to be legally permissible, and the CFO agreed would be financially possible for the City if approved by City Council; and

WHEREAS, on January 10, 2024, DIA staff requested the opportunity to meet and present such options and begin a productive dialogue, followed up by multiple attempts to aschedule a meeting; and

WHEREAS, on February 1, 2024 a meeting was held in DIA offices at which DIA reiterated that the Capital One proposal pending before Council, or variations thereof wherein the City guaranteed the private development debt, were not on the table for consideration, and at which we presented three alternatives, each of which fully funded the construction cost of the historic renovations as identified by the Turner Construction data provided to DIA, but contemplated different ownership and finance structures; and

WHEREAS, in an email dated February 15, 2024, Mr. Atkins indicated that options 1 (pursuant to which the City would purchase the property at appraised value and fund the restoration) and 3 (pursuant to which the City would purchase the property and lease the building back for restoration) were “non-starters” for him; and

WHEREAS, in the same email, Mr. Atkins indicated a desire to continue to consider option 2, (in which he retained ownership of the historic properties and the City funded restoration partially by grant and partially with a loan) but only in conjunction with obtaining financing for the larger new construction projects which were not part of the City’s proposal; and

WHEREAS, after nearly three months had elapsed since the Jan. 4th meeting and following deadlines established by the Mayor’s Office, and Council direction, DIA requested a meeting and response the last week of March that could be taken to our Board for April consideration; and

WHEREAS, at a meeting held on March 29th in DIA offices, Mr. Atkins presented a proposal and delivered multiple term sheets, including a financing proposal from Goldman Sachs for the multifamily portion of the project, but also included an only slightly modified proposal from Capital One (that required an unconditional City guaranty) as the financing source for the hotel new construction; and

WHEREAS, Mr. Atkins expressed several times during the March meeting his unwillingness to proceed without inclusion of the hotel component; and

WHEREAS, OGC maintains that the modified Capital One proposal presented to DIA on March 29th does not eliminate previous constitutional concerns; and

WHEREAS, many of the same financial concerns expressed in January also remain as part of the Capital One term sheet; and

WHEREAS, considering all aforementioned concerns, DIA staff cannot recommend a term sheet to the Board for consideration at its April meeting and is instead presenting this Resolution for consideration by the Board and delivery to the Mayor and City Council.

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 has in good faith offered three financing solutions that are legally permissible and would fund the restoration of the historic buildings.

Section 3. The Developer has not accepted any of those alternatives as presented.

Section 4. The Developer has provided an alternative proposal, inclusive of a Capital One term sheet, that DIA cannot consider based on the advice of OGC and the CFO; and at this point the Developer is unwilling to proceed on any basis that does not include the Capital One financing alternative.

Section 5. The DIA therefore forwards to the Mayor and City Council its recommendation that the current Developer proposal be rejected and recommends that 2023-876 be withdrawn as no acceptable substitute has been agreed upon that can be considered by the Board.

Section 6. 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

Jim Citrano, Chairman

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

TAB VII.

RESOLUTION 2024-04-11: 500 N OCEAN STREET

RESOLUTION 2024-04-11

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMBINED NORTHBANK COMMUNITY DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF DIA STOREFRONT FAÇADE GRANT AGREEMENT TO KASPER LAND, LLC (“APPLICANT OR GRANTEE”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A GRANT AGREEMENT; AUTHORIZING THE DIA CEO TO EXECUTE SUCH AGREEMENT; AND FINDING THAT THE DEVELOPMENT PLAN IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, at their June 18, 2020 meeting the Downtown Investment Authority (“DIA”) approved Resolution 2020-06-02 establishing the DIA Storefront Façade Grant Program, to provide funding for the improvement of storefronts, and, if applicable, second story façades, in the Downtown Jacksonville Historic District to activate the streetscape and the overall revitalization of Downtown Jacksonville, with funding provided through the Downtown Northbank CRA Redevelopment Trust Fund; and

WHEREAS, the Applicant acquired eligible property located at 500 N. Ocean Street (RE# 073872-0000 and applied for funding under the DIA Storefront Façade Grant Program to facilitate improvements to the exterior of the building; and

WHEREAS, the application was reviewed by the DIA staff, found to be consistent with program guidelines and the BID Plan and CRA Plan for Downtown; and

WHEREAS, the DIA Strategic Implementation Committee, at their meeting of April 12, 2024, voted to recommend approval of the application to the DIA Board; and

WHEREAS, to assist the Grantee in making renovations to the façade of the commercial building located at 500 N. Ocean Street (“the Project”) the DIA proposes to provide a Grant in an amount not to exceed SEVENTY-FIVE THOUSAND DOLLARS AND NO CENTS (\$75,000.00) to the Grantee; and

WHEREAS, the financial assistance to the Project will be in the form of the proposed terms and incentives on the Term Sheet, attached as Exhibit A to this Resolution; 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 hereby finds that the Project is supported by the following Goal(s) and Strategic Objective(s) of the BID Plan:

- Goal Number 1: Increase commercial office utilization, occupancy, and job growth to reinforce Downtown as the region's epicenter for business.
 - Improve the occupancy rates of existing Downtown commercial office buildings.
 - Facilitate restoration and rehabilitation of Downtown's historic building stock for productive commercial office use.
- Goal Number 4: Increase the vibrancy of Downtown for residents and visitors through arts, culture, history, sports, theater, events, parks, and attractions.
 - Create and promote a consistent brand for Downtown that conveys a sense of excitement and within the boundary of Downtown foster distinct neighborhood identities that evoke a unique sense of place.
- Goal Number 5: Improve the safety, accessibility, and wellness of Downtown Jacksonville and cleanliness and maintenance of public spaces for residents, workers, and visitors.
 - Support a clean and safe Downtown 24-7, including the work of Downtown Vision Inc.
 - Enforce proper maintenance of private property.
 - Promote safe and equitable access to all Downtown facilities by improving access to buildings and other properties, amenities, transit, events, and attractions; by eliminating obstacles; and by designing for all ages and abilities.

Section 3. The DIA hereby awards a DIA Storefront Façade Grant to Grantee in an amount not to exceed \$75,000.00 from the Combined Northbank TID in accordance with the terms of the term sheet attached hereto as Exhibit A.

Section 4. The Chief Executive Officer is hereby authorized to negotiate and execute the contracts necessary to document this approval and otherwise take all additional actions necessary to effectuate the purposes of this Resolution.

Section 5. The Effective Date of this Resolution is the date of execution of this Resolution by the Chair of the DIA Board.

(Continued on following page)

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Witness

James Citrano, Chairman

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

DRAFT

EXHIBIT A - TERM SHEET

**Kasper Architecture and Development
500 N. Ocean Street
Façade Grant**

Project Name:	500 N. Ocean St.
Applicant:	Kasper Land, LLC Carman Kasper, CEO Eric Kasper, COO
Estimated Rehabilitation Budget:	\$343,232
Eligible Façade Improvement Costs:	\$271,774
Maximum Façade Grant Funding:	\$ 75,000

Project: Exterior renovations to 500 N. Ocean Street in accordance with the application received, materially consistent with images found in FIGURE 1., subject to DIA Board approval.

DIA Funding: No more than **\$75,000**, through the Downtown Northbank Combined CRA.

Infrastructure: No City of Jacksonville or CRA infrastructure funding or support is requested.

Land: No City of Jacksonville or CRA land or building is requested.

Loans: No further City of Jacksonville or CRA loans have been requested.

Façade Grant:

- Maximum funding limited to the lesser of 50% of actual costs incurred on eligible improvements as supported by invoices as approved by the DIA, or \$75,000.
- Eligible costs are those outlined in Figure 2 below and are further limited to expenditures made on improvements to the exterior walls facing North Ocean Street and East Church Street.
- The Grant will be funded upon submission of a funding request form following completion of the work.
- Work shall be inspected for compliance with the application as submitted, and all invoices must be submitted for satisfactory review and approval by DIA Staff.
- The Grant approval is contingent upon the following:
 1. Only work on the street-facing storefront as outlined in the application submitted is eligible for reimbursement.
 2. Applicant must be in good standing with the City (no unpaid taxes, Municipal Code Compliance outstanding citation on any property of applicant, outstanding defaults on any City contract, or previous uncured grant defaults or non-compliance).

3. The property being improved may not have any outstanding liens or violations.
4. Applicant must not be engaged in an active lawsuit with or have an unresolved claim from or against the City or its agencies that is related to the property from which the grant is sought or other similar rehabilitation grants.
5. Applicant agrees to utilize City-approved JSEBs for renovation work associated with the grant where possible.
6. Must maintain the improvements in good repair.
7. All improvements must adhere to Downtown Overlay Zone and Downtown District Use and Form Regulations, and DDRB approvals, as applicable.
8. If at any point the space is not occupied, the Applicant shall utilize its best efforts to continue to activate the streetscape. This can be accomplished through temporarily attaching art to the windows, utilizing the storefront space as an art installation or exhibition, or other creative efforts to address street activation.

Performance Schedule:

1. Façade Grant Agreement or appropriate loan document to be executed not later than six (6) months of approval by the DIA Board which will establish the Façade Grant Agreement Effective Date.
2. Commencement of Construction of Façade Improvements: Within three (3) months following the Façade Grant Agreement Effective Date, Applicant commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities and has begun work in earnest.
3. Substantial Completion: Within twelve (12) months following Commencement of Construction as defined above.
4. The DIA CEO will have authority to extend this Performance Schedule, in the CEO's sole discretion, for up to three (3) cumulative months for good cause shown by the Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Substantial Completion Date simultaneously.

Conditions:

This Term Sheet is limited by the following conditions:

1. Downtown Investment Authority to receive copies of any necessary permits, invoices, cancelled checks or documentation from other methods of payment, and other items as may be requested by the DIA in its sole discretion as evidence of eligible expenditures; and
2. Annual reporting required to demonstrate compliance with terms and conditions as approved; and
3. There may be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties which shall be determined in a later negotiated mutually agreeable written contract.

FIGURE 1. FAÇADE IMPROVEMENTS

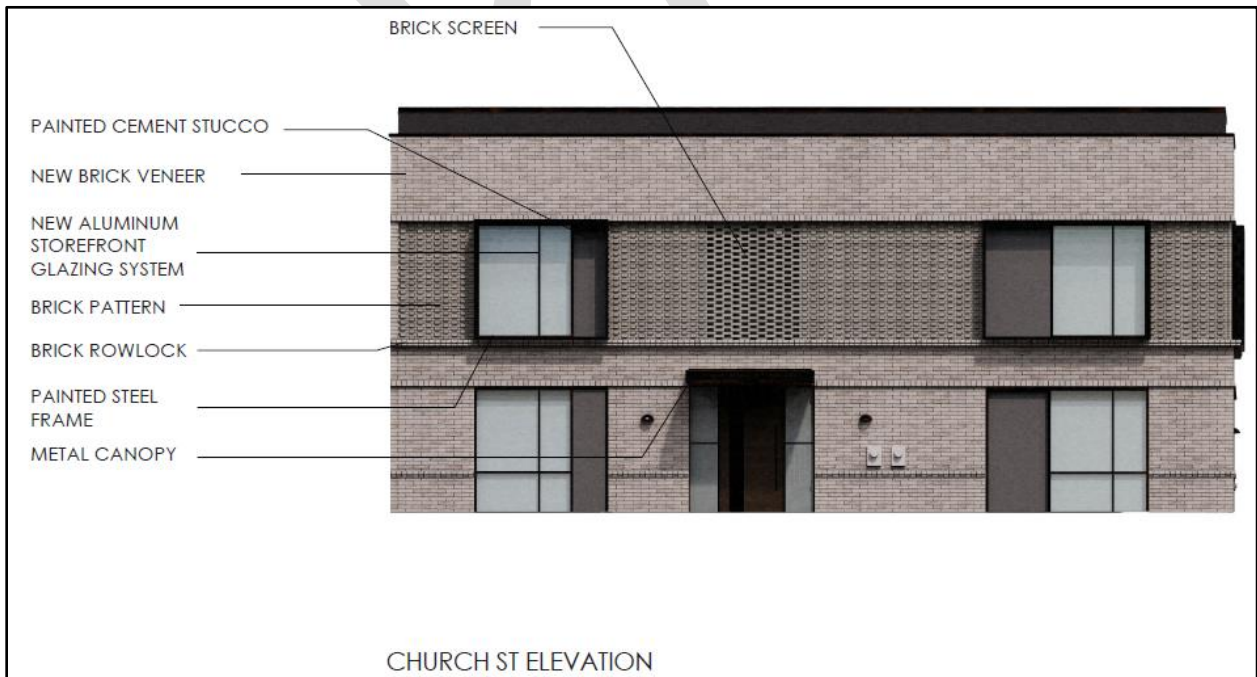


FIGURE 2. PROPOSED EXPENDITURES

Activity	Eligibility	Eligible ¹	Ineligible	Total
Brick	Eligible ¹	130,126		130,126
Aluminum Storefronts (Windows / Entryways)	Eligible ¹	76,154		76,154
Stucco Demo/Repairs	Eligible ¹	39,975		39,975
Rigid Wall Insulation	Eligible ¹	18,937		18,937
Removal and Replacement of Existing Sidewalks	Ineligible		17,802	17,802
Roof Repairs	Ineligible		14,752	14,752
Roof Drains	Ineligible		13,493	13,493
New Parapet Wall (South Elevation)	Ineligible		8,975	8,975
Temporary Protection	Ineligible		6,500	6,500
Painting	Eligible ¹	6,000		6,000
Cleanup	Ineligible		2,736	2,736
Inspections	Ineligible		2,500	2,500
Permit	Ineligible		2,480	2,480
Dumpsters	Ineligible		2,220	2,220
Sign Circuit	Eligible ¹	582		582
		271,774	71,458	343,232

1 - Eligibility limited to costs incurred on improvements to the walls facing N Ocean Street and E Church Street.

DRAFT

SUPPLEMENTAL INFORMATION

RESOLUTION 2024-04-11: 500 N OCEAN STREET STAFF REPORT

**DIA STRATEGIC IMPLEMENTATION COMMITTEE
STAFF REPORT**

<u>Project Name:</u>	500 N. Ocean St.
<u>Applicant:</u>	Kasper Land, LLC Carman Kasper, CEO Eric Kasper, COO
<u>Project Location:</u>	500 N. Ocean Street Jacksonville, Florida 32202
Estimated Rehabilitation Budget:	\$343,232
Eligible Façade Improvement Costs:	\$271,774
Maximum Façade Grant Funding:	\$ 75,000



Project Description:

The applicant, Kasper Land, LLC, acquired the two-story, 5,181 square foot property located at 500 N. Ocean Street in August 2023. The property, used historically as an office building, has been vacant for many years and has suffered from water intrusion and general deferred maintenance.

The property, located in the Cathedral Hill neighborhood at the busy intersection of N. Ocean Street and Church Street, will allow for the creation of a downtown “urban studio” for Kasper Architect + Associates to complement its current studio located on Jacksonville’s Southside at 10175 Fortune Parkway near The Avenues Mall. The firm serves numerous clients across Jacksonville’s Downtown and the Southeast

region of the U.S. As provided in the Jacksonville Daily Record (January 8, 2024), the firm’s “current design work with the Jacksonville Jaguars, the Museum of Science & History, the Jacksonville Armada and the Shipyards project contributed to its commitment to Downtown.”

The applicant proposes improvements throughout the building including roof repairs, a re-skin of the building to add a brick exterior to the southern and eastern facades, waterproofing, and replacement of windows and doors. Cost estimates for the work exceed \$343,000 with eligible costs approaching \$272,000.

Figure 1. – Rehabilitation Budget

Activity	Eligibility	Eligible ¹	Ineligible	Total
Brick	Eligible ¹	130,126		130,126
Aluminum Storefronts (Windows / Entryways)	Eligible ¹	76,154		76,154
Stucco Demo/Repairs	Eligible ¹	39,975		39,975
Rigid Wall Insulation	Eligible ¹	18,937		18,937
Removal and Replacement of Existing Sidewalks	Ineligible		17,802	17,802
Roof Repairs	Ineligible		14,752	14,752
Roof Drains	Ineligible		13,493	13,493
New Parapet Wall (South Elevation)	Ineligible		8,975	8,975
Temporary Protection	Ineligible		6,500	6,500
Painting	Eligible ¹	6,000		6,000
Cleanup	Ineligible		2,736	2,736
Inspections	Ineligible		2,500	2,500
Permit	Ineligible		2,480	2,480
Dumpsters	Ineligible		2,220	2,220
Sign Circuit	Eligible ¹	582		582
		271,774	71,458	343,232

1 - Eligibility limited to costs incurred on improvements to the walls facing N Ocean Street and E Church Street.

At their meeting on January 11, 2024, the Downtown Development Review Board (DDRB) voted to approve the conceptual/final submittal for DDRB Application 2024-001, kasper architects corporate office.

Program Considerations:

In review of this application, it is determined that the property and applicant meet the following requirements:

1. The property was originally built in 1982 and meets the program requirement of being a minimum of 25 years old.
2. The gross façade of the structure and eligible funding maximum equals (51 feet + 51 feet) X 25 feet = 2,550 square feet \$30 = \$76,500. However, program guidelines limit funding to a maximum of \$75,000, for which this project is considered eligible for full funding.
3. Improvements to both stories of the 2-story building are eligible per program guidelines which provide, “Only storefront façades that have street frontage on a public street are eligible. “Storefront Facade” refers to the exterior façade of entire ground floor fronting the sidewalk and public street. The second story of the building may be eligible if the architectural details and

construction materials of the second story are most similar to the first story when compared to the rest of the building, or if the building is only two-stories tall.” Accordingly, only expenditures related to the facades facing N. Ocean Street and Church Street are eligible for reimbursement as detailed further in the Ex. A Term Sheet to Resolution 2024-04-11.

4. In accordance with Façade Grant Guidelines:
 - a. Property taxes are current, and the property has contributed to Duval County ad valorem for more than five years.
 - b. Improvements to the property will be made in accordance with all applicable codes and permits, as approved by the DDRB Staff. Staff can approve this type of project without DDRB review and approval per SUBPART H. - DOWNTOWN OVERLAY ZONE AND DOWNTOWN DISTRICT USE AND FORM REGULATIONS, Sec. 656.361.7.1
 - c. Applicant is in good standing with the City, the property is not subject to outstanding Municipal Code Compliance liens or violations.
 - d. The property has not received other COJ or DIA Funding that would be duplicative with this project.

Funding eligibility is determined as the lesser of 50% of eligible costs ($\$271,774 \times .50\% = \$135,887$) or the maximum funding limit of \$75,000. Accordingly, maximum eligibility is determined to be \$75,000 for these proposed façade improvements.

Funding and compliance under the DIA Storefront Façade Grant in the amount of \$75,000 are subject to:

- The Façade Grant Agreement, or appropriate forgivable loan document, is to be executed not later than six (6) months of approval by the DIA Board which will establish the Façade Grant Agreement Effective Date. Thereafter, Commencement of Construction of Façade Improvements shall occur within three (3) months following the Façade Grant Agreement Effective Date.
- The Façade Grant Agreement shall allow the DIA CEO to extend the performance schedule for up to three (3) months in her sole discretion for good cause shown by Applicant.
- Disbursement will be made following completion and inspection of the work by DIA Staff, to be supported by invoices submitted that document the actual expenditure made to complete the project substantially in accordance with the application as submitted.
- Must maintain the improvements in good repair and make ad valorem tax payments for a minimum period of five years from the date of funding.
- If at any point the space is not occupied, the Property Owner shall utilize its best efforts to continue to activate the streetscape. This can be accomplished through temporarily attaching art on the windows, utilizing the storefront space as an art installation or exhibition, or other creative efforts to address street activation.
- Other terms and conditions as found in the Ex. A Term Sheet to resolution 2024-04-11.

TAB VIII.

