



**Downtown Investment Authority
Hybrid Virtual In-Person Meeting
Wednesday November 15, 2023
2:00 PM**

MEMBERS:

Jim Citrano, Chair
Oliver Barakat
Joshua Garrison
Craig Gibbs, Esq.

Braxton Gillam, Esq.
Joe Hassan
Carol Worsham

I. CALL TO ORDER

II. PUBLIC COMMENTS

III. WAIVER OF BY-LAWS

- A. Waiver of DIA By-Laws Section 6.13 *Order of Business*: Section 6.13 of the By-Laws waived for the purpose of opening the Downtown Investment Authority portion of the meeting prior to opening and closing of the Community Redevelopment Agency portion of the meeting.

IV. DOWNTOWN INVESTMENT AUTHORITY

- A. October 18, 2023, Downtown Investment Authority Board Meeting Minutes Approval

V. COMMUNITY REDEVELOPMENT AGENCY

- A. Form 8B: Voting Conflict Disclosures
- B. October 18, 2023, Community Redevelopment Agency Meeting Minutes Approval
- C. Resolution 2023-11-01: Architectural Services RFP
- D. Resolution 2023-11-02: DIA Parking Garage Operator RFP
- E. Resolution 2023-11-03: Ambassador Extension
- F. Resolution 2023-11-04: Cady Club
- G. Resolution 2023-11-10: End of Year Northbank Reconciliation
- H. Resolution 2023-11-06: Gateway Jax N4
- I. Resolution 2023-11-07: Gateway Jax N5
- J. Resolution 2023-11-08: Gateway Jax N8
- K. Resolution 2023-11-09: Gateway Jax N11

VI. OLD BUSINESS

VII. NEW BUSINESS

VIII. CEO INFORMATIONAL BRIEFING – DUE TO THE NUMBER OF ACTION ITEMS WITHIN THE CRA PORTION OF THE MEETING, THE NEXT CEO INFORMATIONAL BRIEFING WILL AT THE DECEMBER 20, 2023 DIA BOARD MEETING

IX. CHAIRMAN REPORT

X. ADJOURN

November 15, 2023 DIA Board Meeting

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://zoom.us/j/94074017448?pwd=WklzbHNRRCT6cFBqL0M4YkNrMkxrQT09>

Meeting ID: 940 7401 7448

Passcode: 642945

TAB IV

OCTOBER 18, 2023

DOWNTOWN INVESTMENT AUTHORITY BOARD MEETING MINUTES APPROVAL



**Downtown Investment Authority
Downtown Investment Authority**

October 18, 2023

**Downtown Investment Authority Hybrid Meeting
MEETING MINUTES**

DIA Board Members (BM): Jim Citrano, Chair; George Saoud, Esq., Vice Chair; Joshua Garrison Secretary; Craig Gibbs, Esq.; Braxton Gillam, Esq.; Joe Hassan; Oliver Barakat and Carol Worsham

DIA Board Members Excused: None.

Mayor's Office: None.

Council Members: None.

DIA Staff: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Operations Manager; Ina Mezini, Strategic Initiatives Coordinator; Ric Anderson, Communications and Marketing Specialist; Ava Hill, Administrative Assistant and Susan Kelley, Redevelopment Coordinator (*virtual attendance*)

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER

Board Chair Citrano called to order the Downtown Investment Authority Meeting at 2:14 PM.

II. DOWNTOWN INVESTMENT AUTHORITY

A. SEPTEMBER 20TH 2023 DOWNTOWN INVESTMENT AUTHORITY MEETING MINUTES

Chair Citrano called for a vote to approve the September 20th, 2023, Downtown Investment Authority Meeting Minutes as provided.

Motion: Member Braxton motioned to move to approve the meeting minutes as presented.

Second: Member Gibbs seconded the motion.

Vote: Aye: 8 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 8-0-0



**Downtown Investment Authority
Downtown Investment Authority**

October 18, 2023

B. CONSENT AGENDA

RESOLUTION 2023-10-06: SPECIALTY CENTER

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY ACTING AS THE DOWNTOWN ECONOMIC DEVELOPMENT AGENCY REQUESTING THAT CITY COUNCIL AMEND CHAPTER 154 SUBSTANTIALLY SIMILAR TO THOSE AMENDMENTS CONTAINED IN EXHIBIT 1 TO THIS RESOLUTION FOR THE PURPOSE OF CREATING A JACKSONVILLE RIVERWALK SPECIALTY CENTER WITHIN DOWNTOWN; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION, INCLUDING THE FILING OF LEGISLATION; PROVIDING FOR AN EFFECTIVE DATE.

Motion: Member Gillam motioned to move to approve the consent agenda as presented.

Second: Member Gibbs seconded the motion.

CEO Boyer explained that there were a few revisions to the ordinance language and map, but she advised that the revisions were not substantive.

Board Chair Citrano called for individual votes on the consent agenda.

Vote: Aye: 8 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 8-0-0

C. RESOLUTION 2023-10-04: JAX RIVER JAMS CONTRIBUTION

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING A THIRTY-SIX THOUSAND DOLLAR (\$36,000.00) EVENT CONTRIBUTION TO THE DOWNTOWN VISION, INC. TO SUPPORT THE JACKSONVILLE RIVER JAMS EVENT; AUTHORIZING THESE FUNDS FROM THE DIA FISCAL YEAR 2023-2024 ADMINISTRATIVE BUDGET’S EVENT CONTRIBUTION FUNDS; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION, INCLUDING EXECUTION OF AN EVENT CONTRIBUTION AGREEMENT OR FUNCTIONAL EQUIVALENT THEREOF; PROVIDING FOR AN EFFECTIVE DATE.



**Downtown Investment Authority
Downtown Investment Authority**

October 18, 2023

Board Chair Citrano reminded everyone that Member Barakat notified the board of a conflict and Member Barakat said he would abstain from the vote. Board Chair Citrano then yielded the floor to CEO Boyer to present the resolution.

CEO Boyer explained Jax River Jams has been supported by DIA for several years. She mentioned that this year's contribution is slightly smaller, and that DIA is working with DVI on how funds should be allocated between Sip and Stroll and Jax River Jams.

She also shared the reasoning for the reduction of the current year's contribution requested. First, the riverfront plaza is no longer available, the new location is smaller, and the thought of normal events becoming more self-sustaining creating opportunities to sponsor new events.

Motion: Member Gillam motioned to move to approve Resolution 2023-10-06: Specialty Center.

Second: Member Worsham seconded the motion.

Board Chair Citrano opened the floor for questions from the board members.

Member Saoud asked where the new location would be.

CEO Boyer responded that it would be at the at the old courthouse City Hall Annex.

Member Hassan asked what the funding was the previous year?

CEO Boyer responded that it was \$50,000.

Member Gillam asked if the reason for the move was because the river front plaza is no longer available because of ongoing construction?

CEO Boyer's response was yes.

Member Gibbs pointed out that the resolution had a different amount than the exhibit. He asked if that was a typo.

CEO Boyer saw that one showed \$34,000 and the other showed \$36,000. Ina Mezini verified that the true amount was \$36,000.

Member Worsham expressed her support for the event.

Member Barakat had no comment.



**Downtown Investment Authority
Downtown Investment Authority**

October 18, 2023

Member Garrison asked where the funding came from for the artist selection and if that is where the \$36,000 goes?

CEO Boyer responded yes. She further explained that the city is the sponsor of the event. That they provide funding for some things, but DVI raises money from individual sponsors and uses it to pay for a variety of things including musical entertainment.

Member Garrison concluded that he would hate to see a decrease in the quality of the performing artists because of a decrease in DIA contribution.

When Board Chair Citrano saw that there were no more questions, he called for individual votes.

Vote: Aye: 7 Nay: 0 Abstain: 1

MOTION PASSED 7-0-1

D. Resolution 2023-10-05: Sip & Stroll Contribution

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) PROVIDING FOR A FIFTY-FOUR DOLLAR (\$54,000.00) CONTRIBUTION TO DOWNTOWN VISION INC. (“DVI”) FOR MONTHLY PROGRAMMING OF THE SOUTHBANK RIVERWALK; AUTHORIZING THESE FUNDS FROM THE DIA FISCAL YEAR 2023-2024 ADMINISTRATIVE BUDGET’S EVENT CONTRIBUTION FUNDS; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

Board Chair Citrano asked Member Barakat if he was going to also abstain his vote on this resolution and his responds was yes.

CEO Boyer explained that there were a couple of edits she wanted to point out.

- The resolution shows \$54,000 and the exhibit shows \$56,000. The correct amount is \$54,000.
- Add the wording “on the river walk after the words “which will be utilized to pay for musical talent and associated expenses for staging, sound and lighting.”
- In the table where it says Stage ne band and stage two silent disco, strike the words silent disco and just use music.

Motion: Member Gillam motioned to move to approve Resolution 2023-10-05: Sip and Stroll Contribution as amended by CEO Boyer.



**Downtown Investment Authority
Downtown Investment Authority**

October 18, 2023

Second: Member Saoud seconded the motion.

Board Chair Citrano opened the floor for comments from the board members.

Carol Worsham mentioned, concerning an error in the resolution, that since the payment amount in Exhibit A was being changed to \$54,000 as a total, should the \$28,000 in each paragraph be changed also.

After some discussion, CEO Boyer agreed that the two payments of \$28,000 should indeed be changed to \$27,000.

Board Chair Citrano thanked Mr. Gordan and staff for their work and then called for individual votes.

Vote: Aye: 7 Nay: 0 Abstain: 1

MOTION PASSED 7-0-1

Seeing no further action items, Board Chair Citrano turned the meeting over to CEO Boyer to provide updates for old and new business.

III. CEO INFORMATIONAL BRIEFING

A. OLD AND NEW BUSINESS

CEO Boyer mentioned, concerning the Ambassador's request for extension, that the Board has a qualified member (Member Gillam) who could review the status of the pending litigation and provide a briefing at the next meeting. She asked that he be appointed to do that.

Board Chair Citrano agreed and requested that Member Gillam take on that role.

Member Gillam advised that he was aware of the ongoing dispute and that he'd be prepared to discuss his findings at the next board meeting.

B. DOWNTOWN PROJECT UPDATE AND CEO REPORT

Using a slideshow, C.E.O. Boyer provided a progress report for the Downtown Projects, including One Riverside, Artist Walk, Rise: Doro, Lift Ev'ry Voice and Sing Park, Johnson Commons, Emerald Trail Model Mile, Artea, Lofts at Cathedral, union Terminal Warehouse, Catherine Street Extension. She finished the slideshow with a few media headlines.



**Downtown Investment Authority
Downtown Investment Authority**

October 18, 2023

After the slideshow, she provided updates on the following:

- Mayoral Priorities
- Budget
- Legislation
- Parking
- Professional Services RFP's
- Capital Project Updates
- Development Updates
- Pending Legislation

Board Chair Citrano asked for an update on the sales campaign for the Johnson Commons project.

CEO Boyer's response was yes. She continued that the first building sold out in days, that there is a waiting list for the second building, and that there are no issues with sales.

Board Chair Citrano spoke on the bigger projects' struggle with cost figures and getting started. He concluded that the city and DIA are doing great work and thanked them for their efforts.

Seeing there were no further items to be addressed, Board Chair Citrano adjourned the meeting.

IV. ADJOURNMENT

Board Chair Citrano adjourned the DIA meeting at 2:57 PM.

TAB V.B

OCTOBER 18, 2023

COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING MINUTES APPROVAL



**Downtown Investment Authority
Community Redevelopment Agency**

October 18, 2023

**Community Redevelopment Agency Hybrid Meeting
MEETING MINUTES**

DIA Board Members (BM): Jim Citrano, Chair; George Saoud, Esq., Vice Chair; Joshua Garrison Secretary; Craig Gibbs, Esq.; Braxton Gillam, Esq.; Joe Hassan; Oliver Barakat and Carol Worsham

DIA Board Members Excused: None.

Mayor's Office: None.

Council Members: None.

DIA Staff: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Operations Manager; Ina Mezini, Strategic Initiatives Coordinator; Ric Anderson, Communications and Marketing Specialist; Ava Hill, Administrative Assistant and Susan Kelley, Redevelopment Coordinator (*virtual attendance*)

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER

Board Chair Citrano called the CRA meeting to order at 2:00PM.

II. PUBLIC COMMENTS

Carnell Oliver spoke on issues with downtown development as they pertain to incentive packages, imposing a limitation of 3 extensions, and grace periods for development. He also suggested a policy be created to make sure property buyers and/or owners activate their properties. He also mentioned that there are bigger opportunities for small businesses during the Artwalk event.

Nancy Powell stated her support of development on Forest Street and Riverside Avenue. She stated the Crosswalk at Forest Street is not pedestrian friendly. She mentioned that she also supports the Specialty Zone, but suggested the board rethink the hours, specifically the end hour.

John Nooney stated his support of the Specialty Zone. He mentioned the naming of a new marina located at 330 E Bay Street (Hans G Tanzler Jr Marina). He hopes the DIA will sponsor a resolution in support of this development.



**Downtown Investment Authority
Community Redevelopment Agency**

October 18, 2023

III. COMMUNITY REDEVELOPMENT AGENCY

A. FORM 8B: VOTING CONFLICT DISCLOSURES

Board Chair Citrano mentioned that he filed a Form 8B for the Doro Extension at the previous SIC Committee meeting and asked if it needed to be read into record.

It was not read into record, but John Sawyer advised to make the disclosure verbally and then file the Form 8B after the meeting.

Member Barakat advised that, as a board member, he would file a Form 8B for the Jax River Jams Contribution.

B. SEPTEMBER 20TH 2023 COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES

Motion: Member Gillam motioned to approve the September 20th, 2023, Community Redevelopment Agency Meeting Minutes as presented.

Second: Member Gibbs seconded the motion.

Seeing no discussion by the DIA Board, Chair Citrano called for a vote.

Vote: Aye: 8 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 8-0-0

C. CONSENT AGENDA

- Resolution 2023-10-01: SoGro Retail Enhancement Program
- Resolution 2023-10-02: Alder & Oak Retail Enhancement Program
- Resolution 2023-10-03: Doro Extension
- Resolution 2023-10-07: Zoning Code Process Amendments

Seeing all were passed unanimously with no amendments, Board Chair Citrano called for a motion.

Motion: Member Warsham motioned to approve the consent agenda as presented.

Second: Member Gillam seconded the motion.

Seeing all were passed with no amendments, Board Chair Citrano called for individual votes.



**Downtown Investment Authority
Community Redevelopment Agency**

October 18, 2023

Vote: Aye: 8 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 8-0-0

D. ADJOURNMENT

Board Chair Citrano adjourned the CRA meeting at 2:13 PM.

DRAFT

TAB V.C

RESOLUTION 2023-11-01: ARCHITECTURAL SERVICES RFP

RESOLUTION 2023-11-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”), ACTING IN ITS CAPACITIES AS BOTH THE DOWNTOWN ECONOMIC DEVELOPMENT AGENCY AND COMMUNITY REDEVELOPMENT AGENCY FOR DOWNTOWN, INSTRUCTING ITS CHIEF EXECUTIVE OFFICER TO CAUSE TO BE ISSUED A REQUEST FOR PROPOSAL OR FUNCTIONAL EQUIVALENT FOR THE PROCUREMENT OF ON-DEMAND (CONTINUING SERVICES CONTRACT OR FUNCTIONAL EQUIVALENT) ARCHITECTURAL AND DESIGN SERVICES FOR SEVERAL FOOD AND BEVERAGE FACILITIES AS MORE FULLY IDENTIFIED HEREIN; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO ENTER INTO A CONTRACT FOR SUCH SERVICES; SPECIFICALLY IDENTIFYING CERTAIN FOOD AND BEVERAGE FACILITIES AND LOCATIONS; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER TO OBTAIN CERTAIN APPROVALS BY THE DIA BOARD PRIOR TO AUTHORIZING SERVICES FOR SPECIFIC “PROJECTS” AS IDENTIFIED HEREIN; PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to sec. 55.104, Jacksonville Code of Ordinances, the DIA is the sole “development and community redevelopment agency for Downtown” and the “public economic development agency” within Downtown; and

WHEREAS, in furtherance of economic development and community redevelopment within Downtown, City Council adopted a Business Investment & Development Plan (“Plan”), comprised of a Business Investment & Development Strategy together with Community Redevelopment Area Plans for the Combined Northbank and Southside Community Redevelopment Areas; and

WHEREAS, within the Plan there are identified Projects, including the “Shipyards West Park” and “Activation and Programming of Public Spaces”, which includes both Riverfront Plaza on the Northbank and St. Johns River Park on the Southbank; and

WHEREAS, in addition to identified Projects, there are Redevelopment Goals and Strategic Objectives, including:

Redevelopment Goal No. 3 | Increase and diversify the number and type of retail, food and beverage, and entertainment establishments within Downtown.

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

Redevelopment Goal No. 4 | Increase the vibrancy of Downtown for residents and visitors through arts, culture, history, sports, theater, events, parks, and attractions.

Strategic Objective: Support the expansion, renovation, and improvement of existing, and creation of new, diverse civic attractions, cultural venues, theaters, and parks that provide a mix of activities and attract a broad range of demographics; and

WHEREAS, the City contracted with ACON and their subconsultants for the upgrade and redesign of both Friendship Fountain and a redesign of the surrounding St. Johns River Park; with Agency Landscape + Design for the creation of a world-class park on the Shipyards West property; and with Perkins and Will for the creation of a world-class park at Riverfront Plaza; and

WHEREAS, within St. Johns River Park a small food and beverage amenity not otherwise included as part of ACON's scope of services or within the Capital Improvement Program project description is desired both by DIA and the City; and

WHEREAS, contiguous to the Shipyards West Park, the DIA contracted with Agency Landscape + Design who has completed a conceptual design for both a food hall concept and a waterfront restaurant; and

WHEREAS, as part of the Riverfront Plaza, Perkins and Will excluded in their design and excluded from the Capital Improvement Program project is a waterfront restaurant parcel; and

WHEREAS, the DIA engaged Streetsense to perform a market feasibility and timing analysis on the proposed food and beverage facilities at Shipyards West and Riverfront Plaza; and

WHEREAS, in its initial recommendations, Streetsense has advised DIA staff that the riverfront Plaza restaurant should be prioritized, and every effort should be made to complete the facility close to the park opening date; and

WHEREAS, the DIA desires to contract for architectural and design services for one or more of the following, which have been previously identified herein:

- A small food and beverage restaurant/café within St. Johns River Park;
- A waterfront restaurant within the Riverfront Plaza reserved restaurant parcel;
- Within the DIA property contiguous to the Shipyards West Park, a food-hall/open air food and beverage facility with associated parking;
- Within the DIA property contiguous to the Shipyards West Park, a waterfront restaurant;
- A temporary beer garden and/or other temporary small-scale retail on the western portion of the Riverfront Plaza site; and

WHEREAS, there are multiple funding sources that may be utilized for the requested services, noting that prior to contracting for services the Chief Executive Officer will provide to the DIA intended funding sources and, if necessary, obtain approval by the DIA of any necessary budget transfer,

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 instructs its Chief Executive Officer to cause to be issued a Request for Proposal or functional equivalent for the procurement of Architectural and Design Services for several food and beverage facilities as previously described herein.

Section 3. The DIA identifies the following locations and food and beverage establishments (“Projects”) which will be the subject of the RFP, upon request to proceed with design services for one or more of the projects below:

Project #1: A small food and beverage restaurant/café within St. Johns River Park;

Project #2: A waterfront restaurant within the Riverfront Plaza reserved restaurant parcel;

Project #3: Within the DIA property contiguous to the Shipyards West Park, a food-hall/open air food and beverage facility with associated parking; and

Project #4: Within the DIA property contiguous to the Shipyards West Park, a waterfront restaurant.

Project # 5: A temporary beer garden and/or other temporary small-scale retail on the western portion of the Riverfront Plaza site.

Section 4. The DIA authorizes its Chief Executive Officer to develop the Minimum Qualifications, Scope of Services and Scoring (i.e., selection) Criteria to be included in a Request for Proposal in furtherance of this Resolution. Such criteria will include experience in waterfront design and designing for resiliency.

Section 5. The DIA authorizes its Chief Executive Officer to enter into a contract for such services, providing that prior to authorizing services for an individual Project the Chief Executive Officer will bring to the DIA Board for review and approval:

- i. Scope and fees; and
- ii. An identified funding source, and if necessary, a CRA Budget Transfer

Section 6. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Jim Citrano, Chair

Date

VOTE: In Favor: ____ Opposed: ____ Abstained: ____

SUPPLEMENTAL INFORMATION

RESOLUTION 2023-11-01: ARCHITECTURAL SERVICES RFP MEMORANDUM

TO: DIA Strategic implementation Committee

FROM: Lori Boyer, CEO

SUBJECT: Resolution 2023-11-01, RFP for Architectural Services

DATE: November 1, 2023

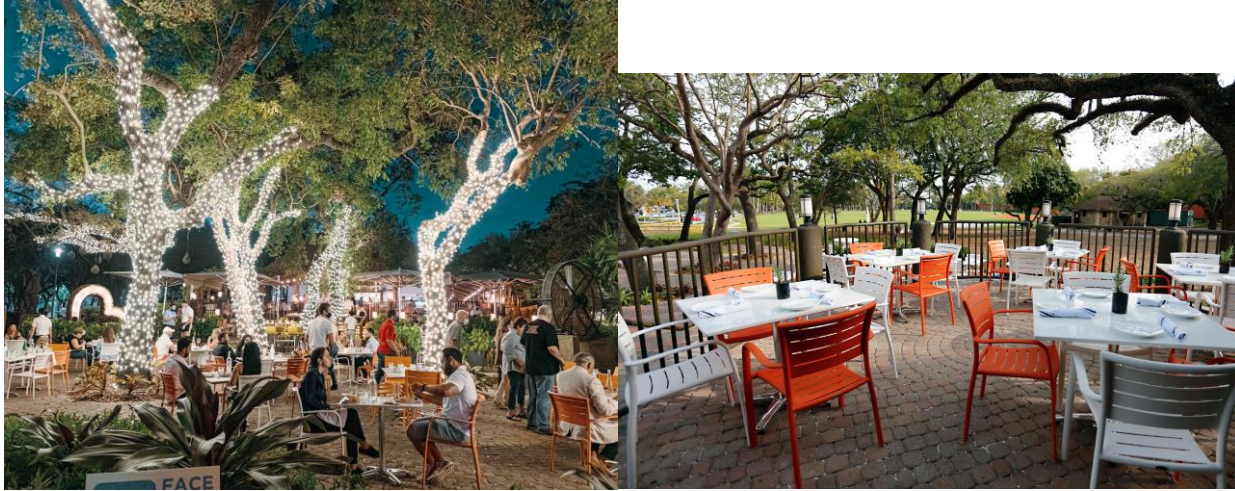
As you will recall, there is a reserved restaurant development pad on the riverfront as part of the Perkins and Will design for Riverfront Plaza and a proposed Food Hall and restaurant pad as part of the Agency landscape + Design concept design for the Shipyards West CRA property as depicted below.





At the Board's direction, we engaged Streetsense to conduct a market study on the feasibility and timing of these facilities. The have provided preliminary results of their work in several zoom meetings and among the numerous recommendations and refinements of restaurant types, operating hours, etc., is a recommendation that we accelerate the design, construction, and delivery of the restaurant at Riverfront Plaza to deliver as close as possible to park opening. To make this possible, we would need to engage an architect and begin as soon as possible, and we were targeting an early January publication date for an RFP with an award in late February or early March and work to begin as early as April.

Subsequently, staff attended a design meeting on St. Johns River Park and Friendship Fountain with the Parks Department, their contractor ACON, their design firm Haalf, and the Riverfront Parks Conservancy. The scope of the City CIP project includes a concession stand which is envisioned to be located near the Riverwalk. However, the design firm also suggested a cantina type café close to the fountain on the Museum Circle side. This café would serve tapas and alcohol and resemble the concept for the original Related proposal for a café in this vicinity. That restaurant was described as not less than 1,800 square feet of heated and cooled space together with not less than 3,200 square feet of outdoor dining area modeled after Glass & Vine in Coconut Grove, Florida (glassandvine.com).



Since this park is also under construction and on an accelerated time schedule, it would be valuable to advance this design as well.

As a result, we have prepared Resolution 2023-11-01 to direct staff to begin preparation for an RFP to select an architectural firm that could design one or more of these facilities beginning in the spring.

We would return to the Board in December or January with funding requests and budgets for the design and estimated costs of construction for the first to be implemented facilities and the appropriate sources of funds.

TAB V.D

RESOLUTION 2023-11-02: DIA PARKING GARAGE OPERATOR RFP

RESOLUTION 2023-11-02

ARENA AND SPORTS COMPLEX

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY APPROVING THE MINIMUM QUALIFICATIONS, SCOPE OF SERVICES, AND SCORING CRITERIA OF A REQUEST FOR PROPOSAL FOR GARAGE OPERATORS AT THE METROPOLITAN PARKING, LLC GARAGES (SPORTS COMPLEX GARAGE AND ARENA GARGAGE) AS LISTED IN EXHIBITS 1, 2, AND 3; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO MAKE MINOR CHANGES TO THE EXHIBITS, PROVIDED THE EXHIBITS INCLUDED IN THE REQUEST FOR PROPOSAL ARE SUBSTANTIALLY SIMILAR TO THE ATTACHED; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER, THROUGH THE CITY PROCUREMENT DIVISION, TO ISSUE THE REQUEST FOR PROPOSAL, NEGOTIATE WITH A VENDOR, AND NEGOTIATE A CONTRACT WITH A VENDOR THAT IS SUBJECT TO APPROVAL BY THE DIA BOARD; PROVIDING AN EFFECTIVE DATE.

WHEREAS, on April 21, 2022, the City of Jacksonville and the Downtown Investment Authority entered into a Mediated Settlement Agreement to litigation with Metropolitan Parking Solutions, LLC (hereinafter “MPS”), owner of the Courthouse Garage located at 116 Pearl Street North, the Sports Complex Garage located at 500 A. Philip Randolph Boulevard and the Arena Garage located at 999 East Adams Street, collectively “the Garages”; and

WHEREAS, the Mediated Settlement Agreement included a Lease Agreement for the Garages between MPS and the Downtown Investment Authority (hereinafter “DIA”) for a term that expires on September 30, 2051; and

WHEREAS, the Mediated Settlement Agreement also included the assignment of a Parking Management Services Agreement with LPS of America, Inc., dated September 23, 2020, and for a term that expires on December 31, 2025, from MPS to the DIA; and

WHEREAS, at their meeting of June 27, 2023, the Jacksonville City Council voted to approve Resolution 2023-355 “encouraging and requesting the DIA to explore opportunities to competitively procure services for operation of the Courthouse Garage, Arena Garage and Sports Complex Garage, or to partner with the Jacksonville Transportation Authority to provide these services and, if an alternative in the best interest of the city is identified, to terminate for convenience the Parking Management Services Agreement between the DIA and Reef Platform U.S. Operations, LLC (successor to LPS America, Inc.)”; and

WHEREAS, at their meeting of August 16, 2023, the DIA Board voted to approve Resolution 2023-08-10 “authorizing its Chief Executive Officer to prepare a Request For Proposal for the purpose of soliciting competitive responses from qualified parking garage operators for the management of the Metropolitan Parking, LLC Garages (Courthouse Garage,

Sports Complex Garage, and Arena Garage)” subject to Board approval of terms of the solicitation prior to issuance; and

WHEREAS, the differences in utilization require a separate RFP for the Courthouse Garage from the Arena and Sports Complex Garages; and

WHEREAS, “efficient utilization of existing parking structures” is a Strategic Objective of BID Plan Redevelopment Goal No.1 and “maximizing utilization of existing parking structures” is a Strategic Objective of BID Plan Redevelopment Goals No. 2 and No. 3,

NOW THEREFORE, BE IT RESOLVED by the Downtown Investment Authority:

Section 1. The DIA Board finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA Board hereby approves of the Minimum Requirements for the Request For Proposal for a garage operator for the Arena and Sports Complex Garages attached to this Resolution as Exhibit 1.

Section 3. The DIA Board hereby approves of the Scope of Services for the Request For Proposal for a garage operator for the Arena and Sports Complex Garages attached to this Resolution as Exhibit 2.

Section 4. The DIA Board hereby approves of the Scoring Criteria for the Request For Proposal for a garage operator for the Arena and Sports Complex Garages attached to this Resolution as Exhibit 3.

Section 5. The DIA Board authorizes the DIA Chief Executive Officer to make minor changes as needed to the attached Exhibits, so long as the Exhibits included in the Request For Proposal are substantially similar to the attached.

Section 6. The DIA Board further authorizes the DIA Chief Executive Officer to take all steps to complete the Request For Proposal with the City Procurement Division, issue a Request For Proposal for a garage operator, negotiate with a vendor, and draft a contract that is subject to approval by the DIA Board.

Section 7. The DIA Board directs that one member of the scoring committee shall be a DIA Board member; one member a DIA staff member; and the third member may be a DIA staff member, Office of Public Parking staff member, or OED staff member as determined by the CEO of DIA.

