



**Downtown Investment Authority
Hybrid Virtual In-Person Meeting
Wednesday, June 21st, 2023 at 2:00 p.m.**

MEMBERS:

Carol Worsham, Chair
Jim Citrano, Vice Chair
Oliver Barakat
Joshua Garrison

Craig Gibbs, Esq.
Braxton Gillam, Esq.
George Saoud, Esq.

BOARD MEMBERS EXCUSED: Joe Hassan

I. CALL TO ORDER

II. PUBLIC COMMENTS

III. COMMUNITY REDEVELOPMENT AGENCY

- A. Form 8B: Voting Conflict Disclosures
- B. May 17th, 2023, Community Redevelopment Agency Meeting Minutes
- C. Consent Agenda
 - i. Resolutions to be added after Committee Action*
- D. Resolution 2023-06-02 Laura Street Trio
- E. Resolution 2023-06-03 Southside CRA Budget Amendment
- F. Resolution 2023-06-04 Northbank CRA Budget Amendment
- G. Resolution 2023-6-05 One Riverside Performance Schedule Amendment
- H. Other Matters to be Added at the Discretion of the Chair

IV. DOWNTOWN INVESTMENT AUTHORITY

- A. May 17th, 2023, Downtown Investment Authority Board Meeting Minutes
- B. Resolution 2023-06-01 CEO Contract Extension
- C. Nominating Committee Officers Slate
- D. Other Matter to be Added at the Discretion of the Chair

V. OLD BUSINESS

VI. NEW BUSINESS

VII. CEO INFORMATIONAL BRIEFING

- A. CEO Monthly Update

VIII. CHAIRMAN REPORT

IX. ADJOURN

PHYSICAL LOCATION

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

PLEASE NOTE: The multipurpose room will **not be accessible through the Main Street entrance**. The Main Street entrance will be closed. Please use the Laura Street entrance to enter the building.

Directions to Multipurpose Room: Upon entering Laura Street entrance to the library, follow directions and signage for temperature check, then proceed into the Main Library. Walk counterclockwise around the grand staircase and you will see signs for the public elevators. Take the elevator down to level C for Conference Level. Exit the elevator and follow the hallway out. Turn left out of the hallway and proceed through glass doors into Conference Center. The Multipurpose Room is the first room on the left.

Visitors are encouraged not to enter City owned public buildings if they have: symptoms of COVID-19, a fever of 100.4 degrees Fahrenheit or higher, are currently undergoing evaluation for COVID-19 infection, a diagnosis of COVID-19 in the prior 10 days, or have had close contact with someone infected with COVID-19 during the prior 14 days. Any member of the public entering City owned public building may choose to wear a mask inside the building.

VIRTUAL LOCATION

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

Join Zoom Meeting

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

Meeting ID: 940 7401 7448

Passcode: 642945

One tap mobile

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Find your local number: <https://us02web.zoom.us/j/94074017448>

Only individuals attending the meeting in-person will have an opportunity to provide public comments. Persons who cannot attend the meeting in-person, but who wish to submit public comments regarding any matter on the agenda for consideration at the meeting, may do so by sending their public comments via electronic mail to DIAPublicComments@coj.net prior to the start of the meeting. Public comments received prior to the meeting will not be read during the meeting but will instead be forwarded to all DIA Board members for review in advance of the meeting and will remain a part of the permanent record for the meeting itself. You are encouraged to submit public comments well in advance of the start of the meeting to provide DIA Board members with adequate time to read them in preparation for the meeting.

Please contact Jovial Harper by telephone at (904) 255-5302 or by email at HarperJ@coj.net. If you have any questions regarding this notice or if you experience technical difficulties during the meeting.

If you have a disability that requires accommodations to participate in the above Downtown Investment Authority meeting, please contact the Disabled Services Division at: (904) 255-5466, TTY-(904) 255-5476, or email your request to KaraT@coj.net and we will provide reasonable assistance for you. The Florida Relay Service can be reached at 711. All requests must be received no later than 12:00 p.m. on May 16th, 2023. Requests for accommodation received after 12:00 p.m. on May 16th, may not be met.

NOTE: If any person decides to appeal any decision made with respect to any matter considered at this meeting, such person will need a record of the proceedings, and for such purpose, such person may need to ensure that a verbatim record of the proceedings is made, which includes the testimony and evidence upon which the appeal is to be based.

A recording of this meeting will be available upon request by emailing HarperJ@coj.net after its conclusion.

TAB III.A
FORM 8B: VOTING CONFLICT DISCLOSURES

TAB III.B.
MAY 17TH, 2023 COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES



Downtown Investment Authority
Hybrid Meeting
Wednesday, May 17th, 2023 – 2:00 p.m.

Community Redevelopment Agency
DRAFT MEETING MINUTES

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

DIA Board Members Excused: Carol Worsham, Oliver Barakat.

Mayor's Staff: None

Council Members: Aaron Bowman

DIA Staff: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Operations Manager; Antonio Posey, Project Manager, Jovial Harper, Administrative Assistant, Susan Kelley, Redevelopment Coordinator (*attended virtually*), John Crescimbeni Contract and Regulatory Compliance Manager (*attended virtually*) and Ric Anderson, Communications and Marketing Specialist.

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER:

James Citrano called to order the Downtown Investment Authority Meeting at 2:00 p.m.

II. PUBLIC COMMENTS

None.

III. COMMUNITY REDEVELOPMENT AGENCY

A. FORM 8B: VOTING CONFLICT DISCLOSURES

Administrative Assistant Jovial Harper read into the record Form 8B: Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers: 'Pursuant to Section 112.3143 of Florida Statutes, a Form 8B-Memorandum of Voting Conflict- filed by Board Member James Citrano, prior to this meeting. A conflict Resolution 2023-02-02 for the following reason(s): "One of the partners of CLL Jones Brothers, LLC conducts business with my employer, Seacoast Bank. At present, I am not personally involved in this business relationship."

B. APRIL 19TH, 2023 COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES

Motion: Board Member Gillam moved to approve the minutes

Seconded: Board Member Gibbs seconded the motion

Vote: Aye: 6 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 6-0-0

C. CONSENT AGENDA

i. Resolution 2023-05-02: Northbank CRA Budget Amendment

Vote: Aye: 6 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 6-0-0

D. RESOLUTION 2023-05-01 RIVER'S EDGE (THE DISTRICT)

CEO Boyer spoke to the specifics of the Resolution. She explained the initial Amendment authorized additional general contractors. She further explained the difference between the CRA infrastructure (*Southside Tax Increment funding source*), includes the Bulkhead, the parks and all roads that provide access to those parks. The CDD infrastructure (*funding source Community Development District*) the rest of the underground utilities, stormwater and the roads that provided access to the private development pads. She confirmed the DIA's obligation was to the CRA infrastructure as DIA was providing reimbursements for the expenditures. She continued with the explanations of the modifications within the Resolution.

Motion: Board Member Gillam moved to approve the Resolution.

Seconded: Board Member Gibbs.

Vote: Aye: 6 Nay: 0 Abstain: 0

Board Member Gillam commented on his appreciation for attending. He expressed concern over the extension requests and how the economy has imposed delays on the project. He would like to see progress on the project.

Board Member Gibbs is in support of the project as well.

Standing Chair Citrano inquired if the delivery of the components of the project is based on a projection time; if a particular component is delayed, is the revenue grants reduced that year?

CEO Boyer confirmed that is correct. She explained that the revenue is based on taxes paid for the year.

Jason Gabriel and William Schilling (Project Engineer), representing the applicant explained construction on the site began in April of 2021. They are anticipating vertical construction to begin in late summer-early fall of parcels 3A and 9B. He states the team is comfortable with reaching construction goals within the timeline extended.

MOTION PASSED UNANIMOUSLY 6-0-0

E. RESOLUTION 2023-05-03 JONES BROTHERS DPRP

DIA Staff Member Steve Kelley explained the details of the Resolution. He reviewed the historical elements of the building, the architectural designs of the building and the Total Development Costs.

Motion: Board Member Saoud moved to approve the Resolution.

Seconded: Board Member Gillam.

Vote: Aye: 6 Nay: 0 Abstain: 0

Board Member Gillam inquired if this goes to City Council and if this is the initial phase of the ask, will they be another request in the future?

DIA Staff Member Steve Kelley explained this project can be a stand alone and independent of the secondary new construction.

CEO Boyer confirmed the building with the Historic program is economically feasible. The new construction with the revenue grants offered by DIA is not economically feasible. The second project will have to wait or independently go to Council and request more that what is provided in grants from DIA.

Standing Chair Citrano inquired if the Historical designation is needed to receive a portion of the incentive. He further asked if there are any additional analysis completed prior to obtaining the final costs.

DIA Staff Member Steve Kelley confirmed the requirement is to receive the landmark status prior to funding. Mr. Kelley directed the Board to the term sheet, subsection III, and read the explanation of costs.

MOTION PASSED UNANIMOUSLY 6-0-0

D. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR

Bringing no further matters forward, Jim Citrano adjourned the Community Redevelopment Agency Meeting at 2:35 P.M.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments on this meeting, transcripts are available upon request. Please contact Jovial Harper at HarperJ@coj.net to acquire a recording of the meeting.

**TAB III.C.
CONSENT AGENDA**

TAB III.D.
RESOLUTION 2023-06-02 LAURA STREET TRIO

RESOLUTION 2023-06-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING A TERM SHEET FOR TWO DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM PACKAGES AND TWO REV GRANTS FOR THE THREE BUILDINGS COLLECTIVELY REFERRED TO AS THE “LAURA TRIO” AND INDIVIDUALLY KNOWN AS THE FLORIDA NATIONAL BANK BUILDING, THE BISBEE BUILDING AND THE FLORIDA LIFE INSURANCE BUILDING, AND ASSOCIATED NEW CONSTRUCTION MULTIFAMILY AND HOTEL; RECOMMENDING THAT CITY COUNCIL APPROVE THE INCENTIVES IDENTIFIED ON THE TERM SHEET ATTACHED HERETO AS EXHIBIT A IN ACCORDANCE WITH THE TERMS AND CONDITIONS THEREOF; FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE NORTH BANK DOWNTOWN REDEVELOPMENT AREA PLAN (“CRA PLAN”); AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE CONTRACTS AND DOCUMENTS AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, Laura Trio, LLC , through its affiliates Laura Trio Hospitality, LLC and The Residences at Laura Trio, LLC proposes to renovate and restore these historic landmarks for repurposing as a mixed-use hotel and multifamily development respectively; and

WHEREAS, the historic component of each use and the new construction component of each use qualify for different incentive programs and accordingly have been evaluated independently; and

WHEREAS, Laura Trio LLC requested and received a previous Downtown Preservation and Revitalization Program incentive award pursuant to Resolution 2021-03-01 and Ordinance 2021-453 as memorialized in a Redevelopment Agreement dated December 13, 2021, between DIA and Laura Trio LLC, which agreement will be terminated simultaneously with approval of the agreement contemplated herein; and

WHEREAS, per section 55.301, Jacksonville Code of Ordinances, the Downtown Preservation and Revitalization Program (“DPRP”), this program is intended “to foster the preservation and revitalization of unoccupied, underutilized, and/or deteriorating historic, and qualified non-historic, buildings located in downtown Jacksonville...”; and

WHEREAS, the DIA is authorized by section 55.302, Jacksonville Code of Ordinances, to develop and administer the DPRP pursuant to Chapter 55, Part 3, Jacksonville Code of Ordinances; and

WHEREAS, the “Laura Trio” is located within the DIA boundaries; and

WHEREAS, the new construction multifamily and new construction boutique hotel proposed by Developer as interconnected developments to the historic renovation projects qualify for Recaptured Enhanced Value grants pursuant to the adopted DIA BID plan; and

WHEREAS, the DIA finds that this resolution is in furtherance of Redevelopment Goals and Strategic Objectives as adopted as part of the North Bank Downtown and Southside Community Redevelopment Area Plans, specifically:

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

Strategic Objectives

- *Actively pursue a minimum of 8,140 built and occupied multi-family dwelling units by 2030; and strive to induce 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.*
- *Facilitate the restoration and rehabilitation of Downtown Jacksonville’s historic building stock for multifamily and attached dwelling units.*
- *Ensure that no residential incentives, mobility credits or other incentives are provided to any residential development exempt from ad valorem taxes*

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

Strategic Objectives

- *Facilitate adaptive reuse of vacant and underutilized storefronts for retail, food and beverage and entertainment establishments.*
- *Encourage growth of outdoor dining and entertainment options, most specifically within designated food and beverage districts and on the waterfront.*
- *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 the restoration and rehabilitation of Downtown Jacksonville’s historic building stock for use by retail/beverage/entertainment establishments.*
- *Contribute to resiliency, flexibility, and responsiveness to change in utilization of Downtown Jacksonville commercial retail space through innovation and creativity in policies and permitting, and by incentivizing the repurposing of unoccupied storefront space, where appropriate.*

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

Strategic Objectives

- *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.*
- *Increase number of daily visits to Downtown Jacksonville.*
- *Increase the occupancy rate and ADR of Downtown Jacksonville hotels and broaden the diversity of hospitality offerings for leisure travelers, groups, and business travelers*

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

Strategic Objectives

- *Create a compact and walkable Downtown Jacksonville 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.*

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

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

Section 2. The DIA approves the Term Sheet attached hereto as Exhibit 'A'.

Section 3. The DIA recommends that City Council authorize through adoption by ordinance the Downtown Preservation and Revitalization Program Loans for the two historic project components and the two REV grants for the new construction components in accordance with the terms set forth in the Term Sheet attached hereto as Exhibit A which among other things will include termination of the previously approved incentive package and RDA for the subject property.