RESOLUTION 2024-04-12: GATEWAY MODIFICATIONS

RESOLUTION 2024-04-12

A MODIFICATION AND RESTATEMENT OF FOUR RESOLUTIONS OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF MARKET RATE MULTI-FAMILY HOUSING RECAPTURE ENHANCED VALUE GRANTS (“MF REV GRANT(S)”), AND COMPLETION GRANTS FOR THE DEVELOPMENT OF THREE MIXED-USE PROPERTIES AND A RECAPTURE ENHANCED VALUE GRANT (“REV GRANT”) AND A COMPLETION GRANT FOR THE REDEVELOPMENT OF A PARKING GARAGE TO PROVIDE RETAIL SPACE ALL AS PART OF AN OVERALL MULTIPARCEL MASTER DEVELOPMENT PLAN IN THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA, AUTHORIZING THE CHIEF EXECUTIVE OFFICER (THE “CEO”) TO NEGOTIATE A REDEVELOPMENT AGREEMENT REGARDING THE SAME BETWEEN THE CITY OF JACKSONVILLE, DOWNTOWN INVESTMENT AUTHORITY, AND GATEWAY COMPANIES LLC (OR RELATED SINGLE PURPOSE ENTITY (ENTITIES) EITHER FORMED OR TO BE FORMED); AUTHORIZING THE CEO OF THE DIA TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION INCLUDING THE FILING OF LEGISLATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Gateway Companies LLC, or one or more affiliates it manages, (“Gateway” or “Developer”) has acquired multiple parcels and properties located within the Downtown Northbank Community Redevelopment Area as further identified in Exhibits A, B, C, and D attached hereto on which Gateway plans to construct three multifamily and retail mixed-use developments referred to in plan documents as the “N4 Property,” the “N8 Property,” and the “N11 Property,” and to rehabilitate an existing parking garage referred to in plan documents as the “N5 Property” all as part of a multiparcel master development plan in the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“DIA”) is the Community Redevelopment Agency for the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the DIA is authorized per section 55.108(8)-(9)(b) *Economic Development* of the City Ordinance Code, to implement the DIA Business Investment and Development Plan (“BID Plan”), to utilize incentives and economic development programs in furtherance of goals set forth in the BID Strategy for the benefit of Downtown Jacksonville; and

WHEREAS, the aggregate increased private capital investment totaling not less than \$373,722,700 in real property will increase the county ad valorem tax base over the useful life of the assets related to the overall development activity, and will add to the residential tenancy, retail space, and parking options in Downtown Jacksonville; and

WHEREAS, the DIA Board met on November 15, 2023, and approved to forward Resolutions 2023-11-06, 2023-11-07, 2023-11-08, and 2023-11-09 to the Jacksonville City Council recommending approval of Multifamily REV Grants with maximum indebtedness of \$57,054,000, and Completion Grants with maximum funding totaling \$34,040,000 for the N4 Property, the N8 Property, and the N11 Property, and a REV Grant with maximum indebtedness of \$2,574,000 and a Completion Grant with maximum funding of \$1,906,000 for the N5 Property; and

WHEREAS, the Strategic Implementation Committee of the DIA met on April 12, 2024, and approved forwarding this Resolution 2024-04-12, which modifies the approvals originally authorized by Resolutions 2023-11-06, 2023-11-07, 2023-11-08, and 2023-11-09, to the DIA Board for approval; and

WHEREAS, following the modifications proposed, Developer is found to remain compliant with the Tiers System as provided in the DIA BID Plan as originally detailed in each original approval as required for the DIA to recommend funding beyond the standard DIA Incentive Programs from the City Council; and

WHEREAS, Multifamily REV Grant annual payments and REV Grant annual payments will be funded through the Downtown Northbank Redevelopment Trust Fund; and

WHEREAS, Completion Grant amounts will be funded through the City of Jacksonville General Fund and will require future appropriation from City Council after Developer meets performance requirements outlined in the Term Sheet attached hereto as Exhibit A, Exhibit B, Exhibit C, and Exhibit D.

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 authorizes the CEO of the Downtown Investment Authority to negotiate Loan Agreements and Redevelopment Agreements with the Developer, or a subsidiary of the Developer substantially in accordance with the term sheets that identify approvals as modified attached hereto as Exhibit A, Exhibit B, Exhibit C, and Exhibit D.

Section 3. The DIA hereby authorizes the CEO of the Downtown Investment Authority to execute such agreements.

Section 4. This Resolution, 2024-04-12, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS: **DOWNTOWN INVESTMENT AUTHORITY**

James Citrano, Chairman

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

Exhibit A to Resolution 2024-04-12

Gateway Jax – Pearl Street District

N4 Building Term Sheet

Developer/ Applicant:	Osprey River LLC, 715 Clay St LLC, or Beaver Branch LLC (or other entity formed by Gateway Companies, LLC for the development or ownership of the subject property where it, or its principles, have controlling interest).
The Property:	Denoted as N4 on master development maps, includes approximately 55,122 square feet (1.27 acres) of land bounded by Union Street to the north, Pearl Street to the east, Beaver Street to the south, and N Clay Street to the west inclusive of parcel RE#s 074295-0000, 074296-0005, 074296-0020, 074299-0000 as identified in Exhibit 1. To this Term Sheet.
The Project:	<p>On the Property developer shall design and construct the subject property (the “Project”) to include the following (all dimensions and counts are approximate unless stated otherwise):</p> <ol style="list-style-type: none"> 1. Proposed building with a minimum of 6 floors to be occupied for mixed residential and retail uses. 2. Residential Units: 281 residential units proposed with mix comprised of: <ol style="list-style-type: none"> a) 40 - Studio units (No fewer than 32 units) b) 184 - 1 BR units (No fewer than 147 units) c) 51 - 2 BR units (No fewer than 46 units) d) 6 - 3 BR units (No fewer than 5 units) e) No fewer than 266 total unit count minimum. f) Gross square footage proposed of 256,337 sf, and leasable square footage of 205,384 sf, may each adjust downward in final design by not more than 10% to remain within compliance, with no limit on upward adjustment. g) Amenities include a club room, fitness center, outdoor pool, and courtyard that may be restricted for the exclusive use of the residents. Workspaces are incorporated into various units throughout the project, allowing the building to adapt to changing work trends. 3. The first two levels are concrete construction, contributing to flood resiliency. Trees and building canopies in the public realm provide for a shade coverage for 50%, exceeding the requirement of 40%, to promote heat resiliency, or such higher percentage as may be approved by the DDRB in its final approval as found in Exhibit 7. 4. Retail Space: <ol style="list-style-type: none"> a) Approximately 19,155 sf of Leasable Retail Space, may adjust downward in final design by not more than 10% to remain within

	<p>compliance, with no limit on upward adjustment.</p> <p>b) Retail Frontages at the ground level proposed totaling 390 aggregate linear feet (SEE Exhibit 5 to this Term Sheet)</p> <ul style="list-style-type: none"> i. Total aggregate Retail Frontage may not adjust downward more than 10%. ii. Retail space must include a minimum of 1 (one) restaurant tenant that provides outdoor dining options throughout the compliance period to maintain eligibility for Rev payment, which shall open for business within 6 months of the outside date established for Substantial Completion. In the event that the operator of the Restaurant changes, the Restaurant may be closed for not more than ninety (90) days (“Restaurant Closure”); notwithstanding the foregoing, the CEO of the DIA may extend the Restaurant Closure for up to an additional ninety (90) days (for an aggregate of up to 180 days) in her sole discretion for good cause shown by Developer. <p>5. Applicant commits to a Minimum Private Capital investment of \$89,563,000 based on development budget of \$98,466,000, presented to the DIA inclusive of land valued at \$1,363,000, and exclusive of tenant improvements, marketing costs, leasing commissions, property management start-up costs, development fee, financing costs, and Years’ table costs included in the overall development cost totaling \$1,216,000 as further itemized in Exhibit 2. to this Term Sheet. If there is a downward adjustment in the Construction Cost approved pursuant to the REV Grant section, the Minimum Private Capital investment shall also be adjusted downward by a pro rata equivalent.</p>
Design:	<ul style="list-style-type: none"> 1. The design will comply with the Downtown Overlay Zone Standards as enacted within the Jacksonville Municipal Code as well as the DDRB’s development guidelines and approvals, except as may otherwise be approved by the DDRB and allowed by code. 2. The Developer/Applicant will meet with the City’s Chief Resilience Officer to discuss the project and identify any applicable resiliency features that may be applicable to the project.
REV Grant:	<ul style="list-style-type: none"> 1. 75% REV Grant with Maximum Indebtedness of \$14,105,000 calculated over a 20-year term but to be paid over 17 years on the Real Property and Tangible Personal Property taxes collected on the subject Property and Improvements beginning with the first year after the property has achieved substantial completion. 2. The maximum indebtedness shall be calculated based on the projected assessed value using the agreed-upon private Construction

	<p>Cost of \$81,078,000 equaling Development Cost as provided by the Applicant totaling \$98,466,000 less land, development fee, tenant improvements, FF&E, insurance and title, construction management fee, Years’ table costs included in the budget, and other costs all totaling \$17,388,303 as itemized in Exhibit 3. to this Term Sheet.</p> <ol style="list-style-type: none"> 3. The DIA staff may approve a reduction in the projected Construction Cost of up to 10% with an accompanying pro rata reduction in the REV Grant Maximum Indebtedness. 4. The DIA Board may approve a reduction in projected Construction Cost greater than 10% but no more than 15% with an accompanying pro rata reduction in the REV Grant maximum indebtedness. <p>Any reduction in actual projected Construction Cost of more than 15% shall result in the forfeiture of the REV Grant and Completion Grants.</p>
Completion Grant:	<ol style="list-style-type: none"> 1. Maximum Proceeds: Not to exceed \$6,844,000. 2. Funding 1 in the amount of \$4,238,000 to be earned and paid upon Substantial Completion of the Improvements. 3. Funding 2 in the amount of \$1,563,600. For payment to be requested, a minimum of 60% of the Effective Gross Leasable Space must be under lease before payment may be requested. Request must be made not later than the second anniversary of the documented date of Substantial Completion or is forfeited. 4. Funding 3 in the amount of \$1,042,400. For payment to be requested, a minimum of 100% of the Effective Gross Leasable Space must be under lease before payment may be requested. Request must be made not later than the second anniversary of the documented date of Substantial Completion or is forfeited. 5. Effective Gross Leasable Space for N4 totals 17,240 square feet of the Leasable Retail Space.
Redevelopment Agreement:	<p>The Redevelopment Agreement will establish the essential terms of the incentives, funding, and each party’s responsibility for maintenance of the easements granted in favor of the City, and other terms relevant to the development of the Property. The RDA will become effective upon its execution following approval by the City Council. Its terms will govern the rights and responsibilities of the parties throughout the term of the RDA.</p>
Entitlements:	<p>The City and the DIA will allocate all required entitlements for the Project, including Downtown Development Rights, and will timely process all required applications including, without limitation, Conceptual and Final DDRB Applications. Mobility Credits and Stormwater Credits will be available for purchase by Developer in accordance with the ordinance governing the same once the quantity of credits required is known.</p>

Permits:	Developer / Applicant will be responsible for obtaining all building and other permits required for the Project.
Tiers System Commitments	<p>In conjunction with approval for consideration of additional funding as Completion Grants, Developer/Applicant hereby agrees to the following conditions or commitments, which may be adjusted by an unlimited downward adjuster, and a 10% upward adjuster based on actual costs and values such that the total sum of the value of all conditions or commitments over 20 years is equal to 3% of the Minimum Private Capital Investment:</p> <ol style="list-style-type: none">1. Contribution of approximately \$1,012,500 towards the development of Porter House Parks with design elements coordinated with the COJ Parks department and all work to be undertaken and completed by Developer prior to the date of Substantial Completion.2. 20-year Easement in favor of the City for the Porter House Parks improvements to be executed prior to or simultaneous with request for initial funding on Completion Grants, subject to the following:<ol style="list-style-type: none">a. Hours of public access and reasonable rules and regulations shall be designated by Developer/Applicant in consultation with COJ Parks Departmentb. Developer to coordinate with the Parks Department, Cultural Council, and placemaking initiatives on programming in Pearl Square and the Porter House Park.c. Easement shall not include anticipated private outdoor dining zones for adjacent restaurant tenants, anticipated commercial structures or kiosks on the north park, or any parking spaces on the north-south private drive.3. Contribution of approximately \$305,000 towards the Clay Streetscapes improvements (which are located on private land; or if on public right of way, not immediately adjacent to the N4 Property) with design coordinated with the COJ Public Works and with approval by DDRB in compliance with Downtown Overlay Zone requirements. All work to be undertaken and completed by Developer prior to the date of Substantial Completion.4. Permanent Easement in favor of the City for the Streetscape Easements to be executed simultaneous with request for initial funding on Completion Grants.5. Developer/Applicant agrees to a minimum twenty-year park maintenance and programming budget of approximately \$35,200 annually, escalating at 3% per year, which will be more fully detailed in a table in the RDA (Maintenance activity to be coordinated with COJ Public Works, Programming activity to be coordinated with the COJ Parks Dept.).6. Expenditures by Developer for these purposes shall be required as part of the Annual Report submitted to the DIA for review with compliance

	<p>requirements. Staff hired by the Developer and all costs incurred in the facilitation of these obligations, shall be compensated, or incurred at commercially reasonable rates.</p> <ol style="list-style-type: none"><li data-bbox="479 323 1396 583">7. Developer will coordinate with the City to provide wayfinding signage within the public realm of all parcels to help visitors navigate between surrounding public areas such as the Riverfront Plaza, JWW Park and Skyway, Rosa Parks Station, LaVilla Heritage Trail, and City Hall and the public access components of the project including the Porter House parks, Pearl Square, and all associated retail incorporating the branding guidelines color palette established for the district.<li data-bbox="479 611 1396 716">8. All other commitments as made by Developer in its Pearl Street Tiers Narrative 10.27.23 submission which will be captured as an exhibit to the redevelopment agreement.
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<p>Performance Schedule:</p>	<p>RDA EXECUTION– The Redevelopment Agreement will be entered into by Developer, DIA, and the City within thirty (30) days following the effective date of legislation authorizing the RDA.</p> <p>INITIAL PERMITTING – Developer shall apply for all permits necessary to commence construction (including vertical building permits) and proceed without interruption to completion of the Project no later than December 31, 2024, and pursue the same with commercially reasonable diligence.</p> <p>COMMENCE CONSTRUCTION – Developer shall commence construction on Horizontal Improvements within 10 months following the effective date of legislation authorizing the RDA and commence construction on Vertical Improvements within six months following commencement of Horizontal Improvements and then proceed without material delay through completion.</p> <p>COMPLETION OF CONSTRUCTION - All improvements on the Property to be substantially completed within 26 (Twenty-six) months of commencement.</p> <p>The foregoing deadlines will be subject to extensions of up to six (6) months granted by the DIA’s CEO without additional City Council approval upon reasonable cause shown by Developer, or by force majeure. Such extension of the Commencement Date shall also apply to the date of Substantial Completion so that a single extension provided will apply to both simultaneously.</p>
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<p>Additional Terms and Conditions</p>	<ol style="list-style-type: none">1. All funding commitments other than the REV Grant are subject to further approvals by the COJ City Council.2. Minimum Equity Requirement of \$17,912,600 to be evidenced to the satisfaction of the DIA in its sole discretion prior to payment of any Completion Grant.3. Tiers System Commitments not captured elsewhere:<ol style="list-style-type: none">a. The majority of the parking demand generated by the project is to be fulfilled at the offsite garage located at N5, the “Lighthouse Garage” under common ownership, at 0.63 space per unit.b. To demonstrate and maintain resiliency features, Developer commits to the first two levels of concrete construction, contributing to flood resiliency. Trees and building canopies in the public realm provide for a shade coverage for 50%, exceeding the requirement of 40%, to promote heat resiliency.c. Minimum of one ground floor restaurant/bar that provides outdoor seating and extended hours including evenings beyond traditional office hours and on weekends, which shall open for business within 6 months of the outside date established for Substantial Completion. In the event that the operator of the Restaurant changes, the Restaurant may be closed for not more than ninety (90) days (“Restaurant Closure”); notwithstanding the foregoing, the CEO of the DIA may extend the Restaurant Closure for up to an additional ninety (90) days (for an aggregate of up to 180 days) in her sole discretion for good cause shown by Developer.d. Demonstration of and adherence to neighborhood branding guidelines, typical streetscape layout, material styling and landscape and color palette, wayfinding signage and art installations.e. Developer to host a community competition to select a local artist to design and/or install a new mural or other artistic installation including the ground floor of the northern side of the building.f. Installation of enhanced lighting beyond minimum requirements above the residential lobby entrance and security cameras on the exterior of the building and sidewalk bulb-outs along Pearl Street as increased safety features.g. In addition to the required City-standard bike racks, Developer will install at least one additional bike rack to promote cyclability.h. Adherence to all commitments as submitted in the Pearl Street Narrative dated October 27, 2023, with exceptions as captured herein.4. Payment of Completion Grant Components related to LOST and Induced Taxes is subject to compliance with all terms and conditions as found in
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	<p>Resolution 2023-09-01 as approved by the DIA Board at its meeting held September 21, 2023 including but not limited to:</p> <ul style="list-style-type: none">a. Approval and adherence with Tiers System requirements.b. Approval by the DIA staff that executed leases submitted for calculation of leased space meet the definition of Retail as provided in Retail Enhancement Program guidelines with a minimum term of three years.c. Only tenants of street facing at ground level shall count towards the leased space calculations as required for Completion Grant payout.d. Retail tenants shall not be eligible for future funding under any Retail Enhancement Program award.e. Property owner is required to collect and remit to the DIA copies of sales tax receipts remitted annually by the property owner and tenants (copies of form DR-15 or equivalent). Amounts that fall short of the cumulative expected payment in any given calendar year through year ten will be withheld from the REV payment applicable to the same calendar year (Exhibit 6 to this Term Sheet). Any such withholding will not affect the maximum REV Grant amount as approved and documented in the Redevelopment Agreement or other terms of that REV Grant including, but not limited to, the outside maturity date for payment.f. For these purposes, the recipient will begin the collection of DR-15 or other LOST payment information with the thirteenth month following final payout of the Completion Grant or similar funding mechanism as may be approved and earned following criteria established above. Collection and remittance of this information will be in proportion to the pro rata number of full months remaining in that calendar year, followed by nine full years of data collection and submission, and a final pro rata year with the remaining number of full months from the first year of submission.
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The provisions of this Term Sheet are intended to guide the parties in negotiating the Redevelopment Agreement, and any other documents that may be necessary to give effect to the manifest intent of the parties expressed herein.

