



**Downtown Investment Authority  
Strategic Implementation Committee  
Hybrid In-person/Virtual Meeting  
Thursday, November 9th, 2023 at 3:00 p.m.**

## **SIC AGENDA**

Oliver Barakat, Committee Member  
Carol Worsham-Committee Member

Joe Hassan, Committee Member  
Jim Citrano, DIA Board Chair, Ex-Officio

- I. CALL TO ORDER
  - II. PUBLIC COMMENTS
  - III. FORM 8B: VOTING CONFLICT DISCLOSURES
  - IV. OCTOBER 16<sup>TH</sup>, 2023 STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES APPROVAL
  - V. RESOLUTION 2023-11-01 ARCHITECTURAL SERVICES RFP
  - VI. RESOLUTION 2023-11-02 DIA PARKING GARAGE OPERATOR RFP
  - VII. RESOLUTION 2023-11-03 AMBASSADOR EXTENSION
  - VIII. RESOLUTION 2023-11-06 GATEWAY JAX N4
  - IX. RESOLUTION 2023-11-07 GATEWAY JAX N5
  - X. RESOLUTION 2023-11-08 GATEWAY JAX N8
  - XI. RESOLUTION 2023-11-09 GATEWAY JAX N11
  - XII. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR
  - XIII. ADJOURN
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### **MEETING LOCATION**

#### **Physical Location**

Ed Ball Building  
214 N. Hogan St.

8<sup>th</sup> Floor Conference Room 851  
Jacksonville, FL 32202

**Virtual Location**

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

**Join Zoom Meeting**

<https://us02web.zoom.us/j/82644809997?pwd=VGQ2d29qVHFoUEwrOGFIT2YxcEszZz09>

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**TAB IV**

**OCTOBER 16, 2023 STRATEGIC IMPLEMENTATION COMMITTEE  
MEETING MINUTES APPROVAL**



**Downtown Investment Authority**  
**Strategic Implementation Committee Hybrid Meeting**  
***Monday, October 16th, 2023, 1:00 p.m.***

**Strategic Implementation Committee Hybrid Meeting**  
***DRAFT MEETING MINUTES***

**Strategic Implementation Committee Members (CM) in Attendance:**

George Saoud  
Carol Worsham

Oliver Barakat

**DIA Board Members In-Person:** Jim Citrano (attending ex officio as Board Chair), Joshua Garrison (attending as a non-voting member of the Board)

**DIA Staff Present:** Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Operations Manager; Ric Anderson, Communications and Marketing Specialist; and Ava Hill, Administrative Assistant

**Office of General Counsel:** Joelle Dillard

**Council Members Present:** Jimmy Peluso.

**I. CALL TO ORDER**

The Strategic Implementation Committee meeting of October 16th, 2023, was called to order at 1:00 p.m. by George Saoud, Committee Chair.

**II. PUBLIC COMMENTS**

Committee Chair Saoud called for public comment.

*The following persons made in-person public comments, made public comments virtually through Zoom, or provided comments that were read into the record by DIA Staff. Note: the subject matter of the comment(s) indicated to the right of each person: John Nooney, Marie McGrath Wood*

**III. RESOLUTION 2023-10-3 DORO EXTENSION**

Mr. Kelley gave a presentation of the resolution, a request for an extension of the completion date of the RISE: Doro mixed-use project. Mr. Kelley reported that the developer was running slightly behind schedule due to supply and market conditions. Under the request, the extension date would be moved from the end of December 2023 to the end of March 2024.

DIA Board Chairman Citrano stated that he had filed a Form 8B due to an affiliate of RISE being a client of his employer. He asked whether he would be eligible to vote on the resolution. Ms. Dillard indicated that Mr. Citrano was eligible.

**Vote:           Aye: 4           Nay: 0           Abstain: 0**

**IV.    RESOLUTION 2023-10-06 SPECIALTY ZONE**

CEO Boyer presented background and details on the resolution, which would create specialty centers along the Riverwalk where alcoholic beverages may legally be carried and consumed under regulated parameters. Ms. Boyer explained that Florida state law allows for the designation of these specialty centers, which have been established elsewhere in Florida.

Allan DeVault, Executive Director of Build Up Downtown, presented additional context regarding the state statute, discussed how specialty centers had been received in communities that had established them, and provided details about sites for prospective specialty centers on the Jacksonville Riverwalk.

Board members posed questions to Mr. DeVault and DIA staff. Two members of the public spoke about the resolution: Carnell Oliver and Nancy Powell.

**Motion:**           Committee Member Worsham moved to approve the Resolution.  
**Seconded:**       Board Member Barakat seconded.

**Vote:           Aye: 4           Nay: 0           Abstain: 0**

**V.     RESOLUTION 2023-10-07 ZONING CODE PROCESS AMENDMENTS**

Mr. Parola presented an overview of the amendments, explaining that they were designed to streamline the review and approval processes for projects. Significant discussion ensued.

**Motion:**           DIA Board Chairman Citrano moved to approve the Resolution.  
**Seconded:**       Committee Member Worsham seconded.

**Vote:           Aye: 4           Nay: 0           Abstain: 0**

**VI.    OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR**

CEO Boyer informed the Committee that the developer of the Ambassador Hotel project was planning to request from the City Council an extension of the project's completion date to spring of 2024 due to a legal dispute. This comes after several previous extensions for the project, the latest of which set a completion date of Sept. 30, 2023. The Neighborhoods, Community Services, Public Health and Safety Committee, which discussed deferring a decision on the new extension until Nov. 20 in order to give the DIA Board time to make a recommendation to the Council on whether to grant the extension and, if so, under which conditions.

Council Member Peluso said the Counsel wanted the DIA Board's input on the decision, as the Board members have substantial institutional knowledge of the project.

**No vote was taken on this item.**

### **ADJOURNMENT**

Committee Chair Saoud adjourned the meeting at 2:28 p.m.

*The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a recording is available upon request. Please contact Ava Hill at [ava@coj.net](mailto:ava@coj.net) to acquire a recording of the meeting.*

**TAB V**

**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; 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.

**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.

**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.

[SIGNATURES ON FOLLOWING PAGE]

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

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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](http://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 VI**

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

**RESOLUTION 2023-11-02**

**OPTION A**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY APPROVING THE MINIMUM QUALIFICATIONS, SCOPE OF SERVICES, AND SCORING CRITERIA OF A REQUEST FOR PROPOSAL FOR A GARAGE OPERATOR AT THE METROPOLITAN PARKING, LLC GARAGES (COURTHOUSE GARAGE, 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 NEGOTIAITE 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**, “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 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 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 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 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 2023-11-02A**  
**Exhibit 1**  
**Minimum Qualifications**

Vendors must satisfy the following mandatory minimum requirements in order to have their Responses evaluated. Vendors must submit a response for all three (3) garages. 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, Arena, and Sports Complex Garages must have a **minimum** of five years' experience operating garages of similar size, and providing daily and monthly parking, in a single downtown setting and 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 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 three (3) references that are similar in nature and scope to the services requested hereunder for either the Courthouse Garage or the Arena and Sports Complex Garage. At least one (1) reference should be a similar garage operation to the Courthouse Garage, which is primarily used for monthly and daily parking. At least one (1) Reference should be a similar garage operation to the Arena and Sports Complex Garages, which are primarily used for special event parking. 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 2023-11-02A**  
**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 operations management to an experienced and qualified Vendor for three (3) parking garages. The DIA is interested in awarding a contract to manage all three (3) 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 parking facilities.

**FACILITY BACKGROUND INFORMATION**

The DIA has operational control of three (3) existing parking 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 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.
- 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 parking facilities. The services to be provided shall include, but not be limited to the following:

- 2.1 For the Arena Garage and Sports Complex Garages, 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 For the Courthouse Garage, operate and maintain as a primarily transient and monthly parking garage that, on limited occasions, is operated as a special events parking facility.
- 2.3 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.
- 2.4 For the Arena Garage and Sports Complex Garages, provide staffing for special events and as needed to operate transient or monthly parking when added, including on-site supervision during garage operating hours.
- 2.5 For the Courthouse Garage, 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.
- 2.6 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
- 2.7 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 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.
- 2.8 The CEO of the DIA must approve any subcontract for services for repetitive and scheduled maintenance. 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.