Section 8. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Jim Citrano, Chair

Date

VOTE: In Favor: ____ Opposed: ____ Abstained: ____

Resolution 2023-11-02B
Exhibit 1
Minimum Qualifications

Vendors must satisfy the following mandatory minimum requirements in order to have their Responses to manage operations of the Arena and Sports Complex Garages evaluated. By submitting a Response, the Vendor warrants and represents that it satisfies these requirements. Failure to meet these requirements will result in the Response not being evaluated and being rejected as non-responsive:

- 1.1 All proposers responding to manage the Arena and Sport Complex Garages must have a **minimum** of five years' experience operating a garage or garages with a minimum of 1,500 spaces in the aggregate and providing primarily special event parking.
- 1.2 All proposers must be capable of providing all of the monthly reports listed in the RFP.
- 1.3 All proposers (and any/all subcontractors) must be authorized to transact business in the State of Florida and maintain for the length of the contract any licenses required to perform all services hereunder to operate the Arena and Sports Complex Garages.
- 1.4 All proposers must provide a list of any and all subsidiaries or other lines of business that the proposer is involved with.
- 1.5 All proposers must not have had any outstanding fines or liens in the last five years with any regulatory body that have remained past due for more than 180 days.
- 1.6 All proposers must provide a minimum of three (3) references pertaining to operation of garages that are similar in nature and scope to the services requested hereunder for the Arena and Sports Complex Garages, i.e. operation of primarily special event garages with an aggregate of 1,500 or more spaces. A reference from at least one **existing government client operating in Florida is required**. This can include municipal or county governments, departments, authorities, or divisions of local municipalities, or the State of Florida.
- 1.7 All proposers are prohibited from submitting proposals under this RFP in which the primary contractor is a Joint Venture or Partnership business arrangement.

Resolution 2023-11-02B
Exhibit 2
Garage Operations Scope of Services

The Downtown Investment Authority, as the Community Redevelopment Agency for the combined Northbank CRA (DIA), intends to contract parking management services to an experienced and qualified Vendor who can provide a high quality of customer service and garage maintenance at a reasonable cost, and is rewarded for material increases in net revenue returned to DIA, for the Arena and Sports Complex Garages. The Vendor shall manage, staff, maintain, and operate the assigned parking facility in an efficient manner with a customer-centric focus in line with other A-class event parking facilities.

FACILITY BACKGROUND INFORMATION

The DIA has operational control of the Arena and Sports Complex Garages pursuant to a long-term lease and is seeking proposals from qualified parking operators and management companies to provide the services identified in the RFP. A description of each of the facilities is listed below.

- The Arena Garage is a 465-space, 5-level facility located at 999 E. Adams Street. This garage is directly adjacent to the VyStar Veterans Memorial Arena and currently serves event parking only. Given the demand for non-event parking in this area, transient parking will be added in the future, in addition to event parking. This facility does not have any PARCS equipment installed at this time. The facility is currently gated when closed and operates as a pay on entry facility during events with attendants accepting credit card payment only. This location also accepts reservations and pre-payment through the web-based/app-based ParkWhiz platform.
- The Sports Complex Garage is a 950-space, 4-level facility located at 500 A.P. Randolph Boulevard. This facility is directly across the street from the VyStar Veterans Memorial Arena, the Jacksonville Fairgrounds, and 121 Financial Ballpark. This location is currently used for event parking only. This facility does not have any PARCS equipment installed at this time. The facility is currently gated when closed and operates as a pay on entry facility during events with attendants accepting credit card payment only. This location also accepts reservations and pre-payment through the web-based/app-based ParkWhiz platform. Monthly daytime parking for a portion of the garage is under consideration.

SERVICES

The Vendor shall manage, staff, maintain, and operate the parking facilities in an efficient manner with a customer-centric focus in line with other A-class event parking facilities. The services to be provided shall include, but not be limited to the following:

- 2.1 Coordination of event schedules and event parking needs with the City's Office of Special Events and the City's event venue manager (currently ASM Global) and management and

staffing of the facility for all user groups, including transient parkers and monthly parkers if added to the facility at the determination of DIA.

- 2.2 Billing and account reconciliation, routine daily maintenance of facilities and equipment, and working with the DIA on the coordination of contracting vendors for equipment repairs, etc.
- 2.3 Provide staffing for special events, and as needed to operate transient or monthly parking when added, including on-site supervision during garage operating hours.
- 2.4 The vendor may subcontract some services but cannot subcontract:
 - a. Bookkeeping
 - b. Record keeping and reporting.
 - c. Financial reporting and the reports required to be provided to the DIA.
- 2.5 Provide facility maintenance staffing and services that include painting, garage sweeping, equipment maintenance and repair, light bulb replacement, and stairwell maintenance, etc. This does not include individual capital improvement projects over \$5,000.00 for a single project and more than 15,000.00 in projects per year. Projects exceeding those thresholds will require pre-approval of DIA prior to incurring any such additional capital expense.
- 2.6 The CEO of the DIA must approve any subcontract for services for repetitive and scheduled maintenance, and the vendor will provide three (3) quotes for services and a recommendation on which subcontractor it would select. The vendor will provide notification if the subcontractor is a subsidiary or otherwise affiliate with the vendor. The vendor should also consider JSEB qualifications when selecting subcontractors.
- 2.7 For all non-repetitive or non-scheduled maintenance, if the project is over \$5000.00, the vendor will provide three (3) quotes to the CEO of the DIA and a recommendation on which subcontractor it would select.
- 2.8 By January 31st of each year, provide an annual budget (for the ensuing fiscal year) of operating expenses and revenues for the garage. An overall budget for both should be provided as well. This budget will be subject to approval by the CEO of the DIA each year. This budget will include:
 - a. The management fee structure as stated in the contract. This will include any base fee, any incentive fee, and all operation expenses.
 - b. Any third-party contracts for services
 - c. An accurate estimate and detail of any and all operating expenses to be charged to the city, by vendor, including, but not limited to, the allocation of wages for off-site vendor personnel, equipment rental from vendor, insurance provide by vendor, any vendor management fees, vendor IT support, vendor banking fees, and vendor recruiting).
 - d. Labor costs, including:
 1. Position titles of personnel for whom expenses will be incurred, and if shared with other operations of vendor, the percentage of their time devoted to this contract as compared to other contracts and business responsibilities

2. Headcount for all full-time, part-time, and seasonal employees
 3. Wages for all full-time, part-time, and seasonal employees
 4. Hours worked for all full-time, part-time, and seasonal employees
 5. Payroll Tax, benefits
 6. Total monthly labor expense by position
- 2.9 Provide detailed and accurate monthly reports and payment for reimbursement, no later than the 15th of each month, for each facility which will include the following as applicable:
- a. Weekly Missing Ticket Reports
 - b. Monthly Card Reports
 - c. Monthly Validation Reports
 - d. Monthly Entrance/Exit Reports
 - e. Monthly Ticket Summaries
 - f. Detailed Monthly Staffing Schedule
 - g. Monthly Manager Report including at least: actual and annual budget numbers, explanations for variances, payroll reports, strategies on how to control expenses, information on how additional parkers may be accommodated, parking rate surveys, market surveys, and information on any complaints, issues, and concerns.
 - h. Monthly Labor Costs, including:
 1. Position titles
 2. Headcount for all full-time, part-time, and seasonal employees
 3. Wages for all full-time, part-time, and seasonal employees
 4. Hours worked for all full-time, part-time, and seasonal employees
 5. Payroll Tax, benefits
 6. Total monthly labor expense by position
 - i. Itemized list of all revenues and all expenses
- 2.10 Monitor the facility usage and capacity on a regular basis, including doing actual counts in order to maximize the number of parkers utilizing the facility, as well as monitoring daily to ensure that there is no unauthorized use and make recommendations to DIA regarding opportunities for increased usage and revenue.
- 2.11 Enforce parking policies and rates set by the DIA in coordination with the DIA.
- 2.12 Coordinate with the DIA to schedule garage closures for maintenance or any other reason to ensure that these closures do not impact available parking or garage revenues.
- 2.13 The vendor is not authorized to provide free parking or sell daily or monthly spaces in the Arena and Sports Complex Garages under any circumstances unless the specific use is expressly authorized in writing by DIA. The DIA is considering adding daily and monthly parking to these garages and will retain the ability to enter into contracts to do so. The vendor will assist DIA in acquiring and installation of any equipment or upgrades needed to the garages to allow for any parking agreement the DIA enters into and will be responsible for operating the garages with these agreements in place.

2.14 The vendor shall provide an Operations Plan for each garage. This plan should be updated each fiscal year, consistent with the budget provided by the vendor, and provide the following:

- a. Details of the day-to-day operations of the garage.
- b. Areas to improve efficiency of garage operations and overall customer service.
- c. Monthly fixed and variable costs for operations.
- d. Recommended staffing levels and hours.
- e. A list of necessary positions to operate the facility, including back office and support operations.
- f. Foreseen equipment needs, including leases.
- g. What services are provided by the vendor, which services are contracted out to another party, and what contracts will expire during the fiscal year. If the other party is an affiliate, describe that relationship in this plan.
- h. Plans to increase net operating income, defined as gross revenue minus operating expenses, where gross revenue is all revenue collected through parking operations and operating expenses are those expenses, taxes thereon, attributable to the operation of the services.
- i. How the plan will manage operating expenses related to services despite rising costs.

2.15 The Vendor shall provide a Maintenance Plan outlining the following:

Provide a maintenance plan covering a five-year term including tasks to be performed daily, weekly, monthly, bi-annually, and annually for each garage. This plan should also include recommendations for upgrades to garage technology and operations to improve garage operations and allow hourly, daily, and special event parking in each garage. If any of the tasks are contracted, or not included and explained in the budget, please do so here. This maintenance plan does not include any structural evaluation or plan, which has been previously obtained by DIA and will be provided to the selected Vendor to coordinate implementation on the recommended schedule. This plan will be provided as a deliverable 90 days after the execution of the contract.

2.16 The contract will be for a term of 3 years, with 3 one-year renewal options exercisable by upon mutual agreement of the parties. The Contract shall be terminable by DIA in the event of the following:

1. On 90 days prior notice if the proposed operating costs contained in the budget for any year exceed the prior year's budget by more than 120% of the percent change in the CPI Index over the previous year. Consumer Price Index is defined as the Consumer Price Index for all Urban Consumers, all items, US city average, not seasonally adjusted, published by the Bureau of Labor Statistics of the United States Department of Labor.
2. On 90 days prior notice if the actual operating expenses charged by the vendor in any year exceed the approved budget for such year by more than 10% unless the actual net revenue to DIA also increases by an equal or greater %.
3. If the vendor fails to cure any deficiencies in its performance of the scope of services hereunder within thirty (30) days after receiving notice thereof, DIA may terminate this contract upon 60 days prior notice to vendor.

4. In the event of defaults as may be required by the City Office of General Counsel or Risk Management Office.

Resolution 2023-11-02B
Exhibit 3
Scoring and Evaluation Criteria

The evaluations will be based upon the following criteria. As stated in the scope, DIA intends to contract parking operations management of the Arena and Sports Complex Garages to an experienced and qualified Vendor who can provide a high quality of customer service and garage maintenance at a reasonable cost and is rewarded for material increases in net revenue returned to DIA. Failure to provide adequate information on any criterion will result in lower scores and could result in rejection of the proposal as non-responsive. The response to each of the criteria will be evaluated relative to the criteria listed in this section and the contract will be awarded to the highest scoring, responsive, responsible bidder for the Response Evaluation Criteria. **Proposers shall arrange their responses in a format that will offer ready review and evaluation of each criterion.** Please note that **100** points is the maximum total for all criteria. The DIA has the final determination into which contracts are awarded.

RESPONSE EVALUATION CRITERIA:

In your response, list the page number(s) and paragraph(s) that specifically address each of the evaluation criteria listed below.

1. COMPANY EXPERIENCE AND REFERENCES: 25 points maximum score

- For vendors proposing to manage the Arena and Sports Complex Garages, describe company qualifications and experience in parking operations management for large, professional sporting events, and other mixed use parking facilities.
- Describe the availability of adequate personnel. Provide a proposed list of the positions necessary to operate the facilities, including management, administrative, accounting personnel, and staffing for maintenance, etc. Describe the qualifications and experience of the key personnel you propose to use.
- Provide the number and size of similar garage management operations currently being performed. Discuss past ability to deliver services on a timely basis under similar current workload conditions.
- Provide a minimum of three (3) references pertaining to the operation of garages that are similar in nature and scope to those herein, with references to include the client's contact person and telephone number. One of these references should be an existing government client operating in Florida. This can include municipal or county governments, departments, authorities, or divisions of local municipalities, or the State of Florida.
- Describe the vendor's understanding of the requirements of this solicitation, and its ability, approach and/or plan to satisfy the same in complete compliance with all applicable federal, state, and local laws, statutes, ordinances, rules, and regulations.
- Describe any outstanding accomplishments that relate to specific services being sought, for example, this could include awards, employee training and certifications, or special licenses.

- Provide documentation, such as financial statements, net income statements, operating expense statements, and budgets showing the ability to generate revenue from garages of similar size and scope to the Arena and Sports Complex Garage. This can be in one garage or garages that are in the same vicinity with an aggregate of 1,500 spaces.

2. OPERATING AND STAFFING PLAN: 30 points maximum score

- Describe the transition and start-up operating plan and how the proposed management and staffing plan will allow for continual and uninterrupted service.
- Resumes of Key Personnel. At a minimum, the resumes must include name of required person, proposed labor category or role of responsibility, education (degree(s)/certifications received and/or currently held, including the year completed, major field(s) of study, relevant experience (list employer, title of position, starting and ending dates (month/year) and a concise description of experience related to the requirements of their proposed position.
- Provide a conceptual operating plan for the first year of operation and conceptual budget based on experience with similar garages.
- Describe through existing operations plans how the Vendor has operated other garages with a history of:
 - i. Efficient garage operations
 - ii. Excellent customer service
 - iii. Experience with subcontractors
- Describe the estimated number of staff, hours, and labor expenses required for operation in the proposed management and staffing plan.
- Describe employee hiring, training, supervision of performance, and retention policies to minimize turnover while providing the highest level of customer service for a parking facility.
- Describe how the plan would allow for a combination of primarily special event parking with hourly or monthly parking in the same garage for the Arena and Sports Complex Garages.
- Describe the maintenance plan that provides for operational maintenance to be completed at each garage weekly, monthly, bi-annually, or annually.
- Describe what services will be provided directly by the vendor and which services will be contracted out to another party. If this third party is an affiliate describe that relationship. Information about subcontractors should include the names of any subcontractors, area of expertise for any subcontractors, the proposed work to be given to any subcontractors, and whether the subcontractor meets JSEB qualifications.
- Vendors will indicate in their operations plan how they plan to increase net operating income and include any costs associated with that increase.
- Vendors will describe how the plan will manage operating expenses related to services despite rising costs.

3. CONTRACT COST: 40 points maximum score

Vendor shall explicitly identify in detail the anticipated comprehensive contract cost to the DIA for Vendor's services. This shall include all base management fees, standard pass-through fixed

monthly fees, expenses and overhead charges, any incentive payments tied to performance, and the expected variable operating expenses that will be passed through to DIA based on the conceptual operating plan for each garage.

DIA is seeking a Vendor who can provide a high quality of customer service and garage maintenance at a reasonable cost, and is rewarded for material increases in net revenue returned to DIA. A fee structure that incentivizes the vendor to materially increase net operating income in the Garages will be considered, provided such increase is achieved by revenue increases or reductions in pass through fees or expenses other than on-site labor and services that would impact garage operations or customer service. Net operating income is defined as gross revenue from the garage minus all operating expenses where gross revenue is all revenue collected through parking operations and operating expenses are those expenses, and taxes thereon, attributable to the operation of the services.

Vendors will be scored on the comprehensive contract cost model that they submit based on the following criteria.

- The proposed comprehensive contract cost structure for each garage (i.e., base fee, incentive, other projected fixed fees to be charged for the services, projected operating expenses to be deducted from gross revenue, etc.)
- The monthly fixed costs to DIA per garage (should tie back to operations plan)
- The estimated monthly variable operating costs associated with operating each garage. (describe relationship to level of service and/or gross revenue)
- How the proposed structure incentivizes material increases in net operating income for one or more of the garages without reducing the level of service.
- The percentage of total contract costs associated with onsite garage operations (labor, janitorial services, equipment maintenance, etc. (please identify these items in the proposed operations plan and cost structure) as compared to the percentage of fixed overhead and management expenses (labor associated with management, back office and support operations, accounting fees, reporting fees, management fees, etc.). For example, 30% onsite : 70% overhead and management)

4. JSEB PARTICIPATION: 5 points maximum score

- Vendors should indicate their past and present commitment to minority, women-owned, and small and emerging businesses. Additionally, responses to this evaluation criterion should include, without limitation, statements that document the vendor's:
- Commitment to diversity among the directors, officers, and employees that make up the organization.
- Commitment to diversity within its community and beyond.
- Examples and data of utilization of minority, women-owned, and small and emerging businesses on past projects.
- Examples and data of utilization of minority, women-owned, and small and emerging businesses, certified Jacksonville Small and Emerging Businesses (JSEBs) in particular, for the project solicitation in question.

RESOLUTION 2023-11-02

COURTHOUSE GARAGE

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY APPROVING THE MINIMUM QUALIFICATIONS, SCOPE OF SERVICES, AND SCORING CRITERIA OF A REQUEST FOR PROPOSAL FOR GARAGE OPERATORS AT THE METROPOLITAN PARKING, LLC GARAGE (COURTHOUSE GARAGE) AS LISTED IN EXHIBITS 1, 2, AND 3; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO MAKE MINOR CHANGES TO THE EXHIBITS, PROVIDED THE EXHIBITS INCLUDED IN THE REQUEST FOR PROPOSAL ARE SUBSTANTIALLY SIMILAR TO THE ATTACHED; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER, THROUGH THE CITY PROCUREMENT DIVISION, TO ISSUE THE REQUEST FOR PROPOSAL, NEGOTIATE WITH A VENDOR, AND NEGOTIATE A CONTRACT WITH A VENDOR THAT IS SUBJECT TO APPROVAL BY THE DIA BOARD; PROVIDING AN EFFECTIVE DATE.

WHEREAS, on April 21, 2022, the City of Jacksonville and the Downtown Investment Authority entered into a Mediated Settlement Agreement to litigation with Metropolitan Parking Solutions, LLC (hereinafter “MPS”), owner of the Courthouse Garage located at 116 Pearl Street North, the Sports Complex Garage located at 500 A. Philip Randolph Boulevard and the Arena Garage located at 999 East Adams Street, collectively “the Garages”; and

WHEREAS, the Mediated Settlement Agreement included a Lease Agreement for the Garages between MPS and the Downtown Investment Authority (hereinafter “DIA”) for a term that expires on September 30, 2051; and

WHEREAS, the Mediated Settlement Agreement also included the assignment of a Parking Management Services Agreement with LPS of America, Inc., dated September 23, 2020, and for a term that expires on December 31, 2025, from MPS to the DIA; and

WHEREAS, at their meeting of June 27, 2023, the Jacksonville City Council voted to approve Resolution 2023-355 “encouraging and requesting the DIA to explore opportunities to competitively procure services for operation of the Courthouse Garage, Arena Garage and Sports Complex Garage, or to partner with the Jacksonville Transportation Authority to provide these services and, if an alternative in the best interest of the city is identified, to terminate for convenience the Parking Management Services Agreement between the DIA and Reef Platform U.S. Operations, LLC (successor to LPS America, Inc.)”; and

WHEREAS, at their meeting of August 16, 2023, the DIA Board voted to approve Resolution 2023-08-10 “authorizing its Chief Executive Officer to prepare a Request For Proposal for the purpose of soliciting competitive responses from qualified parking garage operators for the management of the Metropolitan Parking, LLC Garages (Courthouse Garage,

Sports Complex Garage, and Arena Garage)” subject to Board approval of terms of solicitation prior to issuance; and

WHEREAS, the differences in utilization require a separate RFP for the Courthouse Garage, and the Arena and Sports Complex Garages; and

WHEREAS, “efficient utilization of existing parking structures” is a Strategic Objective of BID Plan Redevelopment Goal No.1 and “maximizing utilization of existing parking structures” is a Strategic Objective of BID Plan Redevelopment Goals No. 2 and No. 3,

NOW THEREFORE, BE IT RESOLVED by the Downtown Investment Authority:

Section 1. The DIA Board finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA Board hereby approves of the Minimum Requirements for the Request For Proposal for a garage operator for the Courthouse Garage attached to this Resolution as Exhibit 1.

Section 3. The DIA Board hereby approves of the Scope of Services for the Request For Proposal for a garage operator for the Courthouse Garage attached to this Resolution as Exhibit 2.

Section 4. The DIA Board hereby approves of the Scoring Criteria for the Request For Proposal for a garage operator for the Courthouse Garage attached to this Resolution as Exhibit 3.

Section 5. The DIA Board authorizes the DIA Chief Executive Officer to make minor changes as needed to the attached Exhibits, so long as the Exhibits included in the Request For Proposal are substantially similar to the attached.

Section 6. The DIA Board further authorizes the DIA Chief Executive Officer to take all steps to complete the Request For Proposal with the City Procurement Division, issue a Request For Proposal for a garage operator, negotiate with a vendor, and draft a contract that is subject to approval by the DIA Board.

Section 7. The DIA Board directs that one member of the scoring committee shall be a DIA Board member; one member a DIA staff member; and the third member may be a DIA staff member, Office of Public Parking staff member, or OED staff as determined by the CEO of the DIA.

Section 8. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Jim Citrano, Chair

Date

VOTE: In Favor: ____ Opposed: ____ Abstained: ____

Resolution 2023-11-02C
Exhibit 1
Minimum Qualifications

Vendors must satisfy the following mandatory minimum requirements in order to have their Responses to manage the Courthouse Garage evaluated. By submitting a Response, the Vendor warrants and represents that it satisfies these requirements. Failure to meet these requirements will result in the Response not being evaluated and being rejected as non-responsive:

- 1.1 All proposers responding to manage the Courthouse Garage must have a **minimum** of five years' experience operating garages of similar size, and providing daily and monthly parking, in a single downtown setting.
- 1.2 All proposers must be capable of providing all of the monthly reports listed in the RFP.
- 1.3 All proposers (and any/all subcontractors) must be authorized to transact business in the State of Florida and maintain any licenses to perform services required to operate for the length of the contract.
- 1.4 All proposers must provide a list of any and all subsidiaries or other lines of business that the proposer is involved with.
- 1.5 All proposers must not have had any outstanding fines or liens in the last five years with any regulatory body that have remained past due for more than 180 days.
- 1.6 All proposers must provide a minimum of three (3) references pertaining to operation of garages that are similar in nature and scope to the services requested hereunder for the Courthouse Garage. A reference from at least one **existing government client operating in Florida is required**. This can include departments, authorities, and divisions of local municipalities, or the State of Florida.
- 1.7 All proposers are prohibited from submitting proposals under this RFP in which the primary contractor is a Joint Venture or Partnership business agreement.

Resolution 2023-11-02C
Exhibit 2
Garage Operations Scope of Services

The Downtown Investment Authority, as the Community Redevelopment Agency for the combined Northbank CRA (DIA), intends to contract parking management services to an experienced and qualified Vendor who can provide a high quality of customer service and garage maintenance at a reasonable cost, and is rewarded for material increases in net revenue returned to DIA for the Courthouse Garage. The Vendor shall manage, staff, maintain, and operate the assigned parking facility in an efficient manner with a customer-centric focus in line with other A-class daily and monthly parking facilities.

FACILITY BACKGROUND INFORMATION

The DIA has operational control of the Courthouse Garage pursuant to a long-term lease and is seeking proposals from qualified parking operators and management companies to establish a partnership with the DIA and provide the services identified in the RFP. A description of the facility is listed below.

- The Courthouse Garage is a 1,350-space, 7-level fully automated parking garage located at 151 N. Clay Street. This garage is adjacent to the Duval County Courthouse and serves as the primary location for courthouse juror parking absorbing approximately 30% of capacity. There are currently three (3) attendants that assist with juror users and any other parking related questions. There are TIBA ticket spitters installed at each of the entry lanes. There are TIBA pay stations installed at each of the exit lanes which accept cash and credit card payments. Both monthly and hourly parking is provided in the garage in addition to the juror parking.

SERVICES

The Vendor shall manage, staff, maintain, and operate the parking facility in an efficient manner with a customer-centric focus in line with other A-class daily and monthly parking facilities. The services to be provided shall include, but not be limited to the following:

- 2.1 Operate and maintain as a primarily transient and monthly parking garage that, on limited occasions, is operated as a special events parking facility.
- 2.2 Billing and account reconciliation, routine daily maintenance of facilities and equipment, and working with the DIA on the coordination of contracting vendors for equipment repairs, etc.

- 2.3 Provide necessary staffing for the operation as a transient and monthly focused parking garage (including on-site supervision during garage operating hours) and when necessary, provide staffing for special event parking.
- 2.4 The vendor may subcontract some services but cannot subcontract:
 - a. Bookkeeping
 - b. Record keeping and reporting.
 - c. Financial reporting and the reports required to be provided to the DIA.
- 2.5 Provide facility maintenance staffing and services that include painting, garage sweeping, equipment maintenance and repair, light bulb replacement, and stairwell maintenance, etc. This does not include capital improvement projects over \$5,000.00 for a single project and more than \$15,000.00 in projects per year. Projects exceeding those thresholds will require pre-approval of the DIA prior to incurring any such additional capital expense.
- 2.6 The CEO of the DIA must approve any subcontract for services for repetitive and scheduled maintenance, and the vendor will provide three (3) quotes for services and a recommendation on which subcontractor it would select. The vendor will provide notification if the subcontractor is a subsidiary or otherwise affiliated with the vendor. The vendor should also consider JSEB qualifications when selecting subcontractors.
- 2.7 For all non-repetitive or non-scheduled maintenance, if the project is over \$5,000.00, the vendor will provide three (3) quotes to the CEO of the DIA and a recommendation on which subcontractor it would select.
- 2.8 By January 31st of each year, provide an annual budget (for the ensuing fiscal year) of operating expenses and revenues for the garage. This budget will be subject to approval by the CEO of the DIA each year. This budget will include:
 - a. The management fee structure as stated in the contract. This will include any base fee, any incentive fee, and all operating expenses.
 - b. Any third-party contracts for services
 - c. An accurate estimate and detail of any and all operating expenses to be charged to the city, by vendor, including, but not limited to, the allocation of wages for off-site vendor personnel, equipment rental from vendor, insurance provide by vendor, any vendor management fees, vendor IT support, vendor banking fees, and vendor recruiting).
 - d. Labor costs, including:
 1. Position titles of personnel for whom expenses will be incurred, and if shared with other operations of the vendor, the percentage of their time devoted to this contract as compared with other contracts and business responsibilities
 2. Headcount for all full-time, part-time, and seasonal employees
 3. Wages for all full-time, part-time, and seasonal employees
 4. Hours worked for all full-time, part-time, and seasonal employees
 5. Payroll Tax, benefits
 6. Total monthly labor expense by position

- 2.9 Provide detailed and accurate monthly reports and payment for reimbursement, no later than the 15th of each month, for the facility which will include the following as applicable:
- a. Weekly Missing Ticket Reports
 - b. Monthly Card Reports
 - c. Monthly Validation Reports
 - d. Monthly Entrance/Exit Reports
 - e. Monthly Ticket Summaries
 - f. Detailed Monthly Staffing Schedule
 - g. Monthly Manager Report including at least: actual and annual budget numbers, explanations for variances, payroll reports, strategies on how to control expenses, information on how additional parkers may be accommodated, parking rate surveys, market surveys, and information on any complaints, issues, and concerns.
 - h. Monthly Labor Costs, including:
 1. Position titles
 2. Headcount for all full-time, part-time, and seasonal employees
 3. Wages for all full-time, part-time, and seasonal employees
 4. Hours worked for all full-time, part-time, and seasonal employees
 5. Payroll Tax, benefits
 6. Total monthly labor expense by position
 - i. Itemized list of all revenues and all expenses
- 2.10 Monitor the facility usage and capacity on a regular basis, including doing actual counts in order to maximize the number of parkers utilizing the facility, as well as monitoring daily to ensure that there is no unauthorized use and make recommendations to DIA regarding opportunities for increased usage and revenue.
- 2.11 Enforce parking policies and rates set by the DIA in coordination with the DIA.
- 2.12 Coordinate with the DIA to schedule garage closures for maintenance or any other reason to ensure that these closures do not impact available parking or garage revenues.
- 2.13 The Vendor does not have the authority to provide free parking or enter into contracts for retail space in the garage This authority will remain with the DIA. The vendor may sell monthly parking in the Courthouse Garage at the DIA approved rate to any user under a standard agreement and terms. Furthermore, any user can purchase any number of spaces so long as the spaces are at the DIA established monthly rate. The vendor does not have the authority to sell spaces that require an additional agreement or contract of any kind or that sells spaces at a discount. The vendor will assist DIA in acquiring and installing any equipment or upgrades needed to the garages to allow for any parking agreement the DIA enters into and will be responsible for operating the garages with these agreements in place.
- 2.14 The vendor shall provide an Operations Plan for the garage. This plan should be updated each fiscal year, consistent with the budget provided by the vendor, and provide the following:
- a. Details of the day-to-day operations of the garage.
 - b. Areas to improve efficiency of garage operations and overall customer service.
 - c. Monthly fixed and variable costs for operations.

- d. Recommended staffing levels and hours.
- e. A list of necessary positions to operate the facility, including back office and support operations.
- f. Foreseen equipment needs, including leases.
- g. What services are provided by the vendor, which services are contracted out to another party, and what contracts will expire during the fiscal year. If the other party is an affiliate, describe that relationship in this plan.
- h. Plans to increase net operating income, defined as gross revenue minus operating expenses, where gross revenue is all revenue collected through parking operations and operating expenses are those expenses, taxes thereon, attributable to the operation of the services.
- i. How the plan will manage operating expenses related to services despite rising costs.

2.15 The Vendor shall provide a Maintenance Plan outlining the following:

Provide a maintenance plan covering a five-year term including tasks to be performed daily, weekly, monthly, bi-annually, and annually for the garage. This plan should also include recommendations for upgrades to garage technology and operations to improve garage operations and allow hourly, daily, and special event parking in the garage. If any of the tasks are contracted, or not included and explained in the budget, please do so here. This maintenance plan does not include any structural evaluation or plan, which has been previously obtained by DIA and will be provided to the selected Vendor to coordinate implementation on the recommended schedule. This plan will be provided as a deliverable 90 days after the execution of the contract.