Exhibit 1. The Property

	RE#	Street Address	App SF	App Acres	Current Owner		
N4	074299 0000	405 Beaver Street W	11,025	0.25	Osprey River LLC	\$	97,020 \$ 8.80
N4	074296 0020	715 Clay Street	11,325	0.26	715 Clay St LLC	\$	157,592 \$ 13.92
N4	074295 0000	0 Beaver Street W	5,765	0.13	Beaver Branch LLC	\$	86,475 \$ 15.00
N4	074296-0005	1 Beaver Street W	27,007	0.62	Osprey River LLC	\$	405,105 \$ 15.00
			55,122	1.27			



Exhibit 2. – Minimum Private Capital

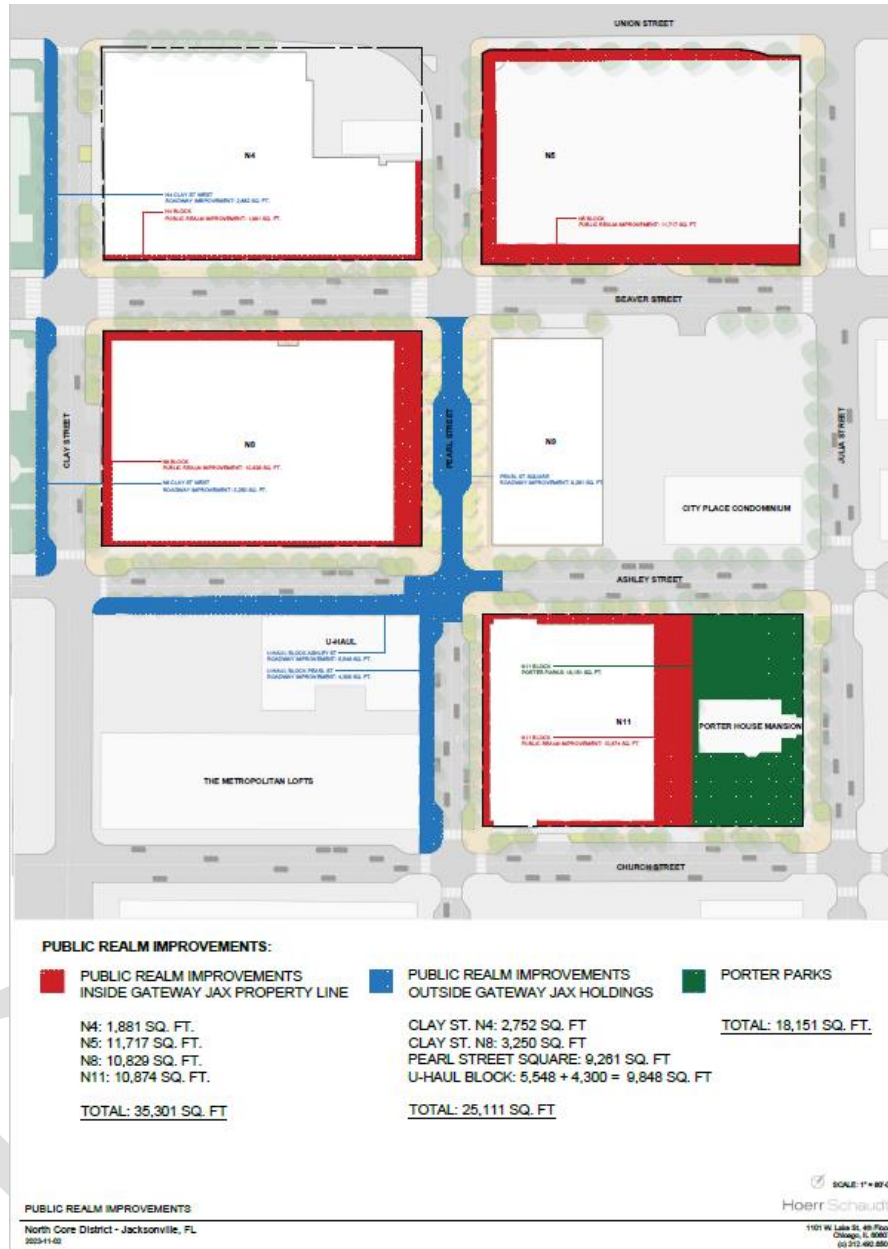
Development Cost	\$ 98,466,000
TI's & LLW	\$ 2,944,000
Marketing costs	\$ 499,000
Leasing Commissions	\$ 341,000
Property management startup costs	\$ 285,000
Ownership Expenses	\$ 57,000
Development Fee	\$ 3,561,000
Minus: Years costs already included in budget	\$ 1,216,000
MINIMUM PRIVATE CAPITAL	\$ 89,563,000

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Exhibit 3. – Construction Cost

Development Costs	\$ 98,466,000
Land Costs	\$ 1,363,000
TI's & LLW	\$ 2,944,000
Other Hard Costs	\$ 2,304,000
Surveys, testing, appraisals & inspections	\$ 428,000
Permits, licenses, bonds & fees	\$ 713,000
Insurance and title	\$ 1,412,000
Property taxes during development	\$ 98,000
Utilities during development	\$ 285,000
Legal and accounting	\$ 228,000
Marketing costs	\$ 499,000
Leasing Commissions	\$ 341,000
Property management startup costs	\$ 285,000
Construction management fee	\$ 571,000
Ownership Expenses	\$ 57,000
Master Plan A&E	\$ 418,000
Development Fee	\$ 3,561,000
Soft cost contingency	\$ 664,000
Minus: Years costs already included in budget	\$ 1,216,000
CONSTRUCTION COST	\$ 81,078,000

Exhibit 4. – Public Realm Improvements



As depicted above, the blue streetscape colors indicate off-site improvements included in Tiers-related commitments. The red areas indicate areas on private property with Tiers-related commitments that will be subject to easements in favor of the city for the public benefit.

Exhibit 5 – RETAIL FRONTAGES (To be adjusted)

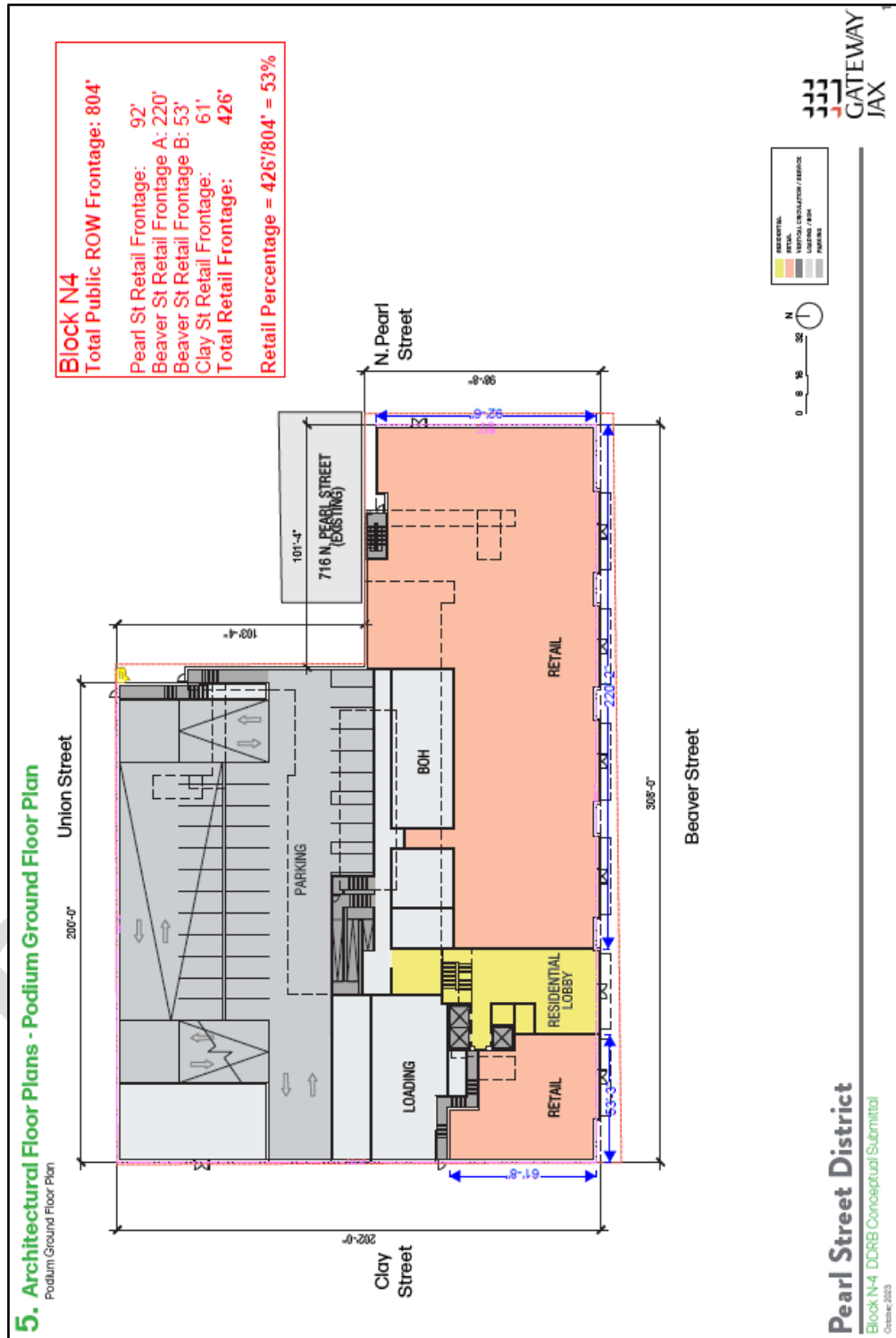
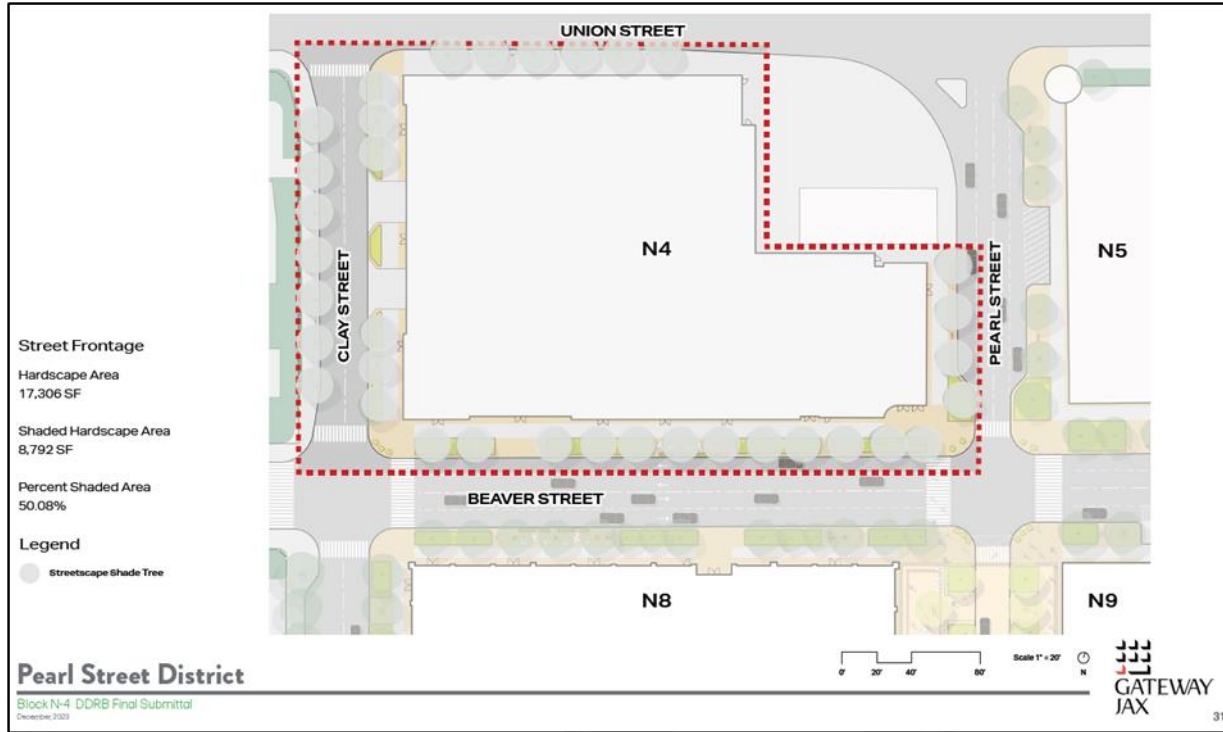


Exhibit 6 – Minimum Amounts to be Collected and Remitted

Should the following cumulative amounts from each table fail to be achieved in any given year, the shortfall will be deducted from the REV Grant payable in such year.

YR	LOST from F&B, Retail, and Comm'l Leases	
	Annual	Cumulative
1	\$ 79,570	\$ 79,570
2	\$ 81,162	\$ 160,732
3	\$ 82,785	\$ 243,517
4	\$ 84,441	\$ 327,958
5	\$ 86,130	\$ 414,088
6	\$ 87,852	\$ 501,940
7	\$ 89,609	\$ 591,549
8	\$ 91,401	\$ 682,951
9	\$ 93,229	\$ 776,180
10	\$ 95,094	\$ 871,274
	\$ 871,274	

Exhibit 7 – Minimum Shade Requirements



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Exhibit B to Resolution 2024-04-12
Gateway Jax – Pearl Street District
N5 Building Term Sheet

Developer/ Applicant:	721 Pearl Garage LLC (or other entity formed by Gateway Companies, LLC for the development or ownership of the subject property where it, or its principles, have controlling interest).
The Property:	Denoted as N5 on master development maps, includes approximately 65,340 square feet (1.50 acres) of land bounded by W Union Street to the north, N Julia Street to the east, W Beaver Street to the south, and N Pearl Street to the west comprised of parcel RE# 074015 0000 as identified in Exhibit 1. To this Term Sheet.
The Project:	<p>On the Property developer shall redesign and redevelop the subject property (the “Project”) to include the following (all dimensions and counts are approximate unless stated otherwise):</p> <ol style="list-style-type: none"> 1. Five story parking garage to be rehabilitated to include approximately 15,000 sf of retail space. 2. Retail Space: <ol style="list-style-type: none"> a) Approximately 15,000 sf of Leasable Retail Space, may adjust downward in final design by not more than 10% to remain within compliance, with no limit on upward adjustment. b) Retail Frontages at the ground level proposed totaling 200 non-contiguous feet along Beaver Street. <ol style="list-style-type: none"> i. Retail Frontages may adjust downward in final design by not more than 10% to remain within compliance, with no limit on upward adjustment. ii. Retail space must include a minimum of 1 (one) restaurant tenant that provides outdoor dining options throughout the 20-year compliance period to maintain eligibility for Rev payment, which shall open for business within 6 months of the outside date established for Substantial Completion. In the event that the operator of the Restaurant changes, the Restaurant may be closed for not more than ninety (90) days (“Restaurant Closure”); notwithstanding the foregoing, the CEO of the DIA may extend the Restaurant Closure for up to an additional ninety (90) days (for an aggregate of up to 180 days) in her sole discretion for good cause shown by Developer. 3. Trees and building canopies in the public realm provide for a shade

	<p>coverage for 50%, exceeding the requirement of 40%, to promote heat resiliency, or such higher percentage as may be approved by the DDRB in its final approval as found in Exhibit 7.</p> <p>4. Applicant commits to a Minimum Private Capital investment of \$10,254,700 based on development budget of \$12,593,400, presented to the DIA inclusive of the acquisition cost of \$5,924,000, and exclusive of tenant improvements, marketing costs, leasing commissions, property management start-up costs, development fee, financing costs, and Years' table costs included in the overall development cost totaling \$88,700 as further itemized in Exhibit 2. to this Term Sheet. If there is a downward adjustment in the Construction Cost approved pursuant to the REV Grant section, the Minimum Private Capital investment shall also be adjusted downward by a pro rata equivalent.</p>
<p>Design:</p>	<p>1. The design will comply with the Downtown Overlay Zone Standards as enacted within the Jacksonville Municipal Code as well as the DDRB's development guidelines and approvals, except as may otherwise be approved by the DDRB and allowed by code.</p> <p>2. The Developer/Applicant will meet with the City's Chief Resilience Officer to discuss the project and identify any applicable resiliency features that may be applicable to the project.</p>
<p>REV Grant:</p>	<p>1. 75% REV Grant with Maximum Indebtedness of \$2,574,000 calculated over a 20-year term but to be paid over 17 years on the Real Property and Tangible Personal Property taxes collected on the subject Property and Improvements beginning with the first year after the property has achieved substantial completion.</p> <p>2. The maximum indebtedness shall be calculated based on the projected assessed value using the agreed-upon projected NOI for the parking garage, with maximum increase per year limited to the 10% maximum as allowed under Florida statute and agreed upon Construction Cost for the retail space totaling \$4,330,700 as itemized in Exhibit 3. to this Term Sheet.</p> <p>3. The DIA staff may approve a reduction in the projected NOI value based on changing market conditions of up to 10% with an accompanying pro rata reduction in the REV Grant Maximum Indebtedness.</p> <p>4. The DIA Board may approve a reduction in the projected NOI value based on changing market conditions of greater than 10% but no more than 15% with an accompanying pro rata reduction in the REV Grant maximum indebtedness.</p> <p>Any reduction in actual projected Construction Cost of more than 15% shall result in the forfeiture of the REV Grant and Completion Grants.</p>

Completion Grant:	<ol style="list-style-type: none"> 6. Maximum Proceeds: Not to exceed \$1,906,000. 7. Funding 1 in the amount of \$872,000 to be earned and paid upon Substantial Completion of the Improvements. 8. Funding 2 in the amount of \$189,600. For payment to be requested, a minimum of 60% of the Effective Gross Leasable Space must be under lease before payment may be requested. Request must be made not later than the second anniversary of the documented date of Substantial Completion or is forfeited. 9. Funding 3 in the amount of \$844,400. For payment to be requested, a minimum of 100% of the Effective Gross Leasable Space must be under lease before payment may be requested. Request must be made not later than the second anniversary of the documented date of Substantial Completion or is forfeited. 10. Effective Gross Leasable Space for N5 totals 13,500 square feet of the Leasable Retail Space.
Redevelopment Agreement:	<p>The Redevelopment Agreement will establish the essential terms of the incentives, funding, and each party’s responsibility for maintenance of the easements granted in favor of the City, and other terms relevant to the development of the Property. The RDA will become effective upon its execution following approval by the City Council. Its terms will govern the rights and responsibilities of the parties throughout the term of the RDA.</p>
Entitlements:	<p>The City and the DIA will allocate all required entitlements for the Project, including Downtown Development Rights, and will timely process all required applications including, without limitation, Conceptual and Final DDRB Applications. Mobility Credits and Stormwater Credits will be available for purchase by Developer in accordance with the ordinance governing the same once the quantity of credits required is known.</p>
Permits:	<p>Developer / Applicant will be responsible for obtaining all building and other permits required for the Project.</p>
Tiers System Commitments	<p>In conjunction with approval for consideration of additional funding as Completion grants, Developer/Applicant hereby agrees to the following conditions or commitments, which may be adjusted by an unlimited downward adjuster, and a 10% upward adjuster based on actual costs and values such that the total sum of the value of all conditions or commitments over 20 years is equal to 3% of the Minimum Private Capital Investment:</p> <ol style="list-style-type: none"> 1. Permanent Easement in favor of the City for the Streetscape Easements to be executed simultaneous with request for initial funding on Completion grants. 2. Developer/Applicant agrees to a minimum twenty-year park