- 2.9 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.
- 2.10 By January 31st of each year, provide an annual budget (for the ensuing fiscal year) of operating expenses and revenues for each garage. An overall budget 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 operating expenses.
  - b. Any third-party contracts for services
  - c. An accurate estimate and detail of any and all pass-through 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 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 to be charged as an expense, by position
- 2.11 Provide detailed and accurate monthly reports and payment for reimbursement, no later than the 15<sup>th</sup> 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
- 2.12 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.
- 2.13 Enforce parking policies and rates set by the DIA in coordination with the DIA.
- 2.14 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.
- 2.15 The Vendor does not have the authority to provide free parking or enter into contracts for retail space in the garages. 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 rate and capacity is not exceeded. 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 is not authorized to 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 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.
- 2.16 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.

2.17 The contract will be for a term of 5 years, with 3 one-year renewal options exercisable by DIA in its sole discretion. The Contract shall be terminable by DIA on 90 days prior notice in the event of the following:

1. 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. 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.

**Resolution 2023-11-02A**  
**Exhibit 3**  
**Scoring and Evaluation Criteria**

The evaluations will be based upon the following criteria. 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 other responses received 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 will evaluate submittals for the Courthouse Garage, Arena Garage and Sports Complex Garage together, and has the final determination in awarding a contract.

**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**

- Describe company qualifications and experience in downtown parking operations management and describe company qualifications and experience in 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. Further describe the ability to recruit, train, and retain staff.
- 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 three (3) references that are similar in nature and scope with references to include the client's contact person and telephone number. Of these three (3) references, at least one (1) reference similar to each type of garage is required. At least one (1) 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 all three (3) garages. For the Courthouse Garage, this would be a garage that offers daily and monthly parking in a downtown setting. For the Arena and Sports Complex Garages, this would be a garage or garages that have an aggregate of 1,500 spaces for event parking.

**2. OPERATING AND STAFFING PLAN: 40 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 for each garage.
- 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 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 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.

**3. CONTRACT COST: 30 points maximum score**

- Criteria for contract cost to be provided upon availability.

**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**  
**OPTION B**

**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 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 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 pass-through 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 15<sup>th</sup> 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.
- 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 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.

2.15 The contract will be for a term of 5 years, with 3 one-year renewal options exercisable by DIA in its sole discretion. The Contract shall be terminable by DIA on 90 days prior notice in the event of the following:

1. 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. 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.

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

The evaluations will be based upon the following criteria. 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 that are similar in nature and scope 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 off of 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 area with an aggregate of 1,500 spaces.

**2. OPERATING AND STAFFING PLAN: 40 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.

**3. CONTRACT COST: 30 points maximum score**

- Criteria for contract cost to be provided upon availability.

**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**  
**OPTION C**

**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 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 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 pass-through 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.
- 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 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.

The contract will be for a term of 5 years, with 3 one-year renewal options exercisable by DIA in its sole discretion. The Contract shall be terminable by DIA on 90 days prior notice in the event of the following:

1. 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. 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.

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

The evaluations will be based upon the following criteria. 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: 40 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.

**3. CONTRACT COST: 30 points maximum score**

- Criteria for contract cost to be provided upon availability.

**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

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### **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 27<sup>th</sup>, 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 16<sup>th</sup>, 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 23<sup>rd</sup>, 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 1<sup>st</sup>, 2020, and ending on December 31<sup>st</sup>, 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 21<sup>st</sup>, 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) renewal options exercisable by the DIA. It also states the conditions under which the contract can be terminated in 90 days. These conditions are:

- if the proposed operating costs contained in the budget for any year exceeds the prior year by 20%; or
- if the actual operating expenses charged in a given year exceed the budget by more than 20% unless the actual net revenue to the DIA exceeds the budget by an equal or greater percentage.

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 is comprised of the following, which are translated into the Scoring Criteria as well: a monthly base fee, operational expenses, and an incentive fee.

### **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 (40 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. Fee Cost (30 Points)

The fee structure is similar to the one found in the Parking Services Management Agreement. It retains a base fee, incentive fee, and payment of operating expenses. Since the operation expense is the largest portion of the fee, this section is weighted to provide most of the points based on the competitiveness of that fee.

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 VII**

**RESOLUTION 2023-11-03: AMBASSADOR EXTENSION**



# 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

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## **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.

**SUPPLEMENTAL INFORMATION**

**Staff Report Applies to**

**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:**

**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.

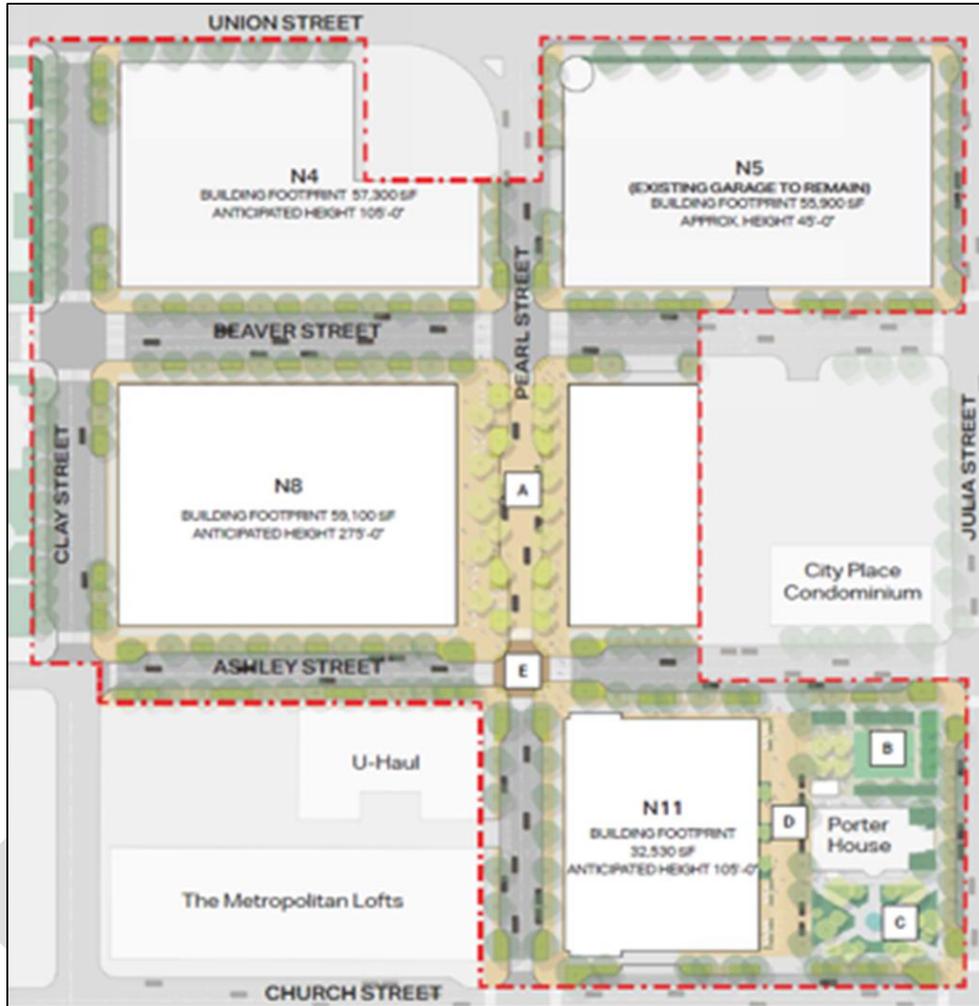
Barry DeGroot – Sec of DLP Real Estate Capital Inc.

**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.

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

- Multifamily – Approximately 1,021 units.
- Retail – 85,488 square feet leasable space including at least 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 curbside street.
- Minimum Private Capital Investment: \$373,722,700 100.0%
- Minimum Equity Commitment: \$ 76,282,700 20.4%
- REV Grant Maximum Indebtedness: \$ 59,638,000 16.0%
- Completion Grant Maximum Funding: \$ 38,950,000 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.



**Individual components as proposed are listed below:**

- 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: \$ 2,584,000 25.2%
- Completion Grant Maximum Funding: \$ 1,910,000 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

**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.

**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 it becomes more and more utilized 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. 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 .

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 10<sup>th</sup> 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.

#### *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.

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 as required.

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To be eligible for funding, all work must be reviewed and approved by the Planning and Development Department for consistency with the United States Secretary of Interior Standards and applicable design guidelines during application processing and, further, for verification upon completion and request for funding under terms defined in the Redevelopment Agreement. At this level of funding and structure, the incentives proposed require funding through the City of Jacksonville General Fund and are subject to further approvals by the Jacksonville City Council.

