



**DOWNTOWN INVESTMENT AUTHORITY
AGENDA**

**City Hall at St. James Building
117 West Duval Street
1st Floor, Lynwood Roberts Room
Wednesday, February 1, 2017 – 9:00 A.M.**

MEMBERS:

James Bailey, Chairman
Jack Meeks, Vice Chairman
Oliver Barakat, Board Member
Brenna Durden, Board Member
Craig Gibbs, Board Member

Dane Grey, Board Member
Ron Moody, Board Member
Marc Padgett, Board Member
Kay Harper-Williams, Board Member

I.	CALL TO ORDER – Chairman Bailey
	A. Pledge of Allegiance
II.	PRESENTATIONS
III.	COMMUNITY REDEVELOPMENT AGENCY MEETING
	A. January 18, 2017 Community Redevelopment Agency Meeting Minutes*
	B. Resolution 2017-01-03 One Call R.E.V. Grant
	C. Resolution 2017-02-01 Laura Street Trio & Barnett Building Term Sheet
	D. Resolution 2017-02-02 Public Parking Lease Agreement (ADDITION TO AGENDA)
	E. January 18, 2017 Community Redevelopment Agency Meeting Transcript
IV.	DOWNTOWN INVESTMENT AUTHORITY BOARD MEETING
	A. January 18, 2017 DIA Board of Directors Meeting Minutes*
	B. January 18, 2017 DIA Board of Directors Meeting Transcript
V.	CHIEF EXECUTIVE OFFICER REPORT
VI.	DDRB BRIEFING
VII.	OLD BUSINESS
VIII.	NEW BUSINESS
IX.	PUBLIC COMMENTS
X.	ADJOURN

* Indicates action item

DATE: 20170126

REVISION DATE: 20170131

REVISION DATE: 20170201



Downtown Investment Authority
Community Redevelopment Area Board
Lynwood Roberts Room

117 West Duval Street, 1st Floor, Lynwood Roberts Room
Wednesday, February 1, 2017 - 9:00 a.m.

Community Redevelopment Area Board
MEETING MINUTES

Board Members Present: Jim Bailey, Chairman; Jack Meeks, Vice Chairman; Oliver Barakat; Dane Grey; Brenna Durden; Craig Gibbs; Ron Moody; and Kay Harper Williams

Board Members Absent: Marc Padgett

Council President: Council President Boyer & Council Member Greg Anderson

Mayor's Staff: None

DIA Staff: Aundra Wallace, DIA Chief Executive Officer; Guy Parola, DIA Development Manager; Tom Daly, DIA Development Analyst; and Jim Klement, DIA Development Coordinator;

Office of General Counsel: John Sawyer

I. CALL TO ORDER – Chairman Bailey

Vice Chairman Meeks convened the meeting at 9:02 a.m.

II. PRESENTATIONS

II. ACTION ITEMS

A. RESOLUTION 2017-01-03: ONE CALL R.E.V. GRANT

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY SUPPORTING THE EXECUTION OF A BUSINESS ATTRACTION INCENTIVE AGREEMENT BETWEEN THE DOWNTOWN INVESTMENT AUTHORITY, IP CAPITAL PARTNERS, LLC, AND ONE CALL MEDICAL, INC.; AUTHORIZE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO NEGOTIATE THE BUSINESS ATTRACTION INCENTIVE AGREEMENT; AUTHORIZING THE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO EXECUTE SUCH AGREEMENTS.

Jason Issacon, GV-IV Capital Partners was present to answer any questions.

A MOTION WAS MAY BY BOARD MEMBER MEEKS AND SECONDED BY BOARD MEMBER HARPER APPROVING RESOLUTION 2017-01-03. THE MOTION PASSED UNANIMOUSLY 8-0 -0

B. RESOLUTION 2017-02-01 LAURA STREET TRIO & BARNETT BUILDING TERM SHEET

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING THE CHIEF EXECUTIVE OFFICER (“CEO”) OF THE DIA TO NEGOTIATE A REDEVELOPMENT AGREEMENT, PARKING GARAGE LEASE AGREEMENT AND RELATED AGREEMENTS AMONG THE DIA, THE MOLASKY GROUP OF COMPANIES OR DESIGNEE, AND SOUTH EAST GROUP OR DESIGNEE, FOR THE REDEVELOPMENT OF THE BARNETT BANK BUILDING, THE LAURA STREET TRIO, AND FOR CONSTRUCTION OF A STRUCTURED PARKING FACILITY (COLLECTIVELY, THE “PROJECT”); AUTHORIZING: (1) A \$4,000,000 DOWNTOWN HISTORIC PRESERVATION AND REVITALIZATION TRUST FUND GRANT FOR THE LAURA ST. TRIO; (2) AUTHORIZING A REV GRANT IN THE AMOUNT OF \$1,800,000 FOR THE HOTEL PORTION OF THE LAURA ST. TRIO REDEVELOPMENT; AND (3) RECOMMENDING APPROVAL BY CITY COUNCIL OF A \$4,000,000 CITY GRANT FOR THE PROJECT; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE REDEVELOPMENT AGREEMENTS, A LEASE AGREEMENT FOR THE PARKING GARAGE, AND OTHER AGREEMENTS AS NECESSARY FOR THE PROJECT; AUTHORIZING CEO TO INITIATE FILING LEGISLATION WITH THE CITY COUNCIL REGARDING THE SAME; AUTHORIZING THE CEO OF THE DIA TO EXECUTE SUCH AGREEMENTS; PROVIDING AN EFFECTIVE DATE.