	<p>maintenance and programming budget approximately \$11,450 annually, escalating at 3% per year, which will be more fully detailed in a table in the RDA (Maintenance activity to be coordinated with COJ Public Works, Programming activity to be coordinated with the COJ Parks Dept.).</p> <p>3. 5. Expenditures by Developer for these purposes shall be required as part of the Annual Report submitted to the DIA for review with compliance requirements. Staff hired by the Developer and all costs incurred in the facilitation of these obligations, shall be compensated, or incurred at commercially reasonable rates. Developer will coordinate with the City to provide wayfinding signage within the public realm of all parcels to help visitors navigate between surrounding public areas such as the Riverfront Plaza, JWW Park and Skyway, Rosa Parks Station, LaVilla Heritage Trail, and City Hall and the public access components of the project including the Porter House parks, Pearl Square, and all associated retail incorporating the branding guidelines color palette established for the district.</p> <p>4. All other commitments as made by Developer in its Pearl Street Tiers Narrative 10.27.23 submission which will be captured as an exhibit to the redevelopment agreement.</p>
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<p>Performance Schedule:</p>	<p>RDA EXECUTION– The Redevelopment Agreement will be entered into by Developer, DIA, and the City within thirty (30) days following the effective date of legislation authorizing the RDA.</p> <p>CONCEPTUAL DESIGN – A completed application shall be submitted to DDRB no later than June 1, 2024, for Conceptual Approval of the Project. FINAL DESIGN (including final DDRB approval) to be completed no later than December 31, 2024.</p> <p>INITIAL PERMITTING – Developer shall apply for all permits (including vertical building permits) necessary to commence construction and proceed without interruption to completion of the Project no later than February 28, 2025, and pursue the same with commercially reasonable diligence.</p> <p>COMMENCE CONSTRUCTION – Developer shall commence construction on Horizontal Improvements within 12 months following the effective date of legislation authorizing the RDA commence construction on Vertical Improvements within six months following commencement of Horizontal Improvements and then and proceed without material delay through completion.</p> <p>COMPLETION OF CONSTRUCTION - All improvements on the Property to be substantially completed within 24 (Twenty-four) months of commencement.</p> <p>The foregoing deadlines be subject to extensions of up to six (6) months granted by the DIA’s CEO without additional City Council approval upon reasonable cause shown by Developer, or by force majeure. Such extension of the Commencement Date shall also apply to the date of Substantial Completion so that a single extension provided will apply to both simultaneously.</p>
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<p>Additional terms and Conditions</p>	<ol style="list-style-type: none">1. All funding commitments other than the REV Grant are subject to further approvals by the COJ City Council.2. Minimum Equity Requirement of \$3,589,100 to be evidenced to the satisfaction of the DIA in its sole discretion prior to payment of any Completion Grant.3. Tiers System Commitments not captured elsewhere:<ol style="list-style-type: none">a. The garage is to be used primarily to service the parking needs of the related properties known as N4, N8, and N11 under common ownership.b. Minimum of one ground floor restaurant/bar that provides outdoor seating and extended hours including evenings beyond traditional office hours and on weekends, which shall open for business within 6 months of the outside date established for Substantial Completion. In the event that the operator of the Restaurant changes, the Restaurant may be closed for not more than ninety (90) days (“Restaurant Closure”); notwithstanding the foregoing, the CEO of the DIA may extend the Restaurant Closure for up to an additional ninety (90) days (for an aggregate of up to 180 days) in her sole discretion for good cause shown by Developer.c. Demonstration of and adherence to neighborhood branding guidelines, typical streetscape layout, material styling and landscape and color palette, wayfinding signage and art installations.d. Developer will work with the City to create art installation to enhance the existing Lighthouse feature on the garage.e. The developer will host a community competition to select a local artist to design and/or install a new mural or other artistic installation on the iconic lighthouse tower.f. Installation of Enhanced lighting at a new pedestrian entrance to the parking garage and security cameras on the exterior of the building will increase safety. Sidewalk bulb-outs along Pearl Street will increase pedestrian safety crossing the street.g. In addition to the required City-standard bike racks, Developer will install at least one additional bike rack to promote cyclability.h. Adherence to all commitments as submitted in the Pearl Street Narrative dated October 27, 2023, with exceptions as captured herein.4. Payment of Completion Grant Components related to LOST and Induced Taxes is subject to compliance with all terms and conditions as found in Resolution 2023-09-01 as approved by the DIA Board at its meeting held September 21, 2023 including but not limited to:<ol style="list-style-type: none">a. Approval and adherence with Tiers System requirements (May be in
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	<p>aggregate with other projects exceeding minimum requirements and completed prior to N5).</p> <ul style="list-style-type: none">b. Approval by the DIA staff that executed leases submitted for calculation of leased space meet the definition of Retail as provided in Retail Enhancement Program guidelines with a minimum term of three years.c. Only tenants of street facing at ground level shall count towards the leased space calculations as required for Completion grant payout.d. Retail tenants shall not be eligible for future funding under any Retail Enhancement Program award.e. Property owner is required to collect and remit to the DIA copies of sales tax receipts remitted annually by the property owner and tenants (copies of form DR-15 or equivalent). Amounts that fall short of the cumulative expected payment in any given calendar year through year ten will be withheld from the REV payment applicable to the same calendar year (Exhibit 6 to this Term Sheet). Any such withholding will not affect the maximum REV Grant amount as approved and documented in the Redevelopment Agreement or other terms of that REV Grant including, but not limited to, the outside maturity date for payment.f. For these purposes, the recipient will begin the collection of DR-15 or other LOST payment information with the thirteenth month following final payout of the Completion Grant or similar funding mechanism as may be approved and earned following criteria established above. Collection and remittance of this information will be in proportion to the pro rata number of full months remaining in that calendar year, followed by nine full years of data collection and submission, and a final pro rata year with the remaining number of full months from the first year of submission.
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The provisions of this Term Sheet are intended to guide the parties in negotiating the Redevelopment Agreement, and any other documents that may be necessary to give effect to the manifest intent of the parties expressed herein.

Exhibit 1. The Property

Parcel	RE #	Street Address	Est SF	Est Acres	Current Owner
N5	074015 0000	721 Pearl St N	65,340	1.50	721 Pearl Garage LLC



Exhibit 2. – Minimum Private Capital

Development Costs	\$ 12,593,400
Acquisition	\$ 5,924,000
Minus: Years costs already included in budget	<u>\$ 88,700</u>
Construction Cost	\$ 6,580,700

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Exhibit 3. – Estimated Taxable Value

Development Costs	\$ 12,593,400
Tenant Improvements	\$ 2,250,000
Minus: Years costs already included in budget	\$ 88,700
Minimum Private Capital	\$ 10,254,700

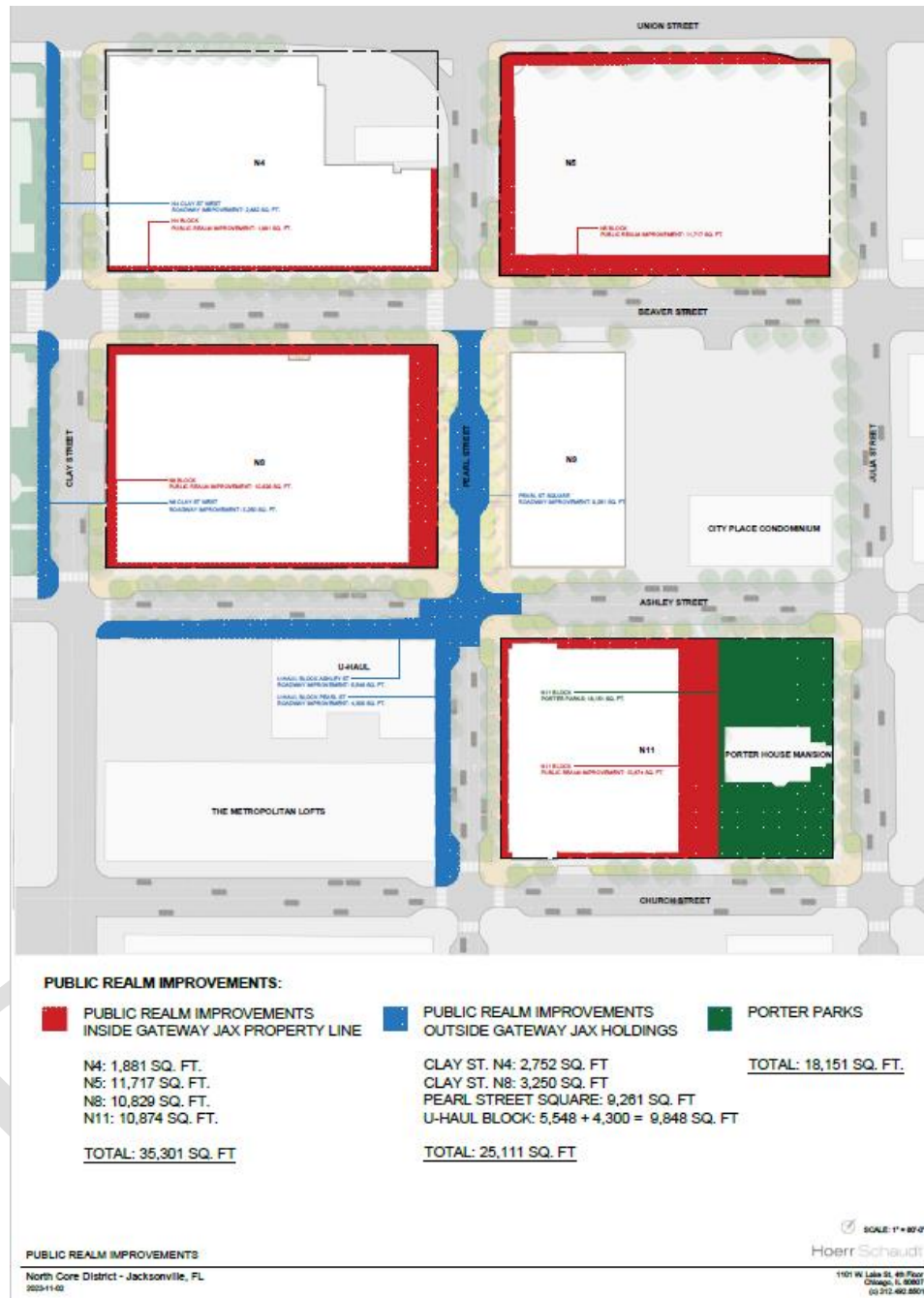
Target Value for Increased Valuation (NOI Approach)

	Units	Parking Ratio	Total Parking Demand	Minus: Parking On Site	Off Site Demand
N4	281	1.00	281	(73)	208
N8	535	1.00	535	(176)	359
N11	205	1.00	205	0	205
Total	1,021	1.00	1,021	(249)	772
N5 Monthly Parkers			<i>85% Capture</i>		656
Transient Parking					34
Monthly Rate					125
Annual Revenue					1,035,000
Annual Income			<i>65% Operating Margin</i>		672,750
Assessed Value			<i>7% Cap Rate</i>		9,610,714

RENT ROLL						<i>Current \$</i>	<i>2024 \$</i>
	SF	Term	Rent	CAM	TI	Full Service Gross Rent	
In-Line Retail	15,000	10 yrs	\$35.00	\$13.43	\$150.00	\$49.88	
Total	15,000	10 yrs	\$35.00	\$13.43	\$150.00	\$49.88	
Gross rent						\$	525,000
Vacancy	10.00%					\$	(52,500)
Eff Gross						\$	472,500
Op Ex	35.00%					\$	(165,375)
NOI						\$	307,125
Assessed Value	7.00%		<i>7.0% Cap Rate</i>			\$	4,387,500

Total Projected Assessed Value	\$ 13,998,214
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Exhibit 4. – Public Realm Improvements



As depicted above, the blue streetscape colors indicate off-site improvements included in Tiers-related commitments. The red areas indicate areas on private property with Tiers-related commitments that will be subject to easements in favor of the city for the public benefit.

EXHIBIT 5 – RETAIL FRONTAGES (Approximate)

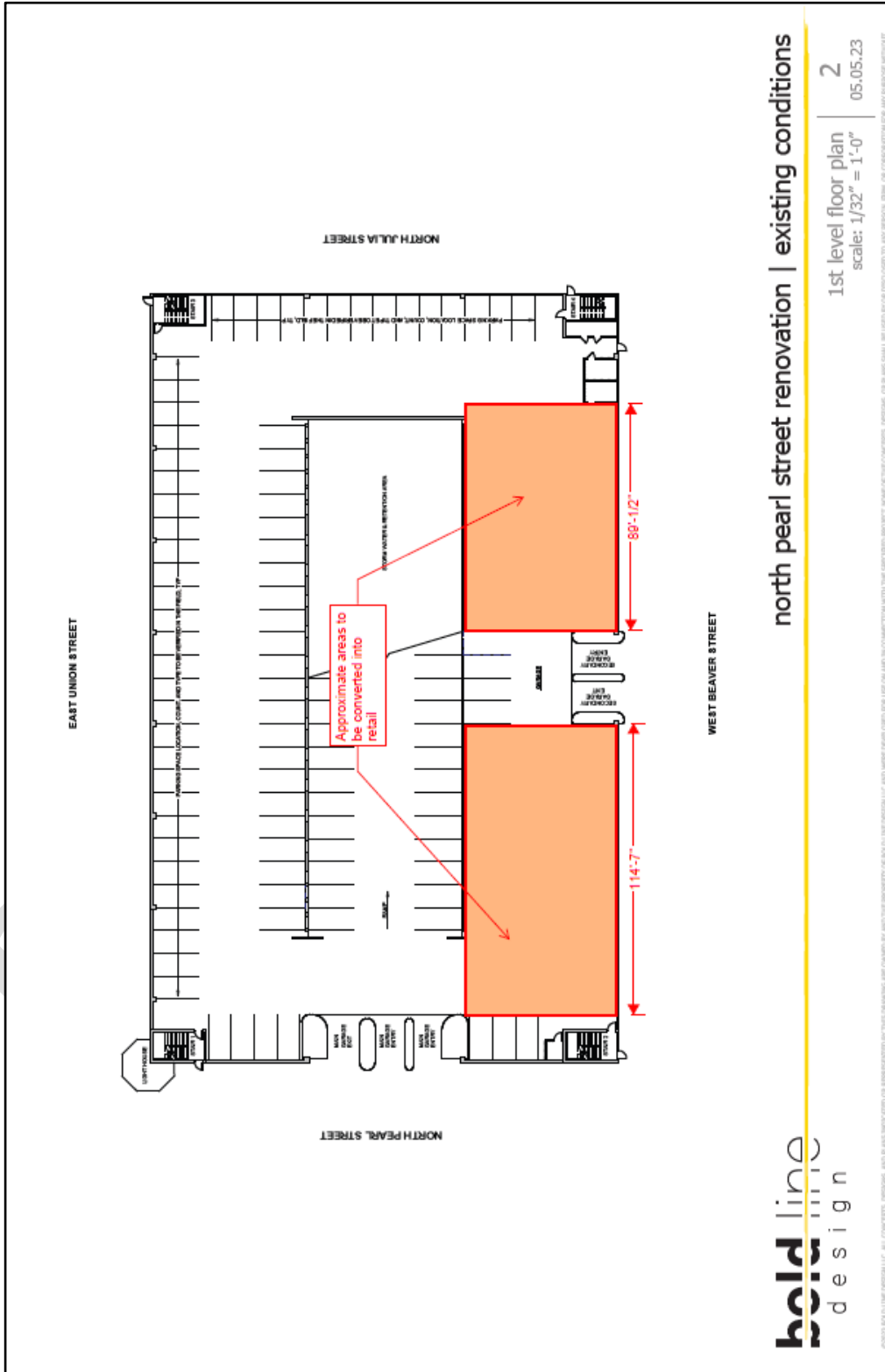


EXHIBIT 6 - Minimum Amounts to be Collected and Remitted

Should the following cumulative amounts from each table fail to be achieved in any given year, the shortfall will be deducted from the REV Grant payable in such year.

LOST from F&B, Retail, and Comm'l Leases	
Annual	Cumulative
\$ 62,389	\$ 62,389
\$ 63,636	\$ 126,025
\$ 64,909	\$ 190,934
\$ 66,207	\$ 257,142
\$ 67,532	\$ 324,673
\$ 68,882	\$ 393,556
\$ 70,260	\$ 463,815
\$ 71,665	\$ 535,480
\$ 73,098	\$ 608,579
\$ 74,560	\$ 683,139
\$ 683,139	

Exhibit 7 – Minimum Shade Requirements (To be provided)

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Exhibit C to Resolution 2024-04-12
Gateway Jax – Pearl Street District
N8 Building Term Sheet

Developer/ Applicant:	606 Pearl St LLC, Beaver Branch LLC (or other entity formed by Gateway Companies, LLC for the development or ownership of the subject property where it, or its principles, have controlling interest).
The Property:	Denoted as N8 on master development maps, includes approximately 64,977 square feet (1.49 acres) of land bounded by Beaver Street to the north, Pearl Street to the east, Ashley Street to the south, and N Clay Street to the west inclusive of parcel RE#s 074276 0000, 074277 0000, 074278 0000, 074279 0000, 074280 0000, 074282 0000, 074283 0000, 074284 0000, 074285 0000 as identified in Exhibit 1. to this Term Sheet.
The Project:	<p>On the Property developer shall design and construct the subject property (the “Project”) to include the following (all dimensions and counts are approximate unless stated otherwise):</p> <ol style="list-style-type: none"> 1. Proposed building with a minimum of 21 floors made entirely of concrete construction to be occupied for mixed residential and retail uses. 2. Residential Units: 535 residential units proposed with mix comprised of: <ol style="list-style-type: none"> a) 86 - Studio units (No fewer than 68 units) b) 242 - 1 BR units (No fewer than 193 units) c) 66 - 2 BR units (No fewer than 59 units) d) 141 – Short Term Rental (No fewer than 126 units) e) No fewer than 508 total unit count minimum. f) Gross square footage proposed of 439,525 sf, and leasable square footage of 352,660 sf, may each adjust downward in final design by not more than 10% to remain within compliance, with no limit on upward adjustment. g) Amenities include a club room, fitness center, coworking space, outdoor pool, and deck that may be restricted for the exclusive use of the residents. h) Amenity areas include co-working spaces and meeting rooms, allowing the building to adapt to changing work trends. Short-term rentals are incorporated in response to changing demand for flexible living arrangements post-COVID and the popularity of remote work. 3. Trees and building canopies in the public realm provide for a shade coverage for 50%, exceeding the requirement of 40%, to promote heat resiliency, or such higher percentage as may be approved by the DDRB in its final approval as found in Exhibit 7.

	<ul style="list-style-type: none">4. Retail Space:<ul style="list-style-type: none">a) Approximately 30,000 sf of ground floor Leasable Retail Space, may adjust downward in final design by not more than 10% to remain within compliance, with no limit on upward adjustment.b) Retail Frontages at the ground level proposed totaling 750 aggregate linear feet (see Exhibit 5 to this Term Sheet) Total aggregate Retail Frontage may not adjust downward more than 10%.<ul style="list-style-type: none">i. Retail space must include a minimum of 1 (one) restaurant tenant that provides outdoor dining options throughout the compliance period to maintain eligibility for Rev payment, which shall open for business within 6 months of the outside date established for Substantial Completion. In the event that the operator of the Restaurant changes, the Restaurant may be closed for not more than ninety (90) days (“Restaurant Closure”); notwithstanding the foregoing, the CEO of the DIA may extend the Restaurant Closure for up to an additional ninety (90) days (for an aggregate of up to 180 days) in her sole discretion for good cause shown by Developer.5. Pearl Square – In conjunction with the development of the N8 parcels, Developer commits to the completion of Pearl Square designed to host destination placemaking programming such as farmers markets, art festivals and pop-up events that can spill into the curbless street.6. Applicant commits to a Minimum Private Capital investment of \$215,697,000 based on development budget of \$242,047,000, presented to the DIA inclusive of land valued at \$1,585,200, and exclusive of tenant improvements, marketing costs, leasing commissions, property management start-up costs, development fee, financing costs, and Years’ table costs included in the overall development cost totaling \$2,946,000 as further itemized in Exhibit 2. to this Term Sheet. If there is a downward adjustment in the Construction Cost approved pursuant to the REV Grant section, the Minimum Private Capital investment shall also be adjusted downward by a pro rata equivalent.
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Design:	<ol style="list-style-type: none">1. The design will comply with the Downtown Overlay Zone Standards as enacted within the Jacksonville Municipal Code as well as the DDRB’s development guidelines and approvals, except as may otherwise be approved by the DDRB and allowed by code.2. The Developer/Applicant will meet with the City’s Chief Resilience Officer to discuss the project and identify any applicable resiliency features that may be applicable to the project.
REV Grant:	<ol style="list-style-type: none">1. 75% REV Grant with Maximum Indebtedness of \$33,888,000 calculated over a 20-year term but to be paid over 17 years on the Real Property and Tangible Personal Property taxes collected on the subject Property and Improvements beginning with the first year after the property has achieved substantial completion.2. The maximum indebtedness shall be calculated based on the projected assessed value using the agreed-upon private Construction Cost of \$196,416,000 equaling Development Cost as provided by the Applicant totaling \$242,047,000 less land, development fee, tenant improvements, FF&E, insurance and title, construction management fee, Years’ table costs included in the budget, and other costs all totaling \$45,630,600 as itemized in Exhibit 3. to this Term Sheet.3. The DIA staff may approve a reduction in the projected Construction Cost of up to 10% with an accompanying pro rata reduction in the REV Grant Maximum Indebtedness.4. The DIA Board may approve a reduction in projected Construction Cost greater than 10% but no more than 15% with an accompanying pro rata reduction in the REV Grant maximum indebtedness. <p>Any reduction in actual projected Construction Cost of more than 15% shall result in the forfeiture of the REV Grant and Completion Grants in their entirety.</p>
Completion Grant:	<ol style="list-style-type: none">1. Maximum Proceeds: Not to exceed \$25,557,000.2. Funding 1 in the amount of \$10,155,000 to be earned and paid upon Substantial Completion of the Improvements.3. Funding 2 in the amount of \$9,241,200. For payment to be requested, a minimum of 60% of the Effective Gross Leasable Space must be under lease before payment be requested. Request must be made not later than the second anniversary of the documented date of Substantial Completion or is forfeited.4. Funding 3 in the amount of \$6,160,800. For payment to be requested, a minimum of 100% of the Effective Gross Leasable Space must be under lease before payment may be requested. Request must be made not later than the second anniversary of the documented date