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Exhibit A:

<b>N4 Best Case Scenario (4.25% Growth)</b>		
<b>\$98.5 Million in Capital Expenditures</b>		
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)	\$ -
<b>Total City Expected Benefits</b>		\$ 24,499,000
Total City Investment	(5)	\$ 20,949,000
<b>Return on Investment Ratio</b>		<b>1.17</b>
<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>		
<b>(5) - City Incentives as follows:</b>		
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
<b>Total Direct Incentives</b>		<b>\$ 20,949,000</b>
<b>Proposed:</b>		
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%
	<b>\$ 6,844,000</b>	<b>100.0%</b>

**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)	\$ -	
<b>Total City Expected Benefits</b>			\$ 19,727,000
Total City Investment	(5)		\$ 18,505,000
<b>Return on Investment Ratio</b>			<b>1.07</b>

- (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:**

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

**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)	\$ 4,476,000	
Local Option Sales Tax	(2)	\$ 682,000	
Payroll	(3)	\$ 36,000	
Add'l Benefits Provided (DESCRIBE HERE)	(4)	\$ -	
<b>Total City Expected Benefits</b>			\$ 5,194,000
Total City Investment	(5)		\$ 4,480,000
<b>Return on Investment Ratio</b>			<b>1.16</b>

- (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:**

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

**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)	\$ -	
<b>Total City Expected Benefits</b>			\$ 4,248,000
Total City Investment	(5)		\$ 4,016,000
<b>Return on Investment Ratio</b>			<b>1.06</b>

- (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:**

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

<b>Proposed:</b>		
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%
	<b>\$ 1,906,000</b>	<b>100.0%</b>

<b>N8 Best Case Scenario 4.25% Growth</b>		
<b>\$242 Million in Capital Expenditures</b>		
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)	\$ -
<b>Total City Expected Benefits</b>		\$ 69,439,000
Total City Investment	(5)	\$ 59,445,000
<b>Return on Investment Ratio</b>		<b>1.17</b>
<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>		
<b>(5) - City Incentives as follows:</b>		
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
<b>Total Direct Incentives</b>		<b>\$ 59,445,000</b>
<b>Proposed:</b>		
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%
	<b>\$ 25,557,000</b>	<b>100.0%</b>

**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)	\$ -	
<b>Total City Expected Benefits</b>			\$ 57,908,000
Total City Investment	(5)		\$ 53,555,000
<b>Return on Investment Ratio</b>			<b>1.08</b>

- (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
<b>Total Direct Incentives</b>	<b>\$ 53,555,000</b>

<b>Proposed:</b>		
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%
	<b>\$ 25,557,000</b>	<b>100.0%</b>

**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)	\$ -	
<b>Total City Expected Benefits</b>			\$ 16,028,000
Total City Investment	(5)		\$ 13,700,000
<b>Return on Investment Ratio</b>			<b>1.17</b>

- (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:**

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

<b>Proposed:</b>		
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%
	<b>\$ 4,639,000</b>	<b>100.0%</b>

**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)	\$ -	
<b>Total City Expected Benefits</b>			\$ 12,920,000
Total City Investment	(5)		\$ 12,140,000
<b>Return on Investment Ratio</b>			<b>1.06</b>

- (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:**

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

<b>Proposed:</b>		
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
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 Restaurant 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 activities	✓	✓	✓	✓
4d - Downtown history	X	X	✓	✓
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

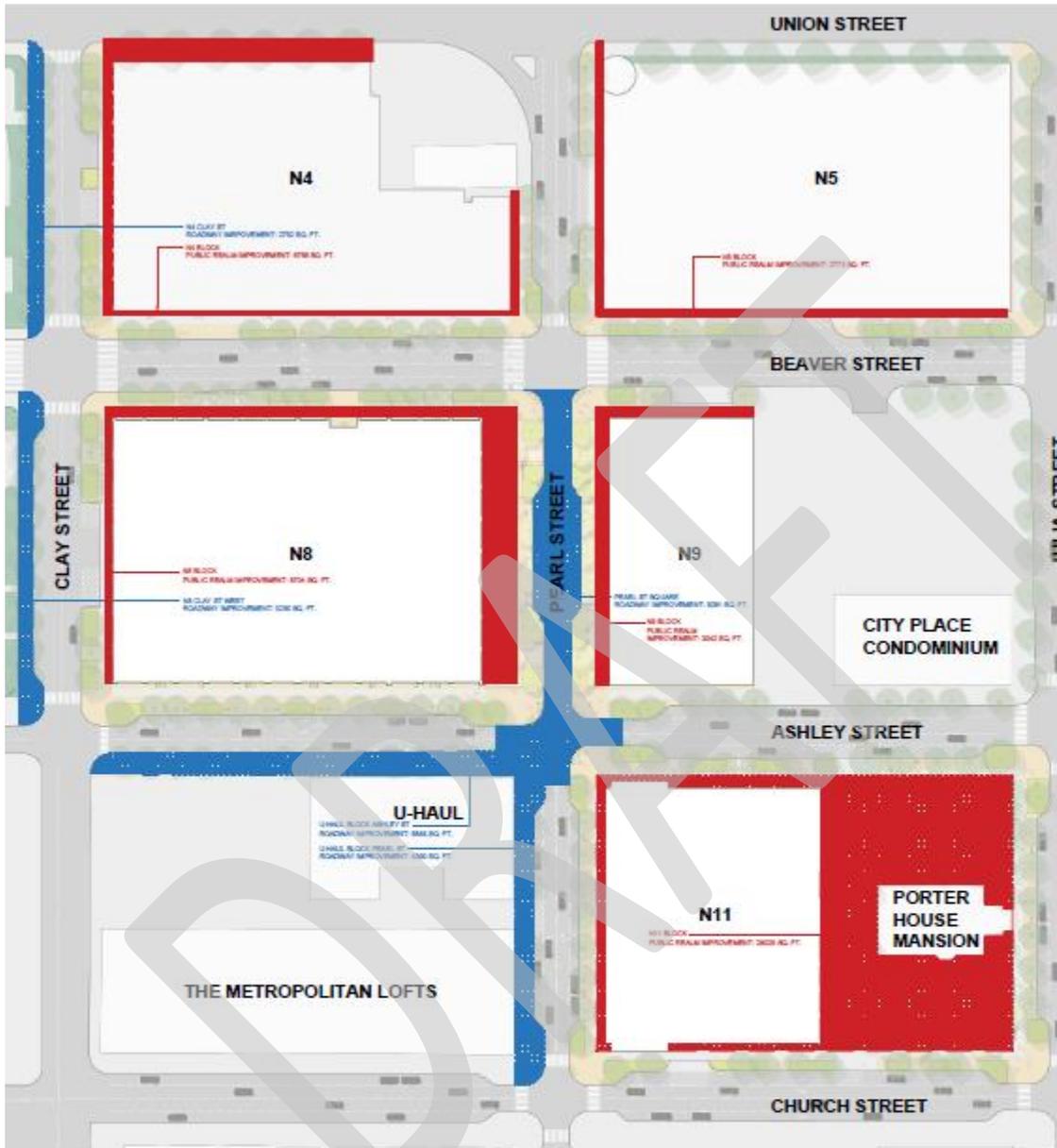
### Exhibit C – Years Tables Commitments

#### 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
<b>3% Required Contribution</b>	<b>2,687,000</b>	<b>6,471,000</b>	<b>1,746,000</b>	<b>378,000</b>	<b>11,282,000</b>

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
<b>Subtotal Capital Improvements</b>	<b>1,317,500</b>	<b>3,905,000</b>	<b>1,012,500</b>	<b>-</b>	<b>6,235,000</b>
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
<b>Subtotal Easement Value</b>	<b>424,000</b>	<b>225,000</b>	<b>500,000</b>	<b>72,000</b>	<b>1,221,000</b>
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
<b>Total</b>	<b>2,687,000</b>	<b>6,471,000</b>	<b>1,746,000</b>	<b>378,000</b>	<b>11,282,000</b>
<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 VIII**

**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 easement to the City 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**

<b>Developer/ Applicant:</b>	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).
<b>The Property:</b>	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.
<b>The Project:</b>	<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: 281 residential units proposed with mix comprised of: <ol style="list-style-type: none"> <li>a) 40 - Studio units (No fewer than 32 units)</li> <li>b) 184 - 1 BR units (No fewer than 147 units)</li> <li>c) 51 - 2 BR units (No fewer than 46 units)</li> <li>d) 6 - 3 BR units (No fewer than 5 units)</li> <li>e) No fewer than 266 total unit count minimum.</li> <li>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.</li> <li>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.</li> </ol> </li> <li>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.</li> <li>4. Retail Space: <ol style="list-style-type: none"> <li>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.</li> </ol> </li> </ol>

