

**RESOLUTION 2023-11-09**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF A MARKET RATE MULTIFAMILY 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

11/15/23  
Date

VOTE: In Favor: 7 Opposed: 0 Abstained: 0

**Exhibit A to Resolution 2023-11-09**

**Gateway Jax – Pearl Street District**

**N11 Building Term Sheet**

<p><b>Developer/ Applicant:</b></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><b>The Property:</b></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><b>The Project:</b></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"> <li>1. Proposed building with a minimum of 6 floors to be occupied for mixed residential and retail uses.</li> <li>2. Residential Units: 205 residential units proposed with mix comprised of: <ol style="list-style-type: none"> <li>a) 44 - Studio units (No fewer than 35 units)</li> <li>b) 137 - 1 BR units (No fewer than 109 units)</li> <li>c) 24 - 2 BR units (No fewer than 21 units)</li> <li>d) No fewer than 194 total unit count minimum.</li> <li>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.</li> <li>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.</li> </ol> </li> <li>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.</li> <li>4. Retail Space: <ol style="list-style-type: none"> <li>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.</li> <li>b) Street facing Retail Frontages at the ground level proposed</li> </ol> </li> </ol>

	<p>totaling 325 linear feet (see Exhibit 5 to this Term Sheet):</p> <ul style="list-style-type: none"><li>i. 120 contiguous linear feet fronting Pearl Street</li><li>ii. 45 contiguous linear feet fronting Church Street</li><li>iii. 160 contiguous linear feet fronting Ashley Street</li><li>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%.</li><li>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.</li></ul> <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>
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	<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><b>Design:</b></p>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>
<p><b>REV Grant:</b></p>	<ol style="list-style-type: none"> <li>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.</li> <li>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&amp;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.</li> <li>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.</li> <li>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.</li> </ol> <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><b>Completion Grant:</b></p>	<ol style="list-style-type: none"> <li>1. Maximum Proceeds: Not to exceed \$4,639,000.</li> <li>2. Funding 1 in the amount of \$2,704,000 to be earned and paid upon Substantial Completion of the Improvements.</li> <li>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.</li> </ol>

	<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>
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<p><b>Redevelopment Agreement:</b></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><b>Entitlements:</b></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><b>Permits:</b></p>	<p>Developer / Applicant will be responsible for obtaining all building and other permits required for the Project.</p>
<p><b>Tiers System Commitments</b></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"> <li>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.</li> <li>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"> <li>a. Hours of public access and reasonable rules and regulations shall be designated by Developer/Applicant in consultation with COJ Parks Department</li> <li>b. Developer to coordinate with the Parks Department, Cultural</li> </ol> </li> </ol>

	<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>
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<p><b>Performance Schedule:</b></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>
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<b>Additional Terms and Conditions</b>	<ol style="list-style-type: none"><li>1. All funding commitments other than the REV Grant are subject to further approval by the COJ City Council.</li><li>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.</li><li>3. Tiers System Commitments not captured elsewhere:<ol style="list-style-type: none"><li>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.</li><li>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.</li><li>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.</li><li>d. Demonstration of and adherence to neighborhood branding guidelines, typical streetscape layout, material styling and landscape and color palette, wayfinding signage and art installations.</li><li>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.</li><li>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.</li><li>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.</li><li>h. In addition to the required City-standard bike racks, Developer will install at least one additional bike rack to promote cyclability.</li><li>i. Adherence to all commitments as submitted in the Pearl Street Narrative dated October 27, 2023.</li></ol></li><li>4. Payment of Completion Grant Components related to LOST and Induced</li></ol>
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	<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"><li>a. Approval and adherence with Tiers System requirements.</li><li>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.</li><li>c. Only tenants of street facing at ground level shall count towards the leased space calculations as required for Completion Grant payout.</li><li>d. Retail tenants shall not be eligible for future funding under any Retail Enhancement Program award.</li><li>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.</li><li>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.</li></ul>
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**The provisions of this Term Sheet are intended to guide the parties in negotiating the Redevelopment Agreement, and any other documents that may be necessary to give effect to the manifest intent of the parties expressed herein.**