Steve Atkins, Principal Managing Director of Southeast Development Group and Matt Connolly Senior Vice President of Development from Molasky were available to answer any questions.

A MOTION WAS MADE BY BOARD MEMBER MOODY AND SECONDED BY BOARD MEMBER GREY APPROVING RESOLUTION 2017-02-01 LAURA STREET TRIO 7 BARNETT BUILDING TERM SHEET.

THE MOTION PASSED UNANIMOUSLY 8-0-0.

Board Member Barakat made an amendment in the termsheet pertaining to the parking garage; stipulating that for the other spaces the City has the unfettered right to use those spaces. He also made a notation on the term sheet that the City all have the unfettered right to lease the 300 parking spaces.

Board Member Durden offered an amendment to the term sheet, which will be attached, Exhibit A to the Resolution. The amendment failed.

Public Comments:

Mr. Langton stated that he was very passionate about this project.

A MOTION WAS MADE BY BOARD MEMBER BARAKAT AND SECONDED BY BOARD MEMBER HARPER-WILLIAMS AMENDMENT SPECIFIC TO THE HISTORIC PRESERVATION TRUST FUND, THAT THE INCENTIVE WILL EXPIRE FROM FIVE (5) YEARS OF THE EFFECTIVE DATE OF THE DEVELOPMENT AGREEMENT.

THE MOTION PASSED UNANIMOUSLY 8-0-0.

A MOTION WAS MADE BY BOARD MEMBER BARAKAT AND SECONDED BY BOARD MEMBER HARPER-WILLIAMS REGARDING THE PARKING MASTER LEASE, ALTERING THE TERM SHEET TO INDICATE THAT THE CITY SHALL HAVE THE UNFETTERED RIGHT TO LEASE THE 300 PARKING SPACES IN THE PARKING STRUCTURE

THE MOTION PASSED UNANIMOUSLY 8-0-0.

Council President Boyer commented about protecting the DIA's budget. She addressed an issue whether the MPS garage payment were assigned to the CRA. She suggested to include in the resolution of the term sheet: **"The master lease shall not be an obligation of the combined northside CRA and shall be paid, to the extent of available parking revenue from said garage, from the Parking Enterprise Fund."**

CEO Wallace requested a 10 minute recess.

Recess was held from 10:48 a.m. – 10:54 a.m.

CEO Wallace commented about the motion Council President Boyer recommended.

Chairman Bailey stated that the motion is: The master lease shall not be an obligation of the combined Northside CRA and shall be paid, to the extent of available parking revenue, from the Parking Enterprise Fund. This new motion removed from the garage the revenue from the garage itself.

Council President Boyer stated that she didn't have any problems with the new motion. She wanted to make sure that the DIA were maintaining the CRA role independently.

John Sawyer withdrew Council President's motion.

A MOTION WAS MADE BY CHAIRMAN BAILEY AND SECONDED BY BOARD MEMBER GIBBS AMENDING THE PREVIOUS MOTION "THAT THE MASTER LEASE SHALL NOT BE AN OBLIGATION OF THE COMBINED NORTHSIDE CRA AND SHALL BE PAID, TO THE EXTENT OF AVAILBLE PARKING REVENUE, FROM THE PARKING ENTERPRISE FUND.

THE MOTION PASSED UNANIMOUSLY 8-0-0.

C. RESOLUTION 2017-02-02 PUBLIC PARKING LEASE AGREEMENT

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) BOARD OF DIRECTORS INSTRUCTING THE DIA CHIEF EXECUTIVE OFFICER, THROUGH THE OFFICE OF PUBLIC PARKING, TO EXECUTE THE PUBLIC PARKING LEASE AGREEMENT, INCLUDED AS EXHIBIT ‘A’, WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION (“FDOT”) FOR USE, OPERATION AND MANAGEMENT OF CERTAIN SURFACE PARKING FACILITIES WITHIN FDOT RIGHT-OF-WAY AS ILLUSTRATED BY EXHIBIT ‘B’; PROVIDING FOR AN EFFECTIVE DATE.