	<ul style="list-style-type: none"> <li>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"> <li>i. 270 non-contiguous linear feet fronting Beaver Street</li> <li>ii. 90 contiguous linear feet fronting Pearl Street</li> <li>iii. 50 contiguous linear feet fronting Clay 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> </li> <li>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.</li> </ul>
<p><b>Design:</b></p>	<ul 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> </ul>

<p><b>REV Grant:</b></p>	<ol style="list-style-type: none"><li>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.</li><li>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&amp;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.</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.</p>
<p><b>Completion Grant:</b></p>	<ol style="list-style-type: none"><li>1. Maximum Proceeds: Not to exceed \$6,844,000.</li><li>2. Funding 1 in the amount of \$4,238,000 to be earned and paid upon Substantial Completion of the Improvements.</li><li>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.</li><li>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.</li><li>5. Effective Gross Leasable Space for N4 totals 17,240 square feet of the Leasable Retail Space.</li></ol>

<b>Redevelopment Agreement:</b>	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.
<b>Entitlements:</b>	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.
<b>Permits:</b>	Developer / Applicant will be responsible for obtaining all building and other permits required for the Project.
<b>Tiers System Commitments</b>	<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.</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 Council, and placemaking initiatives on programming in Pearl Square and the Porter House Park.</li> <li>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.</li> </ol> </li> <li>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</li> </ol>

	<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"><li>4. Permanent Easement in favor of the City for the Streetscape Easements to be executed simultaneous with request for initial funding on Completion Grants.</li><li>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.</li><li>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, JWW Park and Skyway, Rosa Parks Station, LaVilla Heritage Trail, and City Hall and the public access components of the project including the Porter House parks, Pearl Square, and all associated retail incorporating the branding guidelines color palette established for the district.</li><li>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.</li></ol>
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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 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>
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<p><b>Additional Terms and Conditions</b></p>	<ol style="list-style-type: none"><li>1. All funding commitments other than the REV Grant are subject to further approvals by the COJ City Council.</li><li>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.</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 0.63 space per unit.</li><li>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.</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. 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.</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 Pearl Street as increased safety features.</li><li>g. In addition to the required City-standard bike racks, Developer will install at least one additional bike rack to promote cyclability.</li><li>h. 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 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:</li></ol>
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	<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		
N4	<a href="#">074299 0000</a>	405 Beaver Street W	11,025	0.25	Osprey River LLC	\$ 97,020	\$ 8.80
N4	<a href="#">074296 0020</a>	715 Clay Street	11,325	0.26	715 Clay St LLC	\$ 157,592	\$ 13.92
N4	<a href="#">074295 0000</a>	0 Beaver Street W	5,765	0.13	Beaver Branch LLC	\$ 86,475	\$ 15.00
N4	<a href="#">074296-0005</a>	1 Beaver Street W	27,007	0.62	Osprey River LLC	\$ 405,105	\$ 15.00
			55,122	1.27			



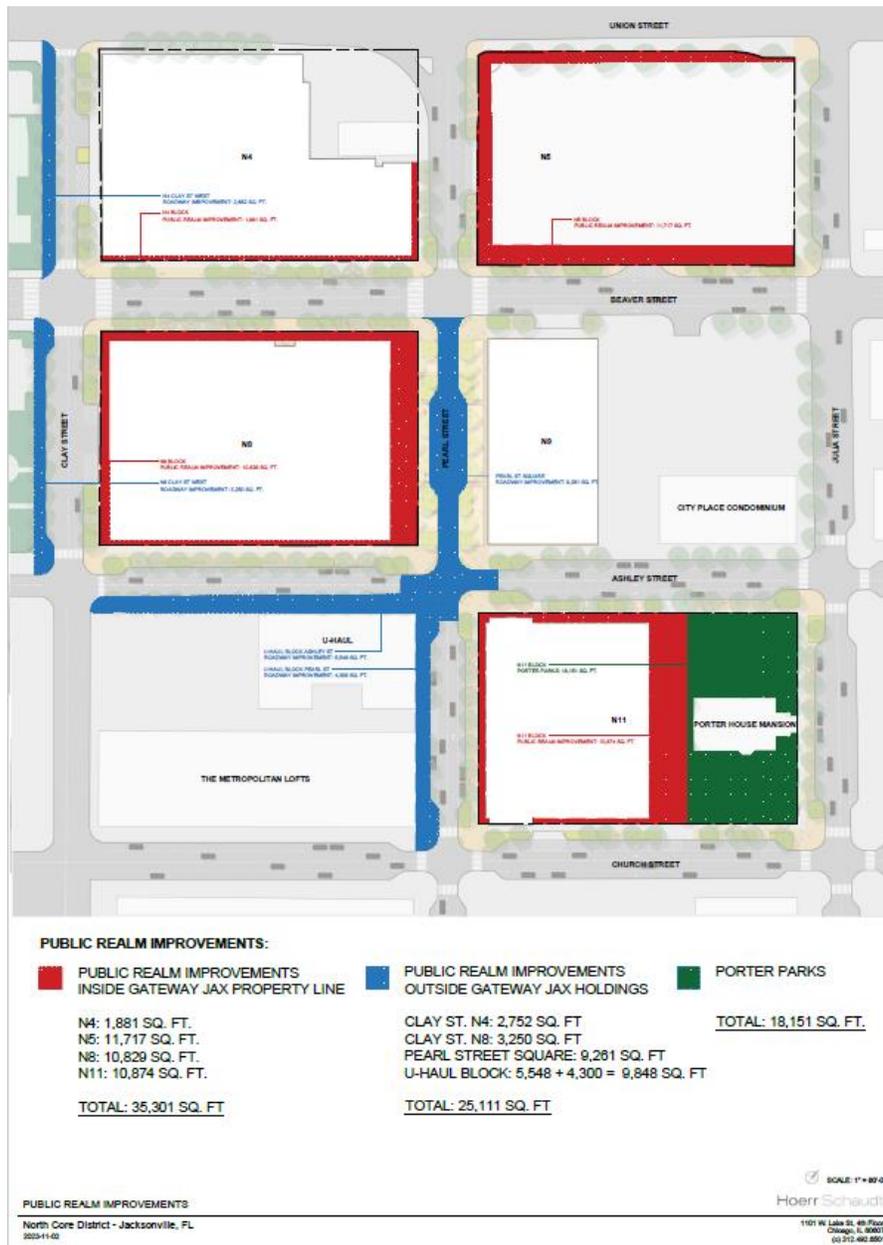
**Exhibit 2. – Minimum Private Capital**

<b>Development Cost</b>	\$	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
<b>MINIMUM PRIVATE CAPITAL</b>	<b>\$</b>	<b>89,563,000</b>