**Exhibit 1. The Property**

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



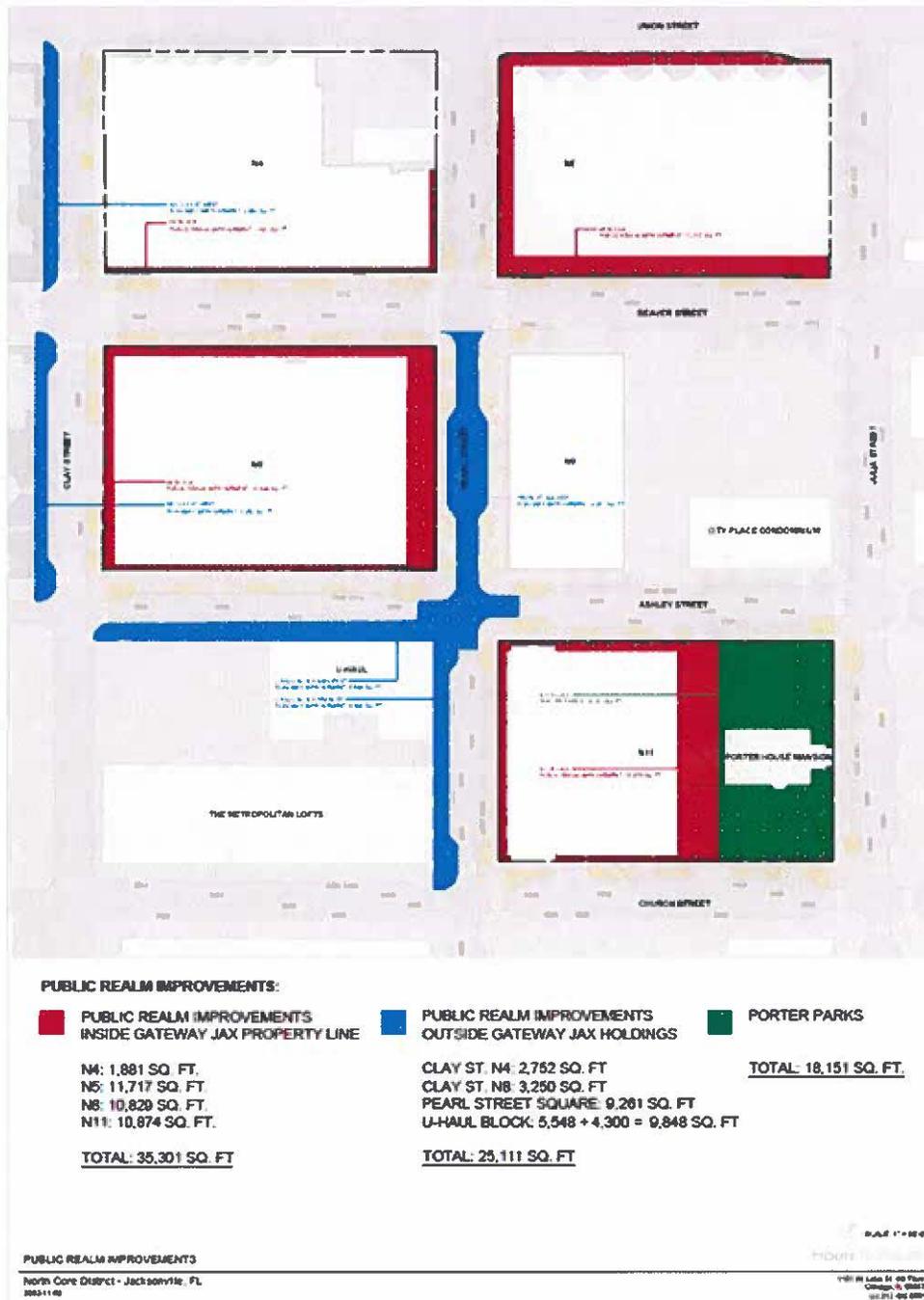
**Exhibit 2. – Minimum Private Capital**

<b>Development Costs</b>	<b>\$ 66,184,488</b>
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
<b>Minimum Private Capital</b>	<b>\$ 58,208,000</b>