A MOTION WAS MADE BY BOARD MEMBER GIBBS AND SECONDED BY BOARD MEMBER MOODY APPROVING RESOLUTION 2017-02-02.

THE MOTION PASSED UNANIMOUSLY 8-0-0.

D. JANUARY 18, 2017 COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES

A MOTION WAS MADE BY CHAIRMAN BAILEY AND SECONDED BY BOARD MEMBER MOODY APPROVING THE JANUARY 18, 2017 CRA MEETING MINUTES.

THE MOTION PASSED UNANIMOUSLY 8-0-0.

III. ADJOURNMENT

There being no further business, Vice Chair Meeks adjourned the meeting at approximately 11:26 a.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a transcript is available upon request. Please contact Karen Underwood, at (904) 630-3492, or by email at karenu@coj.net.



Downtown Investment Authority
Board Meeting

City Hall at St. James Building
117 West Duval Street, 1st Floor, Lynwood Roberts Room
Wednesday, February 1, 2017 – 11:26 a.m.

DIA REGULAR MEETING

MEETING MINUTES

Board Members Present: Jim Bailey, Chairman; Jack Meeks, Vice Chairman; Oliver Barakat; Brenna Durden; Craig Gibbs; Dane Grey, Ron Moody, and Kay Harper-Williams

Board Members Absent: Marc Padgett

Council President: Lori Boyer and Council Member Greg Anderson

Mayor's Staff: Johnny Gaffney, Office of the Mayor

DIA Staff: Aundra Wallace, DIA Chief Executive Officer; Guy Parola, DIA Development Manager; Tom Daly, DIA Development Analyst; and Jim Klement, DIA Development Coordinator;

Office of General Counsel: John Sawyer

I. CALL TO ORDER

Chairman Bailey convened the meeting at 11:26 a.m.

II. ACTION ITEMS

A. January 18, 2017 Board Meeting Minutes

A MOTION WAS MADE BY BOARD MEMBER MOODY AND SECONDED BY BOARD MEMBER BARAKAT APPROVING THE JANUARY 18, 2017 DIA BOARD MEETING MINUTES.

THE MOTION PASSED UNANIMOUSLY 8-0-0.

B. DDRB BRIEFING

Mr. Klement provided a summary of Downtown Development Review Board that was held on January 19, 2017 at 2:00 p.m. in the Ed Ball Building Training Room. The next meeting will be held on February 16th at 2:00 p.m. in the Don Davis Room.

C. OLD BUSINESS

Vice Chairman Meeks discussed about reviewing payments that the DIA are making that goes through the TIF, Northside TIF for the parking garages. He and Tom Daly met and the contract

calls for payments on six-month intervals and have the responsibility to manage this contract and approve or recommend for disbursement.

Vice Chairman Meeks recommended that he and Mr. Daly meet with the management to get a sense of how that is working. If Mr. Daly agrees and the board is supportive, they would schedule a meeting with the ownership and get a feel for how they do their budgets. He recommended Mr. Daly to write a letter questioning some related party transactions that were disclosed in their audited financial statements.

Board Member Durden pointed out that the Board discussed having a workshop and said that they are making great progress.

III. PUBLIC COMMENTS

None

There being no further business, Chair Bailey adjourned the Downtown Investment Authority Board Meeting at approximately 11:36 a.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a transcript is available upon request. Please contact Karen Underwood-Eiland at (904) 630-3492, or by email at karenu@coj.net.

RESOLUTION 2017-01-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY SUPPORTING THE EXECUTION OF A COMMERCIAL REVITALIZATION INCENTIVE AGREEMENT BETWEEN THE DOWNTOWN INVESTMENT AUTHORITY, GV-IP CAPITAL PARTNERS, LLC, AND OPAL ACQUISITION, INC. DBA ONE CALL CARE MANAGEMENT; AUTHORIZE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO NEGOTIATE THE COMMERCIAL REVITALIZATION INCENTIVE AGREEMENT; AUTHORIZING THE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO EXECUTE SUCH AGREEMENTS.

WHEREAS, Opal Acquisition, Inc. dba One Call Care Management (“One Call”) (the “Tenant”) is seeking to consolidate a substantial number of jobs from within Jacksonville and from outside of Florida. The Tenant proposes to relocate its Jacksonville offices to the 841 Prudential Drive, owned by GV-IP Capital Partners, LLC (the “Landlord”); and

WHEREAS, the Landlord has informed the DIA staff that it will be losing a significant tenant by August 31, 2017, which will vacate 165,000 sq. ft. The Landlord has been working with the DIA to develop an incentive to assist in finding tenants to offset the impending vacancy; and