**Exhibit 3. – Construction Cost**

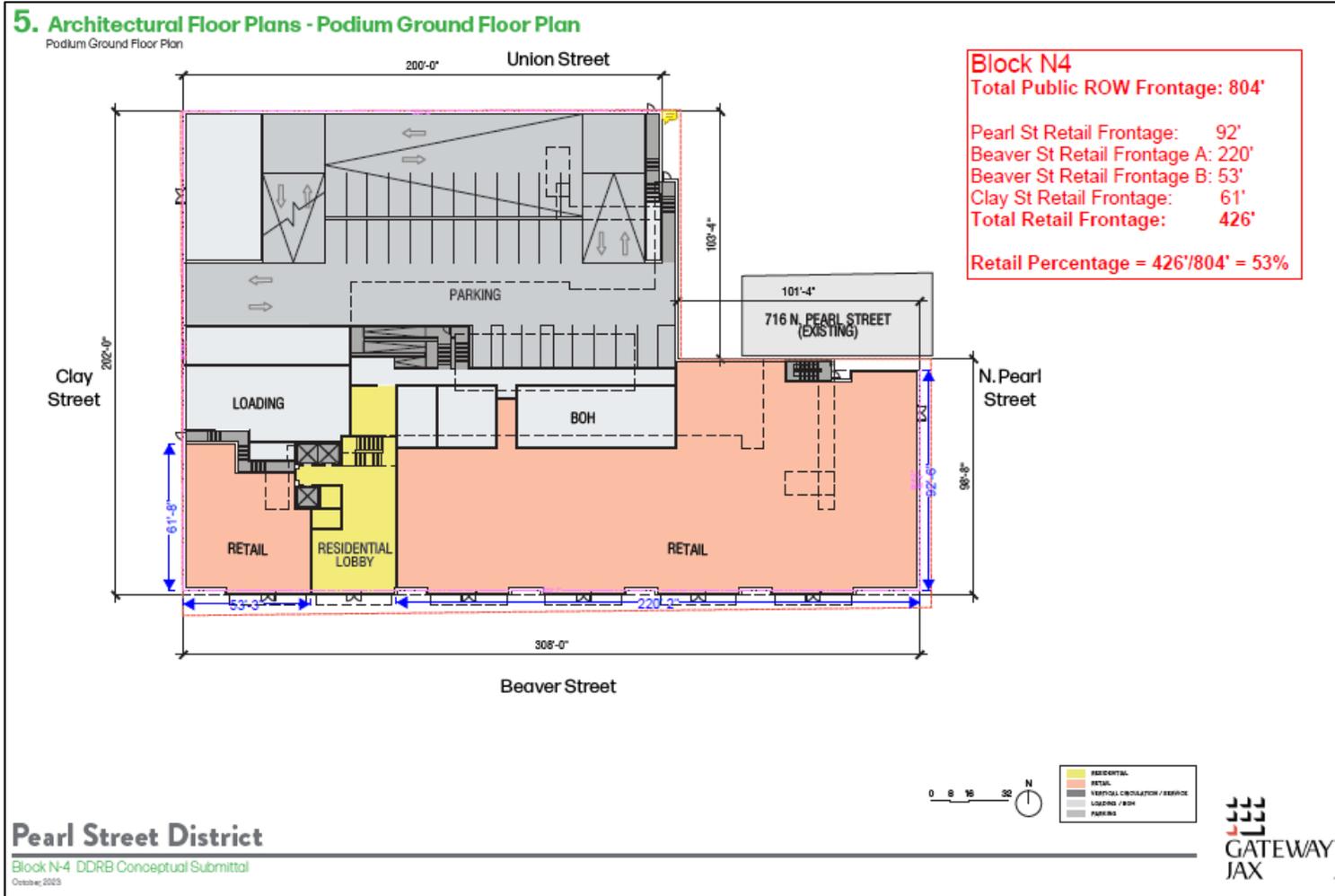
<b>Development Costs</b>	\$ 98,466,000
Land Costs	\$ 1,363,000
TI's & LLW	\$ 2,944,000
Other Hard Costs	\$ 2,304,000
Surveys, testing, appraisals & inspections	\$ 428,000
Permits, licenses, bonds & fees	\$ 713,000
Insurance and title	\$ 1,412,000
Property taxes during development	\$ 98,000
Utilities 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
<b>CONSTRUCTION COST</b>	<b>\$ 81,078,000</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	\$ 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
	<b>\$ 871,274</b>	

**TAB IX**

**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><b>Developer/ Applicant:</b></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><b>The Property:</b></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><b>The Project:</b></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"> <li>1. Five story parking garage to be rehabilitated to include approximately 15,000 sf of retail space.</li> <li>2. Retail Space:             <ol style="list-style-type: none"> <li>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.</li> <li>b) Retail Frontages at the ground level proposed totaling 200 non-contiguous feet along Beaver Street.                 <ol style="list-style-type: none"> <li>i. Retail Frontages may adjust downward in final design by not more than 10% to remain within compliance, with no limit on upward adjustment.</li> <li>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.</li> </ol> </li> </ol> </li> <li>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</li> </ol>

	<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>
<b>Design:</b>	<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>
<b>REV Grant:</b>	<ol style="list-style-type: none"><li>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.</li><li>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.</li><li>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.</li><li>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.</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.</p>
<b>Completion Grant:</b>	<ol style="list-style-type: none"><li>1. Maximum Proceeds: Not to exceed \$1,906,000.</li><li>2. Funding 1 in the amount of \$872,000 to be earned and paid upon Substantial Completion of the Improvements.</li><li>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</li></ol>

	<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"> <li>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.</li> <li>5. Effective Gross Leasable Space for N5 totals 13,500 square feet of the Leasable Retail Space.</li> </ol>
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<b>Redevelopment Agreement:</b>	<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>
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<b>Entitlements:</b>	<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>
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<b>Permits:</b>	<p>Developer / Applicant will be responsible for obtaining all building and other permits required for the Project.</p>
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<b>Tiers System Commitments</b>	<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. Permanent Easement in favor of the City for the Streetscape Easements to be executed simultaneous with request for initial funding on Completion grants.</li> <li>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.</li> </ol>
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	<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><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 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>

**Additional terms and Conditions**

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:
  - 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:
  - 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"><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**

Parcel	RE #	Street Address	Est SF	Est Acres	Current Owner
N5	<a href="#">074015 0000</a>	721 Pearl St N	65,340	1.50	721 Pearl Garage LLC



**Exhibit 2. – Minimum Private Capital**

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

**Exhibit 3. – Estimated Taxable Value**

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

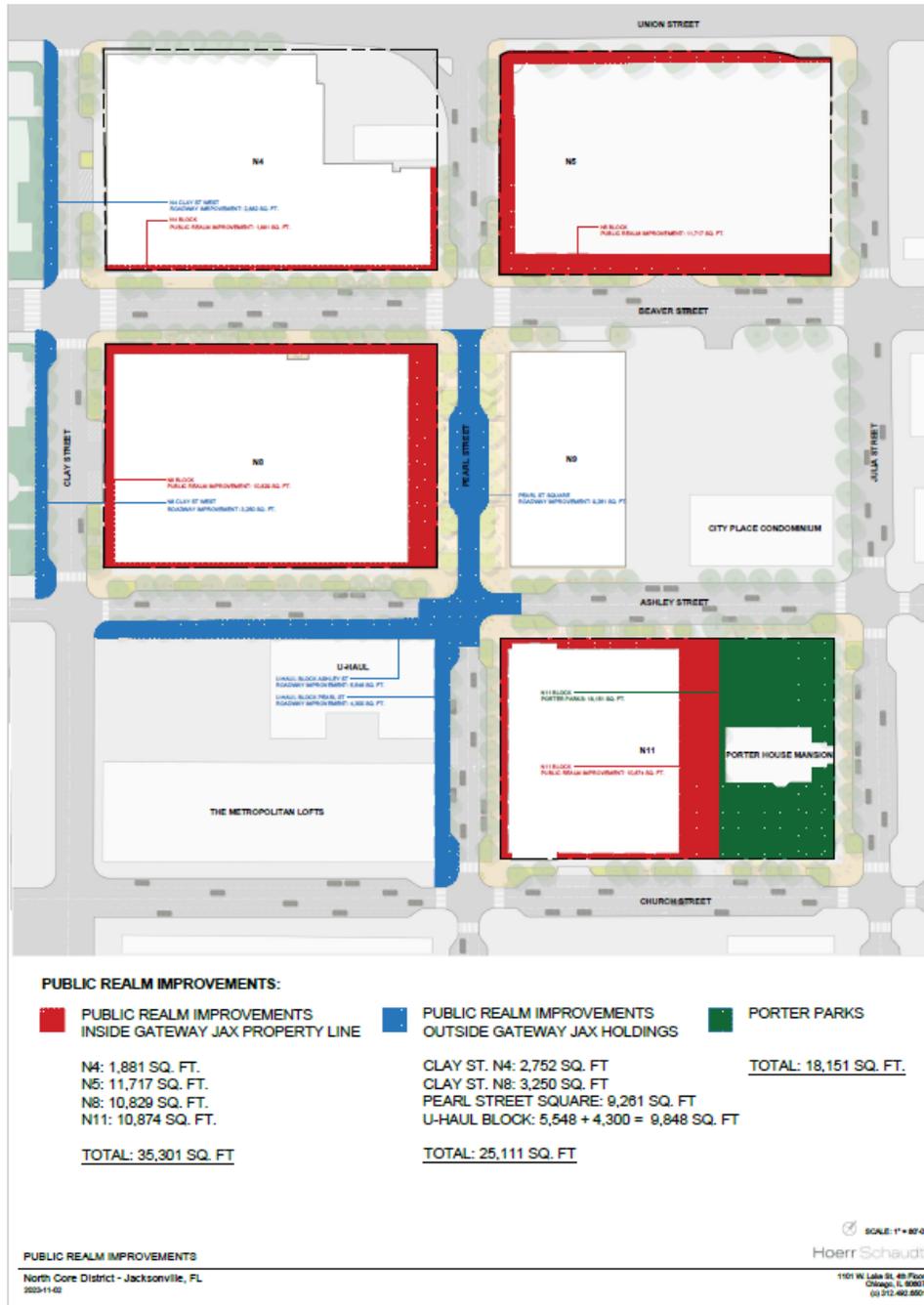
**Target Value for Increased Valuation (NOI Approach)**