Section 4. The Chief Executive Officer is hereby authorized to file legislation and upon City Council approval, to execute the contracts and documents and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

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

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Carol Worsham, Chairman

Date

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

**Exhibit A:
TERM SHEET
THE LAURA STREET TRIO
SOUTHEAST DEVELOPMENT GROUP, LLC**

I. Developer/ Applicant / Borrower:

- Laura Trio Hospitality, LLC as to the Hospitality Component
- The Residences at Laura Trio, LLC as to the Multifamily Component
 - Laura Trio, LLC: sole member and manager of each entity
 - SouthEast Holdings, LP: sole member and manager of Laura Trio, LLC
 - SouthEast Holdings I, Inc.: sole general partner of SouthEast Holdings, LP
 - Stephen L. Atkins: 100% stockholder of SouthEast Holdings I, Inc.

II. Total Development Costs (estimate): \$175,097,700

III. Overall Project Scope: The Project comprises the redevelopment of three historic properties in City Center, Downtown Jacksonville known as the Laura Street Trio, and construction of two new buildings adjoining the historic properties. The projects will be undertaken as two separate, but related, components. Both the Hospitality Component and the Multifamily Component are identified further by a historic rehabilitation element and a new construction element found within each component.

The parcels being developed include RE#s 073676-0000, 073687-0000, and 073688-0000. To facilitate funding on the REV grants proposed and to measure certain requirements found herein, the parcels require modification to provide a stand-alone parcel each for the Hospitality Component–Historic Element (“HH”), the Hospitality Component–New Construction Element (“HNC”), the Multifamily Component–Historic Element (“MH”), and the Multifamily Component–New Construction Element (“MNC”). Reconfiguration of the existing parcels to accommodate this structure is a condition of the Term Sheet in order to process Requests for Payment and to determine tax payments for each component and element as described above.

For the purposes of this term sheet and further documentation, each component has been underwritten independently. However, the capitalization and incentive structures are interrelated, and this term sheet outlines terms and conditions for each component and each element either independently or jointly as appropriate.

A. Hospitality Component Developer’s Project Cost - \$89,302,000

1. Hospitality Component-Historic Element (“HH”)

a) Historic Florida National Bank Building (1902) - 51 W. Forsyth Street

a/k/a Marble Bank Building: One story plus a basement, approximately 14,180 square feet total. Plans call for redevelopment with an estimated 4,067 square foot private dining/wine cellar space in the basement (3,700 square feet minimum) along with estimated 3,023 square feet of “back of house” space. The first floor would provide approximately 7,090 square foot restaurant service space (6,400 square foot minimum)

b) Historic Bisbee Building (1909/1910) - 47 W. Forsyth Street

Ten stories plus basement, approximately 50,539 square feet total. To be redeveloped with “back of house” operations in the estimated 4,639 square foot basement, and an approximately 4,590 square foot lobby on the first floor (4,200 square foot minimum (open to the public)). Floors two through ten provide six to seven hotel rooms per floor (projected 62 rooms total, 56 minimum).

Percent of COJ Investment to:

Developer HH project cost \$22,036,700/\$46,002,000 = 47.9%
Total HH Development Cost (as underwritten) \$22,036,700/\$35,841,200 = 61.5%

DPRP Terms: The DPRP Incentive outlined below applies to both historic buildings combined for hotel use as if they were one property following the plans for their redevelopment and operation.

Downtown Preservation and Revitalization Program (“HH DPRP”): Not more than \$16,010,300 (through the City of Jacksonville Downtown Investment Authority), as follows:

	Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)	Code Compliance Forgivable Loan (CCR)	DPRP Deferred Principal Loan	TOTAL
Fl Nat’l Bank	\$2,376,700	\$1,067,700	\$ 861,100	\$ 4,305,500
Bisbee	\$5,085,200	\$4,278,600	\$2,341,000	\$11,704,800
TOTAL	\$7,461,900	\$5,346,300	\$3,202,100	\$16,010,300

Maximum loan amounts above will be documented on a combined basis as though the historic properties were one building. Additional details are shown here for reference.

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.

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.

Loans: Developer is seeking gap funding through the Jacksonville City Council in the form of a Completion Grant which has been included in the COJ Investment figures above, but such amount is not presented for approval by the DIA Board. The expected additional amount applied to the Hospitality Component-Historic Element is \$6,026,400. This gap funding request does not qualify under any current DIA program.

Infrastructure: No City of Jacksonville infrastructure improvements are contemplated.

Land: No City of Jacksonville land is committed to the project. Parking agreements within City owned parking garages or privately owned parking garages where COJ/DIA has parking rights is to be negotiated independently and will not impact project economics as presented in this Term Sheet.

Total HH Construction Budget: The construction budget for the Hospitality Component-Historic Element provided and reviewed by the DIA totals \$30,332,600 (the “HH Total Construction Budget”), which includes construction costs to be incurred in each of the funding categories (each, a “HH Funding Category”) and in the minimum amounts (each a “HH Funding Category Minimum”) set forth in the table below:

Funding Category	Hospitality Minimums
Exterior	\$ 5,288,600
Int Restoration	\$ 174,800
Int Rehab	\$ 10,418,200
Code Compliance	\$ 7,973,600
Other	\$ 5,617,900
N/A	\$ 859,500
	<u>\$ 30,332,600</u>

NOTE: The category “N/A” is not required to be met as a Funding Category Minimum for reimbursement of other categories under the DPRP. For further clarity, there will be no reimbursement for expenditures in the N/A category.

Minimum Sources and Uses: To be eligible for maximum funding under the HH DPRP Loan(s), Borrower must provide evidence and documentation sufficient to demonstrate to the DIA, in its sole but reasonable discretion, the following:

- a) Equity capital contribution of at least \$3,500,000 for the Hospitality Component (the “Hospitality Component Required Equity”) and includes the Historic Element and New Construction Element combined, which shall exclude any amounts for the land/site brought into the development, predevelopment costs expended, tax credit equity, or mezzanine debt.
- b) The minimum Hospitality Component-Historic Element Total Development Cost (“HH Total Development Cost”) is \$35,841,200 on a combined basis. HH Total Development Cost excludes developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, costs allocated for funding under any other DIA program, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees. Land value for inclusion in this calculation shall be \$963,000, and not more than \$418,400 of Predevelopment Costs shall be eligible for inclusion.
- c) Minimum Hospitality-Historic Element Eligible Construction Costs (“HH Eligible Construction Costs”) incurred of \$29,473,100 calculated as the HH Construction Budget less costs classified as “N/A,” and
- d) HH Eligible Construction Costs incurred of at least the HH Funding Category Minimum with respect to each respective HH Funding Category.

Notwithstanding the foregoing,

- a) The HH Total Development Cost minimum of \$35,841,200 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting the Borrower’s eligibility for funding under the HH DPRP.
- b) The HH Eligible Construction Cost minimum of \$29,473,100 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting the Borrower’s eligibility for funding under the DPRP.
- c) Any HH Funding Category Minimum may be reduced by a maximum of ten percent (10%) on a stand-alone basis, as determined by the DIA in its sole and absolute discretion; provided that, in such event, there shall be a pro rata reduction in any or each of the related HH DPRP Loans, as required. Eligibility for funding under any HH Funding Category shall be eliminated if the corresponding HH Funding Category Minimum is reduced by more than ten percent (10%).
- d) Applicant/Borrower may not reallocate more than 25% of the cost and related funding proposed for any line item in the construction budget provided with the application to a different line item without prior approval from the DIA. In addition, the elimination of a line item from the construction budget shall eliminate any funding associated with that line item and such funds may not be reallocated to any other line item.

The DIA shall have the authority, without further action by City Council, to approve reduced HH DPRP Loan amounts provided the HH Total Development Costs incurred are not less than \$32,257,080 including HH Eligible Construction Costs incurred of not less than \$26,525,790.

The proposed DPRP funding for the Hospitality Component - Historic Element requires waiver of DPRP Plan Guidelines for:

- a) Minimum Developer Total Contribution (38.5% of Total Development Cost versus 60% minimum)
- b) Maximum COJ Combined Funding (61.4% of Total Development Cost versus 40% maximum)

2. **Hospitality Component-New Construction Element (“HNC”)**

Forsyth Street Addition/Hospitality-New Construction Element– Expected to provide an estimated 58,096 square feet of additional hotel space on eleven floors plus basement. The approximate 896 square foot basement is for “back of house” operations, whereas the first floor provides an estimated 5,200 square feet of conference space (4,700 square foot minimum). Floors two through nine provide nine hotel rooms per floor (81 total, 74 minimum) and the eleventh floor provides an estimated 5,200 square foot rooftop food and beverage amenity (4,700 square foot minimum) that shall be open to the public.

Percent of COJ investment to:

Developer HNC project cost	$\$11,644,000/\$43,300,000 = 26.9\%$
HNC Minimum Private Capital (as underwritten)	$\$11,644,000/\$39,089,600 = 29.8\%$

DIA Funding: Not more than \$5,670,400 (through the City of Jacksonville Downtown Investment Authority, Northbank CRA Trust Fund), as follows:

Targeted Hotel REV Grant (“Hotel REV Grant”): Developer is eligible for a Targeted Hotel REV Grant for 75% of the ad valorem tax increment generated by the HNC project for a period of 20 years. The total Hotel REV Grant indebtedness will not exceed \$5,670,400 and will be paid annually beginning the first year of taxation following completion based upon the incremental increase in the Duval County Operating Millage ad valorem taxes collected (“HNC Annual Project Revenues”), subject to other terms and conditions as found herein.

Loans: Developer is seeking gap funding through the Jacksonville City Council in the form of a Completion Grant which has been included in the COJ Investment figures above, but such amount is not presented for approval by the DIA Board. The expected additional amount applied to the HNC Element is \$5,973,600. This gap funding request does not qualify under any current DIA program.

Infrastructure: No City of Jacksonville infrastructure improvements are contemplated.

Land: No City of Jacksonville land is committed to the project. Parking agreements within City owned parking garages or privately owned parking garages where COJ/DIA has parking rights is to be negotiated independently and will not impact project economics as presented in this Term Sheet.

Minimum Capital Contribution: The HNC Minimum Private Capital contribution through completion to remain eligible for the Targeted Hotel REV Grant is \$39,089,600. The HNC Minimum Private Capital excludes developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, costs allocated for funding under any other DIA program, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees. Land value for this calculation shall be \$259,098 (2023 Property Appraiser valuation), and not more than \$414,650 of Predevelopment Costs shall be eligible for inclusion. Any HNC Minimum Private Capital contribution below this amount will require a pro rata reduction in the REV Grant, and a reduction of the HNC Minimum Private Capital of greater than 10% will result in a forfeiture of the REV Grant in its entirety.

Hospitality Component-Historic Element

DIA Downtown Preservation and Revitalization Program	\$16,010,300	
Completion Grant (COJ City Council)	<u>\$ 6,026,400</u>	
		\$22,036,700

Hospitality Component-New Construction Element

DIA Targeted Hotel REV Grant (“Hotel REV Grant”)	\$ 5,670,400	
Completion Grant (COJ City Council)	<u>\$ 5,973,600</u>	
		<u>\$11,644,000</u>

TOTAL HOTEL COMPONENT INCENTIVES PROPOSED: **\$33,680,700**

B. Multifamily Component **\$85,795,700 TDC**

1. Multifamily Component-Historic Element “MH”

a) Historic Florida Life Insurance Building (1912) - 117 N. Laura Street

Eleven stories plus a basement, estimated 23,613 square feet total. To be redeveloped with approximately 2,086 square feet of mechanical space in the basement, an entrance and

approximately 1,095 square foot lobby on the ground floor, and ten floors providing two apartments of approximately 882 square feet per unit on each floor (20 units total, 18 minimum).

Percent of COJ Investment to:

Developer project cost \$6,024,300/\$16,504,800 = 36.5%
MH underwritten project cost \$6,024,300/\$14,799,300 = 40.7%

Downtown Preservation and Revitalization Program (“MH DPRP”): Not more than \$6,024,300 (through the City of Jacksonville Downtown Investment Authority), as follows:

	Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)	Code Compliance Forgivable Loan (CCR)	DPRP Deferred Principal Loan	TOTAL
Fl Life Ins	\$2,840,000	\$1,979,400	\$ 1,204,900	\$ 6,024,300

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.

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.

Loans: Developer is seeking gap funding through the Jacksonville City Council in the form of a Completion Grant which has been included in the COJ Investment figures above, but such amount is not presented for approval by the DIA Board. No portion of this additional funding has been allocated to the Multifamily Component-Historic Element.

Infrastructure: No City of Jacksonville infrastructure improvements are contemplated.

Land: No City of Jacksonville land is committed to the project. Parking agreements within City owned parking garages or privately owned parking garages where COJ/DIA has parking rights is to be negotiated independently and will not impact project economics as presented in this Term Sheet.

Total Construction Budget: The construction budget for the Multifamily Component-Historic Element provided and reviewed by the DIA totals \$13,212,100 (the “MH Construction Budget”), which includes Construction Costs to be incurred in each of the funding categories (each, a “MH Funding Category”) and in the minimum amounts (each a “MH Funding Category Minimum”) set forth in the table below:

Funding Category	Multifamily Minimums
Exterior	\$ 2,299,000
Int Restoration	\$ -
Int Rehab	\$ 5,146,600
Code Compliance	\$ 3,392,200
Other	\$ 1,911,100
N/A	\$ 463,200
	<u>\$ 13,212,100</u>

NOTE: The category "N/A" is not required to be met as a Funding Category Minimum for reimbursement of other categories under the DPRP. For further clarity, there will be no reimbursement for expenditures in the N/A category.

Minimum Expenditures: To be eligible for maximum funding under the MH DPRP Loan(s), Borrower must provide evidence and documentation sufficient to demonstrate to the DIA, in its sole but reasonable discretion, the following:

- a) Equity capital contribution of at least \$11,500,000 (the "Required Equity") for the Multifamily Component (Historic Element and New Construction Element combined), which shall exclude any amounts for the land/site brought into the development, predevelopment costs expended, tax credit equity, or mezzanine debt.
- b) The minimum Multifamily Component-Historic Element Total Development Cost ("MH Total Development Cost") is \$14,799,300. MH Total Development Cost excludes developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, costs allocated for funding under any other DIA program, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees. Land value for inclusion in this calculation shall be \$247,200, and not more than \$598,600 of Predevelopment Costs shall be eligible for inclusion.
- c) Minimum MH Eligible Construction Costs ("MH Eligible Construction Costs") incurred of \$12,748,900 calculated as the MH Construction Budget less costs classified as "N/A," and
- d) MH Eligible Construction Costs incurred of at least the MH Funding Category Minimum with respect to each respective MH Funding Category. To be eligible for the maximum amount of the MH DPRP Loan, the Borrower must provide evidence and documentation prior to the applicable MH DPRP Loan closing sufficient to demonstrate to the DIA, in its sole but reasonable discretion, the following:

Notwithstanding the foregoing,

- a) The MH Total Development Cost minimum of \$14,799,300 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting the Borrower's eligibility for funding under the MH DPRP.
- b) The MH Eligible Construction Costs minimum of \$12,748,900 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting the Borrower's eligibility for funding under the MH DPRP.