2.16 The contract will be for a term of 3 years, with 3 one-year renewal options exercisable upon mutual agreement of the parties. The Contract shall be terminable by DIA in the event of the following:

1. On 90 days prior notice if the proposed operating costs contained in the budget for any year exceed the prior year's budget by more than 120% of the percent change in the CPI Index over the previous year. Consumer Price Index is defined as the Consumer Price Index for all Urban Consumers, all items, US city average, not seasonally adjusted, published by the Bureau of Labor Statistics of the United States Department of Labor.
2. On 90 days prior notice if the actual operating expenses charged by the vendor in any year exceed the approved budget for such year by more than 10% unless the actual net revenue to DIA also increases by an equal or greater %.
3. If the vendor fails to cure any deficiencies in its performance of the scope of services hereunder within thirty (30) days after receiving notice thereof, DIA may terminate this contract upon 60 days prior notice to vendor.
4. In the event of defaults as may be required by the City Office of General Counsel or Risk Management Office.

Resolution 2023-11-02C
Exhibit 3
Scoring and Evaluation Criteria

The evaluations will be based upon the following criteria. As stated in the scope, DIA intends to contract parking operations management to an experienced and qualified Vendor who can provide a high quality of customer service and garage maintenance at a reasonable cost and is rewarded for material increases in net revenue returned to DIA. Failure to provide adequate information on any criterion will result in lower scores and could result in rejection of the proposal as non-responsive. The response to each of the criteria will be evaluated relative to the criteria listed in this section and the contract will be awarded to the highest scoring, responsive, responsible bidder for the Response Evaluation Criteria. **Proposers shall arrange their responses in a format that will offer ready review and evaluation of each criterion.** Please note that **100** points is the maximum total for all criteria. The DIA has the final determination into which contracts are awarded.

RESPONSE EVALUATION CRITERIA:

In your response, list the page number(s) and paragraph(s) that specifically address each of the criteria listed below.

1. COMPANY EXPERIENCE AND REFERENCES: 25 points maximum score

- For vendors proposing to manage the Courthouse Garage, describe company qualifications and experience in downtown parking operations management.
- Describe the availability of adequate personnel. Provide a proposed list of the positions necessary to operate facility, including management, administrative, accounting personnel, and staffing for maintenance, etc. Describe the qualifications and experience of the key personnel you propose to use. Further describe the ability to recruit, train, and retain staff.
- Provide the number and size of the projects currently being performed. Discuss past ability to deliver projects on a timely basis under similar current workload conditions.
- Provide a minimum of three (3) references that are similar in nature and scope. One of these references should be an existing government client operating in Florida. This can include municipal or county governments, departments, authorities, or divisions of local municipalities, or the State of Florida.
- Describe the vendor's understanding of the requirements of this solicitation, and its ability, approach and/or plan to satisfy the same in complete compliance with all applicable federal, state, and local laws, statutes, ordinances, rules, and regulations.
- Describe any outstanding accomplishments that relate to specific services being sought, for example, this could include awards, employee training and certifications, or special licenses.
- Provide documentation, such as financial statements, net income statements, operating expense statements, and budgets showing the ability to generate

revenue off of garages of similar size and scope to the Courthouse Garage. For the Courthouse Garage this would be a garage that offers daily and monthly parking in a downtown setting.

2. OPERATING AND STAFFING PLAN: 30 points maximum score

- Describe the transition and start-up operating plan and how the proposed management and staffing plan will allow for continual and uninterrupted service.
- Resumes of key personnel. At a minimum, the resumes must include name of required person, proposed labor category or role of responsibility, education (degree(s)/certifications received and/or currently held, including the year completed, major field(s) of study, relevant experience (list employer, title of position, starting and ending dates (month/year) and a concise description of experience related to the requirements of their proposed position.
- Provide a conceptual operating plan for the first year of operation and conceptual budget based on experience with similar garages.
- Describe through existing operations plans how the Vendor has operated other garages with a history of:
 - Efficient garage operations
 - Excellent customer service
 - Experience with subcontractors
- Describe the estimated number of staff, hours, and labor expenses required for operation in the proposed management and staffing plan.
- Describe employee hiring, training, supervision of performance, and retention policies to minimize turnover while providing the highest level of customer service for a parking facility.
- Describe the maintenance plan that provides for operational maintenance to be completed at each garage weekly, monthly, bi-annually, or annually.
- Describe what services will be provided directly by the vendor and which services will be contracted out to another party. If this third party is an affiliate describe that relationship. Information about subcontractors should include the names of any subcontractors, area of expertise for any subcontractors, the proposed work to be given to any subcontractors, and whether the subcontractor meets JSEB qualifications.
- Vendors will indicate in their operations plan how they plan to increase net operating income and include any costs associated with that increase.
- Vendors will describe how the plan will manage operating expenses related to services despite rising costs.

3. CONTRACT COST: 40 points maximum score

Vendor shall explicitly identify in detail the anticipated comprehensive contract cost to the DIA for Vendor's services. This shall include all base management fees, standard pass-through fixed monthly fees, expenses and overhead charges, any incentive payments tied to performance, and the expected variable operating expenses that will be passed through to DIA based on the conceptual operating plan for each garage.

DIA is seeking a Vendor who can provide a high quality of customer service and garage maintenance at a reasonable cost, and is rewarded for material increases in net revenue returned to DIA. A fee structure that incentivizes the vendor to materially increase net operating income in the Garages will be considered, provided such increase is achieved by revenue increases or reductions in pass through fees or expenses other than on-site labor and services that would impact garage operations or customer service. Net operating income is defined as gross revenue from the garage minus all operating expenses where gross revenue is all revenue collected through parking operations and operating expenses are those expenses, taxes thereon, attributable to the operation of the services.

Vendors will be scored on the comprehensive contract cost model that they submit based on the following criteria.

- The proposed comprehensive contract cost structure for each garage (i.e., base fee, incentive, other projected fixed fees to be charged for the services, projected operating expenses to be deducted from gross revenue, etc.)
- The monthly fixed costs to DIA per garage (should tie back to operations plan)
- The estimated monthly variable operating costs associated with operating each garage. (describe relationship to level of service and/or gross revenue)
- How the proposed structure incentivizes material increases in net operating income for one or more of the garages without reducing the level of service.
- The percentage of total contract costs associated with onsite garage operations (labor, janitorial services, equipment maintenance, etc. (please identify these items in the proposed operations plan and cost structure) as compared to the percentage of fixed overhead and management expenses (labor associated with management, back office and support operations, accounting fees, reporting fees, management fees, etc.). For example, 30% onsite:70% overhead and management)

4. JSEB PARTICIPATION: 5 points maximum score

- Vendors should indicate their past and present commitment to minority, women-owned, and small and emerging businesses. Additionally, responses to this evaluation criterion should include, without limitation, statements that document the vendor's:
- Commitment to diversity among the directors, officers, and employees that make up the organization.
- Commitment to diversity within its community and beyond.
- Examples and data of utilization of minority, women-owned, and small and emerging businesses on past projects.
- Examples and data of utilization of minority, women-owned, and small and emerging businesses, certified Jacksonville Small and Emerging Businesses (JSEBs) in particular, for the project solicitation in question.

SUPPLEMENTAL INFORMATION

**RESOLUTION 2023-11-02: DIA PARKING GARAGE OPERATOR RFP
MEMORANDUM**



DOWNTOWN INVESTMENT AUTHORITY

117 West Duval Street #310, Jacksonville, Florida 32202

(904) 255-5302 | <https://dia.coj.net/>

DATE: November 1, 2023
TO: Strategic Implementation Committee
FROM: Lori Boyer, Chief Executive Officer, DIA
RE: Resolution 2023-11-02 DIA Garage Operator RFP

GARAGE OPERATOR RFP

Resolution 2023-11-02 would authorize the Chief Executive Officer of the DIA to cause to be issued a Request for Proposal, or functional equivalent, for the procurement of a garage operator/operators for DIA's three garages: the Courthouse Garage, a primarily monthly and transient/daily parking facility; the Arena Garage, a primarily special event garage; and the Sports Complex Garage, a primarily special event driven garage. Brought to the DIA for consideration are three Resolution options:

- i. Resolution 2023-11-02A – an RFP for procuring a single operator for all three garages; or
- ii. Resolution 2023-11-02B – an RFP for procuring just the Arena and Sports Complex garages operator; and
- iii. Resolution 2023-11-02C – an RFP for procuring an operator for the Courthouse Garage that would be issued coinciding with Resolution 2023-11-02B above.

DIA Staff is recommending that Resolutions 2023-11-02B and 2023-11-02C be adopted by the DIA with the reasoning that their respective garages are functionally distinct operations (i.e., special event driven versus monthly/transient/daily parker driven). Therefore, although a single vendor could be awarded all three garages under this scenario, this process could result in two vendors, with one who specializes in special event driven garages and another who specializes in monthly/transient/daily parking operations. Consequently, staff only sees an upside to issuing two RFPs.

Each version of Resolution 2023-11-02, in addition to instructing the DIA's Chief Executive Officer to issuance of an RFP, approves Minimum Qualifications, a Scope of Services and Scoring Criteria for incorporation into the RFP(s). The aforementioned are included in each resolution version as:

Exhibit 1- Minimum Qualifications

Exhibit 2- Scope of Services

Exhibit 3- Scoring Criteria

CITY COUNCIL AND DIA BOARD RESOLUTIONS

On June 27th, 2023, the Jacksonville City Council voted to approve Resolution 2023-355. This resolution encourages the DIA to explore options related to the operations of the garages. The Council requested that this be done through a Request for Proposal and to terminate for convenience the Parking Management Services Agreement between DIA and Reef if a more cost-effective alternative is found.

On August 16th, 2023, in response to Resolution 2023-355, the DIA Board voted to approve Resolution 2023-08-10 “authorizing its Chief Executive Officer to prepare, subject to final Board approval prior to issuance, a request for proposal for the purpose of soliciting competitive responses from qualified parking garage operators for the management of the Metropolitan Parking, LLC Garages (Courthouse Garage, Sports Complex Garage, and Arena Garage).”

BACKGROUND

On September 23rd, 2020, Metropolitan Parking Solutions, LLC (MPS) and LPS of America, Inc (LPS), now Reef Platform U.S. Operations, LLC (Reef) entered into a Parking Management Service Agreement for three (3) parking garages located at 116 Pearl Street North, 500 A. Philip Randolph Boulevard, and 999 East Adams Street (the garages). In this agreement MPS agreed to reimburse LPS for all operating expenses of the garages. This agreement has a term of sixty (60) months, starting on November 1st, 2020, and ending on December 31st, 2025.

Per an amendment agreed to by MPS and LPS, a Termination for Convenience clause was added to the Parking Management Service Agreement. This can be done with ninety (90) days’ notice from either party.

On April 21st, 2022, the City of Jacksonville and the Downtown Investment Authority (DIA) entered into a settlement agreement with MPS and DIA was assigned the Parking Management Service Agreement from MPS. The current Parking Management Service Agreement provides for a Management Fee structure for Reef to operate the garages. It consists of a base fee, an incentive fee, and operating expenses. The base fee is the smallest amount, it is a combined \$3,000.00 for all three garages. The incentive fee consists of 5% of monthly net operating income for the Courthouse garage and 3% for the Arena and Sports Complex Garages.

All net operating revenues above the Management Fee amount are remitted to the DIA each month. Therefore, the operator is being paid for its operating expenses and a small portion of revenues for profit under the current agreement. This is done for each garage separately, and a monthly report of expenses and revenues is provided to the DIA.

RFP LANGUAGE

RFP Minimum Qualifications

Generally, minimum qualifications are consistent in their experience levels, but are tailored in Resolutions 2023-11-02B and 2023-11-02C to the primary garage function: special event driven versus monthly/transient/daily parker driven. In Resolution 2023-11-02A, which contemplates a single vendor for all three garages, the minimum qualifications are essentially a combination of those found in Versions B and C.

Essentially, proposed vendors are required to have five (5) years of experience in operating the relevant kind of garage (or all of the garages for Version A) and are required to provide references as well. Again, each reference or experience level is to be specific to the garage type within that RFP, or in the case of Version A, for all three garages. Additional qualifications include:

- All proposers must be capable of providing all of the monthly reports listed in the RFP.
- All proposers (and any/all subcontractors) must be authorized to transact business in the State of Florida and maintain any licenses to perform services required to operate for the length of the contract.
- All proposers must not have had any outstanding fines or liens in the last five years with any regulatory body that have remained past due for more than 180 days.

Further, each proposed vendor in their response(s) is required to provide a list of all subsidiaries and other lines of business that any proposer is involved with to help show experience in garage operations. This couples with the requirement for notification if an affiliated party is going to be used to contract a service in any of the garages found in the Scope of Services. If the proposer uses a third party for any of the operational services of the garage, the DIA has this in place to know whether that third party is affiliated with the proposer. This section does not prohibit a proposer from using a subsidiary to provide services in the garage, but it does require that the relationship be disclosed beforehand.

Finally, vendors are prohibited from submitting proposals in which the primary vendor is a Joint Venture or Partnership business arrangement.

RFP General Scope of Services

The vendor or vendors shall staff, maintain, and operate the parking facilities in an efficient manner with a customer-centric focus in line with other A-class parking facilities. The following is a summary of the “general” Scope of Services sought for each garage, regardless of primary operation type (i.e. special event driven vs monthly/transient/daily parkers driven). For specific or specialized services based on garage operation type, please see Exhibit 2 to each resolution version.

Each vendor or vendors will be required to provide an Operation Plan and a Maintenance Plan which will be tailored and specific to each garage. The Operations Plan will provide information about staffing, performance, and customer service. The Maintenance plan will be for five (5) years and will allow the DIA to take advantage of the industry knowledge.

Maintenance and Capital Repairs:

Each vendor is responsible for daily and routine maintenance of the garage(s). However, if a larger maintenance or capital improvement project is required, then the DIA will approve the project and retain the option to complete the project. This is similar to how capital projects are handled under the current Parking Management Service Agreement. An example is a contract to replace the roof on the elevator shafts at each garage. The RFP specifies this cutoff point at \$5,000 per project and \$15,000.00 annually, which was derived by reviewing the amounts of all capital improvement contracts since the DIA took over management of the garages. Above this amount, the DIA must

approve of any capital improvement projects to determine if it can take advantage of cost saving measures such as utilizing an existing City contract and avoiding sales tax. This language exists in all versions of the RFP.

Reporting Requirements:

The Scope of Services for each RFP includes enhanced reporting requirements above and beyond the current Parking Management Service Agreement. The current vendor has been providing significantly more information than is required by that agreement, and the RFP memorializes requirements for that information. The RFP requires more details about labor costs, including position titles, headcounts, and wage and benefits costs for any employee who operates or is assigned to the garage. This language was added in after consultation with the DIA's parking consultant, Timothy Haas and Associates ("THA"), confirmed that requiring such specific information was not out of the norm or industry standards. Furthermore, the CEO of the DIA will approve the proposed budget from the vendor each year.

Term and Fee Structure:

The Scope of Services provides that the initial contract term with the vendor or vendors will be for five (5) years with three (3) one-year renewal options exercisable by the DIA. It also states the conditions under which the contract can be terminated in 90 days. These conditions are:

- The proposed operating costs contained in the budget for any year exceed the prior year's budget by more than 120% of the percent change in the CPI Index over the previous year. Consumer Price Index is defined as the Consumer Price Index for all Urban Consumers, all items, US city average, not seasonally adjusted, published by the Bureau of Labor Statistics of the United States Department of Labor.
- The actual operating expenses charged by the vendor in any year exceed the budget for such by more than 120% of the percent change in the CPI Index over the previous year unless the actual net revenue to DIA also exceeds the budget by an equal or greater %. Consumer Price Index is defined as the Consumer Price Index for all Urban Consumers, all items, US city average, not seasonally adjusted, published by the Bureau of Labor Statistics of the United States Department of Labor.

The estimated overall Operations/Management Fee is required to be placed in the annual budget that is approved by the CEO of the DIA. The Fee structure is designed to encourage vendors to increase net operating income without reducing the level of service in the garages.

RFP Scoring Criteria

There are four scoring criteria included within Exhibit 3 to each resolution version that awards a majority of the points to vendors who indicate that they have garage operations experience and can provide the services requested. The cost associated with providing those services and City JSEB requirements are also criteria for scoring. The four criteria are:

1. Company Experience and References (25 Points)

Proposers are scored based on experience in providing similar services to indicate that they have a history of operating similar garages. Proposers are also required to provide references that show management history for garages with for daily/monthly parking or garages with special event parking, depending on what garages the vendor proposes to operate. Under this section, proposers will also be required to show the ability to generate revenue from garages of similar size and scope.

2. Operating and Staffing Plan (30 Points)

Proposers will be scored based on the operations plan that is provided to indicate how the garages listed in each RFP will be operated. These include the staffing plan, performance, transition and start-up, and customer service. The proposer will further have to describe which services will be provided by subcontractors and the experience of any that have already been identified.

3. Contract Cost (40 Points)

DIA is seeking a vendor that can provide a high quality of customer service and garage maintenance at a reasonable cost, and reward a vendor for material increases in net revenue returned to DIA. The fee structure is designed to incentivize the vendor to increase the net operating income in the garages without reducing the level of services provided. This is accomplished by requiring the vendor to offer a plan to increase net operating income in the operations plan. Vendors will also be scored on fixed monthly costs, variable monthly costs, how the structure incentivizes material increases in net operating income, and the percentage of total costs associated with onsite garage operations.

4. JSEB Participation (5 Points)

All City RFPs require proposers to demonstrate a commitment to diversity through utilization of minority, women-owned, and small businesses. This RFP requires that data be provided that shows this utilization within the organization, its community, and its subcontractors.

TAB V.E

RESOLUTION 2023-11-03: AMBASSADOR EXTENSION

RESOLUTION 2023-11-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL AUTHORIZE AN EXTENSION TO THE BUILDING IMPROVEMENTS COMPLETION DATE FOR THE REHABILITATION AND ADAPTIVE REUSE OF THE AMBASSADOR HOTEL (THE “PROJECT”) AS FOUND IN THE SECOND AMENDED AND RESTATED REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF JACKSONVILLE, THE DOWNTOWN INVESTMENT AUTHORITY, AND AXIS HOTELS, LLC (“DEVELOPER”) WITH AN EFFECTIVE DATE OF MARCH 25, 2022; RECOMMENDING THAT CITY COUNCIL AMEND THE PERFORMANCE SCHEDULE FOR THE REHABILITATION AND ADAPTIVE REUSE OF THE AMBASSADOR HOTEL WITH AXIS HOTELS LLC TO CREATE AN INTERIM RECOMMENCEMENT OF CONSTRUCTION DATE AND EXTEND THE COMPLETION DATE CONTAINED IN THE PERFORMANCE SCHEDULE, BOTH WITHOUT THE POSSIBILITY OF FURTHER EXTENSION; AUTHORIZING THE DIA’S CHIEF EXECUTIVE OFFICER (CEO) TO TRANSMIT THIS RECOMMENDATION TO CITY COUNCIL AND EXECUTE THE CONTRACTS AND DOCUMENTS, AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, in July 2018, the Developer purchased the property commonly known as Ambassador Hotel with a street address of 420 N. Julia Street, as well as the remaining undeveloped portion of the block (collectively, the “Original Parcel”), all of which is located within the boundaries of the Downtown East CRA; and

WHEREAS, at their meeting of September 19, 2018, the DIA approved Resolution 2018-09-03 authorizing a Historic Preservation Trust Fund (HPTF) Grant upon redevelopment completion in an amount not to exceed \$1.5 million funded by the Downtown Historic Preservation and Revitalization Trust Fund; and

WHEREAS, following City Council approval of Ordinance 2018-872, Developer, the City of Jacksonville, and DIA entered into a Redevelopment Agreement with an Effective Date of March 26, 2019, and

WHEREAS, following City Council approval of Ordinance 2020-0625, Developer, the City of Jacksonville, and DIA entered into an Amended and Restated Redevelopment Agreement with an Effective date of June 25, 2020, to exclude the Multifamily housing component of the project as originally provided, and

WHEREAS, following City Council approval of Ordinance 2021-0459, Developer, the City of Jacksonville, and DIA entered into a Second Amended and Restated Redevelopment Agreement with an Effective Date of March 25, 2022, to provide a revised Substantial Completion Date of the Project as December 31, 2022; and

WHEREAS, all permissible extensions of the Performance Schedule allowed under the terms of the Second Amended and Restated Redevelopment Agreement remain insufficient to achieve Substantial Completion of the Property, but extension of the Completion date to June 30, 2023, is within the authority of the DIA Board, and such extension is necessary to maintain continuity of development activity currently taking place; and

WHEREAS, Developer has provided documentation from the General Contractor dated February 9, 2023, detailing the causes for continued delays brought about by supply chain issues that does not provide confidence that the project will be completed by June 30, 2023; and

WHEREAS, following discussion and further commitment from the Developer, DIA staff recommended an additional extension of the Completion Date from June 30, 2023, to September 30, 2023, to allow adequate time for completion of the Project consistent with other Project funding commitments; and

WHEREAS, DIA adopted Resolution 2023-03-07 and filed bill 2023-0345 to effectuate such additional extension in the Completion Date, and

WHEREAS, such legislation has been deferred in Council Committees due to unresolved liens and pending litigation regarding the property in question and City Council requested that DIA make a further recommendation regarding the Developer's latest request for additional time; and

WHEREAS, on the advice of Board Member Gillam who has consulted with the litigation attorney for Developer and has reviewed the relevant documents, the DIA recommends a further extension as provided herein.

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 recommends that City Council amend the pending legislation, 2023-0345, to amend the Performance Schedule contained in the March 25, 2022 Second Amended and Restated Development Agreement between the City of Jacksonville, the Downtown Investment Authority, and AXIS Hotels, LLC, and associated documents:

- a. To establish a Recommencement of Construction date which shall be 90 days following the effective date of the legislation. Recommencement of Construction shall require evidence that a new General Contractor has been engaged to complete the Project and has begun actual on-site work on the Project, and
- b. To extend the Completion of Construction Date from March 31, 2023, to one year following the Recommencement of Construction.

c. This recommendation is conditioned upon Developer's representation that the Project can be completed without additional City grants or funding.

Section 3. The Chief Executive Officer is hereby authorized to execute the contracts and documents and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

Section 4. 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: _____

SUPPLEMENTAL INFORMATION

RESOLUTION 2023-11-03: AMBASSADOR EXTENSION MEMORANDUM



DOWNTOWN INVESTMENT AUTHORITY

117 West Duval Street #310, Jacksonville, Florida 32202

(904) 255-5302 | <https://dia.coj.net/>

TO: DIA Strategic implementation Committee

FROM: Lori Boyer, CEO

SUBJECT: Resolution 2023-11-03, Ambassador Extension

DATE: November 1, 2023

Summary:

Ordinance 2023-0345 is currently pending before City Council and would have extended the final completion date for the Ambassador Hotel project to September 30, 2023. The bill was filed several months ago and has been deferred at the request of the developer since there were multiple outstanding liens and lawsuits pending on the project. When the completion date established in the bill passed, DIA requested withdrawal of the legislation because its approval would have no benefit as written. The Developer appeared in Council Committees and requested deferral for two cycles to allow the DIA Board to consider and recommend approval or denial of a further extension. The Developer requested that Council provide a 6-month extension. Staff believes that to be inadequate based on the percent of completion.

It was represented that the Developer had notified the issuer of the performance bond on the project that the contractor was in default and that bonding company was engaged and would identify a course of action in October. Because of his expertise in this type of litigation, Board Member Gillam was asked to look into the status and report back to the Board as to the likelihood of resolution in the near future, the efficacy of a further extension and the amount of time required.

Staff will prepare a resolution reflecting Board member Gillam's recommendation when received, for consideration at the November board meeting. That report is expected at the SIC meeting.

Background:

In July 2018, AXIS HOTELS, LLC, the Developer, purchased the property commonly known as Ambassador Hotel with a street address of 420 N. Julia Street, as well as the remaining undeveloped portion of the block. In September 19, 2018, the DIA approved Resolution 2018-09-03 authorizing a Historic Preservation Trust Fund (HPTF) Grant upon redevelopment completion in an amount not to exceed \$1.5 million funded by the Downtown Historic Preservation and Revitalization Trust Fund. Following City Council approval of Ordinance 2018-872, Developer, the City of Jacksonville, and DIA entered into a Redevelopment Agreement with an Effective Date of March 26, 2019. The Developer subsequently requested an amendment to the RDA to separate

the historic portion of the project. In 2020, City Council approved Ordinance 2020-0625, and Developer, the City of Jacksonville, and DIA entered into an Amended and Restated Redevelopment Agreement with an effective date of June 25, 2020, to exclude the Multifamily housing component of the project as originally provided. Thereafter, following City Council approval of Ordinance 2021-0459, Developer, the City of Jacksonville, and DIA entered into a Second Amended and Restated Redevelopment Agreement with an Effective Date of August 15, 2021, to provide a revised Substantial Completion Date of the Project as December 31, 2022.

All extensions of the Performance Schedule allowed under the terms of the Second Amended and Restated Redevelopment Agreement were granted establishing a final Completion date June 30, 2023.

TAB V.F

RESOLUTION 2023-11-04: CADY CLUB

RESOLUTION 2023-11-04

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE **SOUTHBANK COMMUNITY DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM GRANT TO AN ENTITY TO BE FORMED BY THE APPLICANT, MR. GEORGE SAUD (“APPLICANT”), TO OPERATE A FOOD AND BEVERAGE ESTABLISHMENT IN A PROPERTY OWNED BY THE APPLICANT LOCATED AT 1015 KINGS AVENUE, JACKSONVILLE, FL 32207 (“GRANTEE”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A GRANT AGREEMENT (FORGIVABLE LOAN SECURED BY A NOTE); AUTHORIZING THE DIA CEO TO EXECUTE SUCH AGREEMENTS; AND FINDING THAT THE DEVELOPMENT PLAN IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN, INCLUDING THE SOUTHSIDE CRA PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Grantee submitted an application to the DIA under the Core Retail Enhancement Program to facilitate the development of a coffee shop, bakery, restaurant, and bar establishment in the Southbank District of Downtown Jacksonville; and

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

WHEREAS, the Retail Enhancement and Property Disposition Committee, at their meeting of November 9, 2023, voted to recommend approval of the application to the DIA Board; and

WHEREAS, the DIA is authorized to utilize the Southside Tax Increment District funds, in accordance with the CRA Plan, to foster the redevelopment of the Southside Community Redevelopment Area; and

WHEREAS, to assist the Grantee with build out costs for the purpose of establishing the Cady Club (“the Project”) the DIA proposes to provide a Grant (forgivable loan secured by a note) in an amount not to exceed NINETY-SIX THOUSAND FOUR HUNDRED TWENTY-SEVEN DOLLARS and 00/100 (\$96,427.00) 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 approves the award of a Retail Enhancement Grant in the amount of \$96,427.00 from the Southside TID to the Grantee to be provided in accordance with the term sheet attached hereto as Exhibit A.

Section 3. 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 4. The Effective Date of this Resolution is the date of execution of this Resolution by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Witness

James Citrano, Chairman

Date

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

Exhibit A:

**CORE RETAIL ENHANCEMENT PROGRAM GRANT
TERM SHEET**

**LLC to be formed by Property Owner
1015 KINGS AVE
Jacksonville FL 32207**

Project Name: Cady Club

Applicant/Grantee: TBD, LLC (An entity to be created by the owner "Tenant")
1015 Kings Ave LLC (Property Owner)
The George Management Company LLC (Manager of 1015 Kings Ave LLC)
George R. Saoud, Jr. (Manager of The George Management Company LLC)

Total Build Out and Equipment Costs (estimate): \$399,755

Total Eligible Costs (estimate): \$192,854

Eligible Funding: \$ 96,427

Project: Tenant improvements for an approximately 9,300 square foot coffee bar, cocktail lounge, and gourmet bites restaurant located in the Southbank District of the Southside CRA with 4,650 sf on the first floor and 4,650 sf on the second floor. The property is owned by the applicant, George Saoud, (as manager of The George Management Company, LLC, manager of 1015 Kings Ave, LLC), and he will be establishing an LLC to serve as tenant.

The applicant is expected to remain in business in the location at these service levels for a minimum of three (3) years, and to provide a lease for a minimum of that time frame.

City Funding: No more than \$96,427, through the Southside CRA, as follows:

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 City of Jacksonville or CRA loans have been requested.

Core Retail Enhancement Program Grant: \$96,427 from the Retail Enhancement Program funding of the Southside CRA. The award will be structured as a forgivable, 0% interest grant (forgivable loan secured by a note) that will amortize at the rate of 2.778% each month following closing for three (3) years so long as no event of default exists.

The Applicant acknowledges that these Grant funds are awarded and shall be used in accordance with the Core Retail Enhancement Program guidelines.

Minimum Capital Contribution:

- A) The minimum total capital contribution through completion to remain eligible for the Core REP Grant is \$263,353 (Eligible direct costs of capital improvements to the property only as found in the improvements as provided in the application or installed equipment or build-out costs otherwise approved in underwriting).

Performance Schedule:

- A) Redevelopment Agreement to be executed within one hundred twenty (120) days of the DIA Board Approval Date which shall establish the Redevelopment Agreement Effective Date.
- B) Commencement of Construction: Within three (3) months following the Redevelopment 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 actually commenced buildout type work.
- C) Substantial Completion: Within twelve (12) months following the Commencement of Construction Date, as defined above, Grantee shall provide evidence of completion of construction, payment of all subcontractors, material providers, and laborers, and receipt of licensing necessary to conduct the business as outlined in the application submitted.
- D) The DIA CEO will have the authority to extend this Performance Schedule, at the CEO's discretion, for up to three (3) months for good cause shown by the Applicant. Any extensions to the Commencement Date shall simultaneously have the same effect as extending the Completion Date.