WHEREAS, the Tenant is seeking a Commercial Revitalization Incentive to assist in paying for the costs of relocating to 841 Prudential Drive, and occupying an additional 83,000 sq. ft of office space and making \$3 million in tenant improvements and building upgrades, and expanding the existing workforce to 1,175 employees at this location; 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 economic development of the Downtown Southside Community Redevelopment Area; and

WHEREAS, the DIA may utilize TID funding for economic development projects without further approval from City Council as set forth in 55.108(a)-(9)(b); and

WHEREAS, the proposed project positively impacts the following BID Plan Goals:

- Goal 1 Reinforce Downtown as the City’s unique epicenter for business, by positively impacting the number of jobs and class A office vacancy rate benchmarks; and
- Goal 3 Simplify the approval process for downtown development by positively impacting the Tax Value of the Southside TID and increasing the annual private capital investments; and

WHEREAS, to assist Tenant in completing their move into Downtown Jacksonville the DIA proposes to provide a Commercial Revitalization Grant in an amount not to exceed \$1,000,000, paid annually in arrears in installments of \$100,000, to the Landlord; and

WHEREAS, the financial assistance to the project, and conditions precedent to receiving each installment payment, will be in the form as detailed on the Term Sheet attached hereto as Exhibit "A"; and

WHEREAS, the proposed Commercial Revitalization Grant will be funded through the Southside TIF Fund; 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. Authorizing the CEO of the Downtown Investment Authority to negotiate a Commercial Revitalization Incentive Agreement with the Landlord, and Tenant.

Section 3. Authorizing the CEO of the Downtown Investment Authority to execute such agreements.

Section 4. This Resolution, 2017-01-03, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

_____ James Bailey, Chairman

_____ Date

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

FORM APPROVAL:

_____ Office of General Counsel

TERM SHEET

Project Name: 841 Prudential Drive

Developer/ Applicant: GV IP Jacksonville Owner, LLC & Opal Acquisition, Inc. dba One Call Care Management

City Funding: **\$1,000,000** (through the City of Jacksonville Downtown Investment Authority) over 10 years

Breakdown:

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

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

CRP Grant: The project is seeking a Commercial Revitalization Grant, a contractual obligation of the DIA, calculated as 20.25% of the real property taxes generated by the project for the Term of ten (10) years. Based upon the calculation the CRP Grant will have an annual payment of \$100,000. The cumulative Grant payments over the Term of the Grant shall in no instance exceed \$1,000,000.

The Grant is for the replacement of AETNA Insurance operations which will be vacating the Downtown Jacksonville area by August 31, 2017. The loss of AETNA and its approximately 850 employees will result in an estimated loss of revenue into the Southside TIF of \$150,000 annually. Additionally the loss of AETNA results in approximately 165,000 sq. ft. of class A office space becoming vacant.

Grants: None.

Loans: None.

Preconditions to receipt of Grant funding: The Landlord and Tenant will enter into an Economic Development Agreement with the DIA. Such agreement will contain the following commitments by the Landlord and Tenant as conditions precedent to receiving the Grant Annual Payment from the Southside Tax Increment Trust Fund:

- The Grant will be conditioned to the Developer receiving from the Applicant the following:
- a. An annual certification that the previous year's annual employment was equal to or greater than 1,175 total jobs located at this building site (the Grant shall be pared down on a pro rata basis for total jobs certified as between 1,175 and 900); and
 - b. No less than 900 total jobs located at the building site (the annual installment payment will not be made for years in which the annual certified number of jobs is 899 or less); and
 - c. The documentation from the Building Owner that the Applicant at no time during the prior year leased less than 130,000 sq. ft. at building site.

Conditions: This Term Sheet is limited by the following conditions:

Downtown Investment Authority review of the development and construction timelines; and

These proposed financial terms are subject to and contingent upon the approval of the Downtown Investment Authority.

There will be additional terms, conditions, rights, responsibilities, warranties and obligations for both parties shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).

This Term Sheet expires and becomes void if not executed by the Parties by February 3, 2107.

Additionally, this Term Sheet expires and all the terms contained within become void upon April 1, 2017, unless extended in writing by the parties.

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(Signature Page to Follow)

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

Aundra C. Wallace its CEO

Accepted on behalf of Tenant by

Print Name:

Its (print Officer Title): _____

Accepted on behalf of Landlord by

Print Name:

Its (print Officer Title): _____

DRAFT

RESOLUTION 2017-02-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING THE CHIEF EXECUTIVE OFFICER (“CEO”) OF THE DIA TO NEGOTIATE A REDEVELOPMENT AGREEMENT, PARKING GARAGE LEASE AGREEMENT AND RELATED AGREEMENTS AMONG THE DIA, THE MOLASKY GROUP OF COMPANIES OR DESIGNEE, AND SOUTH EAST GROUP OR DESIGNEE, FOR THE REDEVELOPMENT OF THE BARNETT BANK BUILDING, THE LAURA STREET TRIO, AND FOR CONSTRUCTION OF A STRUCTURED PARKING FACILITY (COLLECTIVELY, THE “PROJECT”); AUTHORIZING: (1) A \$4,000,000 DOWNTOWN HISTORIC PRESERVATION AND REVITALIZATION TRUST FUND GRANT FOR THE LAURA ST. TRIO; (2) AUTHORIZING A REV GRANT IN THE AMOUNT OF \$1,800,000 FOR THE HOTEL PORTION OF THE LAURA ST. TRIO REDEVELOPMENT; AND (3) RECOMMENDING APPROVAL BY CITY COUNCIL OF A \$4,000,000 CITY GRANT FOR THE PROJECT; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE REDEVELOPMENT AGREEMENTS, A LEASE AGREEMENT FOR THE PARKING GARAGE, AND OTHER AGREEMENTS AS NECESSARY FOR THE PROJECT; AUTHORIZING CEO TO INITIATE FILING LEGISLATION WITH THE CITY COUNCIL REGARDING THE SAME; AUTHORIZING THE CEO OF THE DIA TO EXECUTE SUCH AGREEMENTS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, The Molasky Group of Companies (“Molasky”) and SouthEast Group (“SEG”) (collectively, the “Developers”) currently have control of certain parcels of land, comprised of the Barnett Bank Building (the “Barnett Building”) and Laura St. Trio, comprised of the building generally known as the Bisbee Building, Florida Life Building, and the Marble Bank Building (the “Trio”) (collectively the “Developers”) and seek redevelopment these historic buildings; and

WHEREAS, the Developers propose to redevelop the Barnett Building into a combination of residential apartments and commercial office space; and

WHEREAS, the Developers propose to redevelop the Trio into a combination of retail and commercial office space including a hotel component; and

WHEREAS, the Developers propose to develop (design, construct, and finance) a parking garage on the City of Jacksonville owned surface parking lot, located at the corner of Forsyth and Main Streets (R.E. # 073670 0000), to accommodate the parking needs of the Project; and

WHEREAS, to assist the Developers in redeveloping these historic buildings, the DIA proposes to offer a package of incentives as further detailed in the Term Sheet attached to this Resolution as Exhibit “A”; and

WHEREAS, Molasky is in a due diligence and review period under a Purchase & Sale Agreement for the Barnett Building, and has agreed to provide a copy of the deed to the Barnett Building after recording to the DIA evidencing Ownership of the parcel as a precondition to negotiating a Redevelopment Agreement; 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 119.910 *Downtown Historic Preservation and Revitalization Trust Fund* of the City Ordinance Code, to utilize the Historic Preservation Trust Fund to facilitate the rehabilitation and restoration of historic buildings in Downtown Jacksonville; and

WHEREAS, a minimum precondition of funding the incentives shall be that the Barnett Building redevelopment and Parking Garage have been completed; and

WHEREAS, the REV Grant annual payments will be funded through the Downtown East Tax Increment Finance District Trust Fund; 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. Authorizing the CEO to negotiate Redevelopment Agreement and a lease agreement, authorizing the incentives as described above and shown in more detail in the attached Term Sheet.

Section 3. Subject to receipt and review by the CEO of the deed demonstrating ownership by Molasky, or its designee, of the Barnett Building parcel, authorizing the CEO to initiate legislation for approval by City Council of the Redevelopment Agreement(s) garage lease agreement, and related documents authorizing the economic incentives authorized hereby.

Section 4. Authorizing the CEO of the Downtown Investment Authority to execute said agreements subject to the terms as described above.

Section 5. This Resolution, 2017-02-01, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

James Bailey, Chairman

Date

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

FORM APPROVAL:

Office of General Counsel

Revised Term Sheet as of January 19, 2017

Project Name: Laura Street Trio & Barnett Bank Bldg. Adaptive Reuse Project

Developer/ Applicant: A Joint venture of the Molasky Companies and SouthEast Development Group, LLC

Incentives (through the City of Jacksonville and the Downtown Investment Authority) detailed as follows:

The Laura Street Trio:

Total Development Cost:

\$44,641,568 (estimated)

Redevelopment Completion Grant: \$4,000,000 from the Downtown Historic Preservation and Revitalization Trust Fund (the "HPTF").

These grant funds shall be used in accordance with the Downtown Historic Preservation and Revitalization Trust Fund guidelines.

- THE HPTF Grant will be disbursed at issuance of the last needed Certificate of Occupancy ("CO") for the three (3) Buildings which comprise the Trio project. Therefore funds would be needed no sooner than 20 months after construction commences, estimated by the Developer's Schedule.
- The Grants will be subject to standard "claw-back" language.

REV Grant: \$1,800,000 from the Northbank TID.