- c) Any MH Funding Category Minimum may be reduced by a maximum of ten percent (10%) on a stand-alone basis, as determined by the DIA in its sole and absolute discretion; provided that, in such event, there shall be a pro rata reduction in any or each of the related MH DPRP Loans, as required. Eligibility for funding under any MH Funding Category shall be eliminated if the corresponding MH Funding Category Minimum is reduced by more than ten percent (10%).
- d) Applicant/Borrower may not reallocate more than 25% of the cost and related funding proposed for any line item in the construction budget provided with the application to a different line item without prior approval from the DIA. In addition, the elimination of a line item from the construction budget shall eliminate any funding associated with that line item and such funds may not be reallocated to any other line item.

The DIA shall have the authority, without further action by City Council, to approve reduced MH DPRP Loan amounts provided the MH Total Development Costs incurred are not less than \$13,319,370 including MH Eligible Construction Costs incurred of not less than \$11,470,010.

2. Multifamily Component-New Construction Element (“MNC”)

Laura St. Addition/Multifamily Component-New Construction Element – Eleven stories plus a basement, estimated 161,877 square feet total. First floor to provide approximately 6,550 square feet (5,900 square foot minimum) in leasable retail space, and approximately 6,300 square feet of amenity and back-of-house space. Floors two through ten provide an estimated 14,972 square feet and fifteen apartment units per floor, whereas floor eleven is estimated at 13,639 square feet and is proposed to provide 14 multifamily units. In total, 149 units are proposed for the new multifamily construction component (140 is the established minimum).

Percent of COJ investment to:

Developer MNC project cost	$\$23,853,600/\$69,290,500 = 34.4\%$
MNC Minimum Private Capital (as underwritten)	$\$23,853,600/\$63,490,200 = 37.6\%$

DIA Funding: Not more than \$8,853,600 (through the City of Jacksonville Downtown Investment Authority, Northbank CRA Trust Fund), as follows:

Multifamily Housing REV Grant (“MF REV Grant”): Developer is eligible for a Multifamily Housing REV Grant for 75% of the ad valorem tax increment generated by the MNC project for a period of not more than 20 years. The total MF REV Grant indebtedness will not exceed \$8,853,600 and will be paid annually beginning the first year of taxation following completion based upon the incremental increase in the Duval County Operating Millage ad valorem taxes collected (“MF Annual Project Revenues”), subject to other terms and conditions as found herein.

Loans: Developer is seeking gap funding through the Jacksonville City Council in the form of a Completion Grant which has been included in the COJ investment figures above, but such amount is not presented for approval by the DIA Board. The expected additional amount included in Multifamily Component-New Construction Element is \$15,000,000. This gap funding request does not qualify under any current DIA program.

Infrastructure: No City of Jacksonville infrastructure improvements are contemplated.

Land: No City of Jacksonville land is committed to the project. Parking agreements within City owned parking garages or privately owned parking garages where COJ/DIA has parking rights

is to be negotiated independently and will not impact project economics as presented in this Term Sheet.

Minimum Capital Contribution: The MNC Minimum Private Capital contribution through completion to remain eligible for the MF REV Grant is \$63,490,200. The MNC Minimum Capital excludes developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, costs allocated for funding under any other DIA program, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees. Land value for this calculation shall be \$529,110 (2023 Property Appraiser valuation), and not more than \$586,200 of Predevelopment Costs shall be eligible for inclusion. Any MNC Minimum Capital contribution below this amount will require a pro rata reduction in the REV Grant, and a reduction of the MNC Minimum Private Capital of greater than 10% will result in a forfeiture of the REV Grant in its entirety.

Multifamily Component-Historic Rehabilitation Element

DIA Downtown Preservation and Revitalization Program	\$ 6,024,300	
Completion Grant (COJ City Council)	<u>\$ 0</u>	
		\$ 6,024,300

Multifamily Component-New Construction Element

DIA Targeted Hotel REV Grant (“Hotel REV Grant”)	\$ 8,853,600	
Completion Grant (COJ City Council)	<u>\$ 15,000,000</u>	
		<u>\$23,853,600</u>

TOTAL MULTIFAMILY COMPONENT INCENTIVES PROPOSED: \$29,877,900

TOTAL DIA and CITY OF JACKSONVILLE FUNDING:

Funding through the Downtown Investment Authority and the City of Jacksonville of not more than \$63,558,600 as follows:

Figure 1. - Incentive Table Summary:

Laura Trio Adaptive Reuse Program DIA and City of Jacksonville Incentives			
	Hospitality Component	Multifamily Component	TOTALS
Recaptured Enhanced Value (REV) Grant	\$ 5,670,400	\$ 8,853,600	\$ 14,524,000
Downtown Preservation & Revitalization Program (DPRP)			
HPRR	\$ 7,461,900	\$ 2,840,000	\$ 10,301,900
CCR	\$ 5,346,300	\$ 1,979,400	\$ 7,325,700
DPRP Deferred Principal Loan	\$ 3,202,100	\$ 1,204,900	\$ 4,407,000
	<u>\$ 16,010,300</u>	<u>\$ 6,024,300</u>	<u>\$ 22,034,600</u>
DIA PROGRAM TOTALS	<u>\$ 21,680,700</u>	<u>\$ 14,877,900</u>	<u>\$ 36,558,600</u>
COJ Completion Grant Request	<u>\$ 12,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 27,000,000</u>
TOTALS	<u>\$ 33,680,700</u>	<u>\$ 29,877,900</u>	<u>\$ 63,558,600</u>

Termination of Existing Redevelopment Agreement dated December 13, 2021 as authorized by Ordinance 2021-453: A termination of the existing RDA will be executed by Developer upon City Council approval of the terms contemplated herein and will be a condition to entry into a new RDA.

Performance Schedule:

- A) Execution of Redevelopment Agreement(s) within thirty (30) days of City Council Approval and Bill Effective Date
- B) Apply for and receive DDRB Final Approval within the ninety (90) days of City Council Approval and Bill Effective Date.
- C) Application for Building Permit as required to commence construction of each element of both components is to be submitted to the COJ Building Inspection Division within sixty (60) days following final approval from DDRB.
- D) Commencement of Construction within ninety (90) days following receipt of Building Permit(s) from the COJ Building Inspection Division to break ground and commence construction on each element of both components of the Project. Commencement of Construction means:
 - 1) As reasonably can be considered necessary so that physical construction of the eligible Project (or any applicable phase thereof) may begin and proceed to completion without foreseeable interruption:
 - a) Completion of all pre-construction engineering and design,
 - b) All necessary licenses, permits, and governmental approvals,
 - c) Engagement of general contractor(s),
 - d) Essential equipment and supplies on site; and,
 - 2) Financial commitments and resources to complete the construction of the project have been finalized; and,
 - 3) Evidence of having “broken ground” and begun physical, material renovation and construction of such improvements on an ongoing basis without any Impermissible Delays.
- E) Substantial Completion: Within thirty-six (36) months following Commencement of Construction as defined above.

The DIA CEO will have the authority to extend this Performance Schedule, in the CEO’s discretion, for up to six (6) months for good cause shown by the Borrower / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

Additional Commitments:

- A) Developer commits to develop and deliver within the Hospitality Component:
 - 1. A minimum of 130 hotel rooms.
 - 2. A minimum of 11,600 square feet of Retail/restaurant/lounge space open to the general public which may include outdoor/rooftop space open to the general public, but excludes lobby, office, conference room, hotel back of house, and mechanical space.
 - 3. The Hospitality Component shall have the Marriott Autograph flag (or equivalent as may be approved by the DIA in its sole discretion) so long as any funding from the City of Jacksonville remains outstanding.
- B) Developer commits to develop and deliver within the Multifamily Component:
 - 1. A minimum of 158 multifamily dwelling units.
 - 2. A minimum of 6,550 square feet of space available to be leased exclusively to Retail tenants, but excludes lobby, office, conference room, multifamily back of house, or mechanical space.
- C) “Retail” for these purposes is identified as: 1) businesses that sell products on a transactional basis to end consumers; 2) food and beverage establishments; or 3) providers of services targeted towards the general public (other than health care, legal, or financial

advisory). Businesses operating exclusively or primarily on a membership or appointment basis and not welcoming walk-in customers, or providing goods and services targeted principally to other businesses, shall not generally meet this definition, unless approved on a case-by-case basis.

- D) Recommendation as to the eligibility of the approved scope of work on the each historic element by the Historic Preservation Section of the COJ Planning and Development Department shall be required prior to DIA Board approval of any program funding. Such recommendation by the Planning and Development Department may be conditional on further review and approvals by the State Historic Preservation Office (“SHPO”) and/or the National Park Service (“NPS”).
- E) Upon completion and request for funding, all work on the Properties must be inspected by the Historic Preservation Section of the Planning and Development Department or designee for compliance with the approved application prior to funding under any DPRP loan component.
- F) Funding may be requested and approved subject to the terms above on the DPRP loans approved for a historic element of either component that has received a final certificate of occupancy so long as the redevelopment progress on the other historic buildings are 75% complete, at minimum, and proceeding without interruption.
- G) Funding under the DPRP will be secured by a stand-alone, subordinate lien position on each component behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing.
- H) Each DPRP Forgivable Loan or Deferred Principal Loan within each component will be cross-collateralized, and cross-defaulted with one another.
- I) Payment defaults, or other defaults that trigger legal actions against the Applicant that endanger the lien position of the City, shall also be a default on related loans or other financial awards from the City of Jacksonville on the same component.
- J) As Developer will be utilizing a combination of HPRR Forgivable Loans, and CCR Forgivable Loans, the maturity of each of these Forgivable Loan will be five (5) years. Principal outstanding under each note will be forgiven at the rate of 20% annually, on the anniversary date of each such funding, so long as each Forgivable Loan is not in default per DPRP Guidelines or the loan agreements.
- K) Standard claw back provisions will apply such that:
 - a) In the event the Borrower sells, leases, or otherwise transfers any Historic property during the first five (5) years after the disbursement of the Forgivable Loan, the following shall be due and payable at closing of the Sale:
 - i. 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
 - ii. 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;
 - iii. 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
 - iv. 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
 - v. 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.
 - b) In the event Borrower or any lessee or assignee of the Borrower uses the Project or the Historic Property or Properties for any use not contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan, the full amount of the

Grant, together with all accrued but unpaid interest thereon, shall immediately become due and payable to the City by the Borrower.

- L) Funding in the amount of the DPRP Deferred Principal Loan component will have a stated maturity date of ten years from the Funding Date. The loan balance is due in full upon maturity, sale, or refinancing of the property prior to maturity subject to terms of the disposition and value of the property at the time of such event.
- M) The DPRP Deferred Principal Loan component requires an annual interest payment equal to the total principal outstanding multiplied by the prevailing yield on the Ten-Year Treasury Note at the time of funding.
- N) Partial Principal reductions on the DPRP Deferred Principal Loan may be made after the fifth anniversary with no prepayment penalty; however, a minimum of 50% of the initial loan balance must remain outstanding through the loan maturity date unless the Property or Properties are sold or refinanced during that period, subject to DIA approval.
- O) DIA reserves the right to approve any sale, disposition of collateral property, substitution of equity, substitution of collateral, or refinance of senior debt during the DPRP Compliance Period and such approval shall not be unreasonably withheld.
- P) All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the DPRP loan period.
- Q) Any liens filed against any of the historic or new construction elements of either component must be resolved to the satisfaction of the DIA within 30 days of notice from DIA to the Developer.
- R) Payment defaults, bankruptcy filings, or other material defaults during the DPRP loan period will trigger the right for the City of Jacksonville to accelerate all amounts funded and outstanding under any or all programs at such time, plus a 20% penalty of any amounts amortized or prepaid prior to that date.

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

**SUPPLEMENTAL INFORMATION
LAURA STREET TRIO STAFF REPORT**

LAURA STREET TRIO ADAPTIVE REUSE

Hospitality Component

**Historic Florida National Bank Building - 51 W. Forsyth Street
Historic Bisbee Building - 47 W. Forsyth Street
Hospitality New Construction**

Multifamily Component

**Historic Florida Life Insurance Building - 117 N. Laura Street
Multifamily New Construction**

**Staff Report
June 15, 2023**

Applicant: **Laura Trio Hospitality, LLC as to the Hospitality Component
The Residences at Laura Trio, LLC as to the Multifamily Component**

Laura Trio, LLC (sole member and manager of each entity)
SouthEast Holdings, LP (sole member and manager of Laura Trio, LLC)
SouthEast Holdings I, Inc. (sole general partner of SouthEast Holdings, LP)
Stephen L. Atkins (100% stockholder of SouthEast Holdings I, Inc.)