	<p>of Substantial Completion or is forfeited.</p> <p>5. Effective Gross Leasable Space for N4 totals 27,000 square feet of the Leasable Retail Space.</p>
<p>Redevelopment Agreement:</p>	<p>The Redevelopment Agreement will establish the essential terms of the incentives, funding, and each party’s responsibility for maintenance of the easements granted in favor of the City, and other terms relevant to the development of the Property. The RDA will become effective upon its execution following approval by the City Council. Its terms will govern the rights and responsibilities of the parties throughout the term of the RDA.</p>
<p>Entitlements:</p>	<p>The City and the DIA will allocate all required entitlements for the Project, including Downtown Development Rights, and will timely process all required applications including, without limitation, Conceptual and Final DDRB Applications. Mobility Credits and Stormwater Credits will be available for purchase by Developer in accordance with the ordinance governing the same once the quantity of credits required is known.</p>
<p>Permits:</p>	<p>Developer / Applicant will be responsible for obtaining all building and other permits required for the Project.</p>
<p>Tiers System Commitments</p>	<p>In conjunction with approval for consideration of additional funding as Completion Grants, Developer/Applicant hereby agrees to the following conditions or commitments, which may be adjusted by an unlimited downward adjuster, and a 10% upward adjuster based on actual costs and values such that the total sum of the value of all conditions or commitments over 20 years is equal to 3% of the Minimum Private Capital Investment:</p> <ol style="list-style-type: none"> 1. Contribution of approximately \$2,740,000 towards the development of Pearl Square with design elements approved by DDRB and installation coordinated with COJ Public Works with all work to be undertaken and completed by Developer prior to the date of Substantial Completion. 2. Contribution of approximately \$375,000 towards the Pearl Streetscape improvements with design coordinated with COJ Public Works and with approval by DDRB in compliance with Downtown overlay Zone requirements. All work to be undertaken and completed by Developer prior to the date of Substantial Completion. 3. Contribution of approximately \$485,000 towards the Ashley Streetscape improvements (which are located on private land; or if on public right of way, not immediately adjacent to the N4 Property) with design coordinated with COJ Public Works and with approval by DDRB in compliance with Downtown overlay Zone requirements. All work to be undertaken and completed by Developer prior to the date of Substantial Completion. 4. Contribution of approximately \$305,000 towards the Clay Streetscape improvements with design coordinated with COJ Public Works and with

	<p>approval by DDRB in compliance with Downtown overlay Zone requirements. All work to be undertaken and completed by Developer prior to the date of Substantial Completion.</p> <ol style="list-style-type: none">5. Expenditures by Developer for these purposes shall be required as part of the Annual Report submitted to the DIA for review with compliance requirements. Staff hired by the Developer and all costs incurred in the facilitation of these obligations, shall be compensated, or incurred at commercially reasonable rates.6. Permanent Easement in favor of the City for the Streetscape Easements to be executed simultaneous with request for initial funding on Completion Grants.7. Collection of a 1% discretionary hospitality tax on the short-term rental units.8. Developer/Applicant agrees to a minimum twenty-year park maintenance and programming budget of approximately \$34,700 annually, escalating at 3% per, which will be more fully detailed in a table in the RDA(Maintenance activity to be coordinated with COJ Public Works, Programming activity to be coordinated with the COJ Parks Dept.). The budget amounts may be adjusted accordingly from time to time based on the actual costs and values of the other conditions or commitments above.9. Developer will coordinate with the City to provide wayfinding signage within the public realm of all parcels to help visitors navigate between surrounding public areas such as the Riverfront Plaza, JWJ Park and Skyway, Rosa Parks Station, LaVilla Heritage Trail, and City Hall and the public access components of the project including the Porter House parks, Pearl Square, and all associated retail incorporating the branding guidelines color palette established for the district.10. All other commitments as made by Developer in its Pearl Street Tiers Narrative 10.27.23 submission which will be captured as an exhibit to the redevelopment agreement.
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<p>Performance Schedule:</p>	<p>RD A EXECUTION– The Redevelopment Agreement will be entered into by Developer, DIA, and the City within thirty (30) days following the effective date of legislation authorizing the RDA.</p> <p>INITIAL PERMITTING – Developer shall apply for all permits (including vertical building permits) necessary to commence construction and proceed without interruption to completion of the Project no later than October 31, 2024, and pursue the same with commercially reasonable diligence.</p> <p>COMMENCE CONSTRUCTION – Developer shall commence construction on Horizontal Improvements within 8 months following the effective date of legislation authorizing the RDA, and commence construction on Vertical Improvements within six months following commencement of Horizontal Improvements and then proceed without material delay through completion.</p> <p>COMPLETION OF CONSTRUCTION - All improvements on the Property to be substantially completed within 35 (Thirty-five) months of commencement.</p> <p>The foregoing deadlines will be subject to extensions of up to six (6) months granted by the DIA’s CEO without additional City Council approval upon reasonable cause shown by Developer, or by force majeure. Such extension of the Commencement Date shall also apply to the date of Substantial Completion so that a single extension provided will apply to both simultaneously.</p>
<p>Additional terms and Conditions</p>	<ol style="list-style-type: none">1. All funding commitments other than the REV Grant are subject to further approval by the COJ City Council.2. Minimum Equity Requirement of \$43,139,400 to be evidenced to the satisfaction of the DIA in its sole discretion prior to payment of any Completion Grant.3. Developer agrees to establish a Discretionary Hospitality Tax equal to 1% of revenue to be collected and remitted on Short-Term Rentals each year through the 20th tax year following Substantial Completion.4. Should cumulative amounts collected through Local Option Sales Tax (1%), Tourist Development Tax (6%), and discretionary Hospitality Tax (1%) for the Short-Term Rental units fall short of the cumulative expected payment in any given calendar year through year twenty, as shown in Exhibit 6, an amount equal to such difference will be withheld from the REV payment applicable to the same calendar year. Any such withholding will not affect the maximum REV Grant amount as approved and documented in the

	<p>Redevelopment Agreement or other terms of that REV Grant including, but not limited to, the outside maturity date for payment.</p> <p>5. Tiers System Commitments not captured elsewhere:</p> <ul style="list-style-type: none">a. The majority of the parking demand generated by the project is to be fulfilled at the offsite garage located at N5, the “Lighthouse Garage” under common ownership, at 0.57 spaces per unit.b. To demonstrate and maintain resiliency features, Developer commits to the entire building to utilize concrete construction, contributing to flood and wind resiliency, and allowing for any floor of the building to be adaptively re-used in the future. Trees and building canopies in the public realm provide for a shade coverage for 65%, exceeding the requirement of 40%, to promote heat resiliency. Amenity areas include co-working spaces and meeting rooms, allowing the building to adapt to changing work trends. Short-term rentals are incorporated in response to the changing demand for flexible living arrangements post-COVID and the popularity of remote work.c. Minimum of one ground floor restaurant/bar that provides outdoor seating and extended hours including evenings beyond traditional office hours and on weekends, which shall open for business within 6 months of the outside date established for Substantial Completion. In the event that the operator of the Restaurant changes, the Restaurant may be closed for not more than ninety (90) days (“Restaurant Closure”); notwithstanding the foregoing, the CEO of the DIA may extend the Restaurant Closure for up to an additional ninety (90) days (for an aggregate of up to 180 days) in her sole discretion for good cause shown by Developer.d. Demonstration of and adherence to neighborhood branding guidelines, typical streetscape layout, material styling and landscape and color palette, wayfinding signage and art installations.e. Fulfillment of the development component known as “deliver Pearl Square, which is designed to host destination placemaking programming such as farmers markets, art festivals and pop-up events that can spill into the curbside street.f. Property will broaden the diversity of hospitality offerings with no fewer than 135 fully furnished, short-term rental units including full kitchens and appliances and flexible leasing schedules that afford access to all building amenities.g. Installation of enhanced lighting beyond minimum requirements above the residential lobby entrance and security cameras on the exterior of the building and sidewalk bulb-outs along Ashley Street and a table-topped intersection at Ashley Street will increase pedestrian safety crossing Ashley and Pearl Streets.h. In addition to the required City-standard bike racks, Developer will install at least one additional bike rack to promote cyclability.
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	<ul style="list-style-type: none">a. Adherence to all commitments as submitted in the Pearl Street Narrative dated October 27, 2023, , with exceptions as captured herein. <p>6. Payment of Completion Grant Components related to LOST and Induced Taxes is subject to compliance with all terms and conditions as found in Resolution 2023-09-01 as approved by the DIA Board at its meeting held September 21, 2023 including but not limited to:</p> <ul style="list-style-type: none">a. Approval and adherence with Tiers System requirements.b. Approval by the DIA staff that executed leases submitted for calculation of leased space meet the definition of Retail as provided in Retail Enhancement Program guidelines with a minimum term of three years.c. Only tenants of street facing at ground level shall count towards the leased space calculations as required for Completion Grant payout.d. Retail tenants shall not be eligible for future funding under any Retail Enhancement Program award.e. Property owner is required to collect and remit to the DIA copies of sales tax receipts remitted annually by the property owner and tenants (copies of form DR-15 or equivalent).f. Amounts that fall short of the cumulative expected payment in any given calendar year through year ten as shown in Exhibit 6. will be withheld from the REV payment applicable to the same calendar year. Any such withholding will not affect the maximum REV Grant amount as approved and documented in the Redevelopment Agreement or other terms of that REV Grant including, but not limited to, the outside maturity date for payment.g. For these purposes, the recipient will begin the collection of DR-15 or other LOST payment information with the thirteenth month following final payout of the Completion Grant or similar funding mechanism as may be approved and earned following criteria established above. Collection and remittance of this information will be in proportion to the pro rata number of full months remaining in that calendar year, followed by nine full years of data collection and submission, and a final pro rata year with the remaining number of full months from the first year of submission.
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The provisions of this Term Sheet are intended to guide the parties in negotiating the Redevelopment Agreement, and any other documents that may be necessary to give effect to the manifest intent of the parties expressed herein.

Exhibit 1. The Property

	RE#	Street Address	App SF	App Acres	Current Owner
N8	074276 0000	0 Ashley St W	10,139	0.23	606 Pearl St LLC
N8	074277 0000	0 Ashley St W	5,512	0.13	606 Pearl St LLC
N8	074278 0000	0 Ashley St W	2,756	0.06	607 Pearl St LLC
N8	074279 0000	0 Ashley St W	2,756	0.06	606 Pearl St LLC
N8	074280 0000	606 Pearl St	22,050	0.51	606 Pearl St LLC
N8	074282 0000	434 Beaver St W	11,025	0.25	606 Pearl St LLC
N8	074283 0000	420 Beaver St W	2,614	0.06	Beaver Branch LLC
N8	074284 0000	418 W Beaver St	2,613	0.06	Beaver Branch LLC
N8	074285 0000	0 Beaver St W	5,512	0.13	606 Pearl St LLC
			64,977	1.49	



Exhibit 2. – Minimum Private Capital

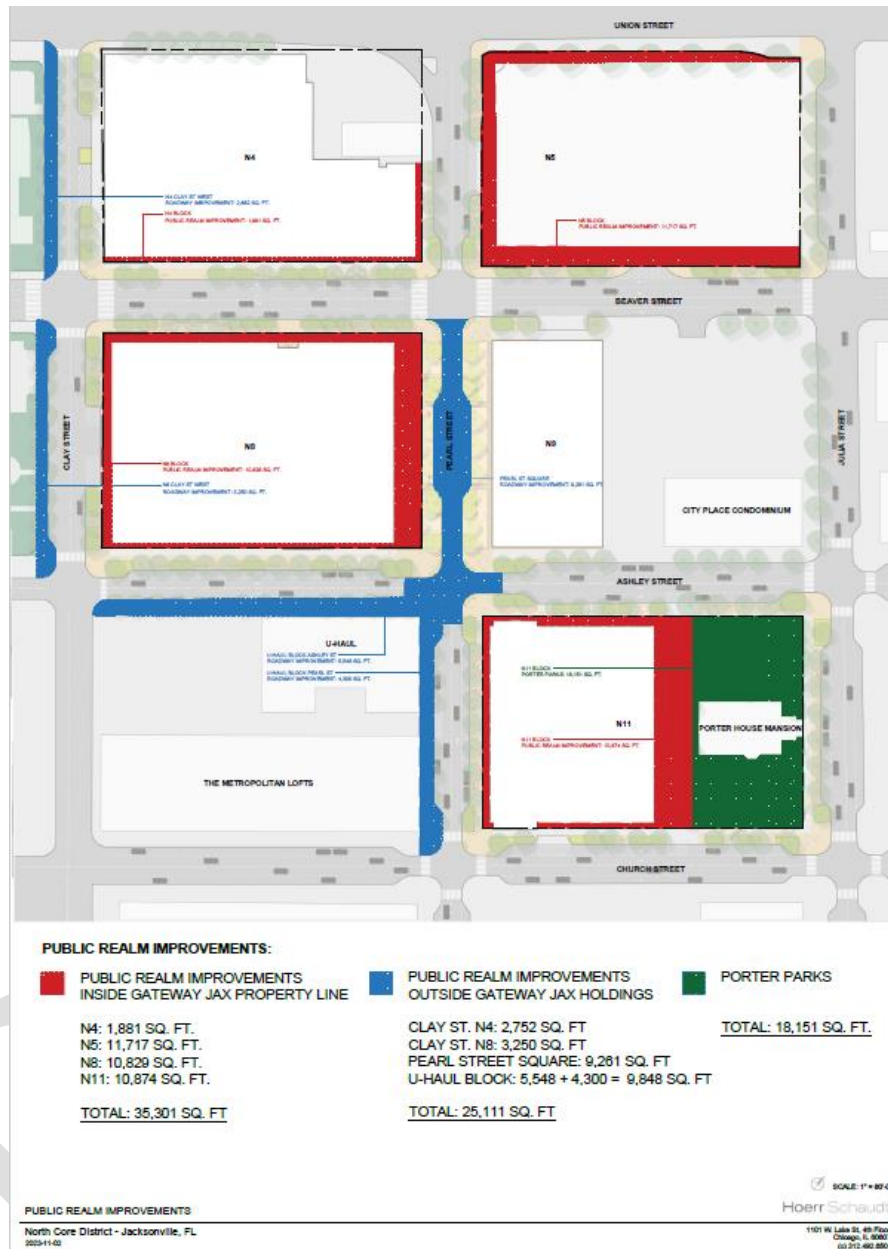
Development Costs	\$ 242,047,000
TI's & LLW	\$ 11,131,000
Marketing costs	\$ 971,000
Leasing Commissions	\$ 1,387,000
Property management startup costs	\$ 555,000
Ownership Expenses	\$ 111,000
Development Fee	\$ 9,249,000
Minus: Years costs already included in budget	\$ 2,946,000
MINIMUM PRIVATE CAPITAL	\$ 215,697,000

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Exhibit 3. – Construction Cost

Development Costs	\$ 242,046,600
Land Costs	\$ 1,585,200
TI's & LLW	\$ 11,131,500
Other Hard Costs	\$ 7,599,200
Surveys, testing, appraisals & inspections	\$ 832,500
Permits, licenses, bonds & fees	\$ 1,387,500
Insurance and title	\$ 3,755,800
Property taxes during development	\$ 118,500
Utilities during development	\$ 555,000
Legal and accounting	\$ 444,000
Marketing costs	\$ 971,200
Leasing Commissions	\$ 1,386,900
Property management startup costs	\$ 555,000
Construction management fee	\$ 1,110,000
Ownership Expenses	\$ 111,000
Master Plan A&E	\$ 446,200
Development Fee	\$ 9,248,500
Soft cost contingency	\$ 1,446,400
Minus: Years costs already included in budget	\$ 2,946,200
Construction Costs	\$ 196,416,000

Exhibit 4. – Public Realm Improvements



As depicted above, the blue streetscape colors indicate off-site improvements included in Tiers-related commitments. The red areas indicate areas on private property with Tiers-related commitments that will be subject to easements in favor of the city for the public benefit.

Exhibit 5 – Retail Frontages (To be adjusted)

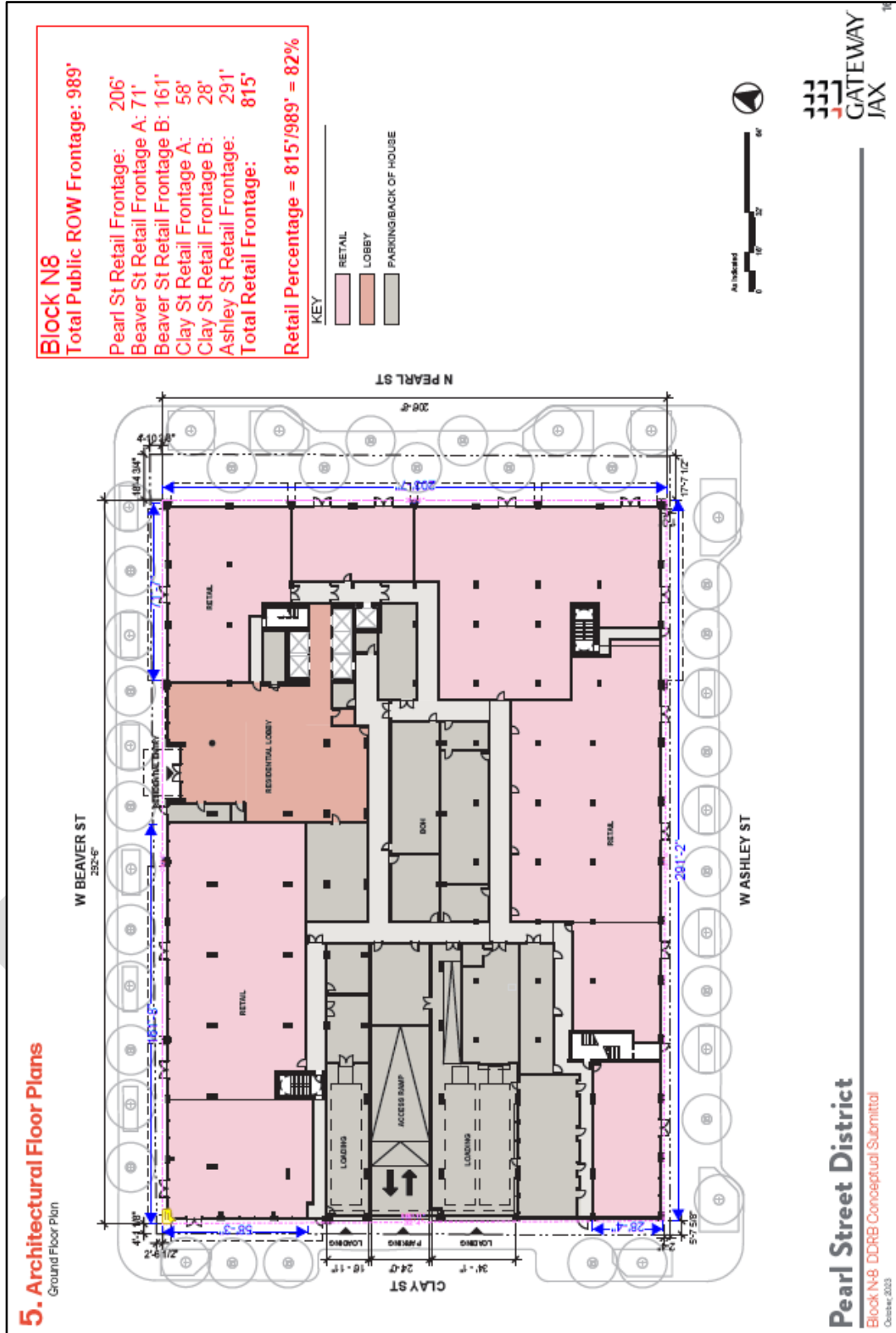


Exhibit 6 – Minimum Amounts to be Collected and Remitted

Should the following cumulative amounts from each table fail to be achieved in any given year, the shortfall will be deducted from the REV Grant payable in such year.