**Exhibit 3. – Construction Cost**

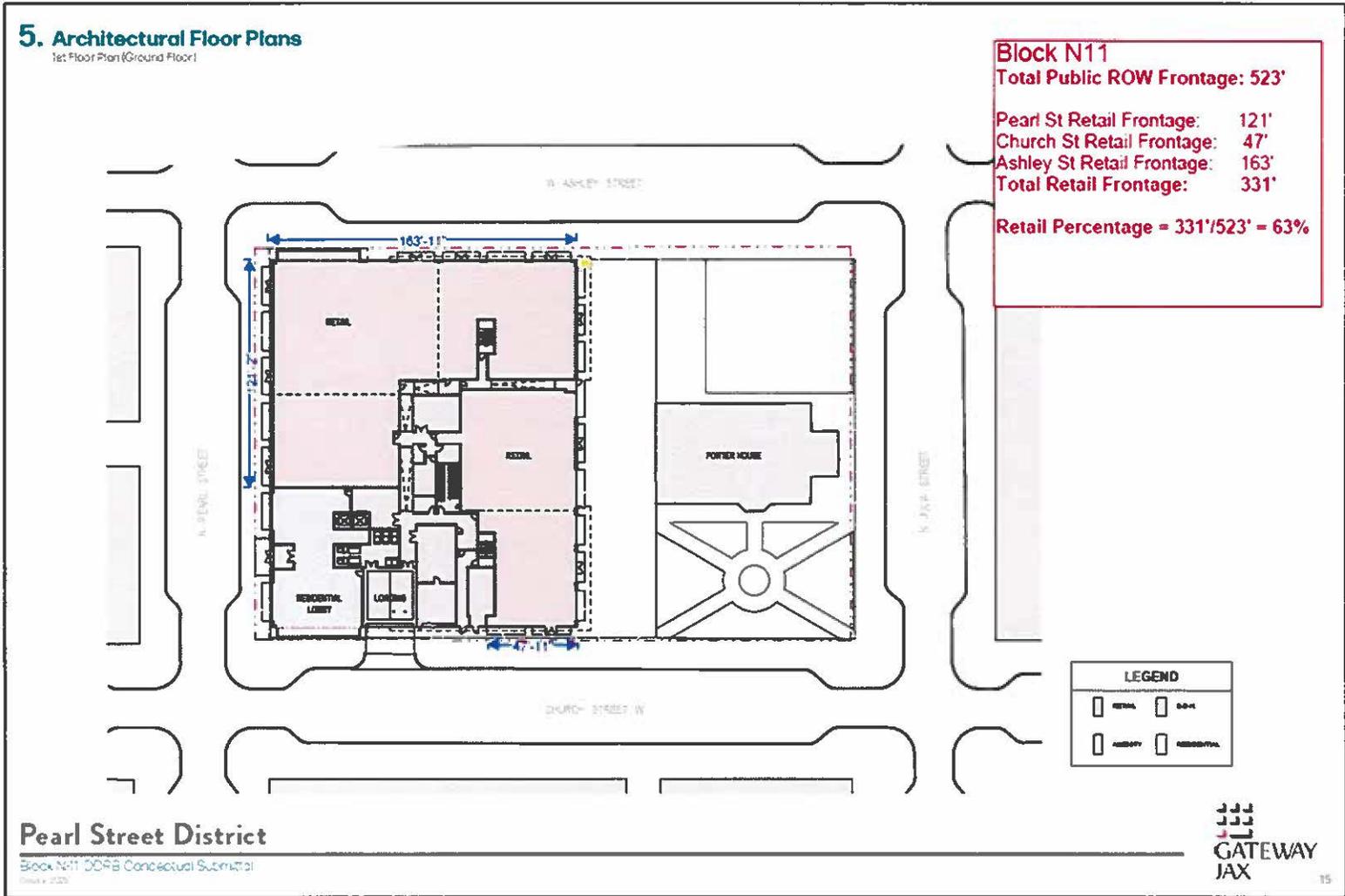
<b>Development Costs</b>	<b>\$ 66,184,488</b>
Land Costs	\$ 1,542,712
TI's & LLW	\$ 3,522,590
Other Hard Costs	\$ 1,588,402
Surveys, testing, appraisals & inspections	\$ 304,502
Permits, licenses, bonds & fees	\$ 507,503
Insurance and title	\$ 984,282
Property taxes during development	\$ 109,814
Utilities 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
<b>For REV Calculation</b>	<b>\$ 51,639,000</b>

**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
	<b>\$ 810,035</b>	