Project: **Laura Street Trio Adaptive Reuse
Autograph Collection Hotel by Marriott
The Klutho at Laura Street / Multifamily Apartments**

Program Requests: **Downtown Preservation and Rehabilitation Program (“DPRP”)
Targeted Hotel REV Grant
Multifamily Housing REV Grant**

Laura Trio Adaptive Reuse Program DIA and City of Jacksonville Incentives			
	Hospitality Component	Multifamily Component	TOTALS
Recaptured Enhanced Value (REV) Grant	\$ 5,670,400	\$ 8,853,600	\$ 14,524,000
Downtown Preservation & Revitalization Program (DPRP)			
HPRR	\$ 7,461,900	\$ 2,840,000	\$ 10,301,900
CCR	\$ 5,346,300	\$ 1,979,400	\$ 7,325,700
DPRP Deferred Principal Loan	\$ 3,202,100	\$ 1,204,900	\$ 4,407,000
	<u>\$ 16,010,300</u>	<u>\$ 6,024,300</u>	<u>\$ 22,034,600</u>
DIA PROGRAM TOTALS	\$ 21,680,700	\$ 14,877,900	\$ 36,558,600
COJ Completion Grant Request	\$ 12,000,000	\$ 15,000,000	\$ 27,000,000
TOTALS	\$ 33,680,700	\$ 29,877,900	\$ 63,558,600

Estimated City Benefits/Proposed DIA Program Totals \$42,082,780/\$36,558,600 = 1.15X

Estimated City Benefits/ DIA & COJ Requested Amounts \$42,082,780/\$63,558,600 = 0.66X



Project Background:

The Laura Street Trio (Florida National Bank Complex) is a grouping of three formerly individual buildings, the two-story Florida National Bank (1902/1906) that is flanked to the east by the 10-story Bisbee Building (1909/1910), and to the north by the 11-story Florida Life Building (1912). The three buildings were interconnected for use by the Florida National Bank between 1919 and 1925. Since 1925, the complex has been known as the Laura Trio or Laura Street Trio, in response to its prominent location at the northeast corner of N. Laura and W. Forsyth Streets. These three buildings are contributing structures to the downtown Jacksonville Historic District, are recognized as local landmarks, and are in the process of being listed collectively on the National Register. The remainder of the three-parcel site is currently an open lot used principally for parking and the staging of construction on other nearby projects.

Historic Florida National Bank Building (1902) - 51 W. Forsyth Street – Constructed in 1902 with a major addition in 1906, the building is two stories in height with a load bearing brick structural system. The Classical Revival style designed by Edward H. Gidden extends to the lobby where a great banking room was created through renovations in 1916. The integrity of the building is excellent, and its condition is fair. Originally built for the Mercantile Exchange Bank to replace its earlier facility that was destroyed in Jacksonville’s Great Fire of 1901, the building remains as the oldest bank building in Jacksonville. It is currently vacant and has been so for many years.

Historic Bisbee Building (1909/1910) - 47 W. Forsyth Street – Constructed in 1909/1910, the Bisbee Building is regarded as the first high-rise building in Jacksonville built with a reinforced concrete structural system. William Adolphus Bisbee, a successful entrepreneur and real estate investor, constructed the building and it was the tallest in the state for a short time. The design by noted architect Henry J. Klutho provides example of the Chicago Commercial Style with beaux arts detailing on the south elevation. The interior consists of a lobby and two open bays on the first floor and an open floor plan originally used as office space on the upper nine floors. The Bisbee building has been subjected to some interior remodeling, but the overall integrity of the building is good. The building is currently vacant and in poor condition.

Historic Florida Life Insurance Building (1912) - 117 N. Laura Street - Completed in 1912, the Florida Life building surpassed the Bisbee Building as the tallest building in the state. Also designed by Klutho, the building was a unique application of the Prairie style to a commercial skyscraper. Recognized as one of the city's most notable landmarks, the Florida Chapter of the American Institute of Architects included the Florida Life Building on its 2012 list of the 100 most significant buildings in the state. The building was once noted for its elaborate cornice and plaster Sullivanesque Capitals that adorned the upper corners of the structure that were removed in 1993, after concern was raised about their condition and public safety. Most of a copper cornice, its historic windows, and most of its interior finishes on the upper floors are also missing; however, the overall integrity of the building is good and the overall form and much of the original architectural detailing remains. The building is currently vacant and is in poor condition.

The exteriors of each building will be rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation. The project will return the buildings to productive use and will stop further deterioration. The essential character-defining exterior historic fabric and features of the buildings will typically be retained and repaired as needed to match existing adjacent and/or documented historic conditions in design, materials, and workmanship. In addition to enhancing the historic character of the buildings through exterior repairs, the project proposes to recreate the highly significant and character-defining cornice elements of the Florida Life Building that were destroyed in 1993.

Per the conditional approval memo from the Historic Preservation Section of the COJ Planning and Development Department ("HPS"), "The Old Florida National Bank Building, Bisbee Building and Florida Life Building all have had local historic landmark status since 2002. City Council approved the local designation under ordinances 2002-433-E, 2002-434-E and 2002-435-E respectfully. Based on this landmark designation, all three structures meet the threshold requirement for Historic Preservation Restoration and Rehabilitation Forgivable Loan funding in the DPRP."

The Laura Street Trio properties currently reside on a single 35,582 square foot parcel, RE# 073676-0000. The development will further extend to two adjacent lots with each providing 5,488 square feet, RE# 073688-0000 and RE# 073687-0000. To facilitate funding on the REV grants proposed and to measure certain requirements found herein, the parcels require modification to provide a stand-alone parcel each for the Hospitality Component–Historic Element ("HH") to include the former Florida National bank Building and Bisbee Building, the Hospitality Component–New Construction Element ("HNC"), the Multifamily Component–Historic Element ("MH") which includes the former Florida Life Insurance

Building, and the Multifamily Component–New Construction Element (“MNC”). Reconfiguration of the existing parcels to accommodate this structure is a condition of the Term Sheet to determine tax obligations for each component and element as described above, and process Requests for Payment.

Development Plan:

The project will be undertaken as two separate, but related, components. Both the Hospitality Component and the Multifamily Component are identified further by a historic rehabilitation element and a new construction element found within each component. The following is the table of Sources and Uses for each component and in total as provided by the Applicant. From this summary, detailed information was provided for development costs at the level of each individual historic and new construction building (Uses); however, capital is sourced at the overall Component level and the presentation is summarized at that level. Therefor, the allocation of debt and equity by DIA Staff within each Component to the Historic Element or the New Construction Element of that Component offers some flexibility as to how they might be applied for analysis. That point is made here for the understanding of the reader as a caveat to analytical insights that follow relating to those sources of funding for the Historic Element or new Construction Element of each Component.

AUTOGRAPH COLLECTION HOTEL BY MARRIOTT			THE KLUTHO AT LAURA STREET / MULTIFAMILY APARTMENTS			LAURA STREET TRIO ADAPTIVE REUSE COMBINED		
Uses	Total \$	% of Total	Uses	Total \$	% of Total	Uses	Total \$	% of Total
Land / Site	4,000,000	4.48%	Land / Site	4,300,000	5.01%	Land / Site	8,300,000	4.74%
Predevelopment	1,666,000	1.87%	Predevelopment	2,370,000	2.76%	Predevelopment	4,036,000	2.30%
Hard Costs	63,480,000	71.08%	Hard Costs	72,006,000	83.93%	Hard Costs	135,486,000	77.38%
Special Construction	3,000,000	3.36%				Special Construction	3,000,000	1.71%
Soft Costs	5,884,000	6.59%	Soft Costs	4,620,000	5.38%	Soft Costs	10,504,000	6.00%
Financing Fees	1,322,000	1.48%	Financing Fees (see Hotel)	0	0.00%	Financing Fees	1,322,000	0.76%
Capitalized Interest	5,600,000	6.27%	Capitalized Interest	2,500,000	2.91%	Capitalized Interest	8,100,000	4.63%
Retired Debt	4,000,000	4.48%				Retired Debt	4,000,000	2.28%
Debt & Operating Reserves	350,000	0.39%				Debt & Operating Reserves	350,000	0.20%
Total Uses:	\$89,302,000	100.00%	Total Uses:	\$85,796,000	100.00%	Total Uses:	\$175,098,000	100.00%
Sources	Total \$	% of Total	Sources	Total \$	% of Total	Sources	Total \$	% of Total
Land Contribution	4,000,000	4.48%	Land Contribution	4,300,000	5.01%	Land Contribution	8,300,000	4.74%
Predevelopment Contribution	1,666,000	1.87%	Predevelopment Contribution	2,500,000	2.91%	Predevelopment Contribution	4,166,000	2.38%
COJ Forgivable Development Loan	2,000,000	2.24%				COJ Forgivable Development Loan	2,000,000	1.14%
Federal Historic Tax Credits	6,960,000	7.79%	Federal Historic Tax Credits	3,806,000	4.44%	Federal Historic Tax Credits	10,766,000	6.15%
Limited Partner (LP) Investment	3,500,000	3.92%	Limited Partner (LP) Investment	11,500,000	13.40%	Limited Partner (LP) Investment	15,000,000	8.57%
C-PACE Financing	16,898,000	18.92%				C-PACE Financing	16,898,000	9.65%
Senior Loan	25,000,000	27.99%	Senior Loan	35,000,000	40.79%	Senior Loan	60,000,000	34.27%
HPRR Forgivable Loan	7,463,000	8.36%	HPRR Forgivable Loan	2,837,000	3.31%	HPRR Forgivable Loan	10,300,000	5.88%
CCR Forgivable Loan	5,418,000	6.07%	CCR Forgivable Loan	1,969,000	2.29%	CCR Forgivable Loan	7,387,000	4.22%
Deferred Principal Loan	3,220,000	3.61%	Deferred Principal Loan	1,201,000	1.40%	Deferred Principal Loan	4,421,000	2.52%
REV Grant	3,177,000	3.56%	REV Grant	7,683,000	8.95%	REV Grant	10,860,000	6.20%
COJ Completion Grant	10,000,000	11.20%	COJ Completion Grant	15,000,000	17.48%	COJ Completion Grant	25,000,000	14.28%
Total Sources:	\$89,302,000	100.00%	Total Sources:	\$85,796,000	100.00%	Total Sources:	\$175,098,000	100.00%

Additional points relating to the information as provided:

- Developer is seeking a \$27 million Completion Grant for gap funding through the Jacksonville City Council which has been included in the analysis to maintain a balance between Sources and Uses, *but such amount is not presented for approval by the DIA Board as the gap funding request does not qualify under any current DIA program.*
- An appraisal prepared by Cushman & Wakefield is presented and provides a fee-simple “As Is” value for the property of \$8.3 million at April 12, 2022. That value is based on a “per door” and “per key” valuation approach based on the development plan of the applicant. The overall value

yields a value of \$191.57 per square foot for the 43,558 sf development site which far exceeds any valuation DIA staff has seen in our Downtown including developments of multifamily and hospitality properties immediately adjacent to the St. Johns River. Accordingly, adjustments are made to the value of the property for analysis using \$70 sf, approximately midway of the range of values of a psf basis as provided in the appraisal (\$6.20 sf - \$140.31 sf).

- The applicant includes more than \$4 million in Predevelopment Costs among Sources and Uses, that cover several years of holding costs, insurance, taxes, legal expenses, studies, protective measures, architecture and engineering, and other costs that are not all considered to contribute directly to the current development effort. These costs are reportedly shown at 60% of actual cost but are further reduced by 50% by DIA staff in the analysis, or the equivalent of 20% of the gross amount.
- Adjustments are made for calculation of proposed DIA funding levels to exclude from Soft Costs and other Uses any developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees, unless specifically identified elsewhere as eligible.
- The existing \$4 million Bridge Loan from Romspen has a maturity date on or around September 30, 2023, and no other debt exists on the property, including any further obligations to LISC.
- The Molasky Group, an investor and development partner in earlier efforts to rehabilitate these properties, is reported to have no continuing relationship with the property, previous related debts, or the SouthEast Development Group.
- As it relates to parties currently interested in providing debt on the project, the Applicant reports, "Stonebriar's term sheets have expired and not renewed given their significant increase in proposed rates. We have a set of term sheets for all project financing needs from Enhanced Capital, LLC. Upon receipt of the DIA term sheet, we expect three additional offers from senior lenders. We have term sheets for CPACE financing from Nuveen Green Capital and anticipate receiving updated term sheets from Octagon Finance for bridging DPRP and HTC funding during construction, and one from LISC for capitalizing REV Grants."

Principal Development and Operation Team Members:

SouthEast Development Group (Master Developer & Team Lead)

SouthEast Development Group, LLC is a commercial real estate firm based in Jacksonville, Florida providing a full complement of development services, design-build programming, and asset management across multiple market sectors, with a portfolio of work from the Carolinas to South Florida. SouthEast Community Investment Fund, LLC is a certified Community Development Entity (CDE) providing "community-centric" planned development support with targeted investments through U.S. Federal Tax Credits, federal subsidies, and public-private-partnerships. SouthEast is committed to Downtown Jacksonville, especially in the adaptive reuse space, having recently completed redevelopment of the \$50+ million multi-use, historic Barnett Building which has won numerous awards and is now home to Chase Bank, the Jacksonville Business Journal, the UNF Center for Entrepreneurship and Innovation, and more

than 100 residential apartment units.

Dasher Hurst (Architects)

Dasher Hurst is an award-winning, Jacksonville-based architecture firm with decades of experience in a broad array of complex commercial and residential projects. Their portfolio includes a number of high-profile adaptive reuse projects, including several in Downtown Jacksonville such as the Barnett Building, Independent Life Building, Union Terminal Warehouse, and Farah & Farah Office. Their regional work is also demonstrated in other sectors such as higher education with nationally recognized projects including the UNF Student Union as well as Jacksonville University Marine Science Institute and UF Whitney Center.

Danis Construction (General Contractor)

Founded in 1916 by B.G. Danis, Danis is a third generation, privately owned company based in Dayton, Ohio. Danis serves the Midwest and Southeast regions of our country, specializing in public and private building and industrial projects. Danis offers expertise in construction management, general construction, design/build, and build-to-suit lease-back, as well as experience in the corporate, healthcare, senior living, education, retail, hospitality/entertainment, and industrial markets. Throughout the company's history, Danis has received praise for quality work and service, timely delivery, and the ability to remain under the project budget. Danis prides itself on meeting client challenges, whether they are budgets, tight schedules, difficult site conditions, or unique designs, and boasts an 85% repeat customer rate. The Danis Group of Companies operates five offices located in Ohio, North Carolina, and Florida. Danis' historic preservation and adaptive reuse portfolio includes multiple complex, important projects in Downtown Jacksonville, including the Barnett Building, Cowford Chophouse, and Jessie Ball duPont Center.