YR	Short Term Rental LOST, TDT, and Disc. Hosp Tax		LOST from F&B, Retail, and Comm'l Leases	
	Annual	Cumulative	Annual	Cumulative
1	\$ 463,502	\$ 463,502	\$ 127,587	\$ 127,587
2	\$ 472,772	\$ 936,275	\$ 130,139	\$ 257,726
3	\$ 482,228	\$ 1,418,502	\$ 132,742	\$ 390,468
4	\$ 491,872	\$ 1,910,375	\$ 135,397	\$ 525,865
5	\$ 501,710	\$ 2,412,084	\$ 138,105	\$ 663,969
6	\$ 511,744	\$ 2,923,828	\$ 140,867	\$ 804,836
7	\$ 521,979	\$ 3,445,807	\$ 143,684	\$ 948,520
8	\$ 532,418	\$ 3,978,225	\$ 146,558	\$ 1,095,077
9	\$ 543,067	\$ 4,521,292	\$ 149,489	\$ 1,244,566
10	\$ 553,928	\$ 5,075,220	\$ 152,479	\$ 1,397,045
11	\$ 565,007	\$ 5,640,227		
12	\$ 576,307	\$ 6,216,534		
13	\$ 587,833	\$ 6,804,367		
14	\$ 599,590	\$ 7,403,956		
15	\$ 611,581	\$ 8,015,538		
16	\$ 623,813	\$ 8,639,351		
17	\$ 636,289	\$ 9,275,640		
18	\$ 649,015	\$ 9,924,655		
19	\$ 661,995	\$ 10,586,650		
20	\$ 675,235	\$ 11,261,886		
Total	\$ 11,261,886		\$ 1,397,045	

Exhibit 7 – Minimum Shade Requirements

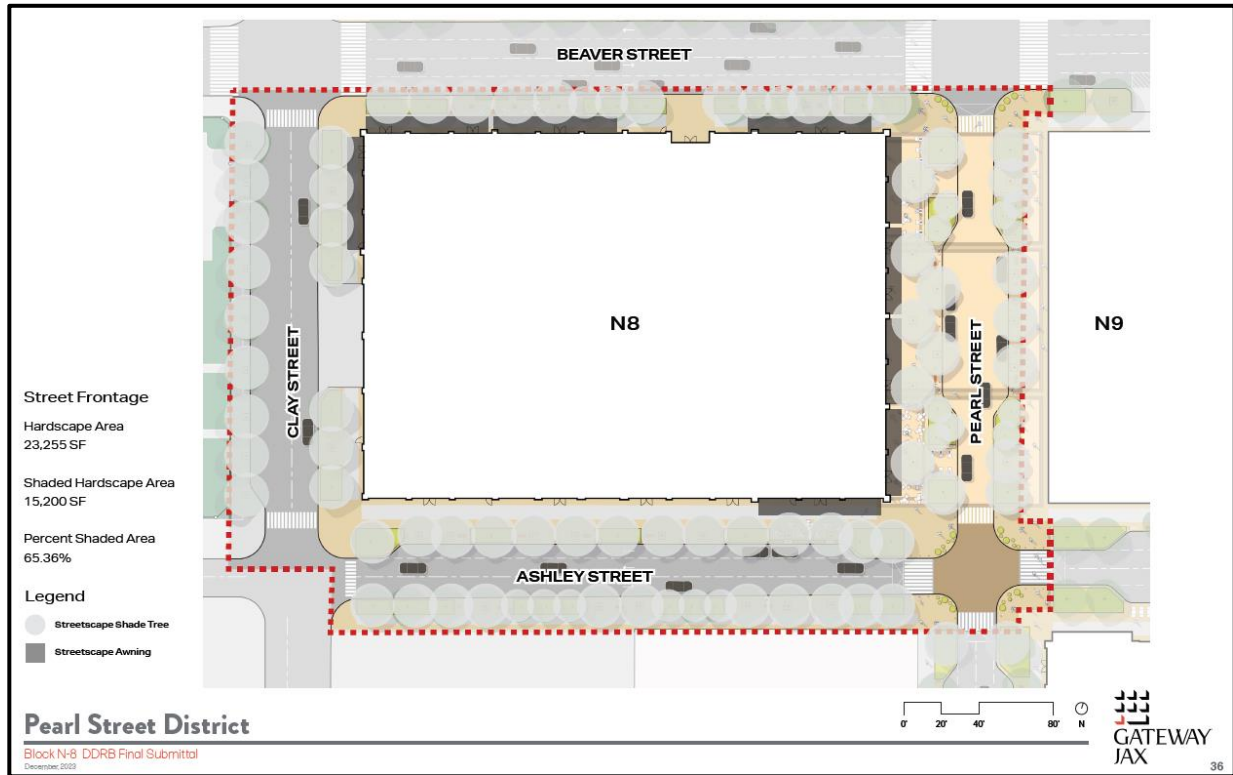


Exhibit D to Resolution 2024-04-12

Gateway Jax – Pearl Street District

N11 Building Term Sheet

<p>Developer/ Applicant:</p>	<p>Jax Porter LLC (or other entity formed by Gateway Companies, LLC for the development or ownership of the subject property where it, or its principles, have controlling interest).</p>
<p>The Property:</p>	<p>Denoted as N11 on master development maps, includes approximately 44,519 square feet (1.02 acres) of land bounded by W Ashley Street to the north, the Porter Mansion property to the east, W Church Street to the south, and N Pearl Street to the west inclusive of parcel RE#s 073847 0000, 073847 0100, 073851 0010 as identified in Exhibit 1. to this Term Sheet.</p>
<p>The Project:</p>	<p>On the Property developer shall design and construct the subject property (the “Project”) to include the following (all dimensions and counts are approximate unless stated otherwise):</p> <ol style="list-style-type: none"> 1. Proposed building with a minimum of 6 floors to be occupied for mixed residential and retail uses. 2. Residential Units: 205 residential units proposed with mix comprised of: <ol style="list-style-type: none"> a) 44 - Studio units (No fewer than 35 units) b) 137 - 1 BR units (No fewer than 109 units) c) 24 - 2 BR units (No fewer than 21 units) d) No fewer than 194 total unit count minimum. e) Gross square footage proposed of 167,032 sf, and leasable square footage of 136,924 sf, may each adjust downward in final design by not more than 10% to remain within compliance, with no limit on upward adjustment. f) Amenities include a club room, fitness center, and deck that may be restricted for the exclusive use of the residents. Workspaces are incorporated into various units throughout the project, allowing the building to adapt to changing work trends. 3. The first two levels are to provide concrete construction, contributing to flood resiliency. Trees and building canopies in the public realm provide for a shade coverage for 50%, exceeding the requirement of 40%, to promote heat resiliency, or such higher percentage as may be approved by the DDRB in its final approval as found in Exhibit 7. 4. Retail Space: <ol style="list-style-type: none"> a) Approximately 21,333 sf of ground floor Leasable Retail Space, may adjust downward in final design by not more than 10% to remain within compliance, with no limit on upward adjustment.

	<p>b) Street facing Retail Frontages at the ground level proposed totaling 325 linear feet (see Exhibit 5 to this Term Sheet):</p> <ul style="list-style-type: none"> i. Total aggregate Retail Frontage may not adjust downward more than 10%. ii. Retail space must include a minimum of 1 (one) restaurant tenant that provides outdoor dining options throughout the compliance period to maintain eligibility for REV payment, which shall open for business within 6 months of the outside date established for Substantial Completion. In the event that the operator of the Restaurant changes, the Restaurant may be closed for not more than ninety (90) days (“Restaurant Closure”); notwithstanding the foregoing, the CEO of the DIA may extend the Restaurant Closure for up to an additional ninety (90) days (for an aggregate of up to 180 days) in her sole discretion for good cause shown by Developer. <p>5. Porter House Park – Property north and south of the Porter House Mansion located at 510 Julia Street are to be converted to park space providing public access via non-exclusive easement to the City of Jacksonville which will support both casual use and smaller programming such as outdoor fitness and recreation. The 8,058 sf parcel with RE# 073851 0000 and address of 0 Ashley Street located on the north side of the Porter mansion shall be included, along with approximately 5,600 sf and the southernmost portion of the parcel with RE# 073849 0005 and address of 510 Julia Street will also be included in the creation of Porter House Park. The remainder of Porter House Park will include property on the eastern portion of the subject N11 development parcels to connect the north and south components of Porter House Park by the creation of a public plaza experience with expansive outdoor dining facing the park. As shown in Exhibit 4, the total Porter House Park dimension is estimated at 18,150 square feet and shall not deviate downward by more than 10%.</p> <p>6. Applicant commits to a Minimum Private Capital investment of \$58,208,000 based on development budget of approximately \$66,184,500, presented to the DIA inclusive of land valued at \$1,542,712, and exclusive of tenant improvements, marketing costs, leasing commissions, property management start-up costs, development fee, financing costs, and Years’ table costs included in the overall development cost totaling \$774,581 as further itemized in Exhibit 2. to this Term Sheet. If there is a downward adjustment in the Construction Cost approved pursuant to the REV Grant section, the Minimum Private Capital investment shall also be adjusted downward by a pro rata equivalent.</p>
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Design:	<ol style="list-style-type: none"> 1. The design will comply with the Downtown Overlay Zone Standards as enacted within the Jacksonville Municipal Code as well as the DDRB’s development guidelines and approvals, except as may otherwise be approved by the DDRB and allowed by code. 2. The Developer/Applicant will meet with the City’s Chief Resilience Officer to discuss the project and identify any applicable resiliency features that may be applicable to the project.
REV Grant:	<ol style="list-style-type: none"> 1. 75% REV Grant with Maximum Indebtedness of \$9,061,000 calculated over a 20-year term but to be paid over 17 years on the Real Property and Tangible Personal Property taxes collected on the subject Property and Improvements beginning with the first year after the property has achieved substantial completion. 2. The maximum indebtedness shall be calculated based on the projected assessed value using the agreed-upon private Construction Cost of \$51,639,000 equaling Development Cost as provided by the Applicant totaling approximately \$66,184,500 less land, development fee, tenant improvements, FF&E, insurance and title, construction management fee, Years’ table costs included in the budget, and other costs all totaling approximately \$14,546,000 as itemized in Exhibit 3. to this Term Sheet. 3. The DIA staff may approve a reduction in the projected Construction Cost of up to 10% with an accompanying pro rata reduction in the REV Grant Maximum Indebtedness. 4. The DIA Board may approve a reduction in projected Construction Cost greater than 10% but no more than 15% with an accompanying pro rata reduction in the REV Grant maximum indebtedness. <p>Any reduction in actual projected Construction Cost of more than 15% shall result in the forfeiture of the REV Grant and Completion Grants in their entirety.</p>
Completion Grant:	<ol style="list-style-type: none"> 1. Maximum Proceeds: Not to exceed \$4,639,000. 2. Funding 1 in the amount of \$2,704,000 to be earned and paid upon Substantial Completion of the Improvements. 3. Funding 2 in the amount of \$1,161,000. For payment to be requested, a minimum of 60% of the Effective Gross Leased Space must be under lease before payment may be requested. Request must be made not later than the second anniversary of the documented date of Substantial Completion or is forfeited. 4. Funding #3 in the amount of \$774,000. For payment to be requested, a minimum of 100% of the Effective Gross Leased Space must be under lease before payment may be requested. Request must be made not later than the second anniversary of the documented date

	<p>of Substantial Completion or is forfeited.</p> <p>5. Effective Gross Leased Space for N11 totals 19,200 square feet of the Leasable Retail Space.</p>
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<p>Redevelopment Agreement:</p>	<p>The Redevelopment Agreement will establish the essential terms of the incentives, funding, and each party’s responsibility for maintenance of the easements granted in favor of the City, and other terms relevant to the development of the Property. The RDA will become effective upon its execution following approval by the City Council. Its terms will govern the rights and responsibilities of the parties throughout the term of the RDA.</p>
<p>Entitlements:</p>	<p>The City and the DIA will allocate all required entitlements for the Project, including Downtown Development Rights, and will timely process all required applications including, without limitation, Conceptual and Final DDRB Applications. Mobility Credits and Stormwater Credits will be available for purchase by Developer in accordance with the ordinance governing the same once the quantity of credits required is known.</p>

<p>Permits:</p>	<p>Developer / Applicant will be responsible for obtaining all building and other permits required for the Project.</p>
<p>Tiers System Commitments</p>	<p>In conjunction with approval for consideration of additional funding as Completion Grants, Developer/Applicant hereby agrees to the following conditions or commitments, which may be adjusted by an unlimited downward adjuster, and a 10% upward adjuster based on actual costs and values such that the total sum of the value of all conditions or commitments over 20 years is equal to 3% of the Minimum Private Capital Investment:</p> <ol style="list-style-type: none"> 1. Contribution of approximately \$1,012,500 towards the development of Porter House Parks with design elements coordinated with the COJ Parks department and all work to be undertaken and completed by Developer prior to the date of Substantial Completion of the N11 Improvements. 2. 20-Year Easement in favor of the City for the Porter House Parks improvements to be executed simultaneous with request for initial funding on Completion Grants, subject to the following: <ol style="list-style-type: none"> a. Hours of public access and reasonable rules and regulations shall be designated by Developer/Applicant in consultation with COJ Parks Department b. Developer to coordinate with the Parks Department, Cultural Council, and placemaking initiatives on programming in Pearl Square and the Porter House Park. c. Easement shall not include anticipated private outdoor dining zones for adjacent restaurant tenants, anticipated commercial

	<p>structures or kiosks on the north park, or any parking spaces on the north-south private drive.</p> <ol style="list-style-type: none">3. Permanent Easement in favor of the City for the Streetscape Easements to be executed simultaneous with request for initial funding on Completion Grants.4. Developer/Applicant agrees to a minimum twenty-year park maintenance and programming budget of approximately \$8,700 annually, escalating at 3% per year, which will be more fully detailed in a table in the RDA (Maintenance activity to be coordinated with COJ Public Works, Programming activity to be coordinated with the COJ Parks Dept.).5. Expenditures by Developer for these purposes shall be required as part of the Annual Report submitted to the DIA for review with compliance requirements. Staff hired by the Developer and all costs incurred in the facilitation of these obligations, shall be compensated, or incurred at commercially reasonable rates.6. Developer will coordinate with the City to provide wayfinding signage within the public realm of all parcels to help visitors navigate between surrounding public areas such as the Riverfront Plaza, JWJ Park and Skyway, Rosa Parks Station, LaVilla Heritage Trail, and City Hall and the public access components of the project including the Porter House parks, Pearl Square, and all associated retail incorporating the branding guidelines color palette established for the district.7. All other commitments as made by Developer in its Pearl Street Tiers Narrative 10.27.23 submission which will be captured as an exhibit to the redevelopment agreement.
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<p>Performance Schedule:</p>	<p>RDA EXECUTION– The Redevelopment Agreement will be entered into by Developer, DIA, and the City within thirty (30) days following the effective date of legislation authorizing the RDA.</p> <p>INITIAL PERMITTING – Developer shall apply for all permits necessary to commence construction (including vertical building permits) and proceed without interruption to completion of the Project no later than August 31, 2024, and pursue the same with commercially reasonable diligence.</p> <p>COMMENCE CONSTRUCTION – Developer shall commence construction on Horizontal Improvements within 6 months following the effective date of legislation authorizing the RDA and commence construction on Vertical Improvements within six months following commencement of Horizontal Improvements and then proceed without material delay through completion.</p> <p>COMPLETION OF CONSTRUCTION - All improvements on the Property, including Porter House Park Improvements, to be substantially completed within 24 (Twenty-four) months of commencement.</p> <p>The foregoing deadlines will be subject to extensions of up to six (6) months granted by the DIA’s CEO without additional City Council approval upon reasonable cause shown by Developer, or by force majeure. Such extension of the Commencement Date shall also apply to the date of Substantial Completion so that a single extension provided will apply to both simultaneously.</p>
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<p>Additional Terms and Conditions</p>	<ol style="list-style-type: none">1. All funding commitments other than the REV Grant are subject to further approval by the COJ City Council.2. Minimum Equity Requirement of \$11,641,600 to be evidenced to the satisfaction of the DIA in its sole discretion prior to payment of any Completion Grant.3. Tiers System Commitments not captured elsewhere:<ol style="list-style-type: none">a. The majority of the parking demand generated by the project is to be fulfilled at the offsite garage located at N5, the “Lighthouse Garage” under common ownership, at 0.85 spaces per unit.b. To demonstrate and maintain resiliency features, Developer commits to first two levels of concrete construction, contributing to flood resiliency. Trees and building canopies in the public realm provide for a shade coverage for 50%, exceeding the requirement of 40%, to promote heat resiliency.c. Minimum of one ground floor restaurant/bar that provides outdoor seating and extended hours including evenings beyond traditional office hours and on weekends, which shall open for business within 6 months of the outside date established for Substantial Completion. In the event that the operator of the Restaurant changes, the Restaurant may be closed for not more than ninety (90) days (“Restaurant Closure”); notwithstanding the foregoing, the CEO of the DIA may extend the Restaurant Closure for up to an additional ninety (90) days (for an aggregate of up to 180 days) in her sole discretion for good cause shown by Developer.d. Demonstration of and adherence to neighborhood branding guidelines, typical streetscape layout, material styling and landscape and color palette, wayfinding signage and art installations.e. Provide improvements for outdoor dining alternatives along the eastern side of the property to expand the restaurant footprint of the Porter House restaurant space and to include outdoor dining options facing the Porter House Park.f. Installation of enhanced lighting beyond minimum requirements above the residential lobby entrance and security cameras on the exterior of the building and sidewalk bulb-outs along Ashley Street and a table-topped intersection at Pearl Street will increase pedestrian safety crossing Pearl Street.g. Developer will improve the public realm fronting third-party property to bring it into compliance with Downtown Overlay guidelines along Pearl Street across from N11.h. In addition to the required City-standard bike racks, Developer will install at least one additional bike rack to promote cyclability.i. Adherence to all commitments as submitted in the Pearl Street Narrative dated October 27, 2023, with exceptions as captured
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	<p>herein.</p> <p>4. Payment of Completion Grant Components related to LOST and Induced Taxes is subject to compliance with all terms and conditions as found in Resolution 2023-09-01 as approved by the DIA Board at its meeting held September 21, 2023, including but not limited to:</p> <ul style="list-style-type: none">a. Approval and adherence with Tiers System requirements.b. Approval by the DIA staff that executed leases submitted for calculation of leased space meet the definition of Retail as provided in Retail Enhancement Program guidelines with a minimum term of three years.c. Only tenants of street facing at ground level shall count towards the leased space calculations as required for Completion Grant payout.d. Retail tenants shall not be eligible for future funding under any Retail Enhancement Program award.e. Property owner is required to collect and remit to the DIA copies of sales tax receipts remitted annually by the property owner and tenants (copies of form DR-15 or equivalent). Amounts that fall short of the cumulative expected payment in any given calendar year through year ten will be withheld from the REV payment applicable to the same calendar year (Exhibit 6 to this Term Sheet). Any such withholding will not affect the maximum REV Grant amount as approved and documented in the Redevelopment Agreement or other terms of that REV Grant including, but not limited to, the outside maturity date for payment.f. For these purposes, the recipient will begin the collection of DR-15 or other LOST payment information with the thirteenth month following final payout of the Completion Grant or similar funding mechanism as may be approved and earned following criteria established above. Collection and remittance of this information will be in proportion to the pro rata number of full months remaining in that calendar year, followed by nine full years of data collection and submission, and a final pro rata year with the remaining number of full months from the first year of submission.
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The provisions of this Term Sheet are intended to guide the parties in negotiating the Redevelopment Agreement, and any other documents that may be necessary to give effect to the manifest intent of the parties expressed herein.