	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
<b>Total</b>	<b>1,021</b>	<b>1.00</b>	<b>1,021</b>	<b>(249)</b>	<b>772</b>
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
<b>Assessed Value</b>		<i>7% Cap Rate</i>			<b>9,610,714</b>

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	
<b>Total</b>	<b>15,000</b>	<b>10 yrs</b>	<b>\$35.00</b>	<b>\$13.43</b>	<b>\$150.00</b>	<b>\$49.88</b>	
Gross rent						\$	525,000
Vacancy	10.00%					\$	(52,500)
Eff Gross						\$	472,500
Op Ex	35.00%					\$	(165,375)
NOI						\$	307,125
<b>Assessed Value</b>	<b>7.00%</b>			<i>7.0% Cap Rate</i>		<b>\$</b>	<b>4,387,500</b>

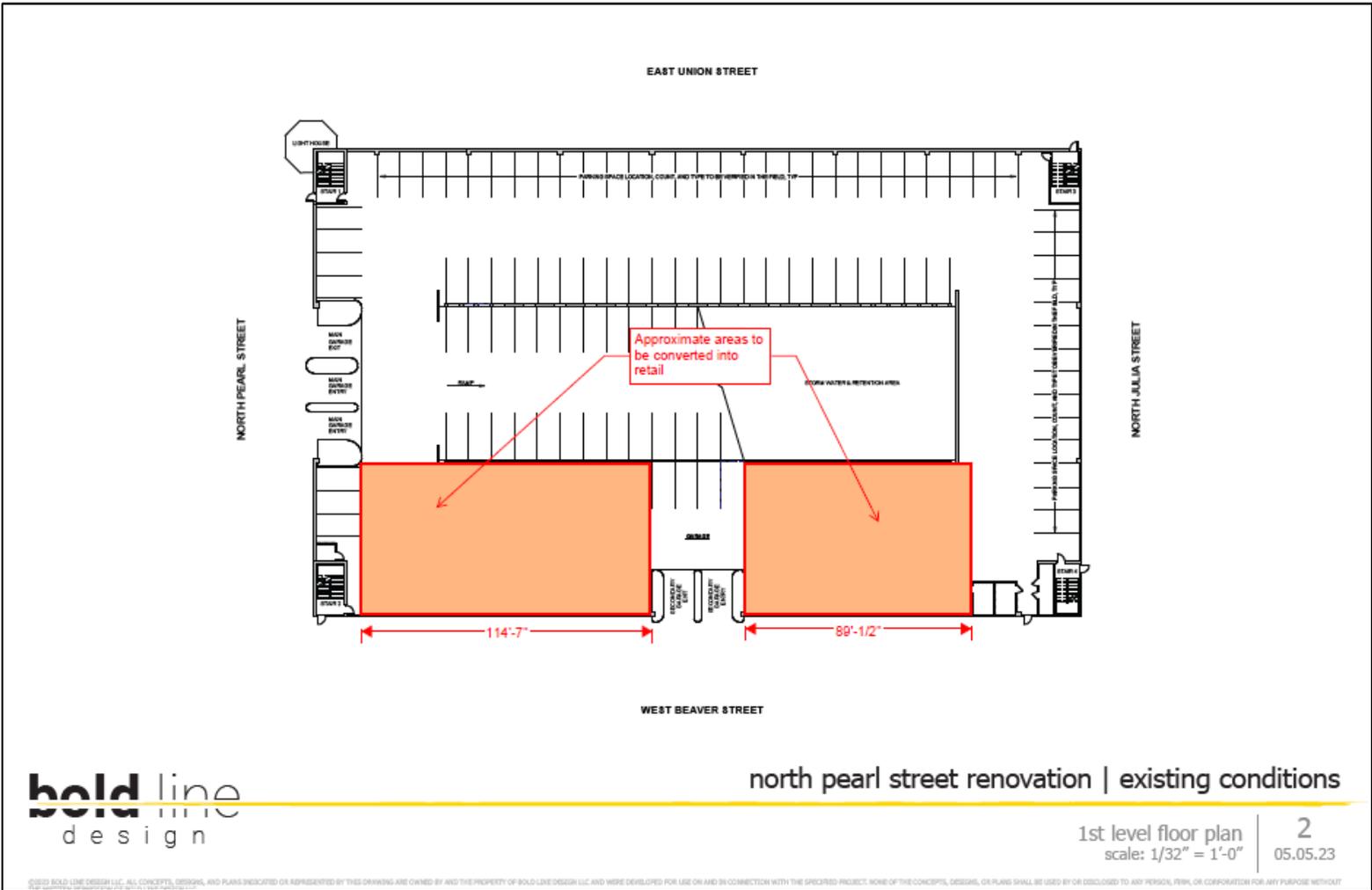
<b>Total Projected Assessed Value</b>	<b>\$ 13,998,214</b>
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**Exhibit 4. – Public Realm Improvements**



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

**EXHIBIT 5 – RETAIL FRONTAGES (Approximate)**



**EXHIBIT 6 - Minimum Amounts to be Collected and Remitted**

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

<b>LOST from F&amp;B, Retail, and Comm'I Leases</b>	
<b>Annual</b>	<b>Cumulative</b>
\$ 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
<b>\$ 683,139</b>	

**TAB X**

**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 easement to the City 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**

<p><b>Developer/ Applicant:</b></p>	<p>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).</p>
<p><b>The Property:</b></p>	<p>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.</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 21 floors made entirely of concrete construction to be occupied for mixed residential and retail uses.</li> <li>2. Residential Units: 535 residential units proposed with mix comprised of:             <ol style="list-style-type: none"> <li>a) 86 - Studio units (No fewer than 68 units)</li> <li>b) 242 - 1 BR units (No fewer than 193 units)</li> <li>c) 66 - 2 BR units (No fewer than 59 units)</li> <li>d) 141 – Short Term Rental (No fewer than 126 units)</li> <li>e) No fewer than 508 total unit count minimum.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol> </li> <li>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.</li> </ol>

	<ul style="list-style-type: none"><li>4. Retail Space:<ul style="list-style-type: none"><li>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.</li><li>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"><li>i. 230 non-contiguous linear feet fronting Beaver Street</li><li>ii. 200 contiguous linear feet fronting Pearl Street</li><li>iii. 85 Non-contiguous linear feet fronting Clay Street</li><li>iv. 275 contiguous linear feet fronting Ashley Street</li><li>v. Retail Frontages on each street may adjust downward in final design by not more than 10% 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>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.</li></ul></li></ul></li><li>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.</li><li>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.</li></ul>
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<b>Design:</b>	<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>
<b>REV Grant:</b>	<ol style="list-style-type: none"> <li>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.</li> <li>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&amp;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.</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>
<b>Completion Grant:</b>	<ol style="list-style-type: none"> <li>1. Maximum Proceeds: Not to exceed \$25,557,000.</li> <li>2. Funding 1 in the amount of \$10,155,000 to be earned and paid upon Substantial Completion of the Improvements.</li> <li>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.</li> <li>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</li> </ol>

	<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><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 \$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.</li> <li>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.</li> <li>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.</li> <li>4. Contribution of approximately \$305,000 towards the Clay Streetscape improvements with design coordinated with COJ Public Works and with</li> </ol>

	<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"><li>5. Permanent Easement in favor of the City for the Streetscape Easements to be executed simultaneous with request for initial funding on Completion Grants.</li><li>6. Collection of a 1% discretionary hospitality tax on the short-term rental units.</li><li>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.</li><li>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.</li><li>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.</li></ol>
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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 (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><b>Additional terms and Conditions</b></p>	<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 \$43,139,400 to be evidenced to the satisfaction of the DIA in its sole discretion prior to payment of any Completion Grant.</li> <li>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 20<sup>th</sup> tax year following Substantial Completion.</li> <li>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</li> </ol>