Piper Sandler Companies (Financing Partner)

Founded in 1895, Piper Sandler Companies (NYSE: PIPR) is a leading investment bank and institutional securities firm. They are headquartered in Minneapolis with more than 50 offices across the U.S. and in London, Aberdeen, and Hong Kong. Piper's areas of expertise include investment banking, public finance, institutional equities, research, and more. The Piper Sandler Companies portfolio includes billions of dollars of investments across a wide range of market sectors including public-private partnerships in the education, healthcare, and hospitality spaces.

Winegardner & Hammons (Hotel Operator)

Winegardner & Hammons Hotel Group, LLC (WHG) is a privately held, full-service development and management company based in Cincinnati, Ohio. The company was founded in 1958 by Roy E. Winegardner and John Q. Hammons. The company is guided by its Mission Statement and maintains a unique goal of providing consistently superior performance and proven results, both of which have allowed them to be one of the most successful independent developers, owners, and operators in the nation. Currently, Winegardner & Hammons Hotel Group, LLC (WHG) manages more than 20 hotels throughout the United States. Within their hotels, WHG operates several dozen signatures, award-winning Food & Beverage concepts. The WHG portfolio includes lifestyle, University, urban, midtown and suburban full service, select service, resorts, all-suite, extended-stay, independent and brand affiliated hotels in many diverse markets throughout the United States. Winegardner also has deep experience operating Marriott-branded hotels as part of adaptive reuse projects, including The Lytle Park Hotel (Autograph Collection) and The Phelps (Residence Inn) in Downtown Cincinnati.

A. HOSPITALITY COMPONENT **DEVELOPER’S TOTAL PROJECT COST - \$89,302,000**

The Hospitality Component includes redevelopment of the Florida National Bank Building and Bisbee Building along with new construction of an eleven-story building which collectively will become a hospitality property proposed to be operated under the Autograph Collection Hotel by Marriott flag. As it relates to the relationship with Marriott International, the Applicant reports “There is a fully executed Franchise Licensing Agreement between Marriott International and Laura Trio Hospitality, LLC for an Autograph Collection Hotel. This agreement was executed on December 20, 2021.” Further, “We are engaged with Pyramid Global Hospitality Hotel Group, Inc. (previously Winegardner & Hammons, Inc.) as the hotel operator.”

The Hospitality Component is reviewed here as its Historic Element and its New Construction Element.

Hospitality Component-Historic Element

DIA Downtown Preservation and Revitalization Program	\$16,010,300	
Completion Grant (COJ City Council)	<u>\$ 6,026,400</u>	
		\$22,036,700

Hospitality Component-New Construction Element

DIA Targeted Hotel REV Grant (“Hotel REV Grant”)	\$ 5,670,400	
Completion Grant (COJ City Council)	<u>\$ 5,973,600</u>	
		<u>\$11,644,000</u>

TOTAL HOTEL COMPONENT INCENTIVES PROPOSED: **\$33,680,700**

1. Hospitality Component-Historic Element (“HH”)

Percent of COJ Investment¹ to:

Developer HH Project Cost	\$22,036,700/\$46,002,000 = 47.9%
Total HH Development Cost (as underwritten)	\$22,036,700/\$35,841,200 = 61.5%

1 – COJ Investment to the Hospitality Component-Historic Element includes a portion of the Completion Grant proposed to be submitted to COJ City Council in the allocated amount of \$6,026,400. The amount attributable to the HH is somewhat flexible in modeling.

Florida National Bank Building (The Marble Bank Building): Located at 51 W. Forsyth Street a/k/a Marble Bank Building, the one-story building plus a basement, offers approximately 14,180 square feet total. Plans call for redevelopment with an estimated 4,067 square foot private dining/wine cellar space in the basement (3,700 square feet minimum) along with estimated 3,023 square feet of “back of house” space. The first floor would provide approximately 7,090 square foot restaurant service space (6,400 square foot minimum). Earlier plans to offer a mezzanine floor have since been abandoned due to structural and construction considerations.

Bisbee Building: Located at 47 W. Forsyth Street, the building provides ten stories plus basement, approximately 50,539 square feet total. To be redeveloped with “back of house” operations in the estimated 4,639 square foot basement, and an approximately 4,590 square foot lobby on the first floor (4,200 square foot minimum (open to the public)). Floors two through ten provide six to seven hotel rooms per floor (projected 62 rooms total, 56 minimum).

The applicant provided detailed construction budgets in support of a request for funding through the DIA Downtown Preservation and Revitalization Program. The information below summarizes the funding proposed for this Component and Element of the overall project.

DPRP Terms: The DPRP Incentive outlined below applies to both historic buildings combined for hotel use as if they were one property following the plans for their redevelopment and operation.

Downtown Preservation and Revitalization Program (“HH DPRP”): Not more than \$16,010,300 (through the City of Jacksonville Downtown Investment Authority), as follows:

	Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)	Code Compliance Forgivable Loan (CCR)	DPRP Deferred Principal Loan	TOTAL
Fl Nat’l Bank	\$2,376,700	\$1,067,700	\$ 861,100	\$ 4,305,500
Bisbee	\$5,085,200	\$4,278,600	\$2,341,000	\$11,704,800
TOTAL	\$7,461,900	\$5,346,300	\$3,202,100	\$16,010,300

Maximum loan amounts above are proposed to be documented on a combined basis as though the historic properties were one building. Additional details are shown here for reference.

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.

DPRP program parameters are examined in the table that follows and demonstrate that with equity and the additional City funding request split along overall development cost proportions, the capitalization falls short of guideline minimums for minimum developer contribution and its reciprocal maximum COJ contribution. Notably, this situation could be remedied by shifting more of the Hotel Component Equity to the Historic Element, and offsetting that change by shifting an equivalent amount of the Other COJ Funding to the New Construction Element, but those amounts are maintained at their proportional levels for analysis.

Total from Const Budget		\$	30,332,600
Sources			
Federal Historic Tax Credit	\$	6,960,000	19.4%
HPRR Forgivable Loan	\$	7,461,900	20.8%
CCR Forgivable Loan	\$	5,346,300	14.9%
DPRP Def Prin Loan	\$	3,202,100	8.9%
Other COJ Funding	\$	6,026,400	16.8%
1st Position Debt	\$	3,260,400	9.1%
Owner Equity	\$	3,584,100	10.0%
Add'l Capital Needed	\$	-	0.0%
TOTAL SOURCES	\$	35,841,200	100.0%
Uses			
Value "As Is"	\$	963,000	2.7%
Predevelopment Costs	\$	418,400	1.2%
Construction Costs	\$	30,332,600	84.6%
Special Construction / FF&E			0.0%
Soft Costs	\$	2,270,600	6.3%
Finance and other costs	\$	2,812,300	7.8%
Developer Fee	\$	(955,700)	-2.7%
Existing Debt Repayment			0.0%
TOTAL USES	\$	35,841,200	100.0%
Maximum Funding Level	\$	14,336,480	
DPRP Funding	\$	16,010,300	
ROI		0.571	

Measurement	DPRP Guidelines			As Calculated
	% of TDC		Net of Developer Fee	Project
Developer Equity	10%	Min	of TDC	10.0%
3rd Party Loan			No min or max	9.1%
Subsidy or Tax Credit			No min or max	19.4%
Developer Combined	60%	Min	of TDC	38.5%
DPRP				
Exterior	75%	Max	of eligible costs	
Restoration Int	75%	Max	of eligible costs	
Rehabilitation Int	30%	Max	of eligible costs	
Code Compliance	75%	Max	of eligible costs	
Other	20%	Max	of eligible costs	
HPRR Forgivable Loan	30%	Max	of TDC	20.8%
CCR Forgivable Loan	30%	Max	of TDC	14.9%
DPRP Def Prin Loan	20%	Max	of TDC	8.9%
DPRP Def Prin Loan		Min	Must be ≥ 20% of Gap	20.0%
Other COJ Funding				16.8%
COJ Combined	40%	Max	of TDC	61.4%

As shown on the summary below, the ROI incorporating only the DPRP funding is calculated at 0.78X, which exceeds program guidelines of 0.50X. When the additional City funding is incorporated at the levels modeled, the ROI drops to 0.57X.

\$37 Million in Capital Expenditures	
Ad Valorem Taxes Generated	
County Operating Millage	(1) \$ 3,764,700
Local Option Sales Tax	(2) \$ 5,213,700
Payroll	(3) \$ 140,000
Add'l Benefits Provided	(4) \$ 3,390,700
Total City Expected Benefits	\$ 12,509,100
Total City Investment	(5) \$ 22,036,700
Return on Investment Ratio DPRP Only	0.78
Return on Investment Ratio All In	0.57
(1) - The investment from the Company is estimated to be \$37 million in Capital Contribution for development and \$1,500,000 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	
Interest on the DPRP Deferred Principal Loan	\$ 1,120,700
PV of DPRP Deferred Principal Repayment	\$ 2,270,000
TD Tax (Room Surcharge)	
Total Add'l Benefits Provided	\$ 3,390,700
(5) - City Incentives as follows:	
DPRP	\$ 16,010,300
Land	\$ -
Other	\$ 6,026,400
Total Direct Incentives	\$ 22,036,700

Assumptions incorporated into the HH DPRP ROI analysis include:

a) Starting property value is held consistent with current Property Appraiser value which is equal

to the base level of the land value at the Barnett Residences property (\$30 psf). This value is not further reduced by the 85% property appraiser reduction in value as it has already been discounted by that amount.

- b) Starting value of improvements is equal to the construction hard costs of \$30.3 million and discounted by the 85% adjustment imposed by the Duval County Property Appraiser’s office.
- c) Growth rate is 2%, consistent with DIA convention.
- d) Interest in the Deferred Principal Loan is estimated at the yield on the Ten-Year Treasury Note of 3.50%, the principal repayment required at year ten is discounted at 3.5%, consistent with DIA convention.
- e) Local Option Sales Tax is based on Operating Pro Forma provided that initial estimates for Food and Beverage Revenue attributable to HH Element of \$1.6 million, and Room Revenue of \$2.8 million, based further on occupancy of 67% and average room rate of \$187. The Room revenue also feeds the 6% Tourist Development Tax that is also included in the analysis.

2. Hospitality Component-New Construction Element (“HNC”)

Percent of COJ Investment¹ to:

Developer HNC Project Cost	$\$11,644,000/\$43,300,000 = 26.9\%$
HNC Minimum Private Capital (as underwritten)	$\$11,644,000/\$39,089,600 = 29.8\%$

1 – COJ Investment includes a portion of the Completion Grant proposed to be submitted to COJ City Council in the allocated amount of \$5,973,600. The amount attributable to the HH is somewhat flexible in modeling.

Forsyth Street Addition/Hospitality-New Construction Element– Expected to provide an estimated 58,096 square feet of additional hotel space on eleven floors plus basement. The approximate 896 square foot basement is for “back of house” operations, whereas the first floor provides an estimated 5,200 square feet of conference space (4,700 square foot minimum). Floors two through nine provide nine hotel rooms per floor (81 total, 74 minimum) and the eleventh floor provides an estimated 5,200 square foot rooftop food and beverage amenity (4,700 square foot minimum) that shall be open to the public.

Targeted Hotel REV Grant (“Hotel REV Grant”): Per the factors assessed and summarized in the table below, which apply only to the new construction element, Developer is eligible for a Targeted Hotel REV Grant for 75% of the ad valorem tax increment generated by the HNC project for a period of 20 years. The total Hotel REV Grant indebtedness will not exceed \$5,670,400 and will be paid annually beginning the first year of taxation following completion based upon the incremental increase in the Duval County Operating Millage ad valorem taxes collected (“HNC Annual Project Revenues”), subject to other terms and conditions as found in the Redevelopment Agreement.

TRIO -Targeted Hotel REV Grant Factors			
DESCRIPTION	Maximum	Proposal	Qualified Points
GRANT			
1.In any mixed-use hotel property development not immediately adjacent to the river, McCoy's Creek, Hogan's Creek, or a City owned public park, no less than 30% of the ground level of the linear street frontage shall be retail/food and beverage space.		Approximately 60% of the total hotel project provides activated street front along Forsyth	
•10% for each 2,500 square feet of ground level retail space (frontage must be equal to or greater than depth), or balcony/rooftop food and beverage, each accessible by the public directly from the street (maximum 20%); plus	20%	5,200 SF rooftop bar/restaurant open to the public	20%
•Up to 20% for enhanced design and quality including unique architectural features and materials in the subject hotel building(s) or any visible portion of an associated structured parking garage, or both, beyond minimum compliance with DDRB standards (to qualify for this factor, conceptual plans including exterior materials, must have received DDRB approval and the interior plans presented must reflect a level of finish and uniqueness required to qualify as a boutique hotel) plus,	20%		10%
•Up to 15% for the inclusion of additional amenities open to the public such as one or more bar or lounge spaces, additional restaurant offerings, spa, meeting rooms, or the like; plus	15%	5,200 sf ground floor conference space	10.0%
•Up to 10% total for the provision or utilization of shared use parking.	10%		
-5% shall be available for every 25 spaces serving the residential development that are secured through off-site shared use arrangements (maximum of 10%); plus	10%	100 + spaces to be negotiated	10%
•10% for each occupiable floor above seven (excluding any basement or rooftop space) when developing in the Central Core or Sports and Entertainment (maximum of 30%); plus,	30%	11 Stories (11-7=4X10 = 40% but Max is 30%)	30%
REV ALLOWANCES TOTAL			80%

As shown on the summary below, the ROI incorporating only the HNC REV Grant funding is calculated at 1.33X, which exceeds the PIP hurdle of 1.0X. When the additional City funding is incorporated at the levels modeled, the ROI drops to 0.65X, below the PIP hurdle of 1.0X.