Exhibit 1. The Property

	RE#	Street Address	App SF	App Acres	Current Owner
N11	073847 0000	0 Ashley St W	27,661	0.64	Jax Porter LLC
N11	073847 0100	0 Church St W	5,532	0.13	Jax Porter LLC
N11	073851 0010	0 Ashley St W	11,326	0.26	Jax Porter LLC
			44,519	1.02	



Exhibit 2. – Minimum Private Capital

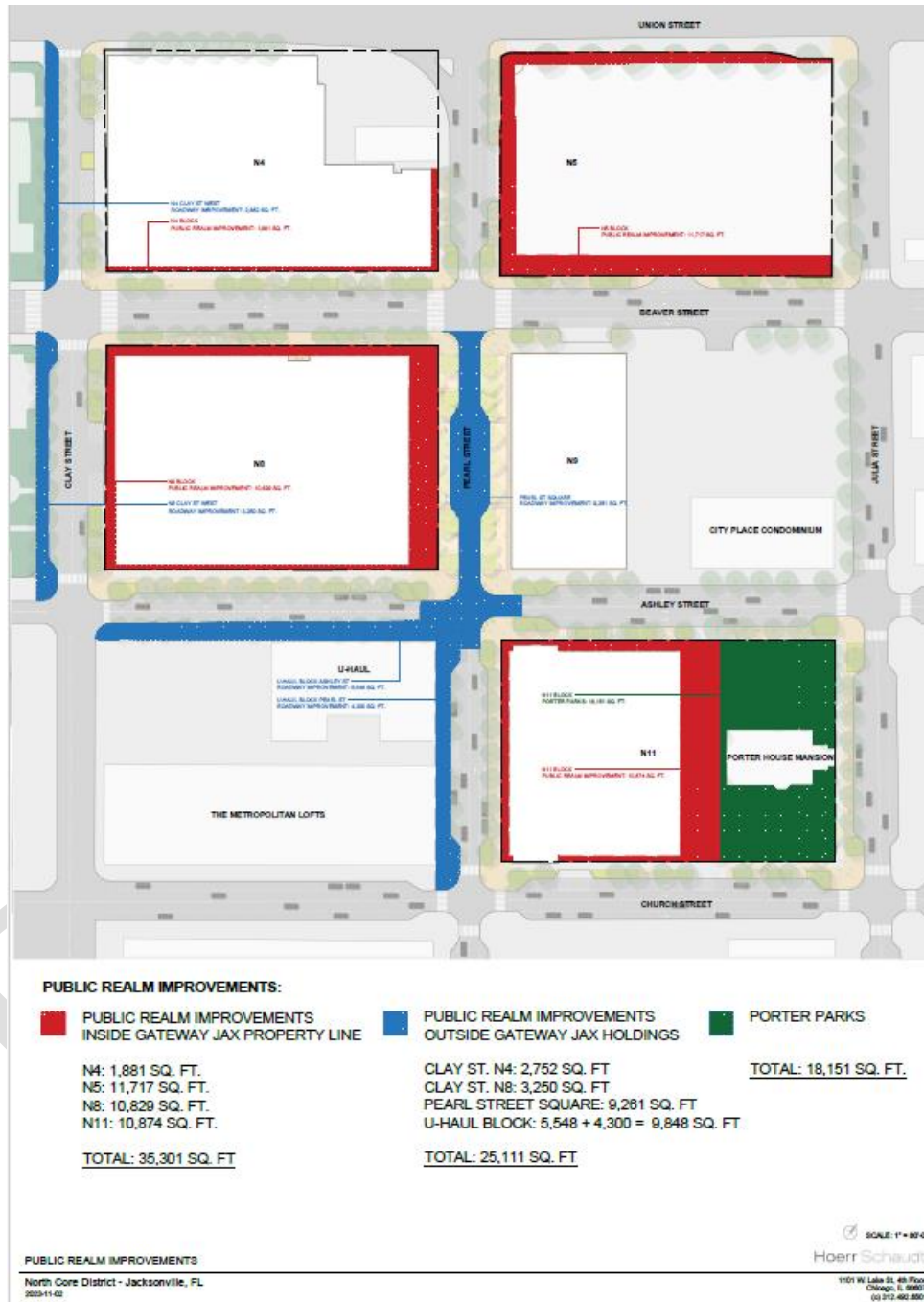
Development Costs	\$ 66,184,488
TI's & LLW	\$ 3,522,590
Marketing costs	\$ 355,252
Leasing Commissions	\$ 594,298
Property management startup costs	\$ 203,001
Ownership Expenses	\$ 40,600
Development Fee	\$ 2,486,222
Minus: Years costs already included in budget	\$ 774,581
Minimum Private Capital	\$ 58,208,000

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Exhibit 3. – Construction Cost

Development Costs	\$ 66,184,488
Land Costs	\$ 1,542,712
TI's & LLW	\$ 3,522,590
Other Hard Costs	\$ 1,588,402
Surveys, testing, appraisals & inspections	\$ 304,502
Permits, licenses, bonds & fees	\$ 507,503
Insurance and title	\$ 984,282
Property taxes during development	\$ 109,814
Utilities during development	\$ 203,001
Legal and accounting	\$ 162,401
Marketing costs	\$ 355,252
Leasing Commissions	\$ 594,298
Property management startup costs	\$ 203,001
Construction management fee	\$ 406,002
Ownership Expenses	\$ 40,600
Master Plan A&E	\$ 290,679
Development Fee	\$ 2,486,222
Soft cost contingency	\$ 469,887
Minus: Years costs already included in budget	\$ 774,581
For REV Calculation	\$ 51,639,000

Exhibit 4. – Public Realm Improvements



As depicted above, the blue streetscape colors indicate off-site improvements included in Tiers-related commitments. The red areas indicate areas on private property with Tiers-related commitments that will be subject to easements in favor of the city for the public benefit.

Exhibit 5 – Retail Frontages

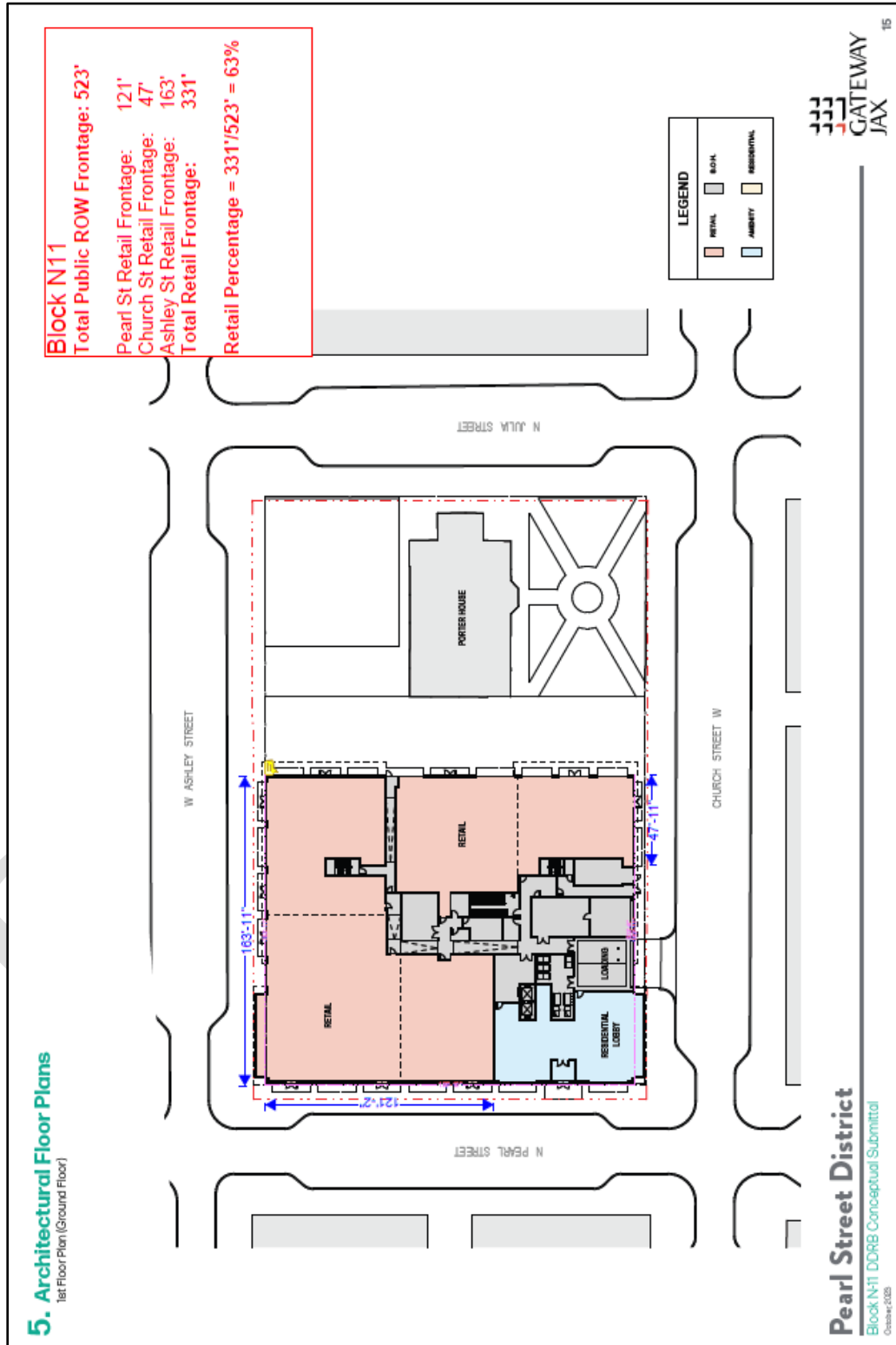
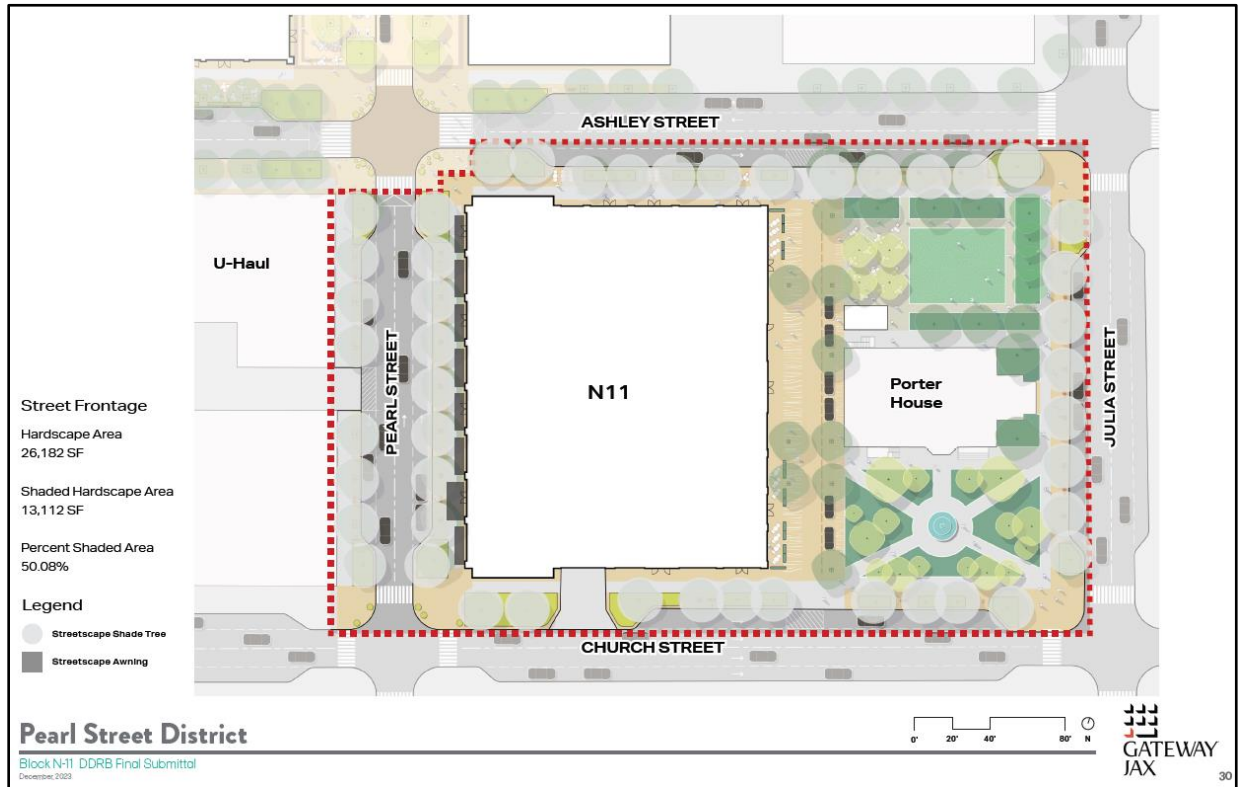


Exhibit 6 – Minimum Amounts to be Collected and Remitted

Should the following cumulative amounts from each table fail to be achieved in any given year, the shortfall will be deducted from the REV Grant payable in such year.

YR	LOST from F&B, Retail, and Comm'l Leases	
	Annual	Cumulative
1	\$ 73,978	\$ 73,978
2	\$ 75,457	\$ 149,435
3	\$ 76,966	\$ 226,401
4	\$ 78,506	\$ 304,907
5	\$ 80,076	\$ 384,983
6	\$ 81,677	\$ 466,660
7	\$ 83,311	\$ 549,971
8	\$ 84,977	\$ 634,948
9	\$ 86,677	\$ 721,625
10	\$ 88,410	\$ 810,035
	\$ 810,035	

Exhibit 7 – Minimum Shade Requirements



SUPPLEMENTAL INFORMATION

RESOLUTION 2024-04-12: GATEWAY MODIFICATIONS STAFF REPORT

**RESOLUTION 2024-04-11 - MODIFICATION TO GATEWAY APPROVALS
STAFF REPORT**

Gateway Property LLC, “Developer,” is proposing to undertake a multi-parcel master development plan known as the “Pearl Street District” centered on redevelopment of four blocks and adjacent roadways along Pearl Street beginning at the intersection with Church Street and continuing north to the intersection with Union Street as depicted below. In addition, a new park for public use will be constructed, Porter House Park, along with Pearl Square, both of which are to provide programming such as street fairs, farmers markets, art festivals and pop-up events throughout the year. Incentives as outlined further below were approved by the DIA Board in its meeting November 15, 2024.



A summary of the commitments and approvals, and changes made where relevant, is found below:

	N4	N8	N11	N5	TOTAL
Parcel Size	55,122	64,977	44,519	65,340	229,958
Proposed Residential Units	281	535	205	-	1,021
Min Residential Units	266	508	194	-	968
Gross Square Footage	256,337	439,525	167,032	-	862,894
Leasable Square Footage	205,384	352,660	136,924	-	694,968
Leasable Retail Space - SF	19,155	30,000	21,333	15,000	85,488
Minimum Leasable Retail Space - SF	17,240	27,000	19,200	13,500	76,940
Retail Frontage (Original)	410	790	325	200	1,725
Retail Frontage (Revised)	390	750	325	200	1,665
Development Budget	98,466,000	242,047,000	66,184,500	12,593,400	419,290,900
Minimum Private Capital Investment	89,563,000	215,697,000	58,208,000	10,254,700	373,722,700
Construction Cost	81,078,000	196,416,000	51,639,000	4,330,700	333,463,700
Minimum Equity	17,912,600	43,139,400	11,641,600	1,906,000	74,599,600
Max REV Grant Indebtedness	14,105,000	33,888,000	9,061,000	2,574,000	59,628,000
Max Completion Grant Indebtedness	6,844,000	22,557,000	4,639,000	1,906,000	35,946,000

Modifications Proposed:

Upon further design and engineering at the Gateway development sites, and other additional information gathered since the time of the November approval, modifications are requested to the term sheets as originally approved as detailed below. Although these modifications affect some tiers commitments made by the Developer, they are largely immaterial and, in some cases, the City benefits from the changes identified.

	Previous Calcs	Current Calcs		Applicable Project	Notes
<u>Easement Areas (Previous Calcs from "23.11.01 Years Contribution Proposal STK Edits")</u>					
Porter Parks Easement Area	19,350	18,827	(523)	50/50 N4 and N11	Final survey and draft engineered plans
N4 On-site Streetscape Easement Area	6,756	2,596	(4,160)	N4	Final survey and engineered plans
N8 On-site Streetscape Easement Area	8,704	7,640	(1,064)	N8	Final survey and engineered plans
N11 On-site Streetscape Easement Area	9,675	9,368	(307)	N11	Final survey and engineered plans
N5 On-site Streetscape Easement Area	2,773	7,809	5,036	N5	Final survey and engineered plans
	47,258	46,240	(1,018)	-2.15%	
<u>Off Site Improvements Scope of Work Area</u>					
N4 Off-site West Side Clay	2,752	3,266	514	N4	Final survey and draft engineered plans
N8 Off-site West Side Clay	3,250	3,203	(47)	N8	Final survey and engineered plans
N8 Off-site South Side Ashley & West Side Pearl	9,848	10,306	458	N8	Final survey and engineered plans
N8 Pearl Square	9,261	10,902	1,641	N8	Final survey and engineered plans
	25,111	27,677	2,566	10.22%	
<u>Retail Frontages (Previous Calcs from Term Sheets)</u>					
N4 Overall Retail Frontage	410	390	(20)	N4	JEA-required reconfigured transformer room
N4 Clay St Retail Frontage	50	30	(20)	N4	JEA-required reconfigured transformer room
N8 Overall Retail Frontage	790	750	(40)	N8	JEA-required reconfigured transformer room
N8 Clay St Retail Frontage	85	45	(40)	N8	JEA-required reconfigured transformer room
	1,335	1,215	(120)	-8.99%	
<u>Shade Calcs (Previous Calcs from DDRB Multiphase district submission)</u>					
N4 Off-site West Side Clay	57%	45%	-12%	N4	Existing driveway and utility conflicts from final survey
N8 Off-site West Side Clay	59%	40%	-19%	N8	Existing driveway and utility conflicts from final survey
N8 Off-site South Side Ashley & West Side Pearl	87%	55%	-32%	N8	Existing driveway and utility conflicts from final survey

Details of the information provided above follow:

Easement Areas:

The Easement Areas outlined above were used in the calculation of financial commitment as part of the 3% of Total Development contribution required by the Tiers approach. Each of these areas are on the properties owned by the Developer and are subject to permanent easement in favor of the City, apart from Porter Park which is subject to a twenty-year easement. As noted, more precise measurements from final surveys and engineered plans result in a reduction of approximately 1,018 square feet of space to be improved for use by the public, with an associated value of estimated at \$26,785.

The largest reduction is found on the N4 property, where more of the property on the Clay Street and Union Street side is found to not be within the surveyed property line and is in the City right-of-way. Those areas are not part of the retail frontage which minimizes the impact on the reduction to the tiers commitments as approved. A significant condition in the opposite direction is realized on the N5 (renovated and repurposed garage) area, which increased by more than 5,000 square feet, much of which is in front of where the retail spaces will be developed including a restaurant with sidewalk seating.

Off-site Improvements Scope of Work Area:

Similarly, the collective areas of the off-site improvements were shown to be slightly larger than initially anticipated by approximately 2,566 square feet, 10.2%. Although this property is already owned by the City, the value of the improvements was originally estimated at \$1,470,000, which provides a slight increase in the estimate of \$150,000, to \$1,620,000.

The image found below as Exhibit A. will replace all exhibits in the Redevelopment Agreements where the dimensions of the Public Real Improvements are referenced.

3% Financial Commitment from the Tiers System:

As it relates to the funding requirements and values associated with the on-site and offsite improvements and easements integral to meeting the tiers system financial commitment equal to 3% of Total Development Costs, the revised estimates provided by the Developer in the chart above will serve as the basis for verification upon completion.

Because of the uncertainty associated with those ultimate costs and values, and the relationship they have with the commitment to programming and maintenance of public spaces (Porter Park and Pearl Street Plaza), the Developer requests waiting until completion to establish these amounts in detail at each property level, while maintaining the overall financial commitment of \$11,282,000. DIA staff recommend establishing these amounts as proposed, allowing for unlimited downward adjuster, and a 10% upward adjuster from those amounts.

For clarity, the aggregate balance of those financial commitments for all on-site improvements, off-site improvements, and easement values (along with the estimated City benefit of a 1% discretionary sales tax on short term rentals) is netted against the total commitment of 3% of Total Development Cost (\$11,282,000) to provide the residual balance that is split among the four properties to determine the ongoing commitment to park and public realm programming and maintenance.

The originally estimated amount for programming and maintenance was \$2,418,000 allocated as \$945,500 to N4, \$933,000 to N8, \$233,500 to N11, and \$306,000 to N5 to balance the funding commitment of 3% of Total Development Cost towards tiers eligible projects to each property individually. The current estimates of the balance to be allocated towards the commitment to ongoing park and public realm programming and maintenance following adjustments as proposed above totals \$2,444,785. To meet that obligation, the payment schedule for park programming and maintenance proposes approximately \$90,000 in the first year of the obligation following completion, increasing at 3% per year for a 20-year period.