Additional Commitments:

1. Applicant shall establish business operations following the description as outlined in the application and as Project above.
2. All rehabilitation work and design features must comply with all applicable city codes, ordinances, the established Downtown Development Review Board Guidelines and the Downtown Zoning Overlay.
3. Per Core REP guidelines, the award will be structured as:
 - a. Zero-interest, Grant agreement, payable upon Substantial Completion of the work and receipt by DIA of invoices for goods and services rendered and proof that recipients paid for such goods and services.
 - b. No interest shall accrue upon the principal of the total grant amount, with the principal forgiven monthly in equal amounts monthly over a three (3) year period.
 - c. The total principal balance will amortize 2.778% each month of the compliance period.
 - d. At the end of thirty-six months, the Grant shall be entirely forgiven on the condition that the business remains in operation as proposed, improvements are installed and

maintained in reasonably good condition, all taxes are maintained in current status with no tax certificates, and no City Code violations are incurred during the compliance period.

- e. If it is determined that the recipient(s) is in default, full payment of any unamortized balance remaining on the grant may be demanded.

Conditions:

This Term Sheet is limited by the following conditions:

A) Prior to funding:

1. Applicant to provide evidence of Substantial Completion, as required above: and,
2. Applicant to provide evidence of business articles of incorporation, and licensure prior to funding.
3. Applicant to provide executed lease with landlord, 1015 Kings Ave LLC prior to funding.
4. Downtown Investment Authority to receive copies of all necessary permits and invoices and other documentation as may be requested in evidence of eligible expenditures; and

B) Throughout the Compliance Period:

1. Continuing operation of the Project as a coffee bar, cocktail lounge, and gourmet bites restaurant as found in the business plan submitted with the application is required during the term of the agreement; and
2. The first floor of the business will be open to the public not less than 60 hours per week including Friday and Saturday evenings until 8:00 minimum; and
3. Annual financial summary and reporting is required to demonstrate compliance with terms and conditions as approved; and
4. The Project will maintain not less than two full-time employees throughout the term of the agreement.

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.

SUPPLEMENTAL INFORMATION

RESOLUTION 2023-11-04: CADY CLUB STAFF REPORT



Downtown Investment Authority

DIA CORE RETAIL ENHANCEMENT PROGRAM

“Cady Club”

1015 Kings Avenue, Jacksonville FL 32207

TBD LLC (George Saoud, esq.)

November 9, 2023

Applicant: TBD, LLC (An entity to be created by the owner “Tenant”)
D/B/A Cady Club
1015 Kings Ave LLC (Property owner)
The George Management Company LLC (Manager of 1015 Kings Ave LLC)
George R. Saoud, Jr. (Manager of The George Management Company LLC)

Project Location: 1015 Kings Avenue
Jacksonville FL 32207

Total Build Out and Equipment Costs (estimate): \$399,755
Total Eligible Costs (estimate): \$192,854

Amount requested: \$165,593
Eligible Funding: \$ 96,427

Project Description:

The applicant, Mr. George Saoud, is the principal owner of the two-story building located at 1015 Kings Avenue (RE# 080086-0000) in the Southbank District within the Southside CRA of Downtown Jacksonville which is within the Core Retail Enhancement Program boundaries. Mr. Saoud is the manager of The George Management Company LLC, listed as the manager of 1015 Kings Ave LLC that is the owner of the property which will house the operating entity. The property consists of a two-story brick building on just over 1/10 acre of land, with 4,650 square feet on each floor, originally constructed in 1930.

The business plan calls for renovation of the property, both inside and out, to create a two-story coffee bar, cocktail lounge, and gourmet bites restaurant with each floor open to the public, but also eligible for use as event space. Mr. Saoud is also the principal owner of the building which

houses The Lark, which is an active event space located on Hogan Street in the City Center within the Downtown Northbank CRA. As a recipient of DIA funding at The Lark, Mr. Saoud has met or exceeded performance obligations at that site.

The proposed use is indicated to “create a new-to-downtown food and beverage business with a vibrant street facing, ground-floor location designed to attract the general public.” The business will be operated as an upscale coffee and pastry business through the day and change focus to a craft cocktail lounge by night. Both floors of the property will provide a mix of table seating and soft seating (couches and chairs) for “premium comfort and service for all patrons.” Build out will provide an “Island/Florida chic” décor on the first floor and a “slightly moody ambiance with specialty wallpaper and chandeliers” on the second floor. The buildout also provides for a full kitchen on the first floor for the preparation of a “gourmet bites” menu, and both floors will also feature a full bar.

The exterior of the property is proposed for renovation to remove the current Spanish-style appearance and to create a more contemporary look to include painting the exterior, and the addition of a mural to “further enhance the elevated character that is being cultivated in Southbank of Downtown Jacksonville.” The existing barrel tile roof/awnings will be converted to black shingle, and skylights are proposed to be added within the second story roof.

Improvements will also include the installation of fire sprinklers throughout the first and second floors and complete replacement of fixtures and equipment within three restrooms found within the building.

Business Plan and Bio:

The mission of the Cady Club is to, “provide an affordable and accessible high-end coffee and craft cocktail experience with a vibrant street level exterior location in the South bank of Downtown Jacksonville.” As noted elsewhere, the Cady Club will also offer a menu of “gourmet bites” prepared in the newly renovated kitchen on the first floor, and both floors will be offered for private events.

Competitive advantages presented by the applicant include:

- Congenial customer service
- Central location with greater foot traffic
- Parking facility for customers one block away
- Soothing ambience for calm eating
- Excellent visibility from the Main Road

Additional strengths listed include:

- Experience and knowledge of the operating team
- Scope and quality of the menu items
- Menu specializing in wholesome food
- Ideal location and visibility
- New concept for book lovers
- Regular improvement and creativity
- Offering competitive prices
- Appealing display of food and beverages served
- Eye catching ambience of the interior and exterior of the building

Notably, specifics regarding the menu offerings and prices were not provided. Renderings of the proposed interior and exterior of the building shown provide an indication of what the redesign is proposed to achieve.

Depictions of the intended renovations are as follows:



Target Market:

As indicated in its business, Cady Club is targeting working professionals between 25 and 59 years from the Southbank and San Marco neighborhoods including several established hotels, multifamily projects, and restaurants. Its location on a busy thoroughfare (Kings Avenue) that is growing with the addition of the Artea 340-unit multifamily complex under construction in close proximity (supported by Market Rate Multifamily REV funding approved by the DIA) and located adjacent to the recently opened Industry West furniture store at 1001 Kings Avenue (using DPRP funding approved by the DIA and City Council) the area is burgeoning with growth and activity conducive to this type of establishment. The site will also benefit from its close proximity to River’s Edge as that community begins to build out in coming years.

Promotional Plan:

Leveraging success of marketing for The Lark, Cady Club will work closely with Downtown vision, Visit Jacksonville, and the Chamber of Commerce on advertising and marketing efforts. The management team is strong in web-based and online marketing, and Wingard is proposed to be engaged for further website marketing. Alanna Luksha will be integral in promoting the Cady Club through social media posting and advertising. Further promotional efforts will derive from utilizing 904HappyHour, Cr8Jax, and ExploreJax for additional outreach.

Operating Plan

Operating hours proposed in the business plan are as follows:

Weekly Schedule	Open	Close
Sunday	8:00 AM	10:00 PM
Monday	8:00 AM	10:00 PM
Tuesday	8:00 AM	10:00 PM
Wednesday	8:00 AM	10:00 PM
Thursday	8:00 AM	12:00 AM
Friday	8:00 AM	12:00 AM
Saturday	8:00 AM	12:00 AM

The Core REP does not require explicit minimum operating hours, and the 104-hour schedule proposed may be difficult to maintain over time. Accordingly, the proposed requirement for funding is for the first floor of the operation to be open to the public a minimum of 60 hours per week including Friday and Saturday evenings until 8:00 minimum, to allow the business time to build its operation, reputation, and clientele.

The application provided proposes the creation of five full-time positions and fifteen part-time positions. Although specific roles or job duties are not detailed, they would be typical for establishments of this type.

Key Personnel:

George Saoud – General manager; currently works as California State Counsel at Fidelity National Financial and is the general manager of The Lark event space. Mr. Saoud will have strategic responsibility for both the Cady Club and The Lark.

Ashley Smith – Managing Director – Currently serves as managing director of The Lark from December 2022, and brings 17 years’ experience in the hospitality industry including 13 in management and catering. She will continue in her day to day responsibilities with The Lark and expand those responsibilities to include the Cady Club.

Haley Geeser – Asst. Director – Currently serves as event coordinator, operations manager, and event producer for the Lark since January 2022. Ms. Geeser has six years’ experience in event planning, and the food and beverage industry. Ms. Geeser is slated to take on more managerial responsibilities with expansion to the Cady Club.

Pro Forma

The pro forma operating budget provided with the application suggests the Business Owner should generate revenue of \$1,310,000 in the first full year of operation, representing sales of \$140 sf, which is considered low compared to industry averages of \$350 to \$500 sf and several successful Downtown Jacksonville restaurants reporting sales of \$1,000 sf and more, according to local brokers. Further, more than 17.5% of revenues is expected to be derived from room rental (events), further reducing food and bev revenue to just over \$1 million, or \$116 sf. For these reasons, and adherence with program guidelines as detailed further below, costs associated with buildout of the second floor are not considered eligible in Core REP grant funding.

Expenses center on cost of goods sold (33.3% of food and bev sales), salaries and payroll taxes (27.8% of food and bev sales). At \$300,000, payroll for 5 full-time employees and 7.5 FTE part-time employees (20 hours per week average) would equate to average pay of \$24,000 per year. Rent is shown at \$78,000 annually, or approximately \$9.40 sf. A lease between the related entities was not provided and must be provided prior to entering into the redevelopment agreement to determine that the term meets or exceeds the three-year compliance period.

Net profit for the operation is estimated to approximate \$775,800 in the first year, of 59.2% of gross revenue, which is well above industry averages of 15-20%.

Property Consideration:

The property at 1015 Kings Ave is well situated on a street with growing traffic counts to take advantage of numerous existing hotels and multifamily developments within walking distance. The site is also adjacent to the Skyway-Kings Avenue Station allowing easy access from downtown Northbank patrons and offers parking in the JTA lot nearby. The property has been owned by Mr. Saoud since September 2021 when it was acquired for \$905,000 and currently is appraised by the Duval County Property Appraiser at \$983,400. With rent established at \$9.40 sf, a significant increase in property value, and property taxes, is not expected.

Mr. Saoud plans to self-contract with subcontractors who will then be responsible for any permitting requirements for their trade. The redevelopment agreement will provide a provision whereby grantee shall provide evidence of completion of construction, payment of all subcontractors, material providers, and laborers, and receipt of licensing necessary to conduct the business as outlined in the application submitted.

Buildout and equipment costs presented in Exhibit A. are taken from the application provided by Mr. Saoud. Cost for improvements to the interior of the property total \$232,500, or approximately \$25.00 sf, including \$50,000 to add sprinklers throughout the building for life safety code compliance. Exterior improvements total \$56,000 and equipment including FF&E totals the remaining \$111,256.

As shown in Exhibit A. costs for the second floor, improvements to the roof, the mural, non-affixed equipment, and all FF&E were excluded from eligibility providing total costs eligible for funding of \$192,854. Full funding eligibility and amounts is calculated in more detail below.

Property taxes on the subject property totaling \$3,841.18 are confirmed to have been paid for the 2022 tax year as required.

Scoring Rubric Recommendation:

The primary criteria for approval for any retail incentive is the feasibility of the business plan. A successful business plan will be the one that conveys the most promising combination of relevant experience, financial feasibility, product and market research, growth potential and job creation. A minimum score of 30 points out of 55 points possible is required to have the proposed project referred to the REPD Committee for funding consideration. Staff scored **the application** on the following categories defined in their business plan.

A. Business Plan (see point breakdown below) – (up to 40 points)

Categories	Points Available	Points scored
The plan shows good short-term profit potential and contains realistic financial projections	10	5

Minimal detail has been provided regarding the full nature of the operations and on-site management or key employees. Revenue of \$116 sf is low for restaurant/bar activity particularly when proposing to be open for seven days for a total of 104 hours per week. The plan indicates "upscale coffee and pastry establishment during the day and craft cocktail lounge by night" and alternatively, "a full food menu the first floor will have a full kitchen and both levels will be offered for private events." Location is a strong plus for this proposed operation, and it seems plausible that a more robust business model could be more additive to the City from this location.		
The plan shows how the business will target a clearly defined market and its competitive edge	5	3
Cady Club is targeting broad population within the 25-59 year old demographic.		
The plan shows that the management team has the skills and experience to make the business successful	10	5
The operations managers have experience primarily in the management of event space and will be splitting time with overseeing the operations of The Lark on the Northbank. Tenure with Mr. Saoud is less than two years. Specific detail of food and beverage operations not provided. Day to day, onsite manager FOH and BOH is not known.		
The plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture	10	9
Mr. Saoud indicates that he intends to self-finance the remainder of funds to build out the proposed operation.		
Number of FTE job positions created in excess of the required two (2) positions	5	5
The business plan calls for 5 full time, and 15 part time employees although additional detail is not provided.		
TOTAL	40	26

- B. Expansion of the local property tax base by stimulating new investment in existing Downtown properties (up to 5 points for properties five years and older and an additional 5 points if the property is a historic property (local landmark status or contributing structure status) – maximum of 10 points)

Properties	Points Available	Points scored
1905 Kings Ave	5	1
Historic Property	5	N/A
Assessed value of \$938,000 compared to appraised value of \$930,000 (income approach) suggests property taxes are not likely to increase appreciably.		
TOTAL	10	1

- C. Expansion of the state and local sales tax base by increasing sales for new or existing shops (up to 5 points)

Expansion of sales tax	Points Available	Points scored
Bar/Restaurant	5	2
Low sales per square foot projected. LOST estimated at \$10,800 year.		

TOTAL	5	2
--------------	---	---

TOTAL	55	30
--------------	-----------	-----------

Core REP Consideration:

Total eligible costs equal \$192,854 per Core REP guidelines which limit funding from including second floor build-out costs. Per requirements, the eligibility of funding is the lesser of \$192,854 x 50% = \$96,427 total eligible square feet of 4,350 X \$30 per sq ft = \$130,500. Accordingly, maximum funding eligibility is limited to \$96,427.

Type	Eligible Square Foot	Eligible Cost	Max Funding for CORE REP	Lesser of Three Approaches
Bar/Restaurant Type II	4,350 sf X \$30 sf = \$130,500	\$192,854 X .5 = \$96,427	No max	\$96,427

EXHIBIT A. – Build-out and Equipment Costs

		<u>Ineligible</u>	<u>Eligible</u>
First Floor			
Flooring	27,500.00		27,500.00
Bar	10,000.00		10,000.00
Paint	7,000.00		7,000.00
Wallpaper	10,000.00		10,000.00
Lighting	7,000.00		7,000.00
Men's bathroom - tile	7,500.00		7,500.00
Men's bathroom - wallpaper	4,000.00		4,000.00
Men's bathroom - fixtures	4,000.00		4,000.00
Women's bathroom - tile	7,500.00		7,500.00
Women's bathroom - wallpaper	4,000.00		4,000.00
Women's bathroom - fixtures	4,000.00		4,000.00
Security alarm and cameras	7,500.00		7,500.00
Second floor			
Flooring	27,500.00	27,500.00	
Bar	8,000.00	8,000.00	
paint	7,000.00	7,000.00	
Wallpaper	10,000.00	10,000.00	
Lighting	7,000.00	7,000.00	
Bathroom - tile	7,500.00	7,500.00	
Bathroom - wallpaper	4,000.00	4,000.00	
Bathroom - fixtures	4,000.00	4,000.00	
Security alarms and cameras	7,500.00	7,500.00	
Both floors - Life safety			
Fire sprinkler	50,000.00		50,000.00
Exterior			
Paint	25,000.00		25,000.00
Mural	15,000.00	15,000.00	
Roofing (remove Spanish tile and replace with black shingle)	6,000.00	6,000.00	
Skylights	10,000.00	10,000.00	

EXHIBIT A. – Build-out and Equipment Costs (Cont.)

Kitchen/Bar Eqpt

Handwashing sinks w sides	107.99	6	647.94		647.94
Two compartment sink BOH	476.10	1	476.10		476.10
Wall mounted faucet w/spray	374.49	1	374.49		374.49
Six tap keg	2,799.00	1	2,799.00	2,799.00	
Ice maker	3,549.00	1	3,549.00	3,549.00	
Water filtration system	1,219.00	1	1,219.00		1,219.00
Walk-in cooler 6x6x7	9,199.00	1	9,199.00		9,199.00
Microwave	99.99	1	99.99	99.99	
36" countertop electric griddle	1,000.00	1	1,000.00	1,000.00	
Dual fryer - countertop	476.99	1	476.99	476.99	
Convection oven	2,600.00	1	2,600.00	2,600.00	
Air fryer	350.00	1	350.00	350.00	
Hotbox (upstairs events)	1,199.00	1	1,199.00	1,199.00	
Conveyer toaster	249.99	1	249.99	249.99	
Eqpt tables	304.99	3	914.97	914.97	
Work tables w undershelf	184.99	2	369.98	369.98	
Over shelves	289.99	2	579.98	579.98	
Prep table - compartments	2,199.00	1	2,199.00	2,199.00	
48" enclosed base table	549.00	2	1,098.00	1,098.00	
Heat strip w warmer	109.99	4	439.96	439.96	
Hood system - 7 ft	2,389.00	1	2,389.00		2,389.00
Single rack dishwasher	3,549.00	1	3,549.00		3,549.00
Reach in freezer	2,299.00	1	2,299.00	2,299.00	
Reach in refrigerator	2,259.00	1	2,259.00	2,259.00	

FOH Eqpt

Triple sink	699.00	1	699.00	699.00	
90" cooler	2,369.00	1	2,369.00	2,369.00	
36" ice wells	494.10	3	1,482.30	1,482.30	
36" speed wells	56.69	3	170.07	170.07	
60" cooler - service wall	1,939.00	1	1,939.00	1,939.00	
18" liquor display - underbar	400.00	3	1,200.00	1,200.00	
23" Back bar refrigerator	1,029.00	2	2,058.00	2,058.00	

Misc.

Tables/chairs			10,000.00	10,000.00	
Soft seating/Sofas			25,000.00	25,000.00	
Linens			5,000.00	5,000.00	
Liquor / Food			20,000.00	20,000.00	
uniforms			1,000.00	1,000.00	

	399,755.76	206,901.23	192,854.53
--	-------------------	-------------------	-------------------

50%

Eligible Payout - Core REP

96,427.27

TAB V.G

RESOLUTION 2023-11-10: END OF YEAR NORTHBANK RECONCILIATION

RESOLUTION 2023-11-10

RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY (“CRA”) FOR THE COMBINED NORTHBANK COMMUNITY REDEVELOPMENT EFFECTUATING AN END-OF-FISCAL YEAR BUDGET RECONCILIATION FOR THE COMBINED NORTHBANK COMMUNITY REDEVELOPMENT AREA (“CRA”) FY 22-23 BUDGET; APPROVING THE ATTACHED CRA BUDGET TRANSFER (EXHIBIT 1); INSTRUCTING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Downtown Investment Authority (“DIA”) is the Community Redevelopment Agency for the Northbank Community Redevelopment Area pursuant to Ordinance 2012-0364; and

WHEREAS, as the Community Redevelopment Agency, the DIA is responsible for developing, approving, and implementing the budget for the Combined Northbank Community Redevelopment Area; and

WHEREAS, the DIA adopted an FY 22-23 Budget for the Combined Northbank CRA, as amended periodically throughout the Fiscal Year, and in accordance with section 166.342, Jacksonville Code of Ordinances, through this resolution is effectuating a Year-end Reconciliation within 60 days of the end of FY 22-23; and

WHEREAS, being that the Year-end Reconciliation is greater than \$25,000, in accordance with section 166.342(a)(1), Jacksonville Code of Ordinances, “Prior CRA Board approval shall be required for any year-end transfer by the Director of Finance and Administration in excess of \$25,000”; and

WHEREAS, actual tenant revenue within the Courthouse Garage is \$27,963.86 less than budgeted for FY 22-23, it is the will of the DIA that its Chief Executive Officer cause through the attached CRA Budget Transfer an equal reduction in Courthouse Garage operating expense budget for FY 22-23; and

WHEREAS, appropriated revenue from Lynch / 11E interest income, Lynch / 11E principal, and ad valorem taxes exceed actual revenues by \$32,554.70; and

WHEREAS, there is approximately \$873,800 of unencumbered and uncommitted expense budget within the NB Façade Grant Program, and this remaining budget balance is greater than the actual expenses that would be incurred in FY 23-24; and

WHEREAS, it is the will of the DIA that its Chief Executive Officer cause through the attached CRA Budget Transfer a reduction in the NB Façade Grant Program in an amount equal

\$32,554.70 of unrealized appropriated revenue from Lynch / 11E interest income, Lynch / 11E principal, and ad valorem taxes,

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. By approval of this Resolution, the DIA in its capacity as the CRA for the Combined Northbank CRA effectuates through Exhibit 1 the following reductions in revenue and expense budgets:

Reduction in Revenue:

NB Courthouse Reef Parking	\$27,963.86
Property Taxes - Northwest TID	\$15,492.00
Loan Repayment 2014-504 Lynch 11E (Int.)	\$13,724.07
Loan Repayment 2014-504 Lynch 11E (Princ.)	<u>\$3,338.63</u>
	\$60,518.56

Reduction in Expenses:

NB Façade Grant Program:	\$32,554.70
NB Courthouse Garage – Operating Expense	<u>\$27,963.86</u>
	\$60,518.56

Section 3. The CEO is authorized and instructed to take all necessary action to effectuate the purpose of this Resolution, including execution of BT forms if necessary.

Section 5. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Jim Citrano, Jr. Chair

_____ Date

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

SUPPLEMENTAL INFORMATION

**RESOLUTION 2023-11-10: END OF YEAR NORTHBANK RECONCILIATION
MEMORANDUM**



DOWNTOWN INVESTMENT AUTHORITY

117 West Duval Street #310, Jacksonville, Florida 32202
(904) 255-5302 | <https://dia.coj.net/>

MEMORANDUM

TO: DIA Board Members

THROUGH: Jim Citrano, Chair

FROM: Lori Boyer, Chief Executive Officer

RE: Northbank CRA Year End Adjustment

DATE: November 15, 2023

To provide more details of the year-end adjustments needed of the Northbank CRA budget; Resolution 2023-11-10 is being submitted to the Board for approval. As listed below this Resolution will de-appropriate Revenue that fell short of budget and de-appropriate expenses to offset the shortfall that total \$60,518.56:

- Property Tax Revenues:** *For the combined Northbank Community Redevelopment Area Fiscal Year 2022-2023 budgeted ad valorem revenue was over actual ad valorem revenue received by \$15,492.00. The Northwest Tax Increment District and Northeast Tax Increment District budgeted ad valorem revenues are combined into a single FUND in the City's 1CLOUD accounting system^{1, 2}.*
- NB Courthouse Reef Parking Revenue:**

Budgeted	_____	\$225,000
Actual Received	_____	\$197,036.14
Revenue Shortfall	_____	-\$27,963.86

(Note: This shortfall will be off-set by the NB Courthouse Garage Operating Expense line)

¹ Note: the Accounting Office and the Budget Office were made aware that FY 22-23 actual ad valorem revenue postings between the Northwest and Northeast T.I.D.s. seemed to be incorrect. The effect of this is an appearance in each of the Tax Increment Districts of substantive differences between budgeted ad valorem revenue and actual ad valorem revenue received, with the Northwest T.I.D. appearing to have received actual ad valorem revenue of approximately \$1.2M over budget and, conversely, the Northeast T.I.D. actual ad valorem revenue of approximately \$1.2M less than budget. However, this is not the case and, since T.I.D.s are combined into a single FUND within the Northbank C.R.A. the surplus and shortfall offset each other when viewed through the single FUND. For the single Northbank FUND, actual ad valorem received is \$15,492 less than budgeted within the FUND.

² Taxable values in 2023 each T.I.D. increased taxable value over 2022. A review of each DR-420TIF forms as provided by the Property Appraiser's office shows: Northwest: 2022 tax increment value \$742,172,640; 2023 tax increment value - \$879,422,734, and Northeast: 2022 tax increment value \$317,795,717; 2023 tax increment value \$431,667,846.

- Loan Repayment Lynch Int/Princ:**
 Budgeted _____ \$663,498.35
 Actual Received _____ \$646,435.65
Revenue Shortfall _____ -\$17,062.70
(Note: Budgeted amount was mis-calculated).

In order to offset the budget for the shortfalls in the Revenue accounts, the following Expense accounts are proposed to be de-appropriated for FY23:

- NB Façade Grant Program:**
 Balance at FY23 Yr. End _____ \$904,636
 Reduction Amount _____ -\$32,554.70 (\$15,492+\$17,062.70)
 Remaining Balance _____ -\$872,081.30
- NB Courthouse Garage -Operating Expense:**
 Balance at FY23 Yr. End _____ \$195,863.69
 Reduction Amount _____ -\$27,963.86
 Remaining Balance _____ \$167,899.83

Upon approval, a CRA BT will be submitted to our Budget Office for processing.

Attachments:

Northwest Tax Increment Adjustment Worksheet (DR-420TIF)
Northeast Tax Increment Adjustment Worksheet (DR-420TIF)



Reset Form

Print Form

TAX INCREMENT ADJUSTMENT WORKSHEET

Year : 2023	County : DUVAL
Principal Authority : DUVAL BCC/CITY OF JACKSONVILLE	Taxing Authority : GENERAL GVMNT EXCLUDING BEACHES & BALDWIN
Community Redevelopment Area : USD1B Downtown North Bank West	Base Year : 1981

SECTION I : COMPLETED BY PROPERTY APPRAISER

1.	Current year taxable value in the tax increment area	\$	1,094,059,157	(1)
2.	Base year taxable value in the tax increment area	\$	214,636,423	(2)
3.	Current year tax increment value <i>(Line 1 minus Line 2)</i>	\$	879,422,734	(3)
4.	Prior year Final taxable value in the tax increment area	\$	956,809,063	(4)
5.	Prior year tax increment value <i>(Line 4 minus Line 2)</i>	\$	742,172,640	(5)

SIGN HERE	Property Appraiser Certification	I certify the taxable values above are correct to the best of my knowledge.		
	Signature of Property Appraiser : Electronically Certified by Property Appraiser	Date :	6/23/2023 10:56 AM	

SECTION II: COMPLETED BY TAXING AUTHORITY Complete EITHER line 6 or line 7 as applicable. Do NOT complete both.

6. If the amount to be paid to the redevelopment trust fund IS BASED on a specific proportion of the tax increment value:				
6a.	Enter the proportion on which the payment is based.		95.00 %	(6a)
6b.	Dedicated increment value <i>(Line 3 multiplied by the percentage on Line 6a)</i> If value is zero or less than zero, then enter zero on Line 6b	\$	835,451,597	(6b)
6c.	Amount of payment to redevelopment trust fund in prior year	\$	8,069,866	(6c)
7. If the amount to be paid to the redevelopment trust fund IS NOT BASED on a specific proportion of the tax increment value:				
7a.	Amount of payment to redevelopment trust fund in prior year	\$	0	(7a)
7b.	Prior year operating millage levy from Form DR-420, Line 10		0.0000 per \$1,000	(7b)
7c.	Taxes levied on prior year tax increment value <i>(Line 5 multiplied by Line 7b, divided by 1,000)</i>	\$	0	(7c)
7d.	Prior year payment as proportion of taxes levied on increment value <i>(Line 7a divided by Line 7c, multiplied by 100)</i>		0.00 %	(7d)
7e.	Dedicated increment value <i>(Line 3 multiplied by the percentage on Line 7d)</i> If value is zero or less than zero, then enter zero on Line 7e	\$	0	(7e)

S I G N H E R E	Taxing Authority Certification	I certify the calculations, millages and rates are correct to the best of my knowledge.		
	Signature of Chief Administrative Officer : Electronically Certified By Taxing Authority	Date :	7/27/2023 1:34 PM	
	Title : KAREN BOWLING, CHIEF ADMINISTRATIVE OFFICER	Contact Name and Contact Title :	ANGELA MOYER, BUDGET OFFICER	
	Mailing Address : 117 W DUVAL ST, STE 325	Physical Address :	117 W DUVAL ST, STE 325	
	City, State, Zip : JACKSONVILLE, FL 32202	Phone Number :	9042555286	Fax Number :

TAX INCREMENT ADJUSTMENT WORKSHEET INSTRUCTIONS

Property appraisers must complete and sign Section I of this worksheet and provide it with form DR-420, *Certification of Taxable Value*, to all taxing authorities who make payments to a redevelopment trust fund under:

- s. 163.387(2)(a), Florida Statutes, or
- An ordinance, resolution, or agreement to fund a project or to finance essential infrastructure.

“Tax increment value” is the cumulative increase in taxable value from the base year to the current year within the defined geographic area. It is used to determine the payment to a redevelopment trust fund under:

- s. 163.387(1), F.S. or
- An ordinance, resolution, or agreement to fund a project or finance essential infrastructure. In this case, the taxing authority must certify the boundaries and beginning date to the property appraiser.

“Dedicated increment value” is the portion of the tax increment value used to determine the payment to the redevelopment trust fund. (See s. 200.001(8)(h), F.S.) Calculate the dedicated increment value on this form and enter on either Line 6b or Line 7e.