\$ 43.30 Million in Capital Expenditures			
Ad Valorem Taxes Generated			
County Operating Millage	(1)	\$ 7,560,500	
Local Option Sales Tax	✓ (2)	\$ 7,215,347	
Payroll	✓ (3)	\$ -	
Add'l Benefits Provided	✓ (4)	\$ -	
Total City Expected Benefits			\$ 14,775,847
Total City Investment	✓ (5)	\$ 11,644,000	
Return on Investment Ratio - REV Only			2.61
Return on Investment Ratio - All In			1.27
(1) - The investment from the Company is estimated to be \$43.3 million in Capital Contribution for development and \$1.5 million in taxable Tangible Personal Property			
(5) - City Incentives as follows:			
REV		\$ 5,670,400	
Additional Funding		\$ 5,973,600	
Total Direct Incentives		\$ 11,644,000	

Assumptions incorporated into the HH DPRP ROI analysis include:

- Starting property value is \$70 psf, approximately midway of the range of values of a psf basis as provided in the Cushman-Wakefield appraisal (\$6.20 sf - \$140.31 sf) and adjusted downward from \$191.57 as calculated by that appraisal's valuation.
- Starting value of improvements is equal to the construction hard costs of \$33.1 million and discounted by the 85% adjustment imposed by the Duval County Property Appraiser's office.
- Growth rate is 2%, consistent with DIA convention.
- Interest in the Deferred Principal Loan is estimated at the yield on the Ten-Year Treasury Note

of 3.50%, the principal repayment required at year ten is discounted at 3.5%, consistent with DIA convention.

- e) Local Option Sales Tax is based on Operating Pro Forma provided that initial estimates for Food and Beverage Revenue attributable to HNC Element of \$4.1 million, and Room Revenue of \$3.7 million, based further on occupancy of 67% and average room rate of \$187. The Room revenue also feeds the 6% Tourist Development Tax that is also included in the analysis.

II. MULTIFAMILY COMPONENT DEVELOPER’S TOTAL PROJECT COST - \$85,795,700

The Multifamily Component includes redevelopment of the Historic Florida Life Insurance Building along with new construction of an eleven-story building which together will become a mixed-use, residential and retail property providing a proposed 169 dwelling units and 6,550 SF street level retail space for lease to third party tenants. The combined properties are proposed for development that meets LEED certification requirements. Of the 169 units proposed, 70% will be developed and marketed at market rate, while 30% will be restricted for Attainable-Workforce tenants making 80% Area Median Income (“AMI”) or less. The Developer’s intention to provide the Workforce was to contribute to the affordable housing needs of Downtown workers, and to take advantage of lower interest rate debt available in the market for these purposes. Those restricted rent levels are captured in the table below for 2022, 2023, and projected 2024.

Attainable Workforce Rent rates – Jacksonville FL Metro region			
One Bedroom Units	2022	2023	2024
120% AMI	\$2,076	\$2,244	\$2,322
100% AMI	\$1,730	\$1,870	\$1,935
80% AMI	\$1,348	\$1,496	\$1,548
60% AMI	\$1,038	\$1,122	\$1,161

Source: UNF Northeast Florida Center for Community Initiatives, February 2023

The Multifamily Component is reviewed here as its Historic Element and its New Construction Element.

Multifamily Component-Historic Rehabilitation Element

DIA Downtown Preservation and Revitalization Program	\$ 6,024,300	
Completion Grant (COJ City Council)	\$ <u>0</u>	
		\$ 6,024,300

Multifamily Component-New Construction Element

DIA Targeted Hotel REV Grant (“Hotel REV Grant”)	\$ 8,853,600	
Completion Grant (COJ City Council)	\$ <u>15,000,000</u>	
		\$ <u>23,853,600</u>

TOTAL MULTIFAMILY COMPONENT INCENTIVES PROPOSED: \$29,877,900

1. Multifamily Component-Historic Element “MH”

Percent of COJ Investment¹ to:

Developer MH Project Cost	\$6,024,300/\$16,504,800 = 36.5%
MH underwritten project cost	\$6,024,300/\$14,799,300 = 40.7%

1 – COJ Investment to the Multifamily Component-Historic Element includes a portion of the Completion Grant proposed to be submitted to COJ City Council in the allocated amount of \$0. The amount attributable to the MH is somewhat flexible in modeling.

Florida Life Insurance Building: Located at 117 N. Laura Street, the property includes eleven stories plus a basement, estimated 23,613 square feet total. To be redeveloped with approximately 2,086 square feet of mechanical space in the basement, an entrance and approximately 1,095 square foot lobby on the ground floor, and ten floors providing two apartments of approximately 882 square feet per unit on each floor (20 units total, 18 minimum).

The applicant provided detailed construction budgets in support of a request for funding through the DIA Downtown Preservation and Revitalization Program. The information below summarizes the funding proposed for this Component and Element of the overall project.

Downtown Preservation and Revitalization Program (“MH DPRP”): Not more than \$6,024,300 (through the City of Jacksonville Downtown Investment Authority), as follows:

	Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)	Code Compliance Forgivable Loan (CCR)	DPRP Deferred Principal Loan	TOTAL
Fl Life Ins	\$2,840,000	\$1,979,400	\$ 1,204,900	\$ 6,024,300

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.

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.

DPRP program parameters are examined in the table that follows and demonstrates compliance with DPRP Guidelines by these assumptions.

Total from Const Budget		\$ 13,212,100	
Sources			
Federal Historic Tax Credit	\$	3,806,000	23.1%
HPRR Forgivable Loan	\$	2,840,000	17.2%
CCR Forgivable Loan	\$	1,979,400	12.0%
DPRP Def Prin Loan	\$	1,204,900	7.3%
Other COJ Funding			0.0%
1st Position Debt	\$	2,572,300	15.6%
Owner Equity	\$	4,102,200	24.9%
Add'l Capital Needed			0.0%
TOTAL SOURCES	\$	16,504,800	100.0%
Uses			
Value "As Is"	\$	789,000	4.8%
Predevelopment Costs	\$	1,197,200	7.3%
Construction Costs	\$	13,212,100	80.1%
Soft Costs	\$	847,800	5.1%
Financing Costs	\$	458,700	2.8%
Developer Fee			0.0%
TOTAL USES	\$	16,504,800	100.0%
Maximum Funding Level	\$	8,252,400	
DPRP Funding	\$	6,024,300	
ROI			0.50

Measurement	% of TDC	DPRP Guidelines		As Calculated Project
			Net of Developer Fee	
Developer Equity	10%	Min	of TDC	24.9%
3rd Party Loan			No min or max	15.6%
Subsidy or Tax Credit			No min or max	23.1%
Developer Combined	50%	Min	of TDC	63.5%
DPRP				
Exterior	75%	Max	of eligible costs	
Restoration Int	75%	Max	of eligible costs	
Rehabilitation Int	30%	Max	of eligible costs	
Code Compliance	75%	Max	of eligible costs	
Other	20%	Max	of eligible costs	
HPRR Forgivable Loan	30%	Max	of TDC	17.2%
CCR Forgivable Loan	30%	Max	of TDC	12.0%
DPRP Def Prin Loan	20%	Max	of TDC	7.3%
DPRP Def Prin Loan		Min	Must be ≥ 20% of Gap	20.0%
Other COJ Funding				0.0%
COJ Combined	50%	Max	of TDC	37.0%

As shown on the summary below, the ROI incorporating only the DPRP funding is calculated at 0.50X, equal to the maximum found in program guidelines of 0.50X.

\$16 Million in Capital Expenditures	
Ad Valorem Taxes Generated	
County Operating Millage	(1) \$ 1,633,313
Local Option Sales Tax	(2) \$ 83,726
Payroll	(3) \$ -
Add'l Benefits Provided	(4) \$ 1,275,891
Total City Expected Benefits	\$ 2,992,930
Total City Investment	(5) \$ 6,024,300
Return on Investment Ratio	0.50
(1) - The investment from the Company is estimated to be \$16 million in 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	
Interest on the DPRP Deferred Principal Loan	\$ 421,715
PV of DPRP Deferred Principal Repayment	\$ 854,176
Other	
Total Add'l Benefits Provided	\$ 1,275,891
(5) - City Incentives as follows:	
DPRP	\$ 6,024,300
Land	\$ -
Other	
Total Direct Incentives	\$ 6,024,300

Assumptions incorporated into the MH ROI analysis include:

- a) Starting property value is held consistent with current Property Appraiser value which is equal to the base level of the land value at the Barnett Residences property (\$30 psf). This value is not further reduced by the 85% property appraiser reduction in value as it has already been discounted by that amount.
- b) Starting value of improvements is equal to the construction hard costs of \$13.2 million and discounted by the 85% adjustment imposed by the Duval County Property Appraiser's office.
- c) Growth rate is 2%, consistent with DIA convention.
- d) Interest in the Deferred Principal Loan is estimated at the yield on the Ten-Year Treasury Note of 3.50%, the principal repayment required at year ten is discounted at 3.5%, consistent with DIA convention.

2. Multifamily Component-New Construction Element ("MNC")

Percent of COJ Investment¹ to:

Developer MNC Project Cost	$\$23,853,600 / \$69,290,500 = 34.4\%$
MNC Minimum Private Capital (as underwritten)	$\$23,853,600 / \$63,490,200 = 37.6\%$

1 – COJ Investment includes a portion of the Completion Grant proposed to be submitted to COJ City Council in the allocated amount of \$15,000,000. The amount attributable to the HH is somewhat flexible in modeling.

Laura St. Addition/Multifamily Component-New Construction Element – Eleven stories plus a basement, estimated 161,877 square feet total. First floor to provide approximately 6,550 square feet (5,900 square foot minimum) in leasable retail space, and approximately 6,300 square feet of amenity and back-of-house space. Floors two through ten provide an estimated 14,972 square feet and fifteen apartment units per floor, whereas floor eleven is estimated at 13,639 square feet and is proposed to provide 14 multifamily units. In total, 149 units are proposed for the new multifamily construction component (140 is the established minimum).

Multifamily Housing REV Grant (“MF REV Grant”): Per the factors assessed and summarized in the table below, which apply only to the new construction element, Developer is eligible for a Multifamily Housing REV Grant for 75% of the ad valorem tax increment generated by the MNC project for a period of not more than 20 years. The total MF REV Grant indebtedness will not exceed \$8,853,600 and will be paid annually beginning the first year of taxation following completion based upon the incremental increase in the Duval County Operating Millage ad valorem taxes collected (“MF Annual Project Revenues”), subject to other terms and conditions as found herein.

TRIO - MULTIFAMILY REV GRANT FACTORS			
DESCRIPTION	Maximum	Proposal	Qualified Points
REV GRANT FACTORS			
5% FOR EVERY 10 UNITS PRODUCED IN DOWNTOWN JACKSONVILLE WITH A MINIMUM AVERAGE SIZE OF 500 SQUARE FEET (MAX 25%); PLUS	25%	149 units average of 732-769 sf	25%
10% FOR EACH 2,500 SQUARE FEET OF GROUND LEVEL RESTAURANT/BAR, RETAIL SPACE, OR BALCONY/ROOFTOP ACCESSIBLE BY THE PUBLIC DIRECTLY FROM THE STREET (MAX 25%) PLUS	25%	Ground level split floor plan offering 5,903 sf of retail/restaurant space fronting Adams St and Laura St	20%
5% FOR EACH 10% OF ACTIVATED LINEAR FRONT FOOTAGE ABOVE THE 30% MINIMUM REQUIRED PER STREET FRONTAGE (MAX 20%)	20%	Approximately 70%-75% of retail frontage 70 - 30 = 40 / 10 = 4 X 5% = 20%	20%
5% FOR EVERY 10 UNITS PROVIDED IN ADHERENCE TO HUD MAXIMUM RENT ESTABLISHED AND MAINTAINED AT THE 80% AMI LEVEL AND/OR ENHANCED ACCESSIBILITY ABOVE THE MINIMUM REQUIREMENTS OF THE ADA AND FAIR HOUSING ACT (MAX 10%)	10%	88 units at 80% AMI	10%
10% FOR EACH OCCUPIABLE FLOOR ABOVE SEVEN (EXCLUDING ANY BASEMENT OR ROOFTOP AMENITY) WHEN DEVELOPING ON THE SOUTHBANK OUTSIDE THE LIMITED INCENTIVE AREA, THE CENTRAL CORE OR SPORTS AND ENTERTAINMENT DISTRICTS (MAX 30%)	30%	11 floors (11-7 = 4, 4 X 10% = 40%)	30%
10% FOR A PROJECT OF NOT LESS THAN 50 UNITS LOCATED IN CENTRAL CORE DISTRICT;	10%	Project in Central Core	10%
UP TO 10% FOR RESILIENCY THROUGH ONE OR MORE OF THE FOLLOWING:			
RESILIENT BUILDING DESIGN – UP TO 5% FOR UTILIZATION OF RESILIENT BUILDING TECHNIQUES, SUCH AS USE OF FLOOD-PROOF MATERIALS ON FIRST FLOOR/SUBSURFACE ELEMENTS, ELEVATION OF CRITICAL ASSETS (HVAC, GENERATORS, UTILITY BOXES, ETC.) TO ABOVE THE FIRST FLOOR, AND USE OF REFLECTIVE MATERIALS ON THE ROOF TO CREATE A “COOL ROOF”		LEED Certification	5%
REV ALLOWANCES TOTAL			120%

As shown on the summary below, the ROI incorporating only the MNC REV Grant funding is calculated at 1.33X, which exceeds the PIP hurdle of 1.0X. When the additional City funding is incorporated at the levels modeled, the ROI drops to 0.49X, below the PIP hurdle of 1.0X.