- Partial ad valorem tax rebate of 20 years @ 50% for an approximate total grant not to exceed **\$1,800,000**.
- On the new construction portion of the project only of the Hotel adjacent to the Florida Life Building.

The Barnett Bank Bldg.:

Total Development Cost:

\$34,202,427 (estimated)

City of Jacksonville Grant: \$4,000,000.

- The Redevelopment grant will be disbursed at issuance of the last needed Certificate of Occupancy ("CO"), for the Barnett Bank Building. Therefore funds would be needed no sooner than 15 months after construction commences, estimated by the Developer's Schedule.

Parking Structure:

Land: Currently valued between **\$800,000-\$1,000,000**, pending a formal appraisal and form of conveyance.

- The City will convey, at price of \$1.00 (either by long term lease [50 years] or via fee simple) the land currently utilized as a surface parking lot at the corner of Main Street and Forsyth Street (the "Parcel").
- The Parcel will be conveyed through a process compliant with the DIA disposition of property procedures.
- The conveyance will be subject to reversion clauses to ensure that a structured parking facility of no less than 550 parking spaces is built.
- The Developer's current site plans include utilizing the surface parking lot owned and operated by Regions Bank.
 - Should the Region's Bank parcel be included in the development plans for the project these proposed incentives are subject to documented writing from Regions Bank, Satisfactory to the City, that Regions Bank is willing to convey, at a price of \$1.00, their parcel to the Developer or City of Jacksonville for inclusion in this parking facility. The City will provide no incentive or any other compensation to Regions Bank for should Region Bank's include its parcel in the project.

Parking Structure Master Lease (max indebtedness of \$13,200,000): Upon commercial utilization of the Parking Structure, The DIA will agree to make master lease payments of up to \$660,000 per year, for Twenty (20) years with a maximum indebtedness of \$13,200,000.

- The Master Lease will be for the entire number of parking spaces (currently planned to be 550 spaces).
- The Developer will design, finance, and construct the parking facility.
- The DIA/Office of Public Parking will operate the facility.
 - The developer will lease from the City 250 spaces on a monthly basis for twenty years; estimated at \$300,000 per year (see below).
 - The Developer's acquisition of parking spaces shall be phased in over the first 24 months after construction of the Parking Structure is completed, and the Parking Structure is operational.
 - The Developer's Payment for parking spaces shall for months 1-24 shall be capitalized and paid over the remaining 18 years of the Developer's Sublease (estimated to be \$333,334 annually).
- The Developer and City may negotiate a Developer's Option to Terminate the Master Lease. While the specific language of such an option must be negotiated at a minimum exercise of the option must trigger the following: either (1) a cash payment made by the Developer to the City, within 90 days from the notice of termination of the Master Lease by the Developer, in an amount equal to the then appraised value of the Land previously conveyed by the City for use by the Parking Structure project; or (2) a sublease of 100 parking spaces for 15 years at a rate of \$1.00 per year. In addition any unpaid lease

capitalized obligation (resulting from months 1-24 of the sublease to the Developer) shall be tendered along with the notice of termination.

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Conditions: This Term Sheet is limited by the following conditions:

This proposal is conditioned upon the Developer evidencing, in writing with documentation satisfactory to the City, site control for all the proposed Development parcels to be used in the three phases of development (the Laura Street Trio, The Barnett Bank Building, and the Parking Structure Parcels). Such written evidence and documentation must be provided by February 20, 2017, or this Term Sheet becomes Null and Void, regardless of execution by the parties; and

Downtown Investment Authority review of the development and construction timelines; and

A completed and approved application to the Jacksonville Historic Preservation Commission for the funding out of the Historic Preservation and Revitalization Trust Fund; and

These proposed financial terms are subject to and contingent upon the approval of the Downtown Investment Authority, the City of Jacksonville Administration, and the Jacksonville City Council.

All terms contained within this Term Sheet are contingent upon the successful commitment and closing of all Historic Rehabilitation Tax Credit Agreements, Construction /Senior Debt Agreements and Commitments, Any Private Junior Lien Loan Agreements and Commitments, evidence of Marketable Title by the Developer, and the inclusion of the City of Jacksonville Lease(s) as also insureds under the Developer's Property & Casualty insurance, and the Hotel Management & Operating Agreement. All terms contained within this Term Sheet are also contingent upon evidence of the funding of the Developer's Equity commitment.

There will be additional terms, conditions, rights, responsibilities, warranties and obligations for both parties shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).

This Term Sheet expires and becomes void, if not executed by the Parties upon February 20, 2017.

Additionally, this Term Sheet expires and all the terms contained within become void, upon June 1, 2017, unless extended in writing by the parties.