“Specific proportion,” used to determine whether to complete Line 6 or Line 7, refers to the calculation of the tax increment payment. Examples:

- Example 1.
Section.163.387(1), F.S., states the payment made by the taxing authority should equal 95% of the millage levied times the tax increment value. The specific proportion in this case is 95%. The ordinance providing for the payment may set a percentage lower than 95%. In these cases, the lower percentage would be the specific proportion.
- Example 2.
Some required tax increment payments are not directly related to the tax increment value. A constant dollar payment is a payment not based on a specific proportion of the tax increment value. Line 7 converts these payments into a proportion based on the prior year's payment and tax increment value to reach the current year's dedicated increment value.

Section I: Property Appraiser

A. Complete Section I of this form for each county, municipality, independent special district, dependent special district, and MSTU that:

- Has a tax increment value and
- Is not exempted from making payments to a community redevelopment trust fund based on tax increments (s. 163.387(2)(c), F.S.).

If a taxing authority has more than one tax increment value, they must complete a separate form for each tax increment value. Send a copy to each taxing authority with the DR-420 and keep a copy. When the taxing authority returns the completed forms, immediately send the original to:

Florida Department of Revenue
Property Tax Oversight Program - TRIM Section
P. O. Box 3000
Tallahassee, Florida 32315-3000

B. Enter only tax increment values that apply to the value located within the taxing authority indicated.

Section II: Taxing Authority

Complete Section II of the form, keep one copy, and return the original and one copy to your property appraiser with DR-420 within 35 days of certification. Send one copy to your tax collector.

Additional Instructions for Lines 6 and 7

Complete Line 6 if the payment into the redevelopment trust fund is a specific proportion of the tax increment value.

Complete Line 7 if the payment is based on a calculation other than a specific proportion. Do not complete both Lines 6 and 7.



Reset Form

Print Form

TAX INCREMENT ADJUSTMENT WORKSHEET

Year : 2023	County : DUVAL
Principal Authority : DUVAL BCC/CITY OF JACKSONVILLE	Taxing Authority : GENERAL GVMNT EXCLUDING BEACHES & BALDWIN
Community Redevelopment Area : USD1C Downtown North Bank East	Base Year : 1984

SECTION I : COMPLETED BY PROPERTY APPRAISER

1.	Current year taxable value in the tax increment area	\$	633,411,392	(1)
2.	Base year taxable value in the tax increment area	\$	201,743,546	(2)
3.	Current year tax increment value <i>(Line 1 minus Line 2)</i>	\$	431,667,846	(3)
4.	Prior year Final taxable value in the tax increment area	\$	519,539,263	(4)
5.	Prior year tax increment value <i>(Line 4 minus Line 2)</i>	\$	317,795,717	(5)

SIGN HERE	Property Appraiser Certification	I certify the taxable values above are correct to the best of my knowledge.		
	Signature of Property Appraiser : Electronically Certified by Property Appraiser	Date : 6/23/2023 10:56 AM		

SECTION II: COMPLETED BY TAXING AUTHORITY Complete EITHER line 6 or line 7 as applicable. Do NOT complete both.

6. If the amount to be paid to the redevelopment trust fund IS BASED on a specific proportion of the tax increment value:

6a.	Enter the proportion on which the payment is based.		95.00 %	(6a)
6b.	Dedicated increment value <i>(Line 3 multiplied by the percentage on Line 6a)</i> If value is zero or less than zero, then enter zero on Line 6b	\$	410,084,454	(6b)
6c.	Amount of payment to redevelopment trust fund in prior year	\$	3,458,316	(6c)

7. If the amount to be paid to the redevelopment trust fund IS NOT BASED on a specific proportion of the tax increment value:

7a.	Amount of payment to redevelopment trust fund in prior year	\$	0	(7a)
7b.	Prior year operating millage levy from Form DR-420, Line 10		0.0000 per \$1,000	(7b)
7c.	Taxes levied on prior year tax increment value <i>(Line 5 multiplied by Line 7b, divided by 1,000)</i>	\$	0	(7c)
7d.	Prior year payment as proportion of taxes levied on increment value <i>(Line 7a divided by Line 7c, multiplied by 100)</i>		0.00 %	(7d)
7e.	Dedicated increment value <i>(Line 3 multiplied by the percentage on Line 7d)</i> If value is zero or less than zero, then enter zero on Line 7e	\$	0	(7e)

S I G N H E R E	Taxing Authority Certification	I certify the calculations, millages and rates are correct to the best of my knowledge.		
	Signature of Chief Administrative Officer : Electronically Certified By Taxing Authority	Date : 7/27/2023 1:34 PM		
	Title : KAREN BOWLING, CHIEF ADMINISTRATIVE OFFICER	Contact Name and Contact Title : ANGELA MOYER, BUDGET OFFICER		
	Mailing Address : 117 W DUVAL ST, STE 325	Physical Address : 117 W DUVAL ST, STE 325		
	City, State, Zip : JACKSONVILLE, FL 32202	Phone Number : 9042555286	Fax Number :	

TAX INCREMENT ADJUSTMENT WORKSHEET INSTRUCTIONS

Property appraisers must complete and sign Section I of this worksheet and provide it with form DR-420, *Certification of Taxable Value*, to all taxing authorities who make payments to a redevelopment trust fund under:

- s. 163.387(2)(a), Florida Statutes, or
- An ordinance, resolution, or agreement to fund a project or to finance essential infrastructure.

“Tax increment value” is the cumulative increase in taxable value from the base year to the current year within the defined geographic area. It is used to determine the payment to a redevelopment trust fund under:

- s. 163.387(1), F.S. or
- An ordinance, resolution, or agreement to fund a project or finance essential infrastructure. In this case, the taxing authority must certify the boundaries and beginning date to the property appraiser.

“Dedicated increment value” is the portion of the tax increment value used to determine the payment to the redevelopment trust fund. (See s. 200.001(8)(h), F.S.) Calculate the dedicated increment value on this form and enter on either Line 6b or Line 7e.

“Specific proportion,” used to determine whether to complete Line 6 or Line 7, refers to the calculation of the tax increment payment. Examples:

- Example 1.
Section.163.387(1), F.S., states the payment made by the taxing authority should equal 95% of the millage levied times the tax increment value. The specific proportion in this case is 95%. The ordinance providing for the payment may set a percentage lower than 95%. In these cases, the lower percentage would be the specific proportion.
- Example 2.
Some required tax increment payments are not directly related to the tax increment value. A constant dollar payment is a payment not based on a specific proportion of the tax increment value. Line 7 converts these payments into a proportion based on the prior year's payment and tax increment value to reach the current year's dedicated increment value.

Section I: Property Appraiser

A. Complete Section I of this form for each county, municipality, independent special district, dependent special district, and MSTU that:

- Has a tax increment value and
- Is not exempted from making payments to a community redevelopment trust fund based on tax increments (s. 163.387(2)(c), F.S.).

If a taxing authority has more than one tax increment value, they must complete a separate form for each tax increment value. Send a copy to each taxing authority with the DR-420 and keep a copy. When the taxing authority returns the completed forms, immediately send the original to:

Florida Department of Revenue
Property Tax Oversight Program - TRIM Section
P. O. Box 3000
Tallahassee, Florida 32315-3000

B. Enter only tax increment values that apply to the value located within the taxing authority indicated.

Section II: Taxing Authority

Complete Section II of the form, keep one copy, and return the original and one copy to your property appraiser with DR-420 within 35 days of certification. Send one copy to your tax collector.

Additional Instructions for Lines 6 and 7

Complete Line 6 if the payment into the redevelopment trust fund is a specific proportion of the tax increment value.

Complete Line 7 if the payment is based on a calculation other than a specific proportion. Do not complete both Lines 6 and 7.

**GATEWAY JAX
SUPPLEMENTAL INFORMATION**

Staff Report Applies to Resolutions

2023-11-06

2023-11-07

2023-11-08

2023-11-09

GATEWAY PEARL STREET DISTRICT

**Staff Report for the DIA Strategic Implementation Committee
November 9, 2023**

APPLICANT/DEVELOPER:

Gateway Companies, LLC

Bryan Moll – President
Eric Shullman – VP Development

JWBDF LLC – Manager of Gateway Companies LLC

JWB Real Estate Capital LLC – Manager of JWBDF LLC
Adam Rigel – Manager of JWB Real Estate Capital LLC
Alex Sifakis – Manager of JWB Real Estate Capital LLC
Gregory Cohen – Manager of JWB Real Estate Capital LLC
Adam Eisman - Manager of JWB Real Estate Capital LLC

DLP Jax Ventures LLC – Manager of Gateway Companies LLC

DLP Capital Partners LLC– Manager of DLP Jax Ventures LLC
Real Estate Capital Inc. - Manager of DLP Capital Partners LLC
Donald Wenner – President of DLP Real Estate Capital Inc.
Robert Peterson – Treasurer of DLP Real Estate Capital Inc.
Barry DeGroot – Sec of DLP Real Estate Capital Inc.

PROJECT SUMMARY:

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.

Per the Developer:

The Pearl Street District creates a true neighborhood destination with activation that supports 18 hour a day vibrancy. Over five city blocks the project brings more than 1,000 residential units and a variety of amenities in distinct buildings that each cater to a different audience. Public spaces established on either side of the Porter House Mansion draw energy from the City Center into a ground-floor corridor programmed with retail and restaurants. The whole project is anchored by Pearl Square - a curbless festival street with a substantial tree canopy to support outdoor dining and placemaking events that will define the North Core. With a private investment of more than \$350,000,000, Gateway Jax seeks partnership with the City through REV and completion grants consistent with the public investment policy and tiers analysis detailed below.

The following represents the aggregate development proposal from Gateway and the request from DIA and the City:

- Multifamily – Approximately 1,021 units.
- Retail – Over 100,000 gross square feet of retail space created with 85,488 square feet leasable space; requires a minimum of one restaurant offering outdoor dining within each building.
- Pearl Square – Improvements within Pearl Street designed to host destination placemaking programming such as “farmers markets, art festivals and pop-up events that can spill into the curbsless street.”
- Minimum Private Capital Investment: \$373,722,700 100.0%
- Minimum Equity Commitment: \$ 76,282,700 20.4%
- REV Grant Maximum Indebtedness: \$ 59,628,000 16.0%
- Completion Grant Maximum Funding: \$ 38,946,000 11.9%

The request for additional funding beyond DIA approved programs requires use of the Tiers System approach as approved in the 2022 BID Plan update. Additional information on the contributions to BID Goals, Strategic Objectives, and Performance Measures is detailed for each of the four components in this Staff Report and the Ex A Term Sheet to each Resolution.



COMPONENT SUMMARY:

N4 – New Construction, mixed-use, seven story building, between Union Street and Beaver Street.

- Multifamily – Approximately 281 units including studio, one-bedroom, two-bedroom units, and three-bedroom units.
- Retail – 19,155 square feet leasable space including at least one restaurant offering outdoor dining.
- Minimum Private Capital Investment: \$89,563,000 100.0%
- Minimum Equity Commitment \$17,912,600 20.0%
- REV Grant Maximum Indebtedness: \$14,105,000 15.7%
- Completion Grant Maximum Funding: \$ 6,844,000 7.6%
- Est. Commencement of Construction: February 2025
- Est. Substantial Completion: April 2027

N5 – Adaptive reuse, mixed-use, five story parking garage between Union Street and Beaver Street.

- Garage – Approximately 680 parking spaces, to be used primarily to service the needs of the related Gateway multifamily developments.
- Retail – Approximately 15,000 square feet of reprogrammed space from within the existing garage.
- Minimum Private Capital Investment: \$10,254,700 100.0%
- Minimum Equity Commitment \$ 3,589,100 35.0%
- REV Grant Maximum Indebtedness: \$ 2,574,000 25.2%
- Completion Grant Maximum Funding: \$ 1,906,000 18.6%
- Est. Commencement of Construction: April 2025
- Est. Substantial Completion: April 2027

N8 – New Construction, mixed-use, twenty-two story building, between Beaver Street and Ashley Street.

- Multifamily – Approximately 535 units including studio, one-bedroom, two-bedroom units, and approximately 141 short-term rental units.
- Retail – 30,000 square feet leasable space including at least one restaurant offering outdoor dining.
- Pearl Square – Improvements within Pearl Street designed to host destination placemaking programming such as farmers markets, art festivals and pop-up events that can spill into the curbside street.
- Porter House Park – Estimated at 18,150 square feet with programming and activation coordinated with Parks Department and Cultural Council.
- Minimum Private Capital Investment: \$215,697,000 100.0%
- Minimum Equity Commitment \$43,139,400 20.0%
- REV Grant Maximum Indebtedness: \$33,888,000 39.6%
- Completion Grant Maximum Funding: \$25,557,000 11.9%
- Est. Commencement of Construction: December 2024
- Est. Substantial Completion: October 2027

N11 – New construction, mixed-use, seven story building, adjacent to the Porter House mansion at the corner of Church Street and Pearl Street.

- Multifamily – Approximately 205 units including studio, one-bedroom, and two-bedroom units.
- Retail – 21,333 square feet including at least one restaurant offering outdoor dining.

- Porter House Park – Estimated at 18,150 square feet with programming and activation coordinated with Parks Department and Cultural Council.
- Minimum Private Capital Investment: \$58,208,000 100.0%
- Minimum Equity Commitment \$11,641,600 20.0%
- REV Grant Maximum Indebtedness: \$ 9,061,000 15.6%
- Completion Grant Maximum Funding: \$ 4,639,000 7.9%
- Est. Commencement of Construction: October 2024
- Est. Substantial Completion: October 2026

DEVELOPER ENTITY:

Gateway Companies, LLC

Gateway Jax was formed as an entity in May 2022 by JWB Real Estate Capital and DLP Capital, to acquire and develop property within Downtown Jacksonville, namely. It has since purchased 22 acres of property, totaling more than 20 blocks, within Jacksonville’s downtown core including the subject sites. Gateway Jax expects to break ground on these properties in the third quarter of 2024 representing the start of redevelopment efforts of current sites with overall value of \$2 billion to occur over the next decade.

Gateway’s vision centers on the creation of “dynamic and interconnected, walkable neighborhoods that will invigorate downtown Jacksonville. Streetscape designs will encourage connectivity including public spaces, courtyards, and sidewalk cafes. In addition to multifamily and retail, future development phases are expected to include office, hotel, and other mixed-uses. Development goals will also include creating pedestrian flows along green corridors leading to the public waterfront’s cultural and recreational amenities, complementing the city’s 30-mile Emerald Trail that will encircle the urban core. Gateway Jax’s development will also pay homage—through design, art, and architecture—to the rich history and culture of micro-neighborhoods.”

The Gateway Jax track record of success not only includes the \$4-billion Water Street Tampa mixed-use development and National Landing mixed-use project underway in Arlington with Amazon’s HQ2, but prolific community development on a regional level. The sponsors, DLP Capital and JWB Real Estate Capital are also very active in philanthropic and community initiatives aimed at improving the lives and livelihoods of Floridians, as well as residents of other communities across the US.

Bryan Moll – President and CEO; Mr. Moll is an experienced leader of urban master development from two stints with JBG Smith of Chevy Chase Maryland covering more than thirteen years and overseeing numerous developments of varying complexities and product types. Prior to coming to Jacksonville in August 2022 to help establish Gateway Jax, Moll was Executive Vice-president for JBG Smith in the Washington DC market . For two years, October 2016 to October 2018, Moll was also Executive Vice President at Strategic Property Partners in Tampa Florida helping to lead the highly acclaimed Water Street District redevelopment. Moll is a 2004 graduate of the University of Colorado – Boulder, with a B-ENVD in Urban Planning and Real Estate.

Eric Shullman – Vice-president, Head of Development: Mr. Shullman joined the Gateway Jax team in November 2022. He is a graduate of Princeton University with a BSE in Civil Engineering, Architecture and Management Systems, and has more than seven years of development experience in progressively senior roles with JBG Smith and CRC Companies in Washington DC and surrounding areas.

JWB Real Estate Capital

JWB Real Estate Capital was founded in 2006 in Jacksonville and has grown into one of the premier development companies in Northeast Florida. Its core business is providing passive real estate investments for its clients across the globe, and JWB currently has over \$1.3 billion of assets under management for those clients. JWB is a leader in the affordable housing space, currently developing over 2,300 single family lots and 1,300 multifamily units. With over 5,400 units under management, affiliated company JWB Property Management is the largest single-family property management company in Jacksonville. JWB has been named to the Inc. 5000 list 11 times, named a Best Places to Work eight times, and in 2022 was named a Florida EY Entrepreneur of the Year award winner.

DLP Capital

DLP Capital is a private, diversified real estate investment firm with core focus on investing in, developing, and financing attainable housing for America's workforces, including multifamily and single-family rental homes. The firm's portfolio is capitalized via a series of evergreen investment funds for accredited investors, each of which has provided superior year-over-year consistent returns since inception. With more than \$5 billion of assets under management, DLP Capital has been on the Inc. 5000 list of "Fastest Growing Private Companies in America" for 11 consecutive years. DLP Capital is headquartered in St. Augustine, FL, with offices in Allentown, PA and Asheville, NC.

INDIVIDUAL PROJECT DETAILS:

Parcel N4 will be the gateway to Pearl Street from Union Street and will anchor the northern end of the Pearl Street development. The site will provide approximately 281 units on top of more than 19,000 sf of retail space. The building is proposed to be a 5-story wood over two story concrete podium concrete construction and is being designed by Boston-based Elkus Manfredi Architects with landscape design by Chicago-based Hoerr Schaudt Landscape Architects.

Compared to other buildings in the Pearl Street development, the residential unit mix at N4 will skew towards relatively larger one-bedroom units and a higher concentration of two-bedroom and three-bedroom units, catering to those who prefer more space for the value. Many units will include dens or areas for workspaces. The project will deliver two levels of above grade parking along Union Street, yielding approximately 73 spaces. The remaining residential parking demand will be satisfied by Gateway Jax's existing Pearl Street garage (N5 parcel) directly across the street.

Development cost as presented, net of financing costs, total \$98,466,000, or \$350.58 for the approximately 280,900 sf property. After excluding tenant improvements, marketing costs, leasing commissions, property management start-up costs, misc. ownership expenses, development fee, and costs attributable to year's table commitments, the total is the Minimum Private Capital commitment of \$89,563,000, or \$318.88 sf.

Further eliminations of land costs, other hard costs (FF&E), third-party costs, permits and licensing, insurance and title, property taxes, utilities, legal and accounting construction management fee, master plan A&E, and soft cost contingency, the amount was reduced to \$81,078,000 for use as Construction Cost in the REV Grant calculation, \$288.67 sf.

- Rental rates are projected at \$2.65 square foot in 2023 dollars, increasing to \$2.70 by the placed-into-service date. The unit mix as proposed provides 40 Studio, 184-1 BR, 51-2 BR, and 6-3 BR units.
- Retail is projected to provide Full-Service Gross Rent of \$48.08 sf (\$34 NNN, and \$14 CAM).
- Effective Gross Income is projected at \$8,000,000 with NOI projected to total \$6,580,000 upon lease up.

Parcel N5 is an existing, 221,244 sf, reinforced concrete, five story parking garage formerly owned and used by the First Baptist Church of Jacksonville. With its iconic lighthouse on the northwest corner adjacent to Union Street, the garage is a readily identifiable landmark known to people all across Jacksonville that traverse Union Street as they head west towards Historic Eastside, the Sports and Entertainment District, Arlington, or the beaches. The 809-space garage remained largely unutilized until its acquisition by a JWB Capital related entity in December 2021 for \$5,924,000, or \$7,323 per space. An appraisal of the garage prepared by First Coast Appraisal and dated August 27, 2021 provides a value “as-is” of \$8,000,000, or \$9,888 per spot.

The parking component of N5 is highly integral to the overall development plan, as it minimizes the amount of parking that might otherwise be incorporated into the multifamily buildings at a cost of more than \$25,000 per space.

Because of this consideration, the parking garage was viewed from multiple perspectives for analysis including the traditional Cost Approach, its change in valuation from sale to a for-profit entity, and also based on its increasing value as utilization increases by the multifamily developments in the Pearl District. These factors were integral to the decisions of Gateway to embark on this multiparcel master redevelopment plan, and factor into the incentive calculations for both the REV Grant and the Completion Grant.

From a cost perspective, the acquisition cost of \$5,924,000, plus proposed construction costs of \$6,669,000 total \$12,593,000, or \$56.92 sf for the full garage property including retail space. Redevelopment plans for the property call for the conversion of approximately 15,000 sf facing Beaver Street to retail, to further activate the Pearl Street District in alignment with DIA BID Plan goals and objectives. Elimination of tenant improvement costs and costs proposed to be incurred to meet Tiers Table requirements, provides a Minimum Private Capital amount of \$10,254,700, . After further elimination of the acquisition cost, the Construction Cost considered for REV Grant calculation is \$4,330,000, or 288.67 per square foot.

The property value per the Duval County Property appraiser jumped from \$481,822 before its purchase in 2021 to \$4,449,000 in 2022. It is expected that due to its growing use, the value of the property will continue to climb based on its increased NOI, projected to equal more than \$672,000 annually one the multifamily developments become occupied, and renters are utilizing these spaces at \$150 per space per month.

Due to the projected increase in property taxes, beyond the standard 2% growth per year, and because this property saves the developer, the DIA, and the CITY significant funding by utilizing and redeveloping the property for shared use parking and reducing the cost of constructing new parking facilities, a combined NOI plus cost approach is utilized in the calculation of projected ad valorem benefit to the City. In that approach, the total value is estimated at \$9,721,000, in the year of completion, following lease up of the retail space, and utilization by monthly parkers. Notably, this approach caps the value of the underlying garage to 10% annually, while the new construction component is valued at its minimum required Construction Costs of \$4,330,700.

By the 10th year, the value of the parking facility growing at 10% annually, reaches the Income Approach value growing at 2% annually, and growth from that point is capped at 2% consistent with the traditional approach and consistent with the growth applied to the improvements throughout the REV term.

Parcel N8 will form the center of the Pearl Street District and its retail and public realm will define the areas “heart.” The site encompasses a full city block and is expected to yield 394 apartment units and 141 short term rental units over 60,000 sf of retail (30,000 sf ground floor) in an approximately 22 story concrete building. The building is being designed by New York-based Morris Adjmi Architects with Stantec serving as the architect of record and Hoerr Schaudt Landscape Architects as the landscape architect.

Relative to other buildings in the Pearl Street development, the unit mix will skew towards smaller unit types and smaller-sized units, attracting those who value the sizable 10,000 sf amenity program over in-unit space. The building’s unit program is rounded out by approximately 141 furnished, short term rental units to appeal to corporate users, extended stay visitors, and remote workers.

Those who desire to work from home are anticipated to use the amenity area’s expansive coworking options. The unit finishes and quantity and quality of amenities in N8 will set the top of market for Pearl Street when delivered. The project will deliver approximately 176 parking spaces in an above grade garage, with the remaining residential parking demand satisfied by Gateway Jax’s existing Pearl Street garage (N5 parcel) catty-corner to the site.

Development cost as presented, net of financing costs, total \$242,047,000, or \$463.42 sf for the approximately 522,300 sf property. After excluding tenant improvements, marketing costs, leasing commissions, property management start-up costs, misc. ownership expenses, development fee, and costs attributable to year’s table commitments, the total is the Minimum Private Capital commitment of \$89,563,000, or \$412.97 sf.

Further eliminations of land costs, other hard costs (FF&E), third-party costs, permits and licensing, insurance and title, property taxes, utilities, legal and accounting construction management fee, master plan A&E, and soft cost contingency, the amount was reduced to \$81,078,000 for use as Construction Cost in the REV Grant calculation, \$376.05 sf.

- Rental rates are projected at \$2.75 square foot in 2023 dollars, increasing to \$2.81 by the placed-into-service date. The unit mix as proposed provides 86 Studio, 242-1 BR, 66-2 BR, and 141 Short Term rental units, fully furnished.
- Retail is projected to provide Full-Service Gross Rent of \$63.03 sf (\$33 NNN, and \$30 CAM).
- Effective Gross Income is projected at \$18,777,000 with NOI projected to total \$12,893,000 upon lease up.

Parcel N11 will be the first-to-market building on Pearl Street and will anchor the southern end of the neighborhood by delivering an activated public green space around the adjacent historic Porter House mansion. The site encompasses 0.99 acres and is expected to yield 205 units over 20,000 sf of ground floor retail in approximately 5 floors of wood frame over 2 floors of concrete podium construction. The project is being designed by Maryland-based SK+I Architecture with landscape design by Hoerr Schaudt Landscape Architects. Relative to other buildings in the Pearl Street development, the units and amenities at N11 will be the most value-oriented

product, seeking to appeal to those renters who are willing to be the first movers of the new district. A 2,000 sf amenity area will connect to an intimately scaled outdoor courtyard.

All residential parking demand satisfied by Gateway Jax's existing Pearl Street garage (N5 parcel) one block north on Pearl Street.

Development cost as presented, net of financing costs, total \$66,184,000, or \$345.90 sf for the approximately 191,350 sf property. After excluding tenant improvements, marketing costs, leasing commissions, property management start-up costs, misc. ownership expenses, development fee, and costs attributable to year's table commitments, the total is the Minimum Private Capital commitment of \$58,208,000, or \$304.20 sf.

Further eliminations of land costs, other hard costs (FF&E), third-party costs, permits and licensing, insurance and title, property taxes, utilities, legal and accounting construction management fee, master plan A&E, and soft cost contingency, the amount reduces to \$51,639,000 for use as Construction Cost in the REV Grant calculation, \$269.87 sf.

- Rental rates are projected at \$2.50 square foot in 2023 dollars, increasing to \$2.55 by the placed-into-service date. The unit mix as proposed provides 44 Studio, 137-1 BR, and 24-2 BR units.
- Retail is projected to provide Full-Service Gross Rent of \$46.00 sf (\$33 NNN, and \$13 CAM).
- Effective Gross Income is projected at \$5,387,000 with NOI projected to total \$4,338,000 upon lease up.

UNDERWRITING CONSIDERATIONS:

REV Grants:

- The maximum funding commitment for each Market Rate Multifamily REV Grant is calculated using the traditional methodology of a 20-year time horizon, with 2% growth annually, based on the negotiated minimum cost numbers outlined elsewhere in this staff report.
- The land component of the increasing property value is drawn from the Property Appraisers existing valuation, increasing at 2% annually, and therefore does not incorporate an additional 15% reduction in value.
- Because the Developer assembled this property methodically and strategically under multiple SPE names, so as to not tip off the market of its assemblage activities, the value of the property in the year of acquisition is used as the base amount. However, a term of this approach is that the Developer must commence construction by the fifth year of ownership otherwise the base year will revert to the year prior to that commencement.
- The Developer elected to limit the REV payment period for each parcel to 17 years from the first year of payout following being placed into service in anticipation of growth estimated at 4.25% per year. Although the Maximum REV Indebtedness is calculated at 2% growth, the approximate break even with growth at 4.25% annually is approximately 17 years. If successful in achieving full payout in that time frame, the TIF will benefit by the remaining three years of incremental ad valorem. If growth is as the DIA projects, the payout will be limited to the payments made over 17 years as opposed to the full 20 years.
- The difference brought about by these calculations is shown in the Best Case (4.25% growth) and Worst Case (2% growth) ROI worksheets prepared for each of the four developments, attached as Ex. A.
- This creates three years of additional ad valorem which is addressed under Completion Grants below.

REV Payments			
Context	Treatment	Rationale	City Protection
Base Year	Uses the year of acquisition instead of the most recent tax year.	Developer assembled property over time for this purpose and should not be penalized for taking years to acquire properties needed for the master development plan.	Developer has five years from acquisition to commence construction or the base year reverts to the most recent full tax year.
Land Value	Land is excluded from the 85% assessment assumption calculation.	The value for land uses the Property Appraiser's value and is already discounted.	As the property is already discounted, further discounting is not needed, and the value can grow at a maximum of 10% per year.
Construction Value	Most soft costs are excluded to achieve a number closer to the value per square foot found in similar properties.	Using full construction costs provided by the developer introduces variable soft costs and establishes the taxable value higher than similar properties.	The approach used is consistent with other MF REV calculations and is the more conservative approach.
FF&E, Leasehold Improvements	Moved from the construction budget to the 5- & 10-year rows of Tangible Personal Property section.	Moving these items to the TPP section provides beneficial consideration to property taxes collected, but in alignment with how they are treated by the property appraiser.	If not incurred and contributing to tax value, REV payout will be reduced accordingly.
Tax Estimate 4.25% Tab	Used to determine the year where maximum indebtedness would be reached (approximately) if valuation growth meets Developer expectations.	Reconciles the aggressive growth expectations of the Developer with the conservative growth expectations of the DIA.	REV payment is based on the 2% growth schedule and developer is at risk if the maximum indebtedness is not reached by the end of the 17 th year. Any remaining REV funding commitment would then be forgone.
Maximum growth of 10% in assessed value applied to garage component of N5.	Forecast assessed value of parking garage component is increased at the maximum rate of 10% per year as NOI increases dramatically when residential units are brought online. The retail space uses the Construction Cost approach and increases at 2% per year.	The garage saves the Developer money by not having to construct spaces within the multifamily buildings (\$7,500 vs \$25,000 per space). The higher cost would otherwise be eligible for REV payout if spaces had been built in mixed-use properties. The approach incentivizes redevelopment and shared use of underutilized garages in our Downtown.	As the assessed value approaches the full NOI value in year 10, the annual increase drops to 2% per norm. Approach limited to tiers eligible properties that incorporate multifamily, mixed-use properties, with underutilized garages. Assumptions and methodology confirmed with Property Appraisers office.