\$ 63.50 Million in Capital Expenditures	
Ad Valorem Taxes Generated	
County Operating Millage	(1) \$ 11,804,903
Local Option Sales Tax	✓ (2) \$ -
Payroll	✓ (3) \$ -
Add'l Benefits Provided	✓ (4) \$ -
Total City Expected Benefits	\$ 11,804,903
Total City Investment	✓ (5) \$ 23,853,600
Return on Investment Ratio - REV only	1.33
Return on Investment Ratio - All In	0.49
(1) - The investment from the Company is estimated to be \$63.5 million in Capital Contribution for development and \$0 in taxable Tangible Personal Property	
(5) - City Incentives as follows:	
REV	\$ 8,853,600
Land	\$ -
Other	\$ 15,000,000
Total Direct Incentives	\$ 23,853,600

Assumptions incorporated into the HH DPRP ROI analysis include:

- a) Starting property value is \$70 psf, approximately midway of the range of values of a psf basis as provided in the Cushman-Wakefield appraisal (\$6.20 sf - \$140.31 sf) and adjusted downward from \$191.57 as calculated by that appraisal’s valuation.
- b) Starting value is equal to the construction hard costs of \$58.8 million and discounted by the 85% adjustment imposed by the Duval County Property Appraiser’s office. This amount is also further reduced proportionately by the reduction in Potential Gross Income related to the affordability limits as found in the table that follows:

Unit Count	New Const	Gross Rent	SF	\$ SF
94	Market	219,861	76,847	2.86
55	Workforce	76,890	38,065	2.02
		296,751	114,912	2.58

- c) Growth rate is 2%, consistent with DIA convention.
- d) Interest in the Deferred Principal Loan is estimated at the yield on the Ten-Year Treasury Note of 3.50%, the principal repayment required at year ten is discounted at 3.5%, consistent with DIA convention.

Review and Approvals:

The DDRB Board provided conceptual approval of the development at its January 13, 2022, board meeting. The Developer is required to receive DDRB final approval within 90 days within the ninety (90) days following City Council Approval and the Bill Effective Date. Once those steps have been achieved, the project may proceed for permitting and initiate construction activity. The Developer must then apply for building permits as required to commence construction of each element of both components within sixty (60) days following final approval from DDRB.

HPS provided conditional approval for the Laura Street Trio project, March 4, 2021. A Part 2 Federal Historic Preservation Certification Application was made in February 2020 and was awarded Conditional Approval by the National Park Service May 2021, with amended approval awarded March 2022.

Historic Preservation Section Findings:

The following provide information taken from the Conditional approval of the HPS in their review of the subject properties:

“...a preliminary review of the project scope was performed by the Historic Preservation Section for consistency with the Secretary of the Interior’s Standards for Rehabilitation. Since going out of use, deferred maintenance, vandalism, and extensive interior demolition by previous owners has left the three structures in a deteriorated and architecturally compromised state with most all of the interior walls removed, many finishes damaged due to exposure to the elements and severe water damage in basement areas, especially that of the Bisbee Building. The owner is passionate about preserving the limited remaining architectural details of both the interior and exterior of the three structures. However, the HTC submittal description does not fully commit to this approach for the upper floors of the Florida Life Building, is not always specific as to the level or method of how finishes, features and spaces will ultimately be addressed often leaving the approach open-ended, and at times conflicts with what is in the

architectural plan notes. Overall, aside from most of the windows, the plan is to repair all existing historic exterior elements and materials. Most of the details are focused on the exterior restoration efforts of the Florida Life Building and interior restoration in the Florida National Bank Building. Without the benefit of the NPS detailed guidance through the HTC part 2 approval on the issues, the HPS has applied the available NPS resources for evaluating historic buildings and their rehabilitation Florida Baptist Convention/Church Street Building...”

The Developer has received copies of these reports and incorporated costs associated with the findings into the construction costs provided for underwriting of the request. Based on underwriting parameters as presented in this Staff report, additional costs in the redevelopment of these properties will require support from a combination of additional debt, equity, Historic Tax Credits, or other funding sources. Compliance with these findings and any provided by the NPS are required as a condition of funding and will be verified by inspection upon completion.

Other conditions and requirements of approval and administration of the subject facilities is captured in the Exhibit A Term Sheet.

TAB III.E.
RESOLUTION 2023-06-03 SOUTHSIDE CRA BUDGET AMENDMENT

RESOLUTION 2023-06-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY AS THE COMMUNITY REDEVELOPMENT AGENCY FOR THE SOUTHSIDE COMMUNITY REDEVELOPMENT AREA RECOMMENDING ADOPTION OF FISCAL YEAR 2023-2024 BUDGET FOR THE SOUTHSIDE TAX INCREMENT DISTRICT, ATTACHED HERETO AS EXHIBIT A; PROVIDING FOR AN EFFECTIVE DATE.

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

WHEREAS, as the Community Redevelopment Agency, the DIA is responsible for developing, recommending and implementing the budget for the Southside Community Redevelopment Area; and

WHEREAS, pursuant to Section 106.204(c), Jacksonville Ordinance Code, the budget for Community Redevelopment Agencies are not due until June 20th; however, in order to allow time for revenue projections to be developed, the City requested a tentative budget submission on or by June 1; and

WHEREAS, the DIA adopted a tentative FY 23-24 budget for the Southside Community Redevelopment Area via Resolution 2023-04-03; and

WHEREAS, subsequent to that tentative budget adopted via Resolution 2023-04-03, the DIA received updated and revised ad valorem tax revenue projections resulting in an increase in expected revenue that will require a revision to the tentative Southside CRA budget approved via Resolution 2023-04-03; and

WHEREAS, the Finance and Budget Committee of DIA held a public meeting June 16, 2023, at which the committee recommended that the DIA Board approve a revised Southside Tax Increment District Budget, attached hereto as Exhibit A,

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

Section 1. The Southside Tax Increment District budget for Fiscal Year 2023-2024 attached hereto as Exhibit ‘A’ is hereby recommended by the DIA Board for submission to City Council.

Section 2. The CEO is authorized to submit this budget and make necessary changes thereto as required to reflect changes in actual FY 23-24 revenue projections and FY 23-24 investment pool earnings with an adjusting entry in the Unallocated Plan Authorized Expenditures category to the extent that the aggregate increase or decrease in revenue is no more than \$ 100,000.00.

Section 3. The CEO is authorized to submit this budget and make necessary changes thereto as required by the Budget Office to reflect supervisory cost allocations as determined by the City, with an

adjusting change in the Unallocated Plan Authorized Expenditures as required without further Board approval.

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

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Carol Worsham, Chair

Date

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

Southside CRA FY 23/ 24 Budget		FY 23 / 24 BUDGET- ADOPTED PER RES. 2023-04-03	FY 23 / 24 REVISED BUDGET PER RES. 2023-06 03
1			
2	Revenue		
3			
4	AD VALOREM REVENUE	7,040,962.58 ¹	7,250,000.00 ¹
5	INVESTMENT POOL EARNINGS (ALL YEARS)	300,000.00 ²	300,000.00
6	Total Revenue:	7,340,962.58	7,550,000.00
7			
8	Administrative Expenditures		
9	ANNUAL INDEPENDENT AUDIT	\$ 2,500.00	\$ 2,500.00
10	SUPERVISION ALLOCATION	\$ 350,000.00 ³	\$ 350,000.00
11	Total Administrative Expenditures:	352,500.00	352,500.00
12			
13	Financial Obligations		
14	THE STRAND (REV) 2001-1329	\$ 563,436.60	\$ 563,436.60
15	THE PENINSULA (REV) 2001-1329	\$ -	\$ -
16	GI-VP ONE CALL	\$ -	\$ -
17	SUNGARD (REV)2015-780	\$ -	\$ -
18	HOME STREET APARTMENTS	\$ 224,684.27	\$ 224,684.27
19	SOUTHBANK APARTMENT VENTURES	\$ 303,989.99	\$ 303,989.99
20	THE DISTRICT (RIVERSEDGE)	\$ 3,750,000.00	\$ 3,750,000.00
21	STRAND BONDS INTEREST	140,300.00 ^{3A}	140,300.00
22	STRAND BONDS PRINCIPAL	228,000.00 ^{3B}	228,000.00
23			
24	Total Financial Obligations:	5,210,410.86	5,210,410.86
25			
26	Future Year Debt Reduction		
27	SS Future Year Debt Reduction ⁴		
28			
29	Plan Authorized Expenditures		
30	Plan programs		
31	SS RETAIL ENHANCEMENT	\$ -	\$ -
32	SS PARKS AND PROGRAMMING rename-delete programming	\$ -	\$ -
33	SS SUBSIDIES AND CONTRIBUTIONS TO PRIVATE ORGANIZATIONS	\$ -	\$ -
34	SS EVENTS	\$ -	\$ -
35	SB COMMERCIAL REVITALIZATION	\$ 150,000.00	\$ 150,000.00
36	SB SMALL SCALE RESIDENTIAL	\$ -	\$ -
37	SOUTHBANK PARKING SCREENING	\$ -	\$ -
38	SOUTHBANK BANNERS	\$ 10,000.00	\$ 10,000.00
39	SOUTHBANK URBAN ART	\$ 25,000.00	\$ 25,000.00
40	SOUTHBANK MARKETING	\$ -	\$ -
41	SOUTHBANK ENHANCED MAINTENANCE	\$ -	\$ -
42	SB RIVERWALK ENHANCEMENT	\$ 750,000.00	\$ 750,000.00
43	SB WATERFRONT ACTIVATION	\$ 25,000.00	\$ 25,000.00
44			
45			
46	SS UNALLOCATED PLAN AUTHORIZED EXPENDITURES	\$ 418,052.00⁵	\$ 527,089.00⁶
47	Plan Capital Projects		
48	SS SOUTHBANK PARKING		
49	SS PARKS ACQUISITION AND CONSTRUCTION		
50	RELOCATION OF RC UNDERGROUND STORAGE TANK		
51	FLAGLER AVE. SHARED STREET (NEW)	\$ 300,000.00	\$ 300,000.00
52	SB RIVER & TRIBUTARY ACCESS		
53			
54	Plan Professional Services		
55	PROFESSIONAL SERVICES	\$ 100,000.00	\$ 200,000.00 ⁷
56	BID AND CRA PLAN UPDATE		
57	Total Plan Authorized Expenditures:	1,778,052	1,987,089
58	TOTAL EXPENDITURES	7,340,963	7,550,000
59	TOTAL REVENUES LESS TOTAL EXPENDITURES	(0)	0

¹ Previous projection was 3% year over year; TID estimate for FY23/24 was \$7,040,962.58. However, based on the actual projections received from the Property Appraisal the total has been increased by \$209,037.42 to equal \$7,250,000.

² All years Investment Pool Earnings is projected at 2.57% for FY24 per Treasury.

³ Supervision Allocation is projected based on Staff Salaries & Benefits as of 10/1/2024.

^{3A-B} The Strand Bond Interest & Principal amounts based on Treasury's Amortization Schedule

⁴ SS Future Year Debt Reduction current amount has been determined to be sufficient to cover any shortfall in REV Grant Payments for FY23.

⁵ Unallocated Plan Authorized Expenditures - Amount is determined to balance the budget and will be re-allocated as approved by the Board.

⁶ Unallocated Plan Authorized Expenditures - Amount was increased by \$109,037 over previous proposed amount due to the increase in Revenue.

⁷ Professional Services - Amount was increased by \$100,000 over previous proposed amount due to the increase in Revenue.

TAB III.F.
RESOLUTION 2023-06-04 NORTHSIDE CRA BUDGET AMENDMENT

RESOLUTION 2023-06-04

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY AS THE COMMUNITY REDEVELOPMENT AGENCY FOR THE COMBINED NORTHBANK COMMUNITY REDEVELOPMENT AREA RECOMMENDING ADOPTION OF FISCAL YEAR 2023-2024 BUDGET FOR THE COMBINED NORTHBANK TAX INCREMENT DISTRICT, ATTACHED HERETO AS EXHIBIT A; PROVIDING FOR AN EFFECTIVE DATE.

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

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

WHEREAS, pursuant to Section 106.204(c), Jacksonville Ordinance Code, the budget for Community Redevelopment Agencies are not due until June 20th; however, in order to allow time for revenue projections to be developed, the City requested a tentative budget submission on or by June 1; and

WHEREAS, the DIA adopted a tentative FY 23-24 budget for the Combined Northbank Community Redevelopment Area via Resolution 2023-04-04; and

WHEREAS, subsequent to that tentative budget adopted via Resolution 2023-04-04, the DIA received updated and revised ad valorem tax revenue projections resulting in an increase in expected revenue that will require a revision to the tentative Combined Northbank CRA budget adopted via Resolution 2023-04-04; and

WHEREAS, the Finance and Budget Committee of DIA held a public meeting June 16, 2023, at which the committee recommended that the DIA Board approve a revised Combined Northbank Tax Increment District Budget, attached hereto as Exhibit A,

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

Section 1. The Combined Northbank Tax Increment District budget for Fiscal Year 2023-2024 attached hereto as Exhibit ‘A’ is hereby recommended by the DIA Board for submission to City Council.

Section 2. The CEO is authorized to submit this budget and make necessary changes thereto as required to reflect changes in actual FY 23-24 revenue projections and FY 23-24 investment pool earnings with an adjusting entry in the Unallocated Plan Authorized Expenditures category to the extent that the aggregate increase or decrease in revenue is no more than \$ 100,000.00.

Section 3. The CEO is authorized to submit this budget and make necessary changes thereto as required by the Budget Office to reflect supervisory cost allocations as determined by the City, with an adjusting change in the Unallocated Plan Authorized Expenditures as required without further Board approval.