	<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"><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 0.57 spaces per unit.</li><li>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.</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. 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.</li><li>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.</li><li>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.</li></ul>
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	<ul style="list-style-type: none"><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></ul> <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"><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).</li><li>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.</li><li>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.</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
N8	<a href="#">074276 0000</a>	0 Ashley St W	10,139	0.23	606 Pearl St LLC
N8	<a href="#">074277 0000</a>	0 Ashley St W	5,512	0.13	606 Pearl St LLC
N8	<a href="#">074278 0000</a>	0 Ashley St W	2,756	0.06	607 Pearl St LLC
N8	<a href="#">074279 0000</a>	0 Ashley St W	2,756	0.06	606 Pearl St LLC
N8	<a href="#">074280 0000</a>	606 Pearl St	22,050	0.51	606 Pearl St LLC
N8	<a href="#">074282 0000</a>	434 Beaver St W	11,025	0.25	606 Pearl St LLC
N8	<a href="#">074283 0000</a>	420 Beaver St W	2,614	0.06	Beaver Branch LLC
N8	<a href="#">074284 0000</a>	418 W Beaver St	2,613	0.06	Beaver Branch LLC
N8	<a href="#">074285 0000</a>	0 Beaver St W	5,512	0.13	606 Pearl St LLC
			64,977	1.49	



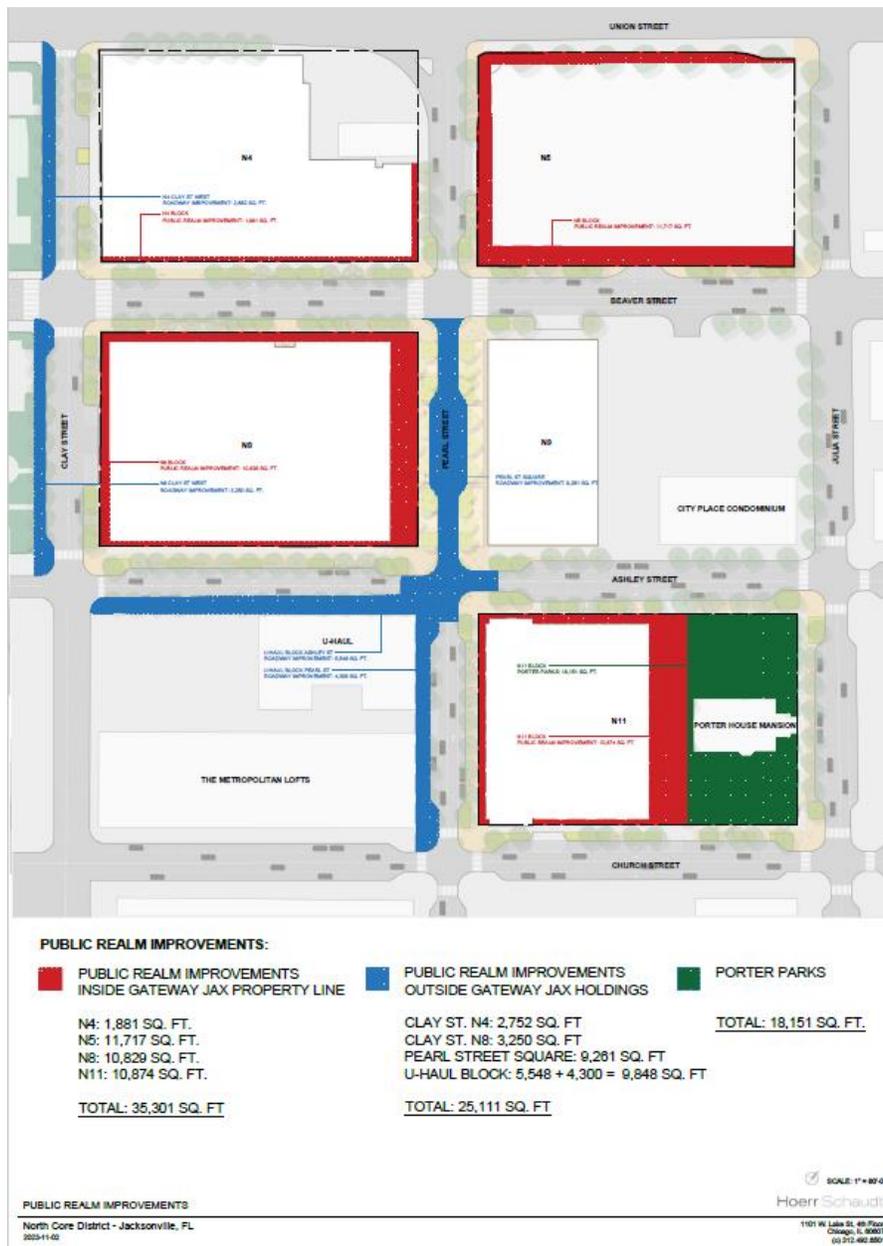
**Exhibit 2. – Minimum Private Capital**

<b>Development Costs</b>	<b>\$ 242,047,000</b>
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
<b>MINIMUM PRIVATE CAPITAL</b>	<b>\$ 215,697,000</b>

**Exhibit 3. – Construction Cost**

<b>Development Costs</b>	<b>\$ 242,046,600</b>
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
<b>Construction Costs</b>	<b>\$ 196,416,000</b>

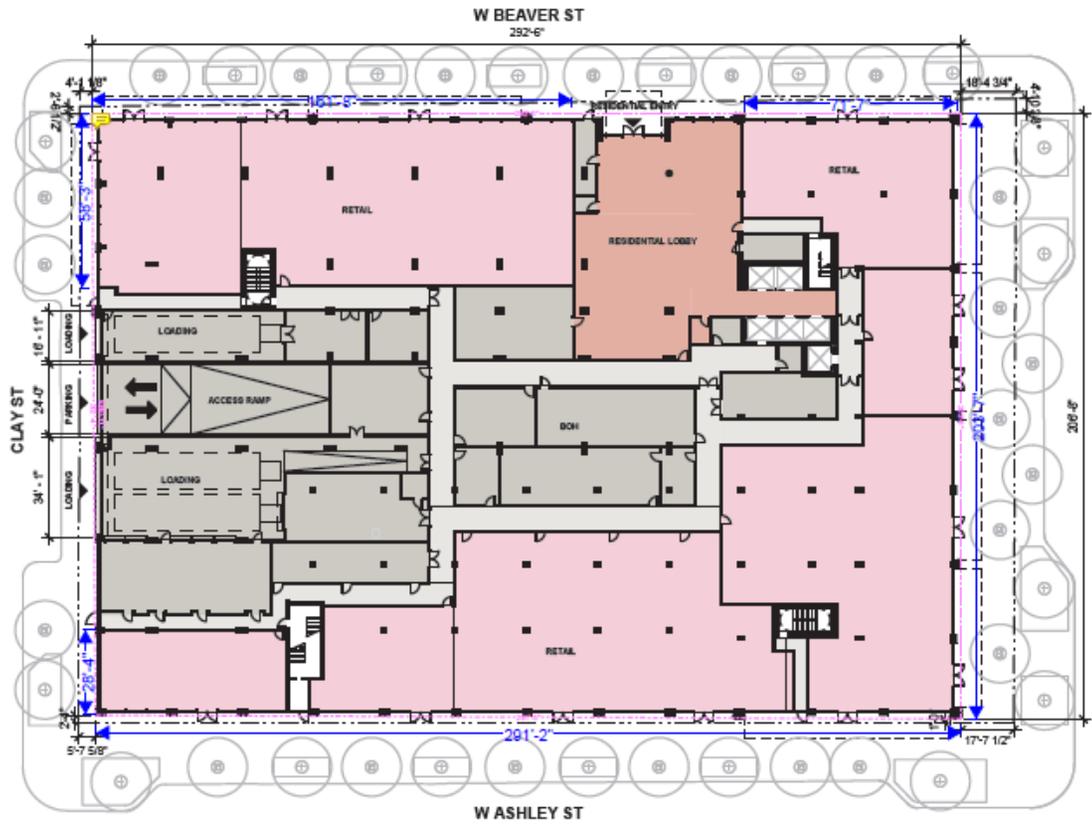
**Exhibit 4. – Public Realm Improvements**



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**

**5. Architectural Floor Plans**  
 Ground Floor Plan



**Block N8**  
 Total Public ROW Frontage: 989'

Pearl St Retail Frontage: 206'  
 Beaver St Retail Frontage A: 71'  
 Beaver St Retail Frontage B: 161'  
 Clay St Retail Frontage A: 58'  
 Clay St Retail Frontage B: 28'  
 Ashley St Retail Frontage: 291'  
 Total Retail Frontage: 815'

Retail Percentage = 815'/989' = 82%

**KEY**

- RETAIL
- LOBBY
- PARKING/BACK OF HOUSE

**Pearl Street District**

Block N-8 DDRB Conceptual Submittal  
 October 2023



**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	<b>\$ 11,261,886</b>		<b>\$ 1,397,045</b>	

**TAB XI**

**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><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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<b>Redevelopment Agreement:</b>	<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>
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<b>Entitlements:</b>	<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>
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<b>Permits:</b>	<p>Developer / Applicant will be responsible for obtaining all building and other permits required for the Project.</p>
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<b>Tiers System Commitments</b>	<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>
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	<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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<p><b>Additional Terms and Conditions</b></p>	<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	