Completion Grants:

- Funding for Completion grants for each component is derived from three sources:
 1. The projected Local Option Sales Tax as approved in Resolution 2023-09-01 by the DIA Board, which limits those projected amounts to 75% of the gross calculation, and also incorporates a 10% vacancy factor for such leasable space made available in each component.
 2. This calculation is limited to a ten-year period.
 3. Other requirements and limitations as approved by the Resolution are incorporated.
- The 25% portion of incremental Ad Valorem is included in the maximum Completion Grant amount.
- Of the three forgone final years from the REV Grant period detailed above, 50% of what would be paid in the final three years is awarded as a Completion grant, effectively splitting that amount between DIA and the Developer. *Note:* If the growth rate is 2% as the DIA expects and uses in its model, only 50% of the final 3 three years incremental ad valorem will have been paid out (Worst Case Scenario). If growth is 4.25 as the Developer anticipates, Developer will have earned the full Maximum REV payment by year 17, and the Completion Grant would equate to less than 50% of the final three years of incremental ad valorem, wherein the remainder would be accretive to the TIF. See the ROI Calculations for Best Case (4.25% Growth) and Worst Case (2% Growth) attached in Exhibit A.

Completion Grant			
Context	Treatment	Rationale	City Protection
CG 1 – Local Option Sales Tax	Equals the projected calculated benefit of LOST and induced taxes from employment. Follows the methodology approved in resolution 2023-09-01.	Incorporation of the speculative LOST remittance is an incentive to provide retail consistent with DIA BID Goal #3.	Only allowed in Tiers eligible developments. Must exceed minimum retail requirements. Max payout reserved until 90% lease-up is achieved. Review of leases to confirm eligibility. Limited to two years following completion. No further incentive funding allowed for retail space buildout. Ground floor, street facing only. Minimum equity requirement of 20%. Business relocation from other Downtown locations is ineligible. Claw back against REV payments if aggregate LOST collection does not meet targets. Vacancy rate for short term stay units increased to 25%. Same claw back treatment applies to additional 1% TDT for short term rental units.
CG – 2 Residual 25%	Equals the 25% residual incremental ad valorem from the REV calculation at the standard 2% growth.	This additional funding is accretive to the CRA and putting it into this development furthers the BID Plan goals as	Only a 64% portion of the 25% delta is paid at completion, which equals 1.1 ROI to the City. The remainder is split 60/40 upon satisfactory lease-

		determined through Tiers Plan analysis.	up within two years of completion, simultaneous with the LOST payments.
CG – 3 Final 3 years of REV payments	50% of the calculated REV payments from the final three years of the standard 20-year methodology using 2% growth rate.	These amounts are 100% accretive to the City as Developer limits payout to 17 years. Keeps REV payout period within life of CRA.	Developer is at risk if 4.25% growth expectations are not achieved. Because payout is limited to 50% of final 3 years REV at 2% growth, DIA/City is repaid 2X if the growth is equal to 2% as projected. If growth is 4.25% as Developer projects, DIA/City is repaid > 3.0X by those final 3 years.

City Council approval is required by these funding levels and Tiers System analysis for Completion Grants. See Exhibit B and Exhibit C for additional information related to the BID Goals and Strategic Objectives achieved by each component of the development, along with Tiers Commitments from each component as required.

DRAFT

Exhibit A:

N4 Best Case Scenario (4.25% Growth)		
\$98.5 Million in Capital Expenditures		
Ad Valorem Taxes Generated		
Incremental County Operating Millage (4.25% Growth)	(1)	\$ 23,605,000
Local Option Sales Tax	(2)	\$ 871,000
Payroll	(3)	\$ 23,000
Add'l Benefits Provided (DESCRIBE HERE)	(4)	\$ -
Total City Expected Benefits		\$ 24,499,000
Total City Investment	(5)	\$ 20,949,000
Return on Investment Ratio		1.17
<p>(1) - The investment from the Company is estimated to be \$ ___M in eligible Capital Contribution for development and \$0 in taxable Tangible Personal Property</p> <p>(2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.</p> <p>(3) - Job estimates are calculated at # of jobs * avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.</p> <p>(4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive</p>		
(5) - City Incentives as follows:		
REV (20 years, 2% growth model)		\$ 14,105,000
Completion Grant		\$ 4,728,000
LOST and Induced Payroll Tax Payout		\$ 894,000
Add'l Comp Grant		\$ 1,222,000
Total Direct Incentives		\$ 20,949,000
Proposed:		
Payout upon completion	\$ 4,238,000	61.9%
Payout upon 60% lease-up	\$ 1,563,600	22.8%
Payout at the earlier of 100% lease-up or 2nd anniversary (Ma	\$ 1,042,400	15.2%
	\$ 6,844,000	100.0%

N4 Worst Case Scenario (2% Growth)
\$98.5 Million in Capital Expenditures

Ad Valorem Taxes Generated			
Incremental County Operating Millage (2% Growth)	(1)	\$ 18,833,000	
Local Option Sales Tax	(2)	\$ 871,000	
Payroll	(3)	\$ 23,000	
Add'l Benefits Provided (DESCRIBE HERE)	(4)	\$ -	
Total City Expected Benefits			\$ 19,727,000
Total City Investment	(5)		\$ 18,505,000
Return on Investment Ratio			1.07

- (1) - The investment from the Company is estimated to be \$___M in eligible Capital Contribution for development and \$0 in taxable Tangible Personal Property
- (2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.
- (3) - Job estimates are calculated at # of jobs * avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.
- (4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive

(5) - City Incentives as follows:

REV (17 Years, 2% Growth Model)	\$ 11,661,000
Completion Grant	\$ 4,728,000
LOST and Induced Payroll Tax Payout	\$ 894,000
Add'l Comp Grant	\$ 1,222,000
Total Direct Incentives	\$ 18,505,000

Proposed:

Payout upon completion	\$ 4,238,000	61.9%
Payout upon 60% lease-up	\$ 1,563,600	22.8%
Payout at the earlier of 100% lease-up or 2nd anniversary (M:	\$ 1,042,400	15.2%
	\$ 6,844,000	100.0%

N5 Best Case Scenario (4.5% Growth)
\$12.6 Million in Capital Expenditures

Ad Valorem Taxes Generated			
Incremental County Operating Millage (4.25% Growth)	(1)	\$ 4,460,000	
Local Option Sales Tax	(2)	\$ 682,000	
Payroll	(3)	\$ 36,000	
Add'l Benefits Provided (DESCRIBE HERE)	(4)	\$ -	
Total City Expected Benefits			\$ 5,178,000
Total City Investment	(5)		\$ 4,480,000
Return on Investment Ratio			1.16

- (1) - The investment from the Company is estimated to be \$12.6M in eligible Capital Contribution for development and \$2.2 in taxable Tangible Personal Property
- (2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.
- (3) - Job estimates are calculated at # of jobs * avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.
- (4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive

(5) - City Incentives as follows:

REV (20 years, 2% growth model)	\$ 2,574,000
Completion Grant	\$ 956,000
LOST and Induced Payroll Tax Payout	\$ 718,000
Add'l Comp Grant	\$ 232,000
Total Direct Incentives	\$ 4,480,000

Proposed:

Payout upon completion	\$ 872,000	45.8%
Payout upon 60% lease-up	\$ 189,600	9.9%
Payout at the earlier of 100% lease-up or 2nd	\$ 844,400	44.3%
	\$ 1,906,000	100.0%

N5 Worst Case Scenario (2% Growth)
\$12.6 Million in Capital Expenditures

Ad Valorem Taxes Generated			
Incremental County Operating Millage (2% Growth)	(1)	\$ 3,530,000	
Local Option Sales Tax	(2)	\$ 682,000	
Payroll	(3)	\$ 36,000	
Add'l Benefits Provided (DESCRIBE HERE)	(4)	\$ -	
Total City Expected Benefits			\$ 4,248,000
Total City Investment	(5)		\$ 4,016,000
Return on Investment Ratio			1.06

- (1) - The investment from the Company is estimated to be \$12.6M in eligible Capital Contribution for development and \$2.2 in taxable Tangible Personal Property
- (2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.
- (3) - Job estimates are calculated at # of jobs * avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.
- (4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive

(5) - City Incentives as follows:

REV (17 Years, 2% Growth Model)	\$ 2,110,000
Completion Grant	\$ 956,000
LOST and Induced Payroll Tax Payout	\$ 718,000
Add'l Comp Grant	\$ 232,000
Total Direct Incentives	\$ 4,016,000

Proposed:		
Payout upon completion	\$ 872,000	45.8%
Payout upon 60% lease-up	\$ 189,600	9.9%
Payout at the earlier of 100% lease-up or 2nd	\$ 844,400	44.3%
	\$ 1,906,000	100.0%

N8 Best Case Scenario 4.25% Growth			
\$242 Million in Capital Expenditures			
Ad Valorem Taxes Generated			
Incremental County Operating Millage (4.25% Growth)	(1) \$	56,744,000	
Local Option Sales Tax	(2) \$	12,659,000	
Payroll	(3) \$	36,000	
Add'l Benefits Provided (DESCRIBE HERE)	(4) \$	-	
Total City Expected Benefits		\$ 69,439,000	
Total City Investment	(5)	\$ 59,445,000	
Return on Investment Ratio		1.17	
<p>(1) - The investment from the Company is estimated to be \$242M in eligible Capital Contribution for development and \$12.1M in taxable Tangible Personal Property</p> <p>(2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.</p> <p>(3) - Job estimates are calculated at # of jobs * avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.</p> <p>(4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive</p>			
(5) - City Incentives as follows:			
REV (20 years, 2% growth model)	\$	33,888,000	
Completion Grant	\$	11,325,000	
LOST and Induced Payroll Tax Payout	\$	11,287,000	
Add'l Comp Grant	\$	2,945,000	
Total Direct Incentives	\$	59,445,000	
Proposed:			
Payout upon completion	\$	10,155,000	39.7%
Payout upon 60% lease-up	\$	9,241,200	36.2%
Payout at the earlier of 100% lease-up or 2nd anniver	\$	6,160,800	24.1%
	\$	25,557,000	100.0%

N8 Worst Case Scenario (2% Growth)
\$242 Million in Capital Expenditures

Ad Valorem Taxes Generated Incremental County Operating Millage (2% Growth)	(1)	\$ 45,213,000	
Local Option Sales Tax	(2)	\$ 12,659,000	
Payroll	(3)	\$ 36,000	
Add'l Benefits Provided (DESCRIBE HERE)	(4)	\$ -	
Total City Expected Benefits			\$ 57,908,000
Total City Investment	(5)		\$ 53,555,000
Return on Investment Ratio			1.08

- (1) - The investment from the Company is estimated to be \$242M in eligible Capital Contribution for development and \$12.1M in taxable Tangible Personal Property
- (2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.
- (3) - Job estimates are calculated at # of jobs * avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.
- (4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive

(5) - City Incentives as follows:

REV (17 Years, 2% Growth Model)	\$ 27,998,000
Completion Grant	\$ 11,325,000
LOST and Induced Payroll Tax Payout	\$ 11,287,000
Add'l Comp Grant	\$ 2,945,000
Total Direct Incentives	\$ 53,555,000

Proposed:		
Payout upon completion	\$ 10,155,000	39.7%
Payout upon 60% lease-up	\$ 9,241,200	36.2%
Payout at the earlier of 100% lease-up or 2nd anniversary (Max)	\$ 6,160,800	24.1%
	\$ 25,557,000	100.0%

N11 Best Case Scenario (4.25% Growth)
\$64.2 Million in Capital Expenditures

N11

Ad Valorem Taxes Generated Incremental County Operating Millage (4.25% Growth)	(1)	\$ 15,192,000	
Local Option Sales Tax	(2)	\$ 810,000	
Payroll	(3)	\$ 26,000	
Add'l Benefits Provided (DESCRIBE HERE)	(4)	\$ -	
Total City Expected Benefits			\$ 16,028,000
Total City Investment	(5)		\$ 13,700,000
Return on Investment Ratio			1.17

- (1) - The investment from the Company is estimated to be \$64.2M in eligible Capital Contribution for development and \$4.8M in taxable Tangible Personal Property
- (2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.
- (3) - Job estimates are calculated at # of jobs * avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.
- (4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive

(5) - City Incentives as follows:

REV (20 years, 2% growth model)	\$ 9,061,000
Completion Grant	\$ 3,023,000
LOST and Induced Payroll Tax Payout	\$ 836,000
Add'l Comp Grant	\$ 780,000
Total Direct Incentives	\$ 13,700,000

Proposed:		
Payout upon completion	\$ 2,704,000	58.3%
Payout upon 60% lease-up	\$ 1,161,000	25.0%
Payout at the earlier of 100% lease-up or 2nd anniversary (Max)	\$ 774,000	16.7%
	\$ 4,639,000	100.0%

N11 Worst Case Scenario (2% Growth)
\$64.2 Million in Capital Expenditures

Ad Valorem Taxes Generated Incremental County Operating Millage (2% Growth)	(1)	\$ 12,084,000	
Local Option Sales Tax	(2)	\$ 810,000	
Payroll	(3)	\$ 26,000	
Add'l Benefits Provided (DESCRIBE HERE)	(4)	\$ -	
Total City Expected Benefits			\$ 12,920,000
Total City Investment	(5)		\$ 12,140,000
Return on Investment Ratio			1.06

- (1) - The investment from the Company is estimated to be \$64.2M in eligible Capital Contribution for development and \$4.8M in taxable Tangible Personal Property
- (2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.
- (3) - Job estimates are calculated at # of jobs * avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.
- (4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive

(5) - City Incentives as follows:

REV (17 Years, 2% Growth Model)	\$ 7,501,000
Completion Grant	\$ 3,023,000
LOST and Induced Payroll Tax Payout	\$ 836,000
Add'l Comp Grant	\$ 780,000
Total Direct Incentives	\$ 12,140,000

Proposed:		
Payout upon completion	\$ 2,704,000	58.3%
Payout upon 60% lease-up	\$ 1,161,000	25.0%
Payout at the earlier of 100% lease-up or 2nd anniversary (Max)	\$ 774,000	16.7%
	<u>\$ 4,639,000</u>	<u>100.0%</u>

Exhibit B – BID Goal and Strategic Objectives Met By project (Tiers System)

	N4	N5	N8	N11
TDC	\$ 89,562,000	\$ 12,593,000	\$ 215,696,000	\$ 58,208,000
Incentives	\$ 21,537,000	\$ 4,805,000	\$ 60,867,000	\$ 14,082,000
	24.0%	38.2%	28.2%	24.2%
Tier 2				
Goal 2 - Residential	281	N/A	535	205
2a - Units	✓		✓	✓
2b - breadth and diversity	✓		✓	✓
2c - shared parking	✓	✓	✓	✓
2d - resilience and flexibility	✓		✓	✓
2e - ADA Fair Housing	X		X	X
2f - Adjacent parks	n/a		n/a	n/a
Goal 3 - Retail, F&B	19,155	15,000	30,000	21,333
3a - Outdoor dining	✓	✓	✓	✓
3b - Expanded open hours	✓	✓	✓	✓
3c - New Restuarant venues	✓	✓	✓	✓
3d - Growth of existing operations	X	X	X	✓
3e - shared parking	n/a	n/a	n/a	n/a
3f - Adaptive reuse		✓		
Goal 4 - Vibrancy				
4a - Branding	✓	✓	✓	✓
4b - Art and wayfinding	✓	✓	✓	✓
4c - Parks, venues, and activites	✓	✓	✓	✓
4d - Downtown history	✓	✓	✓	✓
4e - Occupancy rate and ADR			✓	
4f - Events and programming	n/a	n/a	n/a	n/a
4g - Art, culture, placemaking	n/a	n/a	n/a	n/a
4h- Daily visits	n/a	n/a	n/a	n/a
4i - Partner with art/culture orgs	✓	✓		
Goal 5 - Safety and cleanliness				
5a - Enhances safety	✓	✓	✓	✓
5b - Maintenance of public spaces	✓	✓	✓	✓
5c - Streetscape accessibility	✓	✓	✓	✓
5d - Wellness	✓	✓	✓	✓
5e - Clean and safe, DVI	n/a	n/a	n/a	n/a
Goal 6 - Walkability, bikeability				
6a - Pedestrian and bikeable links	✓	✓	✓	✓
6b - Two-way streets	✓	✓	✓	✓
6c - Design optimization	✓	✓	✓	✓
6d - Bike lanes, bike racks	✓	✓	✓	✓
6e - Compact, walkable downtown	✓	✓	✓	✓
6f - Buildings fwd to the street	n/a	n/a	n/a	n/a
6g - Connect neighborhood nodes	n/a	n/a	n/a	n/a

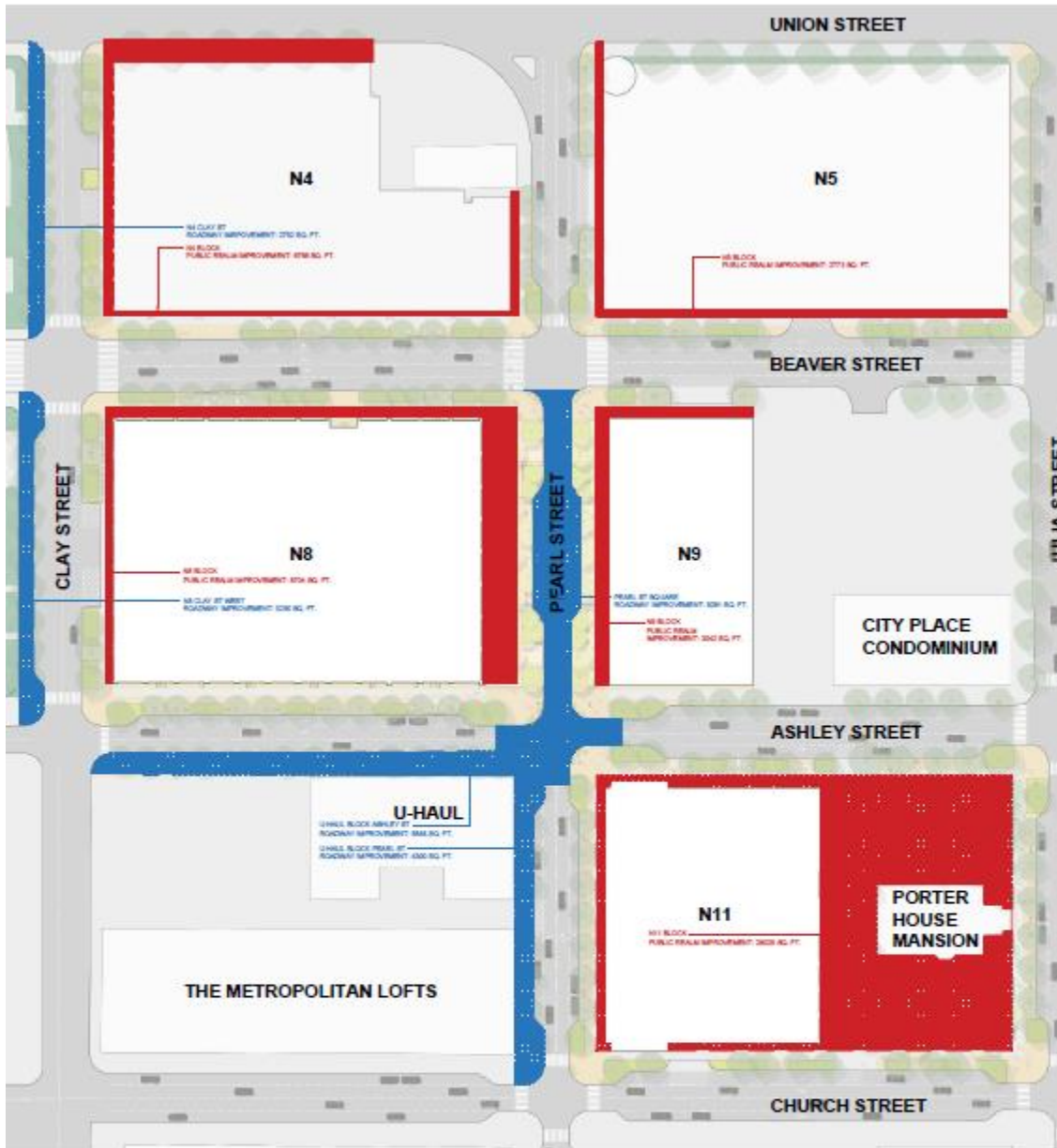
Exhibit C – Years Tables Commitments

Pearl St District Years Contributions

	N4	N8	N11	N5 Garage	Total
Project Cost	89,562,000	215,696,000	58,208,000	12,593,000	376,059,000
Project Cost for Years Calculation	89,562,000	215,696,000	58,208,000	12,593,000	376,059,000
3% Required Contribution	2,687,000	6,471,000	1,746,000	378,000	11,282,000

Project	N4	N8	N11	N5 Garage	Total
1. Porter Parks	1,012,500		1,012,500		2,025,000
2. Pearl Square		2,740,000			2,740,000
3. Pearl Streetscape across from N11		375,000			375,000
4. Ashley Streetscape across from N8		485,000			485,000
5. Clay Streetscape across from N8		305,000			305,000
6. Clay Streetscape across from N4	305,000				305,000
Subtotal Capital Improvements	1,317,500	3,905,000	1,012,500	-	6,235,000
Porter Parks Easement - Draft Estimate	250,000		250,000		500,000
Streetscape Easements - Draft Estimate	174,000	225,000	250,000	72,000	721,000
Subtotal Easement Value	424,000	225,000	500,000	72,000	1,221,000
Revenue from 1% Discretionary Tourism Tax		1,408,000			1,408,000
Annual Park Maintenance & Programming (~\$95.5k/yr; 3% escal	945,500	933,000	233,500	306,000	2,418,000
Total	2,687,000	6,471,000	1,746,000	378,000	11,282,000
<p>1. At payout of each completion grant associated with a particular parcel, developer will agree that all capital improvement projects associated with that parcel will be completed and/or bonded. If a capital project cost is split between parcels, the full project shall be completed or bond posted at the earliest of the associated parcels' completion grant payouts.</p> <p>2. Should total value of capital improvements deviate from estimate, the difference will be made up in the annual contribution amount, such that the total value of contributions over 20 years always equals \$10,070,000</p>					

Exhibit C (Cont): Years table Commitments (Map)



PUBLIC REALM IMPROVEMENTS:

■ PUBLIC REALM IMPROVEMENTS
INSIDE GATEWAY JAX PROPERTY LINE

N4: 6756 SQ. FT.
N5: 2773 SQ. FT.
N8: 8704 SQ. FT.
N9: 3042 SQ. FT.
N11: 29025 SQ. FT.

TOTAL: 50,300 SQ. FT

■ PUBLIC REALM IMPROVEMENTS
OUTSIDE GATEWAY JAX HOLDINGS

N4: 2,752 SF
N8: 3,250 SF
PEARL STREET SQUARE: 9,261 SF
U-HAUL BLOCK: 5,548 + 4,300 = 9,848 SF

TOTAL: 25,111 SF

TAB V.H

RESOLUTION 2023-11-06: GATEWAY JAX N4

RESOLUTION 2023-11-06

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF A MARKET RATE MULTI-FAMILY HOUSING RECAPTURE ENHANCED VALUE GRANT (“REV GRANT”), AND COMPLETION GRANT FOR THE DEVELOPMENT OF A MIXED USE PROPERTY KNOWN AS N4 AS A COMPONENT OF A LARGER 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 SINGLE PURPOSE ENTITY 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 property located within the Downtown Northbank Community Redevelopment Area with RE#s 074295-0000, 074296-0005, 074296-0020, 074299-0000 on which Gateway plans to construct a multifamily and retail mixed-use development referred to in plan documents as N4 (the “N4 Property”); and

WHEREAS, the Developer proposes to build a residential and retail mixed-use property on these parcels, to include 281 multifamily residential rental units with amenities, and 19,155 gross square feet of retail space, as proposed. Collectively the development will result in a proposed investment of approximately \$98.5 million for the construction of the mixed-use property; and

WHEREAS, redevelopment of the N4 Property will result in a minimum private capital investment of \$89,563,000; and

WHEREAS, the DIA is the Community Redevelopment Agency for the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“DIA”) is authorized per section 55.108 *Economic Development* of the City Ordinance Code, to utilize the Tax Increment Finance District Trust Funds to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“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, Developer is found to be compliant with the Tiers System as provided in the DIA BID Plan, as outlined below, as is required for the DIA to recommend funding beyond the standard DIA Incentive Programs from the City Council; and

Tier 1: Gateway has provided sufficient documentation to determine that funding from the Downtown Investment Authority and the City of Jacksonville is necessary to undertake this project which will increase

the amount of residential units, the residential population, and activated retail space in Downtown Jacksonville; and will achieve a minimum ROI of 1X or more; and

Tier 2: The project is found to meet the following BID Goals and Strategic Objectives (a minimum of three BID Goals, and four Strategic Objectives for each goal, is required):

Redevelopment Goal No. 2 - Increase rental and owner-occupied housing Downtown targeting diverse populations identified as seeking a more urban lifestyle.

- Actively pursue a minimum of 8,140 built and occupied multi-family dwelling units by 2030; and strive to induce the construction of 425 multifamily dwelling units per year, on average.
- Improve the breadth and diversity of housing options across Downtown Jacksonville to provide all types and varied price ranges of rental and owner-occupied opportunities, including mixed-income and mixed-use structures.
- Maximize utilization of existing parking structures and minimize construction of new parking structures exclusively for the use of single building tenants by employing tools such as shared-use parking, proximity to shared transportation, and similar programs.
- Contribute to resiliency in the design and construction of new residential buildings and flexibility in response to changing residential demand for unit sizes, home workspaces, amenities, and future conversion of parking.

Redevelopment Goal No. 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 Jacksonville that conveys a sense of excitement and, within the boundary of Downtown Jacksonville, foster distinct neighborhood identities that evoke a unique sense of place.
- Support the installation of public art and aesthetic and sensory enhancements, as well as wayfinding and technology throughout Downtown Jacksonville.
- Support the expansion, renovation, and improvement of existing, and creation of new, diverse civic attractions, cultural venues, theaters, and parks that provide a mix of activities and attract a broad range of demographics.
- Partner with arts and culture organizations as well as educational institutions to create culturally specific attractions, competitions and workforce development programs that bring students, young professionals, etc. Downtown.

Redevelopment Goal No. 5 - Improve the safety, accessibility and wellness of Downtown Jacksonville and cleanliness and maintenance of public spaces for residents, workers, and visitors.

- Expand the installation of public infrastructure that enhances safety such as countdown timer, pedestrian signals, enhanced lighting, security cameras, etc.
- Support and enforce proper cleaning, maintenance, and repair of public spaces.
- 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.
- Promote wellness by facilitating healthy choices for food, outdoor venues for dining and gathering.

Redevelopment Goal No. 6 - Improve the walkability/cyclability of Downtown and pedestrian and bicycle connectivity between Downtown and adjacent neighborhoods of the St. Johns River.

- Develop interconnected, attractive, and safe pedestrian and bikeable links between the Northbank and Southbank, among neighborhoods, activities, cultural and recreation assets,

greenways, and open spaces, most specifically the Emerald Trail. Encourage development of the Hogan's Creek and McCoy's Creek Greenways and similar projects that provide multimodal recreational trails.

- Optimize the design of Downtown streets for pedestrians; require sidewalks of sufficient width to ensure an adequate pedestrian clear zone; reduce travel lane width to reduce vehicle speed. Increase shade on sidewalks and in public spaces in accordance with design standards and plant shade trees wherever feasible.
- Support the creation of wide, visible, dedicated bike lanes or cycle tracks on designated streets; Install interesting and safe bicycle racks in appropriate locations throughout Downtown.
- Create a compact and walkable Downtown through requiring a mixture of uses in each district so that housing, activities, retail, and other businesses are within useful walking distance, requiring buildings to have active facades at street level through a mixture of restaurants (including cafes with outdoor seating), retail, and services, and by requiring direct doorways and access to the street. Minimize blank walls and surface parking.

Tier 3: The project must contribute to projects included in the Years Tables and identified as "Tiers Eligible" found in the BID Plan. To satisfy the Tier 3 requirement the tiers eligible project(s) value must be equal to or greater than 3% of the total development cost of the proposed development project.

N4 has identified the following projects to which Developer is committed to providing funding equal to 3% of the Minimum Private Capital Contribution, \$2,687,000:

1. Creation of Porter Parks providing easement to the City for the benefit of the public.
2. Installing the Clay Streetscapes that beautify and enhance the public domain and safety in the Pearl Street District and providing one or more streetscape easements to the City on private property for the benefit of the public.
3. Contributing to annual park maintenance and programming.

Further, to be eligible for recommendation for additional funding from the City, the project must advance four BID Goals as shown above and have positive Impact on six Performance Measures, which the N4 project is determined to contribute positively to the following:

1. Employment
2. Multifamily residents
3. Multifamily housing units
4. Number of restaurants/Bars Downtown
5. Tax value
6. Number of daily Downtown visitors

WHEREAS, the proposed City of Jacksonville REV Grant and Completion Grant incentives are a material factor in assisting Gateway, or its single purpose entity, in expanding the number of residential units, the residential population, and activated retail space within the Downtown Northbank Community Redevelopment Area of Downtown Jacksonville.

WHEREAS, DIA is proposing a REV Grant to be paid over seventeen (17) years in the not to exceed amount of \$14,105,000, based on 75% of the incremental increase in the county portion of ad valorem taxes to be collected over twenty years, as generated from the proposed investment in the N4 Property estimated at \$98.5 million, and the REV Grant is consistent with the DIA Tiers System guidelines set forth in the Bid Plan; and

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

WHEREAS, DIA is proposing a Completion Grant in the not to exceed amount of \$6,844,000 to be earned and paid upon achieving performance requirements outlined in the Term Sheet attached hereto as Exhibit A; 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.

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 recommends approval of a Completion Grant in the not to exceed amount of \$6,844,000 subject to the terms and conditions as provided in the Term Sheet attached hereto as Exhibit A.