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(Signature Page to Follow)

With Respect to the Barnett Bank Building and the Parking Structure:

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

Aundra C. Wallace its CEO

Date: _____

Accepted on behalf of The Molasky Companies by

Print Name:

Its (print Officer Title): _____

Date: _____

With Respect to the Laura Street Trio:

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

Aundra C. Wallace its CEO

Date: _____

Accepted on behalf of Laura Trio, LLC/ Barnett Tower LLC / SouthEast Development Group, LLC by

Print Name:

Its (print Officer Title): _____

Date: _____

And;

Accepted on behalf of The Molasky Companies by

Print Name:

Its (print Officer Title): _____

Date: _____

RESOLUTION 2017-02-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) BOARD OF DIRECTORS INSTRUCTING THE DIA CHIEF EXECUTIVE OFFICER, THROUGH THE OFFICE OF PUBLIC PARKING, TO TAKE EXECUTE THE PUBLIC PARKING LEASE AGREEMENT, INCLUDED AS EXHIBIT ‘A, WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION (“FDOT”) FOR USE, OPERATION AND MANAGEMENT OF CERTAIN SURFACE PARKING FACILITIES WITHIN FDOT RIGHT-OF-WAY AS ILLUSTRATED BY EXHIBIT ‘B’; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the DIA is the economic development agency for Downtown Jacksonville;
and

WHEREAS, the Office of Public Parking is within the DIA; and

WHEREAS, additional public parking is necessary to promote further private investment and redevelopment within the Southbank of Downtown; and

WHEREAS, additional public parking is necessary to promote use of the Southbank Riverwalk and other public facilities; and

WHEREAS, in order to use the surface parking facilities identified in Exhibit ‘B’ there may be necessary improvements requiring the expenditure of funds from the Southside TID (e.g. striping, lighting, payment kiosks, etc.); and

WHEREAS, through their adoption of Resolution 2017-01-01, the DIA Board of Directors instructed their CEO to take all necessary action to effectuate a public parking agreement with FDOT with the understanding that the agreement or functional equivalent would be brought before the DIA Board of Directors prior to execution by the CEO, 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 Board of Directors instructs its CEO to execute the Public Parking Lease Agreement with FDOT included as Exhibit ‘A’.

Section 3. This Resolution, 2017-02-02, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

James Bailey, Chairman

Date

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

FORM APPROVAL:

Office of General Counsel

RESOLUTION 2017-02-02

EXHIBIT A
ADDENDUM

EXHIBIT "C" - AIRSPACE AGREEMENT ADDENDUM

Item/Segment Number: 72160-2528
District: Two
F. A. P. No.: BRM-2665-(1)
State Road Number: 13
County: Duval

This Airspace Agreement Addendum ("Addendum") is made and entered into by and between the Downtown Investment Authority ("DIA"), a Community Redevelopment Agency created by the City of Jacksonville, Florida ("Lessee"), and the State of Florida Department of Transportation ("Lessor") this ___ day of _____, 2017. The terms of this Addendum are made part of and merged into that certain Airspace Agreement ("Agreement") entered into by and between Lessor and Lessee of even date herewith.

1. In the performance of this Addendum and the Agreement, the parties shall comply with all applicable federal, state, local, administrative, regulatory, safety, and environmental laws, codes, rules, regulations, policies, procedures, guidelines, standards, and permits, as the same may be constituted and amended from time to time, including, without limitation, those of the Federal Highway Administration ("Governmental Law").

2. Lessee shall not make improvements to the real property described in Exhibit "A" of the Agreement ("Property"), or to existing or previously approved improvements, absent Lessor's prior written consent.

3. Lessee shall not alter, modify or attach anything to the Acosta Bridge Structure, including the bridge supports, absent Lessor's prior written consent. Nothing may be kept, stored, constructed or improved within six (6) feet of any bridge support.

4. To the maximum extent provided by applicable law, Lessee shall promptly defend, indemnify, hold the Department harmless from and pay all demands, claims, judgments, liabilities, damages, fines, fees, taxes, assessments, costs, losses, penalties, construction delay costs / penalties, expenses, attorneys' fees and suits of any nature or kind whatsoever caused by or resulting, directly or indirectly, in whole or in part, from Lessee's negligence, intentional or wrongful acts, omissions or the performance or breach of this Addendum or the Agreement ("Liabilities"). Lessee shall immediately notify the Department in writing upon becoming aware of any Liabilities. Lessee shall, upon the Department's written demand, participate and associate with the Department in the defense and trial of any Liabilities, including related settlement negotiations. The inability of Lessee to evaluate liability, or its evaluation of liability, shall not excuse performance of the provisions of this paragraph.

The term "Liabilities" shall also specifically include all civil and criminal environmental liability arising, directly or indirectly under any Governmental Law, including, without limitation, liability under the Resource Conservation and Recovery Act ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Clean Air Act ("CAA"), and the Clean Water Act ("CWA").