For additional clarity, the scope of the improvements will not change, and the overall financial commitment will not change, but the easement value provided by appraisal will serve as the Developer's contributed amount, along with actual expenditures for improvements in the public realm areas, for the calculations in determining adherence to these commitments and to finalize the annual amounts to be met on public realm programming and maintenance.

Further, addition of the following verbiage clarifies the responsibilities of coordination and commitment as agreed to be the Developer, "Developer agrees maintenance activity to be coordinated with COJ Public Works, and programming activity to be coordinated with the COJ Parks Dept. Expenditures by Developer for these purposes shall be required as part of the Annual Report submitted to the DIA for review with compliance requirements. Staff hired by the Developer and all costs incurred in the facilitation of these obligations, shall be compensated, or incurred at commercially reasonable rates."

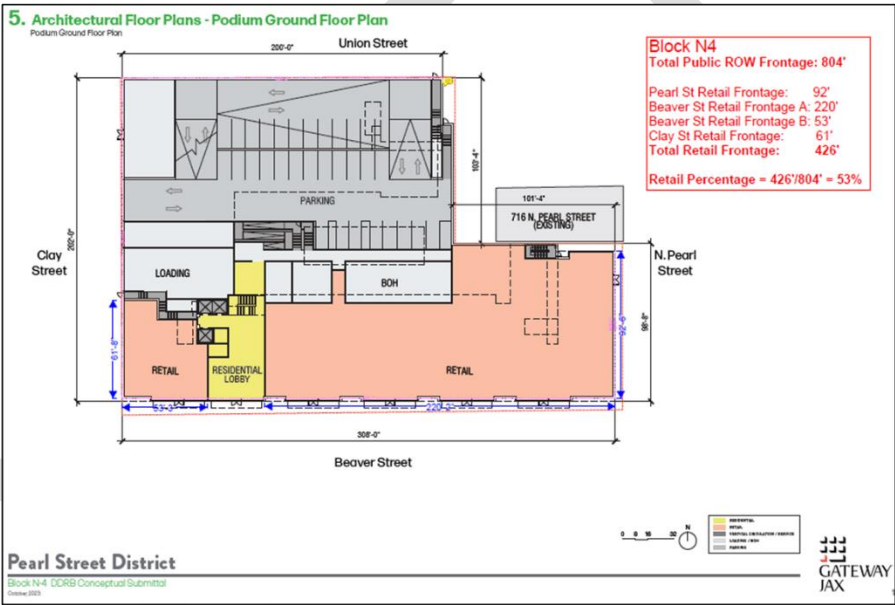
Retail Frontages:

A significant portion of the tiers commitments and approval is based on the anticipated street front activation throughout the Pearl District. The following requested modifications follow use limitations imposed on the developer by JEA and are considered de minimis but require consideration and approval by the DIA Board.

- 1. N4 – The commitment for street-frontage for retail on the Clay Street side of the building is proposed to reduce from 50 feet to approximately 30 contiguous linear feet (reduction of 40.0%) which causes the committed overall retail frontage dimension to fall from 410 feet to approximately 390 feet (reduction of 4.9% overall).

The term sheet allows “Retail frontages on each street may adjust downward in final design by *not more than 20%* to remain in compliance, with no limit on upward adjustment; however, the total aggregate Retail frontage may not adjust downward more than 10%.” The request is beyond the 20% limitation for change along any street frontage but remains in compliance with the overall limitation.

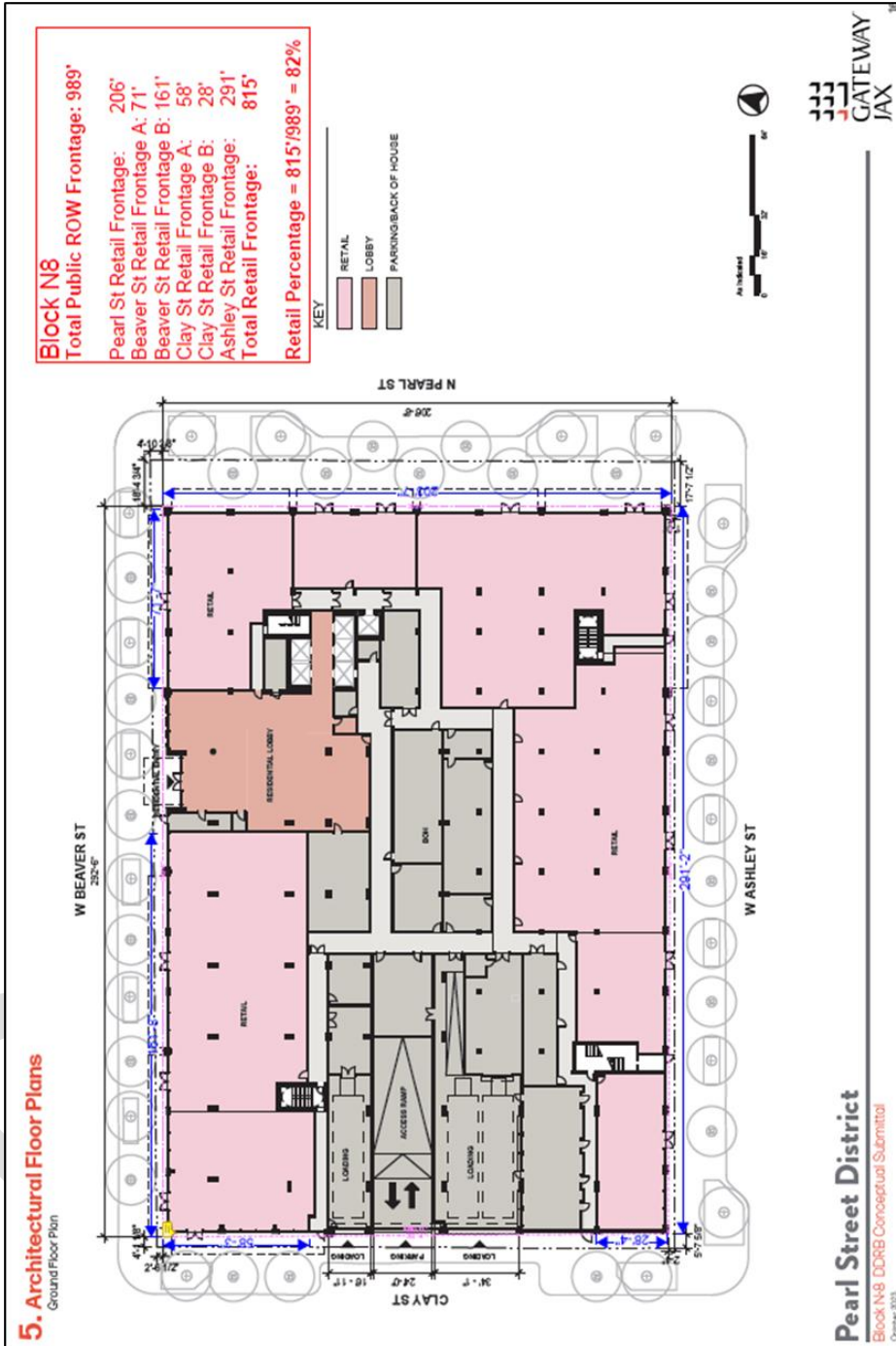
The reduction stems from a requirement imposed by the JEA requiring reconfiguration of the transformer room that encroaches on space intended to by retail frontage. Of the total 804 linear feet of the street facing perimeter, a commitment for the activation of 48.5% (390 linear feet) remains in place, surpassing the minimum requirement of 30% as found the Multifamily Housing REV Program for Developments not adjacent to the River Creek or City Park.



- 2. N8 – The 22-story mixed-use tower faces a similar situation with the committed street-frontage for retail on the Clay Street side of the building is proposed to reduce from 85 feet to approximately 45 contiguous linear feet (reduction of 47.1%) which causes the committed overall retail frontage dimension to fall from 790 feet to approximately 750 feet (reduction of 5.0% overall).

The term sheet allows “Retail frontages on each street may adjust downward in final design by not more than 20% to remain in compliance, with no limit on upward adjustment; however, the total aggregate Retail frontage may not adjust downward more than 10%.” The request is beyond the 20% limitation for change along any street frontage but remains in compliance with the overall limitation.

The reduction stems from a requirement imposed by the JEA requiring reconfiguration of the transformer room that encroaches on space intended to by retail frontage. Of the total 989 linear feet of the street facing perimeter, a commitment for the activation of 75.8% (750 linear feet) remains in place, surpassing the minimum requirement of 30% as found the Multifamily Housing REV Program for Developments not adjacent to the River Creek or City Park.



The request for the adjustments to commitments as found above is accompanied by the request to eliminate the individual street frontage requirements so long as the overall commitment to retail frontage does not decrease further by more than 10% from the adjusted commitment (in the case of N4 and N8) and the already established commitment found in the N11 term sheets. N5 is not required for consideration of this modification as the retail development on that site is only along Beaver Street. For clarity, the following will be the newly established commitments for each building, with each property providing well in excess of the 30% minimum established in the Multifamily REV Grant guidelines:

	As Committed			After Maximum Reduction		
	Minimum Total Linear Retail Frontage	Total Linear Street Facing Frontage	Proportion of Linear Retail Frontage	Reduced Total Linear Retail Frontage	Total Linear Street Facing Frontage	Reduced Proportion of Linear Retail Frontage
N4	390	804	48.5%	351	804	43.7%
N8	750	989	75.8%	675	989	68.3%
N11	325	523	62.1%	293	523	56.0%

With the inclusion of the minimum of 180 linear front footage of retail in the N5 garage (after maximum downward adjustment) the minimum total retail footage provided within the development totals 1,499 linear frontage feet.

Shade Calculations

The Developer reports that detailed information from the survey of City right of way along the west side of Pearl Street, the south side of Ashley Street, and the west side of Pearl Street restricts their ability to fulfill the shade canopy plantings as proposed, which were drawn from the DDRB Multi-phase Site Plan Final Submittal, which have been further modified by individual block plan approved by the DDRB, and will be included as Exhibits to each RDA for the relevant property (See Exhibit 2 to this staff report). To provide clarification, the minimum shade requirement for each property will be consistent with the final DDRB approvals for each building, with a minimum of 50% overall on each property.

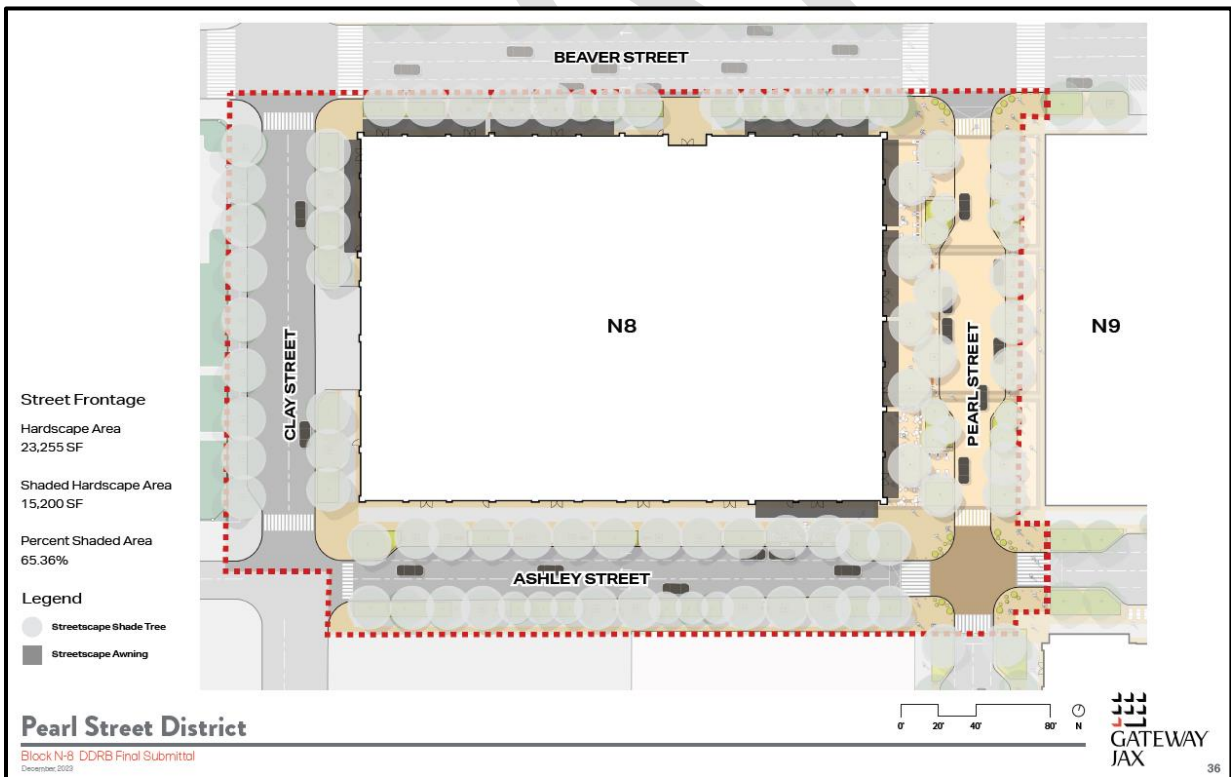
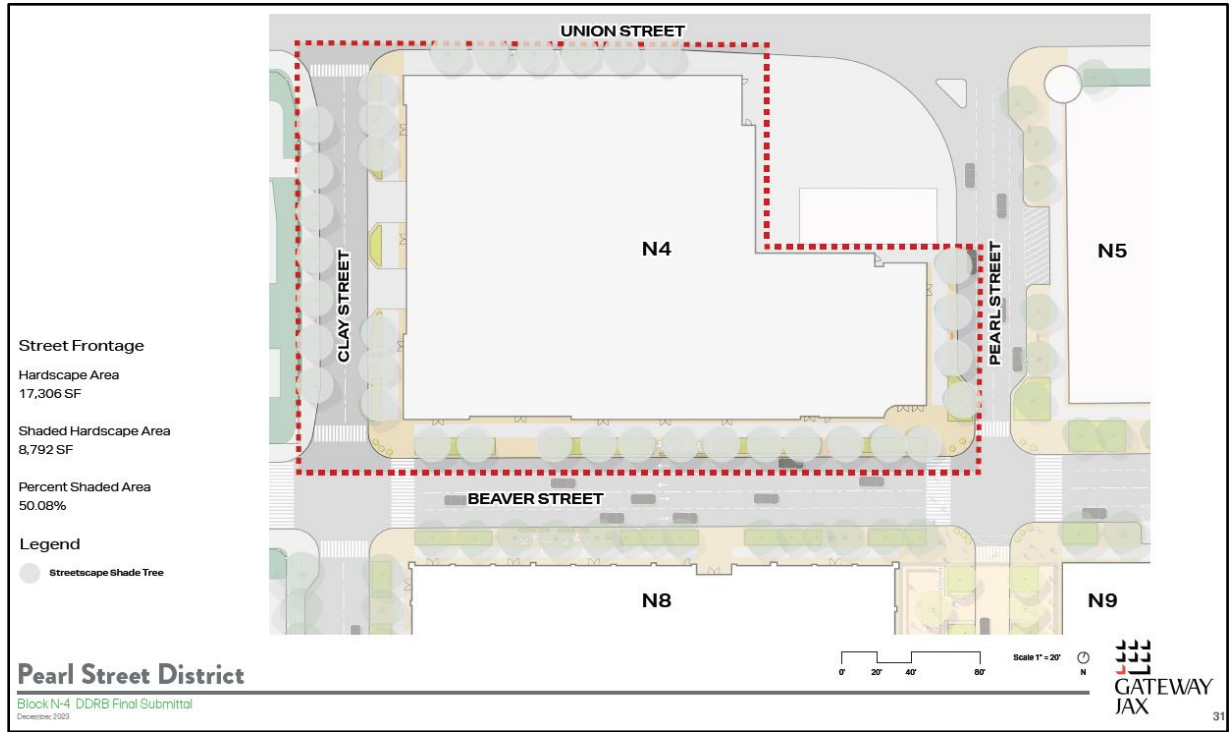
Timing for Completion of Restaurant Improvements

The original approvals for each property require “a minimum of 1 (one) restaurant tenant that provides outdoor dining options... which shall open for business within 6 months of substantial completion.” In the Redevelopment Agreement for each property, Substantial Completion contemplates both a minimum period of time from the date of commencement and also a hard outside date, unique to each property. The date of Substantial Completion is also integral to the payment of the initial funding of the Completion Grant on each property. The requested modification is to allow for the opening of the restaurant on each property to occur not later than six months following the outside calendar date established for Substantial Completion for each property individually. For further clarification, the requirements for requesting funding of the first tranche of the completion grant remain unchanged and continue to include this requirement.

Exhibit A. – Public Real Improvements Within and Outside Property Boundaries



Exhibit B. – Shade Calculations



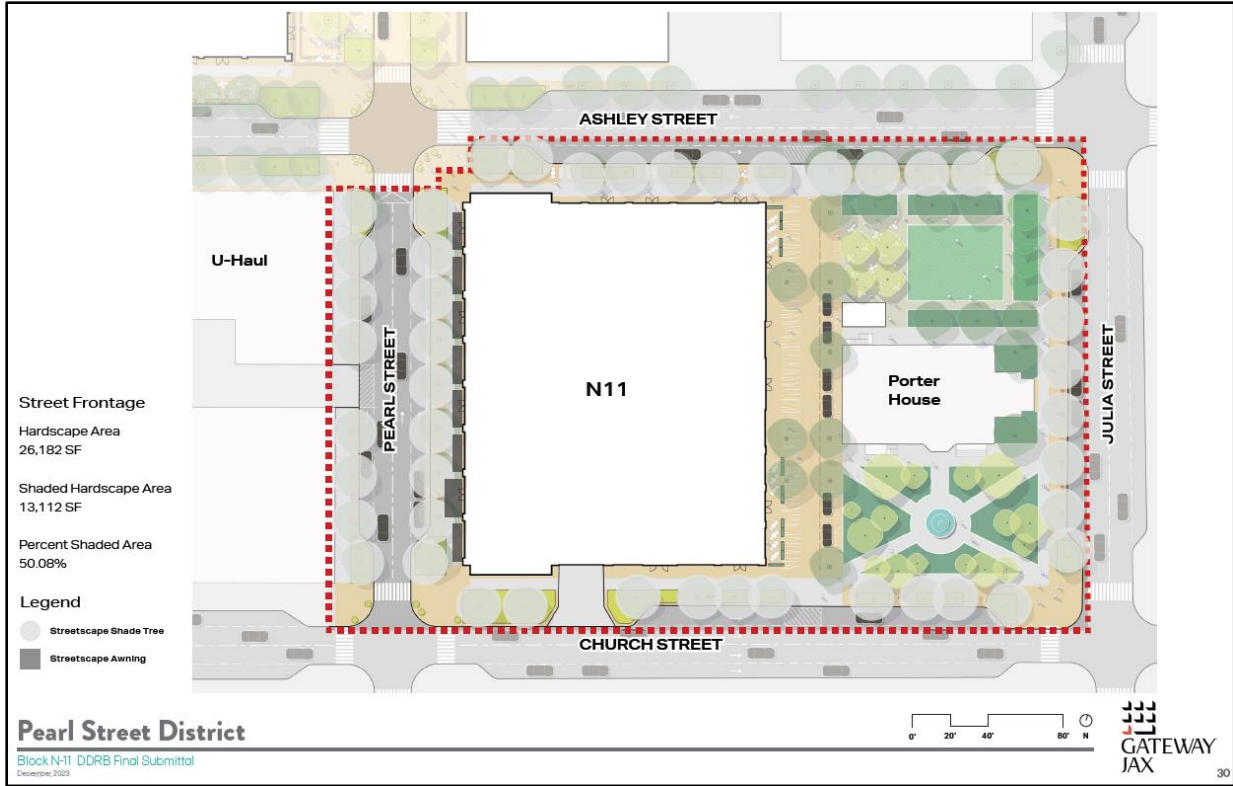


Image for N5 to be provided by Developer.

DRAFT