Section 3. The DIA hereby authorizes its CEO to negotiate a Redevelopment Agreement authorizing the REV Grant and Completion Grant as described above subject to the minimum terms and conditions contained in the term sheet attached as Exhibit A.

Section 5. The DIA recommends that City Council adopt an ordinance that authorizes a Redevelopment Agreement pursuant to Exhibit A, terms, and conditions.

Section 6. The DIA hereby authorizes its CEO to take all necessary actions to effectuate the purposes of this Resolution, including but not limited to the filing of legislation and execution of a Redevelopment Agreement, or functional equivalents, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit A to this Resolution 2023-11-06.

Section 7. This Resolution, 2023-11-06, shall become effective on the date it is signed by the Chair of the DIA Board.

***** SIGNATURES FOUND ON THE FOLLOWING PAGE *****

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Jim Citrano, Chairman

Date

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

DRAFT

Exhibit A to Resolution 2023-11-06

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. 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 compliance, with no limit on upward adjustment.

	<ul style="list-style-type: none"> b) Retail Frontages at the ground level proposed totaling 410 feet (SEE Exhibit 5 to this Term Sheet) broken down as: <ul style="list-style-type: none"> i. 270 non-contiguous linear feet fronting Beaver Street ii. 90 contiguous linear feet fronting Pearl Street iii. 50 contiguous linear feet fronting Clay Street iv. Retail Frontages on each street may adjust downward in final design by not more than 20% to remain within compliance, with no limit on upward adjustment; however, the total aggregate Retail Frontage may not adjust downward more than 10% v. 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 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. 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.
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.

<p>REV Grant:</p>	<ol 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 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.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>
<p>Completion Grant:</p>	<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:	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.
Entitlements:	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.
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 from time to time 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 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 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

	<p>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">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.). 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.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.
--	--

<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 January 15, 2024, for Conceptual Approval of the Project. FINAL DESIGN (including final DDRB approval) to be completed no later than June 1, 2024.</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 within 10 months following the effective date of legislation authorizing the RDA and 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>
-------------------------------------	---

<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 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, 2023.4. 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:
---	--

	<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.
--	---

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			



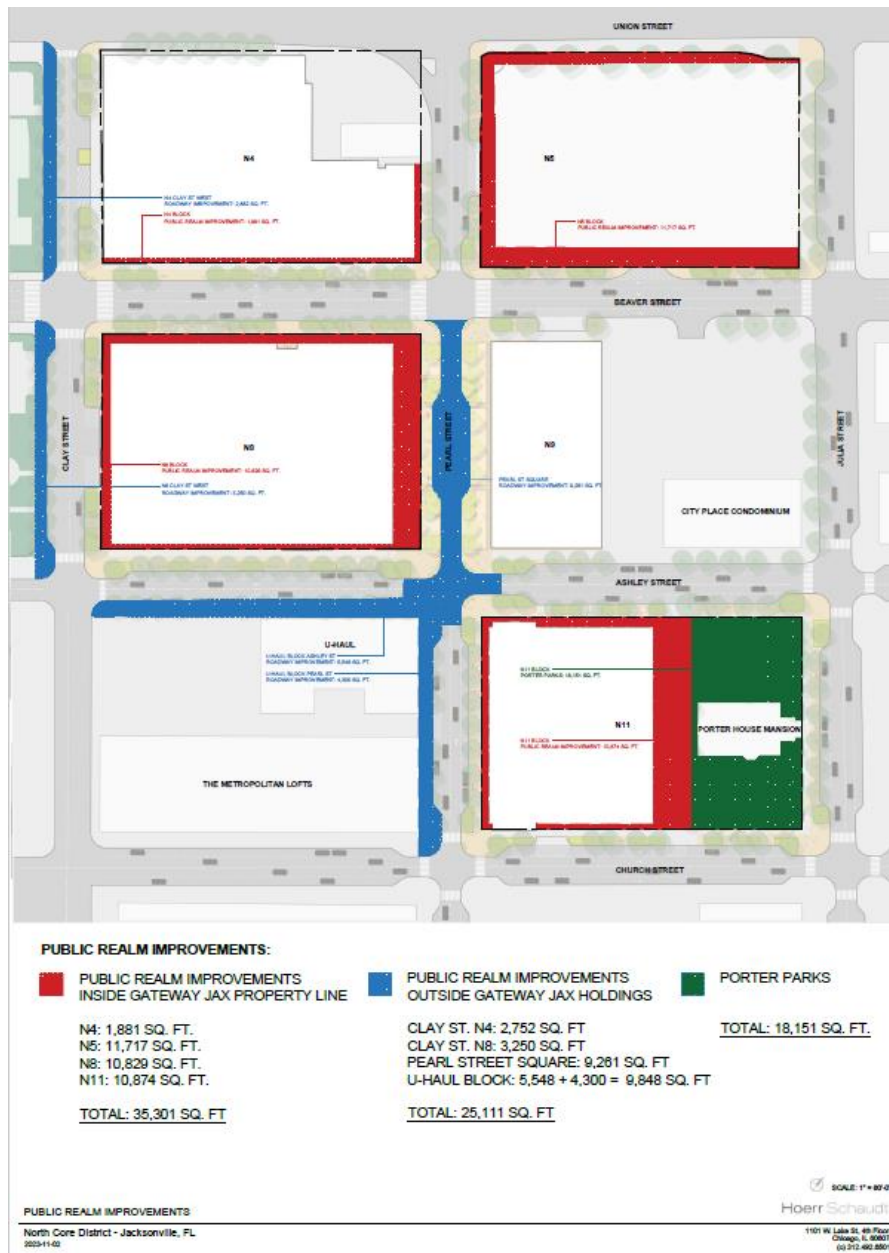
Exhibit 2. – Minimum Private Capital

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

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

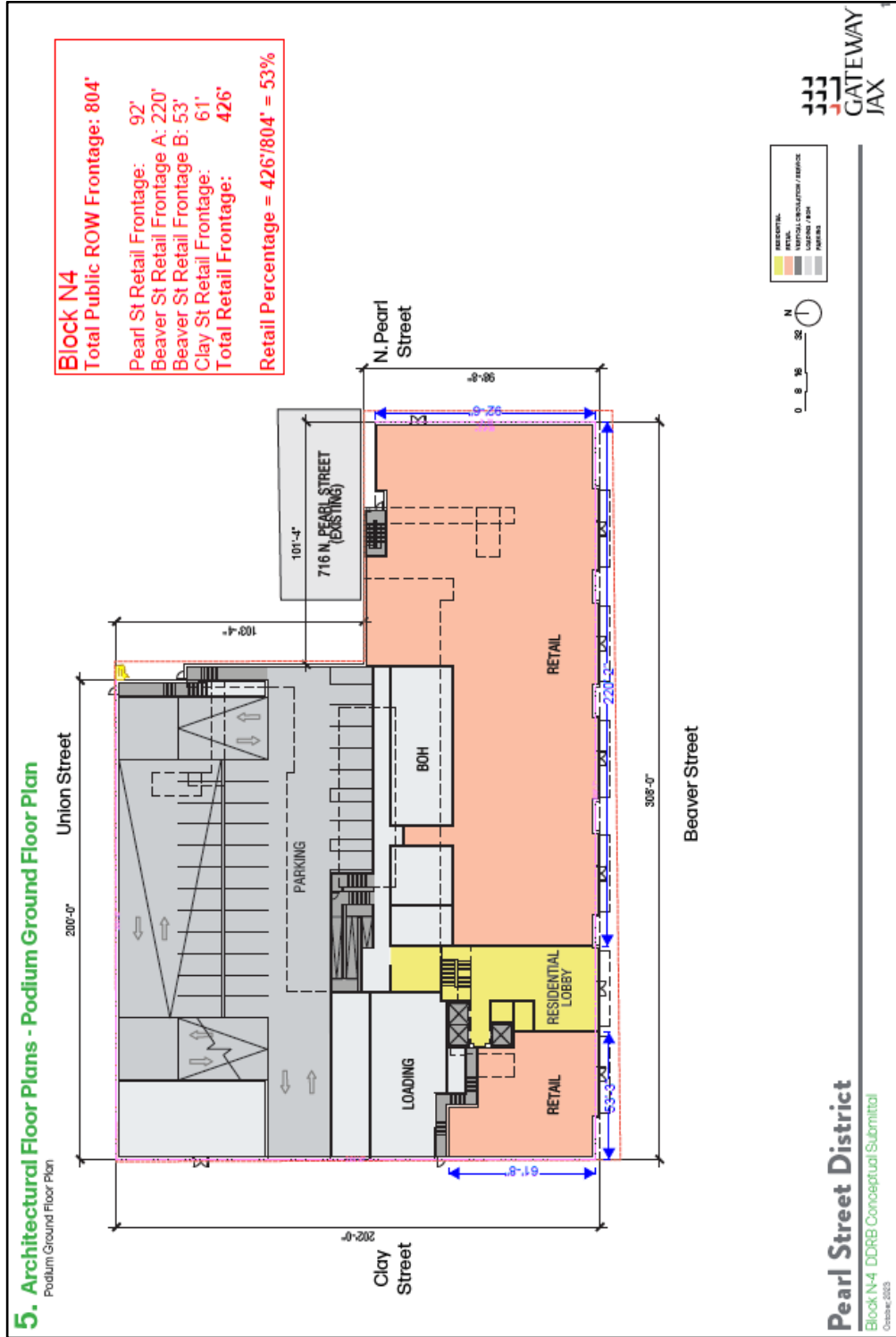


Exhibit 6 – Minimum Amounts to be Collected and Remitted

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	

TAB V.I

RESOLUTION 2023-11-07: GATEWAY JAX N5

RESOLUTION 2023-11-07

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF A RECAPTURE ENHANCED VALUE GRANT (“REV GRANT”), AND COMPLETION GRANT FOR THE DEVELOPMENT OF A MIXED USE PROPERTY KNOWN AS N5 AS A COMPONENT OF A LARGER 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 SINGLE PURPOSE ENTITY 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 an existing parking garage located within the Downtown Northbank Community Redevelopment Area with RE# 074015 0000 on which Gateway plans to redevelop the property to include retail space for tenants as referred to in plan documents as N5 (the “N5 Property”); and

WHEREAS, the Developer proposes to rehabilitate the parking garage to include approximately 690 spaces primarily for the use of residential tenants that will occupy multifamily properties related to the master development plan, and add approximately 15,000 square feet of retail space, as proposed. The development of this site will result in a proposed investment of approximately \$12.6 million for the acquisition and redevelopment as a mixed-use property; and

WHEREAS, redevelopment of the N5 Property will result in a minimum private capital investment of \$10,254,700; and

WHEREAS, the DIA is the Community Redevelopment Agency for the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“DIA”) is authorized per section 55.108 *Economic Development* of the City Ordinance Code, to utilize the Tax Increment Finance District Trust Funds to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“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, in the redevelopment of the N5 Property and associated properties, Developer is found to be compliant with the Tiers System as provided in the DIA BID Plan, as outlined below, as is required for the DIA to recommend funding beyond the standard DIA Incentive Programs from the City Council; and

Tier 1: Gateway has provided sufficient documentation to determine that funding from the Downtown Investment Authority and the City of Jacksonville is necessary to undertake this project which will utilize

existing parking structure as a shared use facility reducing the need for additional construction of garage space, increase the activated retail space in Downtown Jacksonville; and achieve a minimum ROI of 1X or more; and

Tier 2: The project is found to meet the following BID Goals and Strategic Objectives (a minimum of three BID Goals, and four Strategic Objectives for each goal, is required):

Redevelopment Goal No. 3 – Increase and diversity the number and type of retail, food and beverage, and entertainment establishments within Downtown.

- Encourage growth of outdoor dining and entertainment options.
- Increase the number of retail, food and beverage, and entertainment establishments that are open for business weekends and other times outside of weekday business hours.
- Pursue the addition of one or more new neighborhood restaurant/entertainment venues in each District by 2025 and a second by 2030.
- Facilitate adaptive reuse of vacant and underutilized storefronts for retail, food and beverage and entertainment establishments.

Redevelopment Goal No. 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 Jacksonville that conveys a sense of excitement and, within the boundary of Downtown Jacksonville, foster distinct neighborhood identities that evoke a unique sense of place.
- Support the installation of public art and aesthetic and sensory enhancements, as well as wayfinding and technology throughout Downtown Jacksonville.
- Support the expansion, renovation, and improvement of existing, and creation of new, diverse civic attractions, cultural venues, theaters, and parks that provide a mix of activities and attract a broad range of demographics.
- Partner with arts and culture organizations as well as educational institutions to create culturally specific attractions, competitions and workforce development programs that bring students, young professionals, etc. Downtown.

Redevelopment Goal No. 5 - Improve the safety, accessibility and wellness of Downtown Jacksonville and cleanliness and maintenance of public spaces for residents, workers, and visitors.

- Expand the installation of public infrastructure that enhances safety such as countdown timer, pedestrian signals, enhanced lighting, security cameras, etc.
- Support and enforce proper cleaning, maintenance, and repair of public spaces.
- 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.
- Promote wellness by facilitating healthy choices for food, outdoor venues for dining and gathering.

Redevelopment Goal No. 6 - Improve the walkability/cyclability of Downtown and pedestrian and bicycle connectivity between Downtown and adjacent neighborhoods of the St. Johns River.

- Develop interconnected, attractive, and safe pedestrian and bikeable links between the Northbank and Southbank, among neighborhoods, activities, cultural and recreation assets, greenways, and open spaces, most specifically the Emerald Trail. Encourage development of the Hogan's Creek and McCoy's Creek Greenways and similar projects that provide multimodal recreational trails.

- Optimize the design of Downtown streets for pedestrians; require sidewalks of sufficient width to ensure an adequate pedestrian clear zone; reduce travel lane width to reduce vehicle speed. Increase shade on sidewalks and in public spaces in accordance with design standards and plant shade trees wherever feasible.
- Support the creation of wide, visible, dedicated bike lanes or cycle tracks on designated streets; Install interesting and safe bicycle racks in appropriate locations throughout Downtown.
- Create a compact and walkable Downtown through requiring a mixture of uses in each district so that housing, activities, retail, and other businesses are within useful walking distance, requiring buildings to have active facades at street level through a mixture of restaurants (including cafes with outdoor seating), retail, and services, and by requiring direct doorways and access to the street. Minimize blank walls and surface parking.

Tier 3: The project must contribute to projects included in the Years Tables and identified as “Tiers Eligible” found in the BID Plan. To satisfy the Tier 3 requirement the tiers eligible project(s) value must be equal to or greater than 3% of the total development cost of the proposed development project.

N5 has identified the following projects to which Developer is committed to providing funding equal to 3% of the Minimum Private Capital Contribution, \$378,000:

1. Installing streetscape easements that beautify and enhance the public domain and safety in the Porter Street District and providing easements to the City for the benefit of the public.
2. Contributing to annual park maintenance and programming.

Further, to be eligible for recommendation for additional funding from the City, the project must advance four BID Goals as shown above and have positive Impact on six Performance Measures, which is achieved directly through the N5 redevelopment or indirectly through the broad multiparcel development plan overall (wherein such indirect benefits must be substantially complete before payout of N5 Completion grants):

1. Employment
2. Multifamily residents
3. Multifamily housing units
4. Number of restaurants/bars Downtown
5. Tax value
6. Number of daily Downtown visitors

WHEREAS, the proposed City of Jacksonville REV Grant and Completion Grant incentives are a material factor in assisting Gateway, or its single purpose entity, in expanding the level of shared use parking, and activated retail space within the Downtown Northbank Community Redevelopment Area of Downtown Jacksonville.

WHEREAS, DIA is proposing a REV Grant to be paid over seventeen (17) years in the not to exceed amount of \$2,574,000, based on up to 75% of the incremental increase in the county portion of ad valorem taxes to be collected over twenty (20) years, as generated from their proposed private investment in the N5 Property estimated at \$12.6 million, and the REV Grant is consistent with the DIA Tiers System guidelines set forth in the Bid Plan; and

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

WHEREAS, DIA is proposing a Completion Grant in the not to exceed amount of \$1,906,000 to be earned and paid upon achieving performance requirements outlined in the Term Sheet attached hereto as Exhibit A; 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.

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 recommends approval of a Completion Grant in the not to exceed amount of \$1,910,000 subject to the terms and conditions as provided in the Term Sheet attached hereto as Exhibit A.

Section 3. The DIA hereby authorizes its CEO to negotiate a Redevelopment Agreement authorizing the REV Grant and Completion grant as described above subject to the minimum terms and conditions contained in the term sheet attached as Exhibit A.

Section 5. The DIA recommends that City Council adopt an ordinance that authorizes a Redevelopment Agreement pursuant to Exhibit A, terms, and conditions.

Section 6. The DIA hereby authorizes its CEO to take all necessary actions to effectuate the purposes of this Resolution, including but not limited to the filing of legislation and execution of a Redevelopment Agreement, or functional equivalents, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit A to this Resolution 2023-11-07.

Section 7. This Resolution, 2023-11-07, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Jim Citrano, Chairman

Date

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

Exhibit A to Resolution 2023-11-07

Gateway Jax – Pearl Street District

N5 Building Term Sheet

<p>Developer/ Applicant:</p>	<p>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).</p>
<p>The Property:</p>	<p>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.</p>
<p>The Project:</p>	<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 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. 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

	<p>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>
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 \$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.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.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.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>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 \$1,906,000.2. Funding 1 in the amount of \$872,000 to be earned and paid upon Substantial Completion of the Improvements.3. 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

	<p>made not later than the second anniversary of the documented date of Substantial Completion or is forfeited.</p> <ol style="list-style-type: none"> 4. 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. 5. Effective Gross Leasable Space for N5 totals 13,500 square feet of the Leasable Retail Space.
<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 from time to time 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 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.). 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.

	<p>3. 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.</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>
<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 within 12 months following the effective date of legislation authorizing the RDA 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>

<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 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, 2023.4. 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 aggregate with other projects exceeding minimum requirements and
---	--

	<p>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.
--	--

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

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

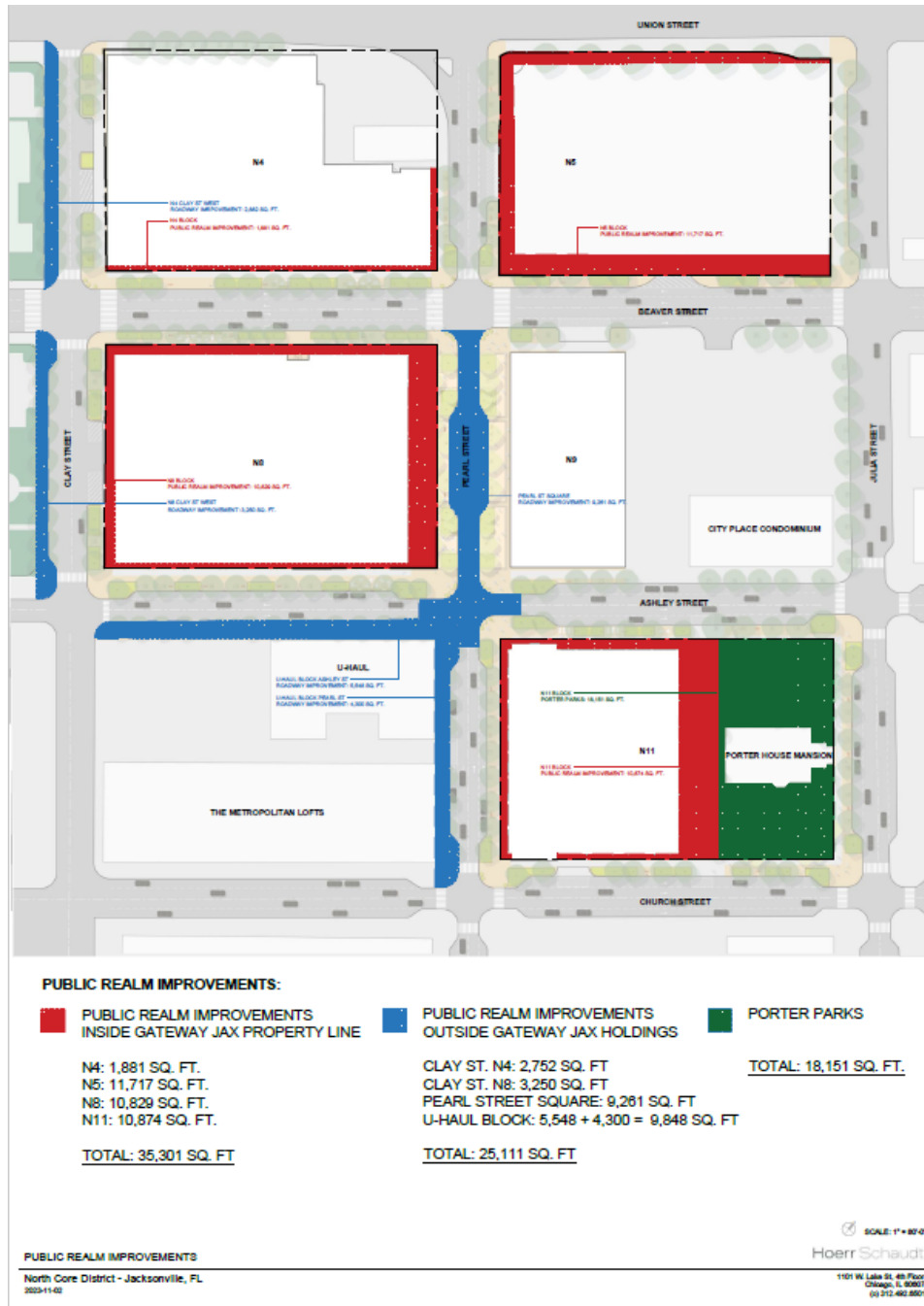
Target Value for Increased Valuation (NOI Approach)

	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						Current \$	2024 \$
	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
---------------------------------------	----------------------

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)

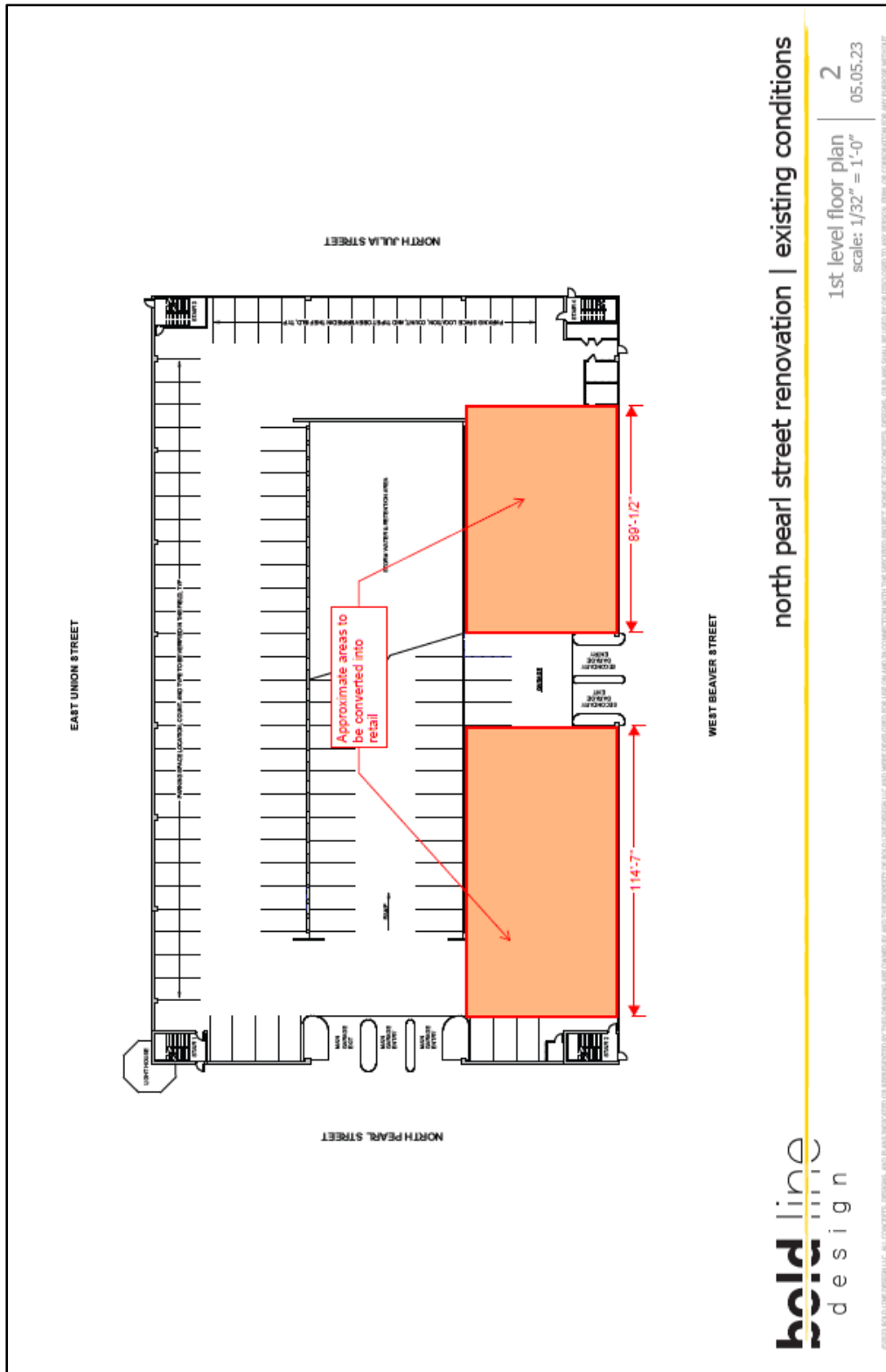


EXHIBIT 6 - Minimum Amounts to be Collected and Remitted

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'I 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	

TAB V.J

RESOLUTION 2023-11-08: GATEWAY JAX N8

RESOLUTION 2023-11-08

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF A MARKET RATE MULTI-FAMILY HOUSING RECAPTURE ENHANCED VALUE GRANT (“REV GRANT”), AND COMPLETION GRANT FOR THE DEVELOPMENT OF A MIXED USE PROPERTY KNOWN AS N8 AS A COMPONENT OF A LARGER 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 SINGLE PURPOSE ENTITY 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 property located within the Downtown Northbank Community Redevelopment Area with RE#s 074276 0000, 074277 0000, 074278 0000, 074279 0000, 074280 0000, 074282 0000, 074283 0000, 074284 0000, 074285 0000 on which Gateway plans to construct a multifamily and retail mixed-use development referred to in plan documents as N8 (the “N8 Property”); and

WHEREAS, the Developer proposes to build a 22-story residential and retail mixed-use property on these parcels, to include approximately 535 multifamily residential rental units with amenities, and 30,000 gross square feet of retail space, as proposed. Collectively the development will result in a proposed investment of approximately \$242.0 million for the construction of the mixed-use property; and

WHEREAS, redevelopment of the N8 Property will result in a minimum private capital investment of \$215,697,000; and

WHEREAS, the DIA is the Community Redevelopment Agency for the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“DIA”) is authorized per section 55.108 *Economic Development* of the City Ordinance Code, to utilize the Tax Increment Finance District Trust Funds to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“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, Developer is found to be compliant with the Tiers System as provided in the DIA BID Plan, as outlined below, as is required for the DIA to recommend funding beyond the standard DIA Incentive Programs from the City Council; and

Tier 1: Gateway has provided sufficient documentation to determine that funding from the Downtown Investment Authority and the City of Jacksonville is necessary to undertake this project which will increase

the amount of residential units, the residential population, and activated retail space in Downtown Jacksonville; and will achieve a minimum ROI of 1X or more; and

Tier 2: The project is found to meet the following BID Goals and Strategic Objectives (a minimum of three BID Goals, and four Strategic Objectives for each goal, is required):

Redevelopment Goal No. 2 - Increase rental and owner-occupied housing Downtown targeting diverse populations identified as seeking a more urban lifestyle.

- Actively pursue a minimum of 8,140 built and occupied multi-family dwelling units by 2030; and strive to induce the construction of 425 multifamily dwelling units per year, on average.
- Improve the breadth and diversity of housing options across Downtown Jacksonville to provide all types and varied price ranges of rental and owner-occupied opportunities, including mixed-income and mixed-use structures.
- Maximize utilization of existing parking structures and minimize construction of new parking structures exclusively for the use of single building tenants by employing tools such as shared-use parking, proximity to shared transportation, and similar programs.
- Contribute to resiliency in the design and construction of new residential buildings and flexibility in response to changing residential demand for unit sizes, home workspaces, amenities, and future conversion of parking.

Redevelopment Goal No. 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 Jacksonville that conveys a sense of excitement and, within the boundary of Downtown Jacksonville, foster distinct neighborhood identities that evoke a unique sense of place.
- Support the installation of public art and aesthetic and sensory enhancements, as well as wayfinding and technology throughout Downtown Jacksonville.
- Support the expansion, renovation, and improvement of existing, and creation of new, diverse civic attractions, cultural venues, theaters, and parks that provide a mix of activities and attract a broad range of demographics.
- Increase awareness of Downtown Jacksonville's history and its historic structures. Provide resources that engage and educate the public on the historical and cultural stories of Jacksonville and its people.

Redevelopment Goal No. 5 - Improve the safety, accessibility and wellness of Downtown Jacksonville and cleanliness and maintenance of public spaces for residents, workers, and visitors.

- Expand the installation of public infrastructure that enhances safety such as countdown timer, pedestrian signals, enhanced lighting, security cameras, etc.
- Support and enforce proper cleaning, maintenance, and repair of public spaces.
- 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.
- Promote wellness by facilitating healthy choices for food, outdoor venues for dining and gathering.

Redevelopment Goal No. 6 - Improve the walkability/cyclability of Downtown and pedestrian and bicycle connectivity between Downtown and adjacent neighborhoods of the St. Johns River.