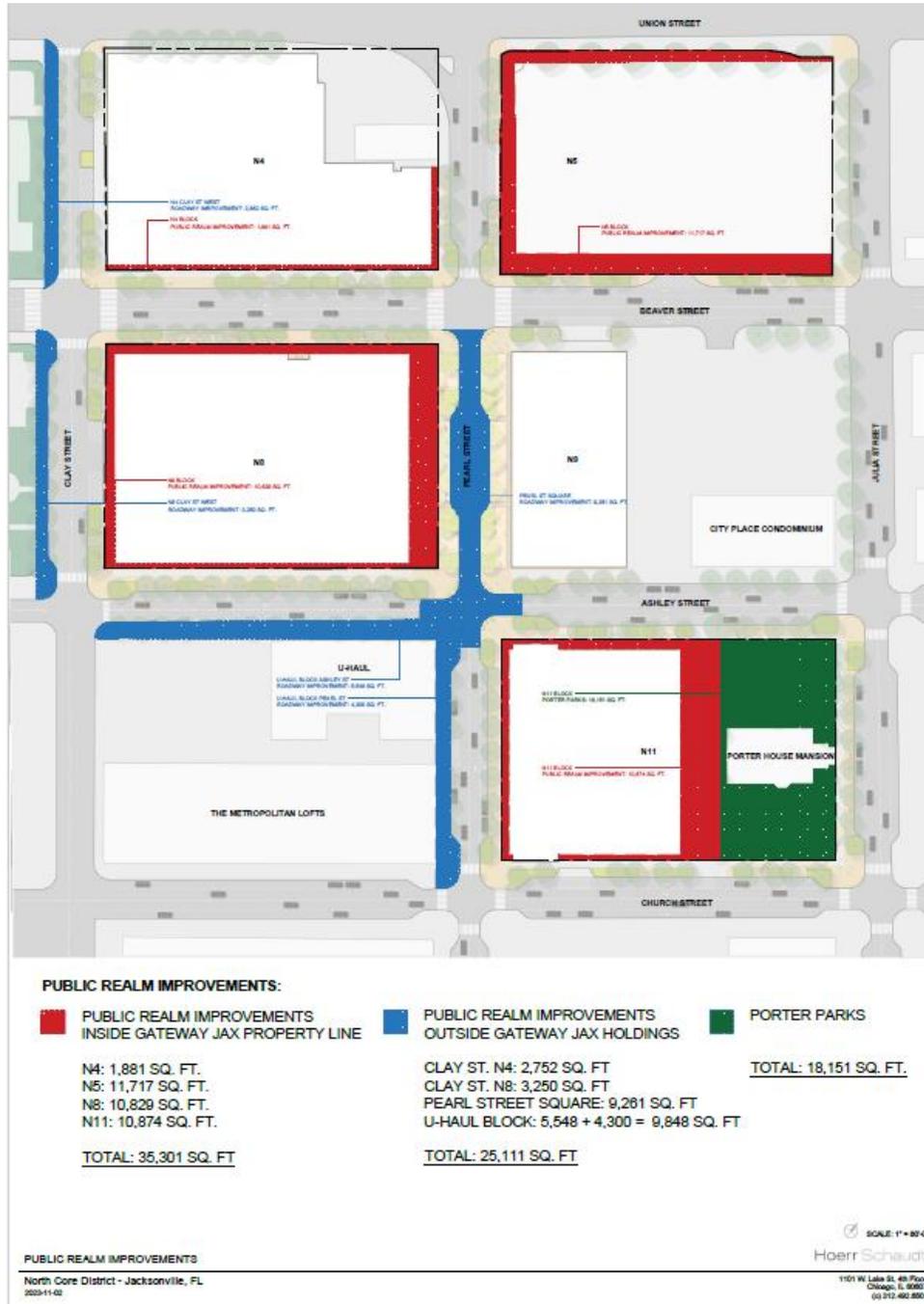
**Exhibit 2. – Minimum Private Capital**

<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**

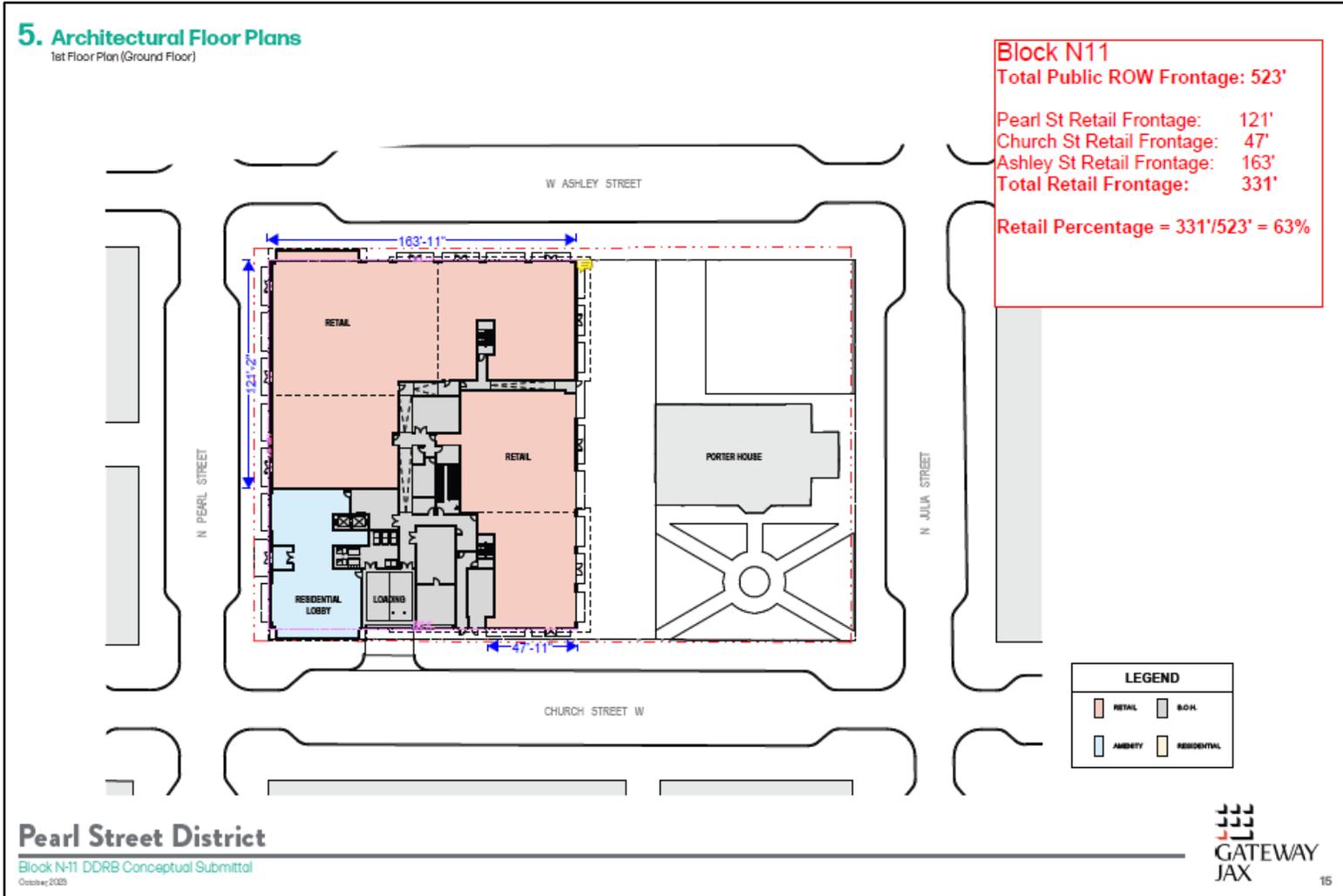
<b>Development Costs</b>	<b>\$ 66,184,488</b>
Land Costs	\$ 1,542,712
TI's & LLW	\$ 3,522,590
Other Hard Costs	\$ 1,588,402
Surveys, testing, appraisals & inspections	\$ 304,502
Permits, licenses, bonds & fees	\$ 507,503
Insurance and title	\$ 984,282
Property taxes during development	\$ 109,814
Utilities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

<b>YR</b>	<b>LOST from F&amp;B, Retail, and Comm'l Leases</b>	
	<b>Annual</b>	<b>Cumulative</b>
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>	