The indemnification requirements set forth in this section specifically do not encompass indemnifying the Department for its negligence, intentional or wrongful acts, omissions, or breach of contract.

5. Nothing in this Addendum or the Agreement shall be deemed or otherwise interpreted as waiving the Department's sovereign immunity protections, or as increasing the limits of liability set forth in §768.28, Florida Statutes (2016).

6. Owner shall operate, maintain and repair the Property and improvements thereon, specifically excluding the Acosta Bridge Structure and bridge supports, at its sole cost and expense, in a good and workmanlike manner, with reasonable care, in accordance with the terms and provisions of this Addendum, the Agreement and applicable Governmental Law.

7. The rights and benefits acquired by Lessee by virtue of this Addendum and the Agreement are subordinate and inferior to the rights of Lessor.

8. Lessor's rights to terminate the Agreement as set forth in section seven (7) of the Agreement are expressly without liability to Lessee. Lessee waives and shall not assert any claims, in whole or in part, against Lessor as a result of Lessor's termination of the Agreement.

9. All notices, communications and determinations between the parties and those required by this Addendum and the Agreement, including, without limitation, changes to the notification addresses set forth below, shall be in writing and shall be sufficient if mailed by regular United States Mail, postage prepaid, to the parties at the following addresses:

Lessor:

Lessee:

10. The parties shall comply with Chapter 119, Florida Statutes.

11. This Addendum and the Agreement shall be governed in all respect by the laws of the State of Florida.

12. Venue for any and all actions arising out of or in any way related to the interpretation, validity, negotiation, performance, or breach of this Addendum or the Agreement shall lie exclusively in a state court of appropriate jurisdiction in Leon County, Florida.

13. All persons and entities accepting an assignment of this Addendum or the Agreement, in whole or in part, shall be deemed as having consented to personal jurisdiction in the State of Florida and as having forever waived and relinquished all personal jurisdiction defenses with respect to any proceeding related to the interpretation, validity, negotiation, performance, or breach of this Agreement.

14. The parties waive the right to trial by jury of all disputes concerning the interpretation, validity, negotiation, performance, or breach of this Addendum or the Agreement.

15. This Addendum and the Agreement are not assignable absent the prior written consent of Lessor. Nothing in this section prevents Lessee from delegating its contractual duties, but such delegation shall not release Lessee from its obligation to perform this Addendum and the Agreement.

16. Nothing in this Addendum or the Agreement is intended to confer any rights, privileges, benefits, obligations, or remedies upon any other person or entity.

17. With the exception of any Department Permits which may issue, this Addendum and the Agreement contain the entire understanding of the parties and no representations or promises have been made except those that are specifically set out in this Addendum and the Agreement. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants, and warranties with respect to the subject matter of this Addendum and the Agreement are waived, merged in, and superseded by this Addendum and the Agreement.

18. The parties agree that they shall promptly execute and deliver to the other all documents necessary to accomplish the intent and purpose of this Addendum and the Agreement and shall do all other acts to effectuate the same.

19. By their signatures below, the parties acknowledge the receipt, adequacy and sufficiency of consideration provided in this Addendum and the Agreement and forever waive the right to object to or otherwise challenge the same.

20. The failure of either party to insist on the performance / compliance with any term or provision of this Addendum or of the Agreement on one or more occasions shall not constitute a waiver or relinquishment of the same and all such terms and provisions shall remain in full force and effect unless specifically waived or relinquished in writing.

21. No term or provision of this Addendum or the Agreement shall be interpreted for or against either party because that party or that party's legal representative drafted the provision.

22. A modification or waiver of any of the provisions of this Addendum or the Agreement shall be effective only if made in writing and executed with the same formalities as this Addendum and the Agreement.

IN WITNESS WHEREOF, the parties execute this Addendum consisting of five (5) pages.

Florida Department of Transportation

By: _____

Printed Name: _____

Title: _____

Date: _____

Legal Review:

By: _____

Office of the General Counsel
Florida Department of Transportation

Attest:

By: _____

Printed Name: _____

Downtown Investment Authority

By: _____

Printed Name: _____

Title: _____

Date: _____

Legal Review:

By: _____

Attest:

By: _____

Printed Name: _____

Exhibit B is not ADA-compliant but is available upon request via the DIA contact form or a public records request. We appreciate your patience.

Note: The City of Jacksonville and the Downtown Investment Authority are committed to making its website compliant with all state and federal laws, as well as accessible to as many people as possible. The City is currently developing a procedure to make all documents posted on the City's website readable via screen reader. **In the meantime, public records that are not currently accessible via screen reader will not be posted to the City's website but remain available pursuant to a public records request.** To submit a public records request online visit [MyJax](#) or call (904) 630-CITY and provide a description of the documents being requested. For documents requiring screen reader compatibility requests will be directed to the originator of the correspondence.