- Develop interconnected, attractive, and safe pedestrian and bikeable links between the Northbank and Southbank, among neighborhoods, activities, cultural and recreation assets, greenways, and open spaces, most specifically the Emerald Trail. Encourage development of the Hogan’s Creek and McCoy’s Creek Greenways and similar projects that provide multimodal recreational trails.
- Optimize the design of Downtown streets for pedestrians; require sidewalks of sufficient width to ensure an adequate pedestrian clear zone; reduce travel lane width to reduce vehicle speed. Increase shade on sidewalks and in public spaces in accordance with design standards and plant shade trees wherever feasible.
- Support the creation of wide, visible, dedicated bike lanes or cycle tracks on designated streets; Install interesting and safe bicycle racks in appropriate locations throughout Downtown.
- Create a compact and walkable Downtown through requiring a mixture of uses in each district so that housing, activities, retail, and other businesses are within useful walking distance, requiring buildings to have active facades at street level through a mixture of restaurants (including cafes with outdoor seating), retail, and services, and by requiring direct doorways and access to the street. Minimize blank walls and surface parking.

Tier 3: The project must contribute to projects included in the Years Tables and identified as “Tiers Eligible” found in the BID Plan. To satisfy the Tier 3 requirement the tiers eligible project(s) value must be equal to or greater than 3% of the total development cost of the proposed development project.

N8 has identified the following projects to which Developer is committed to providing funding equal to 3% of the Minimum Private Capital Contribution, \$6,471,000:

1. Creation of Pearl Square on City owned property in coordination with Public Works.
2. Installing the Pearl Streetscapes, the Ashley Streetscapes, and the Clay Streetscapes that beautify and enhance the public domain and safety in the Pearl Street District and providing one or more streetscape easements to the City on private property for the benefit of the public.
3. Collection and remittance of 1% discretionary hotel tax on short term rental units estimated at \$1,408,000.
4. Contributing to annual park maintenance and programming.

Further, to be eligible for recommendation for additional funding from the City, the project must advance four BID Goals as shown above and have positive Impact on six Performance Measures, which the N4 project is determined to contribute positively to the following:

1. Employment
2. Multifamily residents
3. Multifamily housing units
4. Number of restaurants/Bars Downtown
5. Tax value
6. Number of daily Downtown visitors

WHEREAS, the proposed City of Jacksonville REV Grant and Completion Grant incentives are a material factor in assisting Gateway, or its single purpose entity, in expanding the number of residential units, the residential population, and activated retail space within the Downtown Northbank Community Redevelopment Area of Downtown Jacksonville.

WHEREAS, DIA is proposing a REV Grant to be paid over seventeen (17) years in the not to exceed amount of \$33,888,000, based on 75% of the incremental increase in the county portion of ad valorem taxes

to be collected over twenty (20) years, as generated from the proposed investment in the N8 Property estimated at \$242.0 million, and the REV Grant is consistent with the DIA Tiers System guidelines set forth in the Bid Plan; and

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

WHEREAS, DIA is proposing a Completion Grant in the not to exceed amount of \$25,557,000 to be earned and paid upon achieving performance requirements outlined in the Term Sheet attached hereto as Exhibit A; 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.

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 recommends approval of a Completion Grant in the not to exceed amount of \$25,557,000 subject to the terms and conditions as provided in the Term Sheet attached hereto as Exhibit A.

Section 3. The DIA hereby authorizes its CEO to negotiate a Redevelopment Agreement authorizing the REV Grant and Completion Grant as described above subject to the minimum terms and conditions contained in the term sheet attached as Exhibit A.

Section 5. The DIA recommends that City Council adopt an ordinance that authorizes a Redevelopment Agreement pursuant to Exhibit A, terms, and conditions.

Section 6. The DIA hereby authorizes its CEO to take all necessary actions to effectuate the purposes of this Resolution, including but not limited to the filing of legislation and execution of a Redevelopment Agreement, or functional equivalents, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit A to this Resolution 2023-11-08.

Section 7. This Resolution, 2023-11-08, shall become effective on the date it is signed by the Chair of the DIA Board.

***** SIGNATURES FOUND ON THE FOLLOWING PAGE *****

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Jim Citrano, Chairman

Date

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

DRAFT

Exhibit A to Resolution 2023-11-08
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 65%, exceeding the requirement of 40%, to promote heat resiliency.

	<p>4. Retail Space:</p> <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 790 feet (see Exhibit 5 to this Term Sheet) broken down as:<ul style="list-style-type: none">i. 230 non-contiguous linear feet fronting Beaver Streetii. 200 contiguous linear feet fronting Pearl Streetiii. 85 Non-contiguous linear feet fronting Clay Streetiv. 275 contiguous linear feet fronting Ashley Streetv. Retail Frontages on each street may adjust downward in final design by not more than 20% to remain within compliance, with no limit on upward adjustment; however, the total aggregate Retail Frontage may not adjust downward more than 10%.vi. 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 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. 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.</p> <p>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.</p>
--	---

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 from time to time 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. Permanent Easement in favor of the City for the Streetscape Easements to be executed simultaneous with request for initial funding on Completion Grants.6. Collection of a 1% discretionary hospitality tax on the short-term rental units.7. 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.8. 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.9. 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>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 January 15, 2024, for Conceptual Approval of the Project. FINAL DESIGN (including final DDRB approval) to be completed no later than June 1, 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 October 31, 2024, and pursue the same with commercially reasonable diligence.</p> <p>COMMENCE CONSTRUCTION – Developer shall commence construction within 8 months following the effective date of legislation authorizing the RDA, and 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

	<p>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 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 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.
--	---

	<ul style="list-style-type: none">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. <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.
--	---

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	



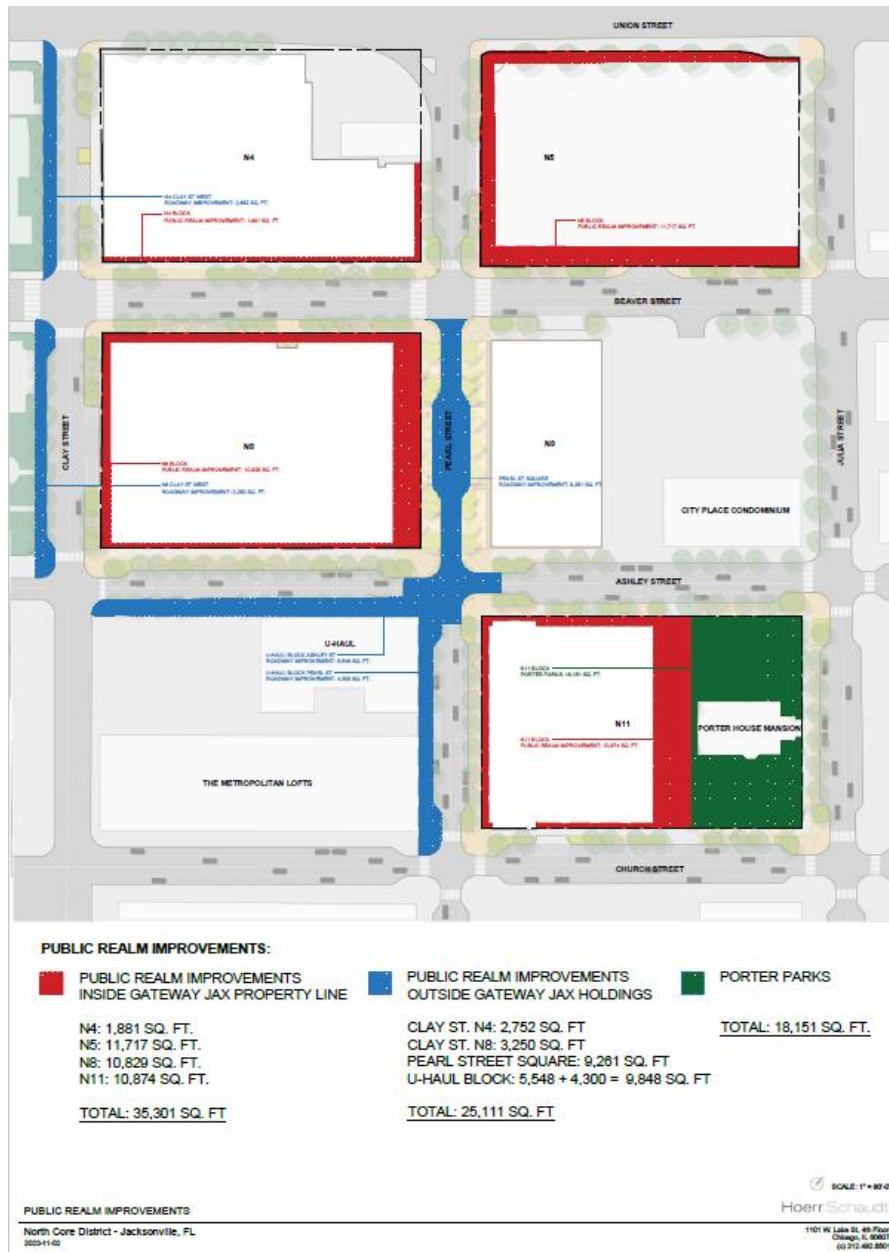
Exhibit 2. – Minimum Private Capital

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

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

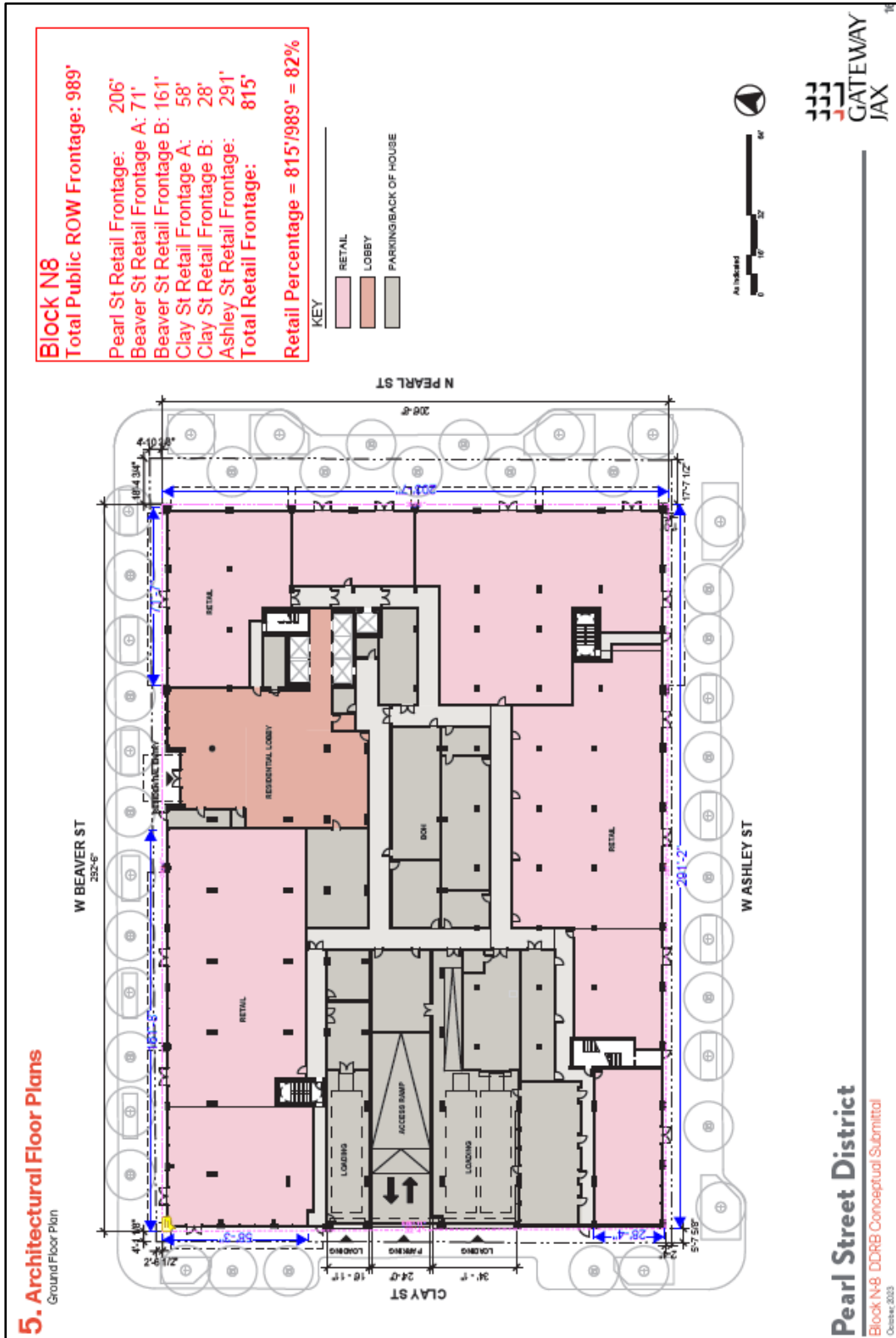


Exhibit 6 – Minimum Amounts to be Collected and Remitted

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	

TAB V.K

RESOLUTION 2023-11-09: GATEWAY JAX N11

RESOLUTION 2023-11-09

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF A MARKET RATE MULTI-FAMILY HOUSING RECAPTURE ENHANCED VALUE GRANT (“REV GRANT”), AND COMPLETION GRANT FOR THE DEVELOPMENT OF A MIXED USE PROPERTY KNOWN AS N11 AS A COMPONENT OF A LARGER 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 SINGLE PURPOSE ENTITY 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 property located within the Downtown Northbank Community Redevelopment Area with RE#s 073847 0000, 073847 0100, 073851 0010 on which Gateway plans to construct a multifamily and retail mixed-use development referred to in plan documents as N11 (the “N11 Property”); and

WHEREAS, the Developer proposes to build a residential and retail mixed-use property on these parcels, to include 205 multifamily residential rental units with amenities, and 21,333 gross square feet of retail space, as proposed. Collectively the development will result in an investment of approximately \$66.2 million for the construction of the mixed-use property; and

WHEREAS, redevelopment of the N11 Property will result in a minimum private capital investment of \$58,208,000; and

WHEREAS, the DIA is the Community Redevelopment Agency for the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“DIA”) is authorized per section 55.108 *Economic Development* of the City Ordinance Code, to utilize the Tax Increment Finance District Trust Funds to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority (“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, Developer is found to be compliant with the Tiers System as provided in the DIA BID Plan, as outlined below, as is required for the DIA to recommend funding beyond the standard DIA Incentive Programs from the City Council; and

Tier 1: Gateway has provided sufficient documentation to determine that funding from the Downtown Investment Authority and the City of Jacksonville is necessary to undertake this project which will increase

the amount of residential units, the residential population, and activated retail space in Downtown Jacksonville; and will achieve a minimum ROI of 1X or more; and

Tier 2: The project is found to meet the following BID Goals and Strategic Objectives (a minimum of three BID Goals, and four Strategic Objectives for each goal, is required):

Redevelopment Goal No. 2 - Increase rental and owner-occupied housing Downtown targeting diverse populations identified as seeking a more urban lifestyle.

- Actively pursue a minimum of 8,140 built and occupied multi-family dwelling units by 2030; and strive to induce the construction of 425 multifamily dwelling units per year, on average.
- Improve the breadth and diversity of housing options across Downtown Jacksonville to provide all types and varied price ranges of rental and owner-occupied opportunities, including mixed-income and mixed-use structures.
- Maximize utilization of existing parking structures and minimize construction of new parking structures exclusively for the use of single building tenants by employing tools such as shared-use parking, proximity to shared transportation, and similar programs.
- Contribute to resiliency in the design and construction of new residential buildings and flexibility in response to changing residential demand for unit sizes, home workspaces, amenities, and future conversion of parking.

Redevelopment Goal No. 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 Jacksonville that conveys a sense of excitement and, within the boundary of Downtown Jacksonville, foster distinct neighborhood identities that evoke a unique sense of place.
- Support the installation of public art and aesthetic and sensory enhancements, as well as wayfinding and technology throughout Downtown Jacksonville.
- Support the expansion, renovation, and improvement of existing, and creation of new, diverse civic attractions, cultural venues, theaters, and parks that provide a mix of activities and attract a broad range of demographics.
- Increase awareness of Downtown Jacksonville's history and its historic structures. Provide resources that engage and educate the public on the historical and cultural stories of Jacksonville and its people.

Redevelopment Goal No. 5 - Improve the safety, accessibility and wellness of Downtown Jacksonville and cleanliness and maintenance of public spaces for residents, workers, and visitors.

- Expand the installation of public infrastructure that enhances safety such as countdown timer, pedestrian signals, enhanced lighting, security cameras, etc.
- Support and enforce proper cleaning, maintenance, and repair of public spaces.
- 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.
- Promote wellness by facilitating healthy choices for food, outdoor venues for dining and gathering.

Redevelopment Goal No. 6 - Improve the walkability/cyclability of Downtown and pedestrian and bicycle connectivity between Downtown and adjacent neighborhoods of the St. Johns River.

- Develop interconnected, attractive, and safe pedestrian and bikeable links between the Northbank and Southbank, among neighborhoods, activities, cultural and recreation assets,

greenways, and open spaces, most specifically the Emerald Trail. Encourage development of the Hogan’s Creek and McCoy’s Creek Greenways and similar projects that provide multimodal recreational trails.

- Optimize the design of Downtown streets for pedestrians; require sidewalks of sufficient width to ensure an adequate pedestrian clear zone; reduce travel lane width to reduce vehicle speed. Increase shade on sidewalks and in public spaces in accordance with design standards and plant shade trees wherever feasible.
- Support the creation of wide, visible, dedicated bike lanes or cycle tracks on designated streets; Install interesting and safe bicycle racks in appropriate locations throughout Downtown.
- Create a compact and walkable Downtown through requiring a mixture of uses in each district so that housing, activities, retail, and other businesses are within useful walking distance, requiring buildings to have active facades at street level through a mixture of restaurants (including cafes with outdoor seating), retail, and services, and by requiring direct doorways and access to the street. Minimize blank walls and surface parking.

Tier 3: The project must contribute to projects included in the Years Tables and identified as “Tiers Eligible” found in the BID Plan. To satisfy the Tier 3 requirement the tiers eligible project(s) value must be equal to or greater than 3% of the total development cost of the proposed development project.

N11 has identified the following projects to which Developer is committed to providing funding equal to 3% of the Minimum Private Capital Contribution, \$1,746,000:

1. Creation of Porter Parks and providing easement to the City for the benefit of the public.
2. Contributing to annual park maintenance and programming.

Further, to be eligible for recommendation for additional funding from the City, the project must advance four BID Goals as shown above and have positive Impact on six Performance Measures, which the N4 project is determined to contribute positively to the following:

1. Employment
2. Multifamily residents
3. Multifamily housing units
4. Number of restaurants/Bars Downtown
5. Tax value
6. Number of daily Downtown visitors

WHEREAS, the proposed City of Jacksonville REV Grant and Completion Grant incentives are a material factor in assisting Gateway, or its single purpose entity, in expanding the number of residential units, the residential population, and activated retail space within the Downtown Northbank Community Redevelopment Area of Downtown Jacksonville.

WHEREAS, DIA is proposing a REV Grant to be paid over seventeen (17) years in the not to exceed amount of \$9,061,000, based on 75% of the incremental increase in the county portion of ad valorem taxes to be collected over twenty years, as generated from the proposed investment in the N4 Property estimated at N11 Property of an estimated \$66.2 million, and the REV Grant is consistent with the DIA Tiers System guidelines set forth in the Bid Plan; and

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

WHEREAS, DIA is proposing a Completion Grant in the not to exceed amount of \$4,639,000 to be earned and paid upon achieving performance requirements outlined in the Term Sheet attached hereto as Exhibit A; 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.

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 recommends approval of a Completion Grant in the not to exceed amount of \$4,639,000 subject to the terms and conditions as provided in the Term Sheet attached hereto as Exhibit A.

Section 3. The DIA hereby authorizes its CEO to negotiate a Redevelopment Agreement authorizing the REV Grant and Completion Grant as described above subject to the minimum terms and conditions contained in the term sheet attached as Exhibit A.

Section 5. The DIA recommends that City Council adopt an ordinance that authorizes a Redevelopment Agreement pursuant to Exhibit A, terms, and conditions.

Section 6. The DIA hereby authorizes its CEO to take all necessary actions to effectuate the purposes of this Resolution, including but not limited to the filing of legislation and execution of a Redevelopment Agreement, or functional equivalents, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit A to this Resolution 2023-11-09.

Section 7. This Resolution, 2023-11-09, shall become effective on the date it is signed by the Chair of the DIA Board.

***** SIGNATURES FOUND ON THE FOLLOWING PAGE *****

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Jim Citrano, Chairman

Date

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

DRAFT

Exhibit A to Resolution 2023-11-09

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. 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. b) Street facing Retail Frontages at the ground level proposed

	<p>totaling 325 linear feet (see Exhibit 5 to this Term Sheet):</p> <ul style="list-style-type: none">i. 120 contiguous linear feet fronting Pearl Streetii. 45 contiguous linear feet fronting Church Streetiii. 160 contiguous linear feet fronting Ashley Streetiv. Retail Frontages on each street may adjust downward in final design by not more than 20% to remain within compliance, with no limit on upward adjustment; however, the total aggregate Retail Frontage may not adjust downward more than 10%.v. 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 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</p>
--	---

	<p>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>	<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.
<p>REV Grant:</p>	<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>
<p>Completion Grant:</p>	<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.

	<p>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 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>
--	--

<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 from time to time 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

	<p>Council, and placemaking initiatives on programming in Pearl Square and the Porter House Park.</p> <p>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.</p> <p>3. Permanent Easement in favor of the City for the Streetscape Easements to be executed simultaneous with request for initial funding on Completion Grants.</p> <p>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.). 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.</p> <p>5. 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.</p> <p>6. 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>
--	--

<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 January 15, 2024, for Conceptual Approval of the Project. FINAL DESIGN (including final DDRB approval) to be completed no later than June 1, 2024.</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 within 6 months following the effective date of legislation authorizing the RDA and 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>
-------------------------------------	--

<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 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. 4. Payment of Completion Grant Components related to LOST and Induced
---	--

	<p>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.
--	--

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	



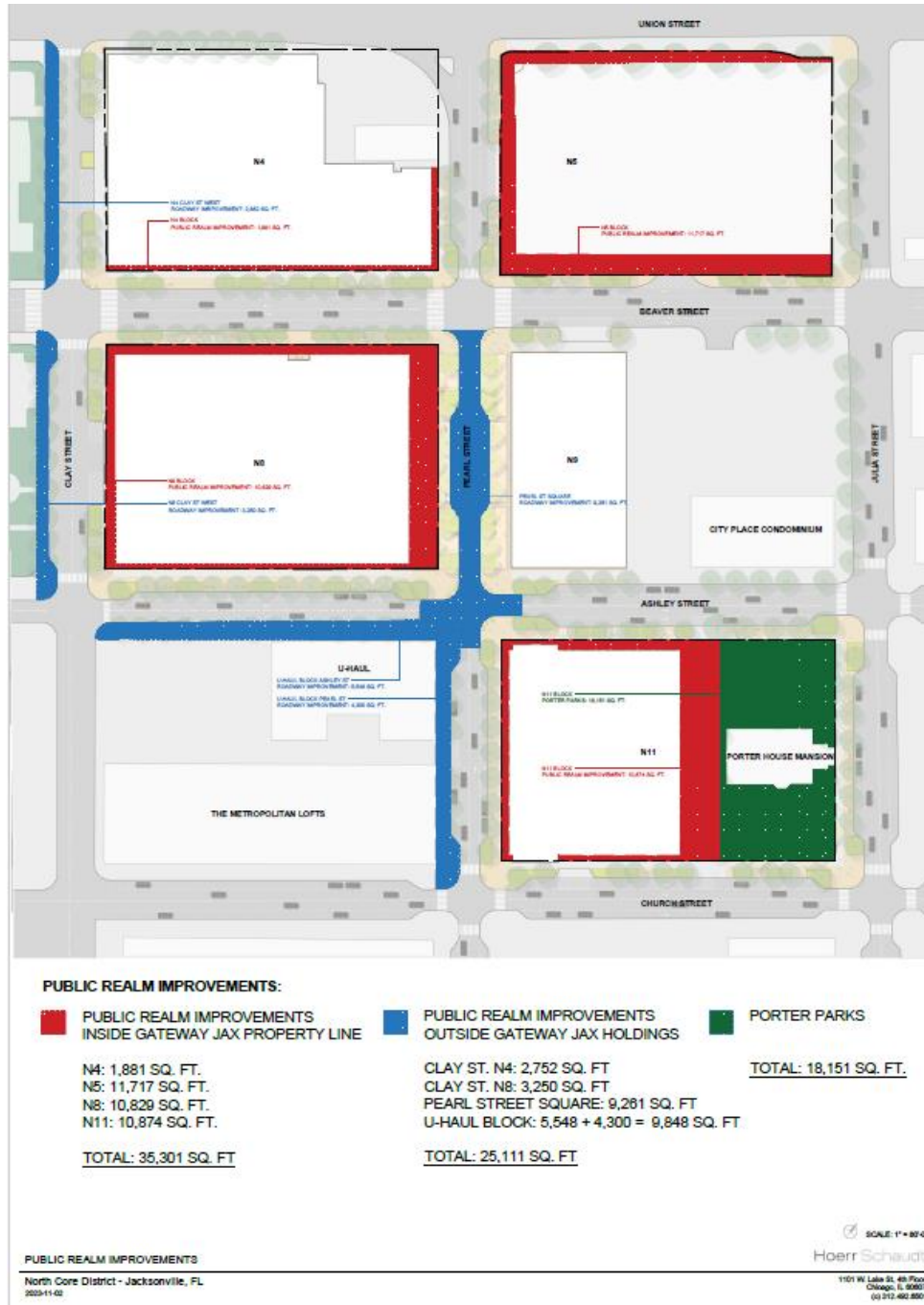
Exhibit 2. – Minimum Private Capital

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

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

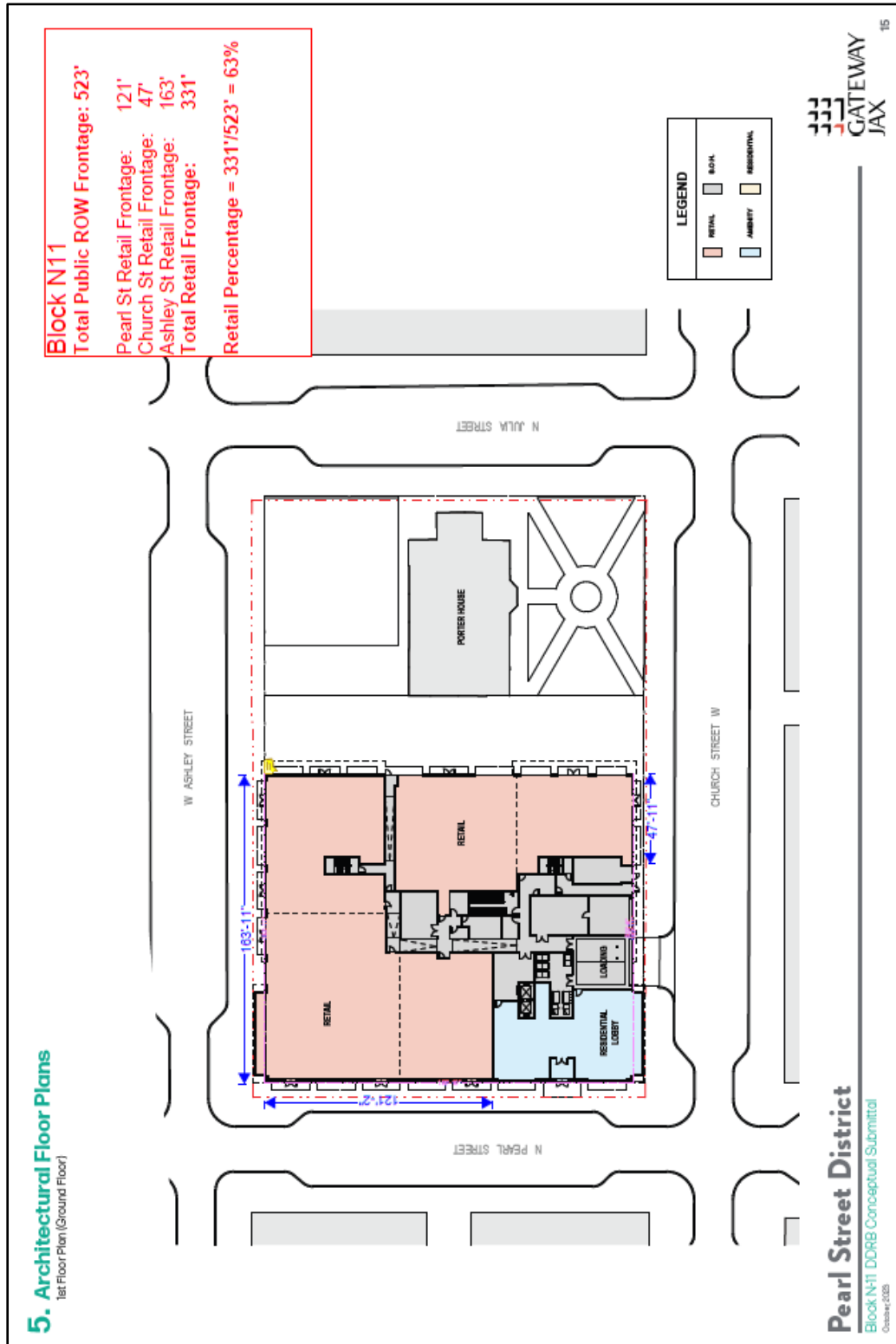


Exhibit 6 – Minimum Amounts to be Collected and Remitted

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	