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

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Carol Worsham, Chair

Date

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

Combined Northbank CRA FY 23 / 24 Budget		FY 23 / 24 BUDGET ADOPTED PER RES. 2023 04 04	FY 23 / 24 REVISED BUDGET PER RES. 2023 06 04
1			
2	Revenue		
3			
4	Ad Valorem Revenue	12,889,984.22 ¹	13,700,000.00 ¹
5	Northwest TID	9,348,557.88 ^{1A}	9,414,816.00 ^{1A}
6	Northeast TID	3,541,426.34	4,285,184.00 ^{1A}
7	Debt Repayment (Lynch 11-E)	595,236.00	800,000.00 ^{1B}
8	Debt Repayment (Carling Loan)	\$ 506,487.00	\$ 506,487.00
9	Investment Pool Earnings	600,000.00 ^{1C}	600,000.00
10	Interest Income	- ²	-
11	Sports Complex Garage	900,000.00	900,000.00
12	Adams Street Garage	675,000.00 ^{3A}	675,000.00
13	Courthouse Garage	100,000.00 ^{3B}	100,000.00
14	Churchwell Loft Lease	18,800.88	18,800.88
15	Courthouse Garage Tenant Lease	83,900.66 ^{3C}	83,900.66
16	Total Revenue:	16,369,408.76	17,384,188.54
17			
18	Administrative Expenditures		
19	ANNUAL INDEPENDENT AUDIT	\$ 2,500.00	\$ 2,500.00
20	SUPERVISION ALLOCATION	990,000.00	990,000.00
21	Total Administrative Expenditures:	992,500.00	992,500.00
22			
23	Financial obligations		
24	220 Riverside (Mid-American) REV Grant	\$ 451,913.21	\$ 451,913.21
25	Pope & Land / Brooklyn (leg: 2012-703; 2013-288)	\$ 474,928.77	\$ 474,928.77
26	Lofts at Jefferson Station (DIA resolution 2017-10-05)	\$ 73,623.46	\$ 73,623.46
27	MPS Subsidy Downtown Garages	\$ -	\$ -
28	Parking Lease - JTA / Fidelity		
29	Lynch Bldg. Loan Repayment	\$ 800,000.00	\$ 800,000.00
30	Vista Brooklyn-200 Riverside (REV)	\$ 611,442.57	\$ 611,442.57
31	Vista Brooklyn - 200 Riverside (Supplemental REV)	\$ -	\$ -
32	Park View Plaza (Residence Inn REV)	\$ 133,745.88	\$ 133,745.88
33	Lofts at Brooklyn	\$ 90,114.11	\$ 90,114.11
34	FIS REV Grant (New FY24)	\$ 773,261.14 ⁴	\$ 773,261.14
35	Miscellaneous Insurance (Leased Garages)	\$ 207,191.60	\$ 207,191.60
36	MPS -Debt Management Fund - Interest	771,415.72	485,711.76 ^{4A}
37	MPS - Debt Management Fund -Principal	1,214,300.00	1,500,000.00 ^{4A}
38	MPS SETTLEMENT EXPENSES - OPERATING LEASE - LEASEHOLD IMPROVEMENTS Capital Reserve	25,000.00 ⁵	25,000.00
39	Sports Complex Garage	\$ 250,000.00 ^{6A}	\$ 250,000.00
40	Adams Street Garage	\$ 150,000.00 ^{6B}	\$ 150,000.00
41	Courthouse Garage	\$ 370,000.00 ^{6C}	\$ 370,000.00
42	Total Financial Obligations:	6,396,936.46	6,396,932.50
43			
44	Future Year Debt Reduction	-	-
45	NB Future Year Debt Reduction	\$ -	\$ -
46			
47	Plan Authorized Expenditures		
48	Plan programs		
49	NB RETAIL ENHANCEMENT	\$ -	\$ -
50	NB COMMERCIAL REVITALIZATION PROGRAM	\$ -	\$ -
51	NB DEVELOPMENT LOANS	\$ 500,000.00	\$ 500,000.00
52	NB FAÇADE GRANT PROGRAM	\$ -	\$ -
53	NB PARKING SCREENING	\$ -	\$ -
54	NB SMALL SCALE RESIDENTIAL	\$ 75,000.00	\$ 75,000.00
55	NB URBAN ART	\$ -	\$ -
56	NB WATERFRONT ACTIVATION	\$ 50,000.00 ⁷	\$ 50,000.00
57	NB MARKETING		
58	NB BANNERS	\$ 100,000.00	\$ 100,000.00
59	NB ENHANCED MAINTENANCE	\$ - ⁸	\$ -
60	NB ACTIVATION & PROGRAMMING OF PUBLIC SPACES (DOWNTOWN PARKS AND PROGRAMMING)	\$ -	\$ -
61	NB SUBSIDIES AND CONTRIBUTIONS TO PRIVATE ORGANIZATIONS		
62	NB EVENTS		
63	Plan Capital Projects		
64	NB TWO WAY CONVERSION - FORSYTH & ADAMS		
65	HISTORIC SHOTGUN HOUSES REHABILITATION		
66	NB PARKS ACQUISITION AND CAPITAL IMPROVEMENTS		
67	NB NEIGHBORHOOD STREETScape IMPROVEMENTS	\$ 1,000,000.00	\$ 1,000,000.00
68	NB RIVERWALK ENHANCEMENTS & SIGNAGE	\$ 1,000,000.00	\$ 1,000,000.00
69	NB RIVERWALK EXTENSION & ENHANCEMENTS		
70	NB SHIPYARDS WEST CRA PROJECT	\$ 5,000,000.00	\$ 6,000,000.00 ⁹
71	NB LIBERTY STREET IMPROVEMENTS		
72	NB LAVILLA HERITAGE TRAIL & GATEWAY ENTRANCES		
73	RIVERFRONT PLAZA PROJECTION AND SOUND (NEW)		
74	HISTORIC DOWNTOWN LANDMARK & DISTRICT SIGNAGE (NEW)		
	RIVERFRONT PLAZA RESTAURANT		
	MCCOYS CREEK PARK	\$ 250,000.00	\$ 250,000.00
75	Plan Professional Services		
76	PROFESSIONAL SERVICES	\$ 250,000.00	\$ 250,000.00
77	BID AND CRA PLAN UPDATE		
78	NB UNALLOCATED PLAN AUTHORIZED EXPENDITURES**	\$ 754,972.30	\$ 769,756.04 ¹⁰
79	Total Plan Authorized Expenditures:	8,979,972.30	9,994,756.04
80	TOTAL EXPENDITURES	16,369,408.76	17,384,188.54
81	TOTAL REVENUES LESS TOTAL EXPENDITURES	-	-

^{1/1A} Property Taxes originally projected at 3% increase over prior year with an additional \$1,000,000 projected for the NW TID due to the new FIS REV Grant added for FY24. The second column includes Property Appraisal projections received In June, resulting in an increase for (NW) \$66,258 and NE (\$744,407).

^{1B} Lynch Annual Budget amount is based on the new Amortization Schedule of payments of \$66,666.67 x 12mos.

^{1C} Investment Pool Earnings is calculated based on 2.57% interest rate projected by Treasury times the Pooled Cash Balances.

² Interest Income collected in FY24 is included with the Carling Loan Payment (Princ & Int)

^{3,ABC} See Spreadsheet from John C with projections on Revenue based on period March 2022-Feb 2023.

⁴ FIS REV Grant New per John C. spreadsheet

^{4A} MPS Debt Management Payments have been adjusted between Interest & Principal based on Treasury Amortization schedule showing a slight difference in the total amount.

⁵ Per Agreement, \$25k is required to be deposited into the Capital Reserve Account

^{6A-C} Garage Expenses estimated based on John C. spreadsheet rounded totals up.

⁷ Waterfront Activation Name Change

⁸ Enhanced Maintenance no longer funded by DIA

⁹ Shipyards West CRA Project amount increased due to anticipated construction costs provided by design consultant

¹⁰ Unallocated higher than normal to account for potential variation in final assessed role

TAB III.G.
RESOLUTION 2023-06-05 ONE RIVERSIDE PERFORMANCE SCHEDULE
AMENDMENT

RESOLUTION 2023-06-05

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING REVISIONS TO, AND RECOMMENDING CITY COUNCIL APPROVAL OF AMENDMENTS TO THE PERFORMANCE SCHEDULE AND OTHER ASSOCIATED TERMS OF THE REDEVELOPMENT AGREEMENT BETWEEN THE CITY, DIA, AND FUQUA ACQUISITIONS, LLC, DATED DECEMBER 20, 2021 (THE “RDA”) AS ASSIGNED TO FUQUA BCDC ONE RIVERSIDE PROJECT OWNER, LLC, (THE “DEVELOPER”) AND AS MODIFIED BY AMENDMENT ONE THERETO DATED OCTOBER, 2022; THE TERMS OF THE SECOND AMENDMENT SHALL BE SUBSTANTIALLY IN THE FORM OF AMENDMENT TWO ATTACHED HERETO AS EXHIBIT A AND SUMMARIZED IN THE TERM SHEET ATTACHED HERETO AS EXHIBIT B WITH ALL OTHER TERMS AND CONDITIONS OF THE RDA AS AMENDMED REMAINING UNCHANGED; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The City of Jacksonville (the “City”), the Downtown Investment Authority (“DIA”) and Fuqua Acquisitions, LLC (“Fuqua”) entered into that certain Redevelopment Agreement dated December 20, 2021 (the “RDA”), as authorized by City Ordinance 2021-796-E; and

WHEREAS, Fuqua’s interest in the RDA was assigned to Developer; and

WHEREAS, the City, DIA and Developer entered into Amendment One to the Redevelopment Agreement dated October 12, 2022, as authorized by Ordinance 2022-493-E; and

WHEREAS, the City, Developer and DIA have agreed to certain modifications in the Performance schedules and associated terms of the RDA which extend the dates for both the Project and City Improvements as a result of force majeure delays which among other things, have prevented the City’s commencement of the McCoy’s Creek Improvements; and

WHEREAS, Developer and the City continue to work in good faith to complete that Project and the McCoy’s Creek Improvements; and

WHEREAS, despite the adverse impacts that such delays have on both parties, the parties have agreed to a revised schedule that will resolve any disputes between them under the RDA; and

WHEREAS, DIA is the designated Community Redevelopment Agency for the North Bank CRA, for which a BID Plan, inclusive of a Community Redevelopment Plan, was adopted by Ordinance 2014-560-E and updated pursuant to Ordinance 2022-0372; and

WHEREAS, the Strategic Implementation Committee of the DIA considered the proposed term sheet and amendment at its June 15, 2023, meeting, and it is recommended by the committee that the DIA Board approve this resolution authorizing modifications to the RDA herein substantially in the form of Amendment Two as Exhibit A and summarized in the performance Schedule attached as Exhibit B.

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

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

Section 2. The DIA Board, to the extent permissible in accordance with the terms of the RDA as amended, authorizes all extensions contained in Amendment Two attached hereto as Exhibit A and summarized in Exhibit B.

Section 3. The DIA hereby recommends that City Council authorize all amendments to the Performance Schedule summarized in Exhibit B and Amendment Two and such other amendments to the RDA substantially in the form contained in Amendment Two attached hereto as Exhibit A.

Section 4. The CEO of the DIA is hereby authorized to file legislation necessary to effectuate the purposes of this Resolution.

Section 5. The DIA hereby authorizes the CEO of the Downtown Investment Authority to take all action necessary to effectuate the purposes of this Resolution 2023-06-05, including the execution of contracts, agreements, and other documents.

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

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Carol Worsham, Chair

Date

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

Exhibit A to Resolution 2023-06-05

**AMENDMENT TWO TO REDEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF JACKSONVILLE
AND
FUQUA BCDC ONE RIVERSIDE PROJECT OWNER, LLC**

THIS AMENDMENT TWO TO REDEVELOPMENT AGREEMENT (“Amendment”) is made and entered into this ___ day of _____, 2022 (the “Effective Date”), by and between the CITY OF JACKSONVILLE (the “City”), a municipal corporation existing under the Constitution and the laws of the State of Florida, the DOWNTOWN INVESTMENT AUTHORITY, a community redevelopment agency on behalf of the City (the “DIA”) and FUQUA BCDC ONE RIVERSIDE PROJECT OWNER, LLC, a Delaware limited liability company (the “Developer”). Any capitalized terms herein not otherwise defined shall have the respective meanings as set forth in the RDA, defined below.

RECITALS:

WHEREAS, City, DIA and Developer (as Assignee of Fuqua Acquisitions II, LLC) have previously entered into that certain Redevelopment Agreement dated December 20, 2021 (the “RDA”), as authorized by City Ordinance 2021-796-E and DIA Resolution 2021-08-01; and

WHEREAS, City, DIA and Developer entered into Amendment One to the Redevelopment Agreement dated October 12, 2022, as authorized by Ordinance 2022-493-E which extended the performance schedule for the demolition on the City Parcel and the City improvements for McCoy’s Creek; and;

WHEREAS, the Developer and City are diligently proceeding with the Project and the McCoy’s Creek Improvement Project, respectively, but have experienced certain delays, so the Developer, City and DIA have agreed to revised Performance Schedules for both the Project and the McCoy’s Creek Improvements Project as set forth herein; and

WHEREAS, this Amendment is authorized by City Ordinance 2023-___-E;

NOW THEREFORE, in consideration of the mutual undertakings and agreements herein of City, DIA, and Developer, and for Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are acknowledged, City, DIA and the Developer agree that the above Recitals are true and correct, and represent, warrant, covenant and agree as follows:

Definitions. Article 2 of the RDA is hereby amended to revise the definitions of Substantial Completion:

“2.39 Substantial Completion.

...As to the McCoy's Creek Improvements, "Substantially Completed", "Substantial Completion" or "Completion" means as to the Phase 1 McCoy's Creek Improvements that (a) such improvements have been substantially completed in accordance with the McCoy's Creek Improvement Plans for the excavation and construction of a new creek channel and that the same has been connected to the river and water is flowing through such new channel and diverted away from the Creek Parcel;(b) May Street has been substantially completed in accordance with the May Street Project Plans and Specifications such that it is available for use in accordance with its intended purpose, without material interference from uncompleted work and subject to commercially reasonable punch list items; and (c) May Street, as extended and relocated, has been dedicated to public use.

As to the McCoy's Creek Improvements, "Substantially Completed", "Substantial Completion" or "Completion" means as to the Phase 2 McCoy's Creek Improvements that (a) the Phase 2 McCoy's Creek Improvement have been substantially completed in accordance with the McCoy's Creek Improvement Plans for the filling and grading of the existing creek channel and restoration of the Creek Parcel in accordance with Exhibit K such that the uncompleted work does not cause any material interference with the commencement of construction on the Creek Parcel; (b) the City has delivered to Developer a certification from the engineer of record confirming that the McCoy's Creek Improvements are substantially complete according to the McCoy's Creek Improvement Plans; (c) the City has obtained the final inspections and approvals of the completed work from all appropriate governmental authorities; (d) all applicable permits for the McCoy's Creek Improvements have been closed, or if not closed, all applicable governmental agencies will permit commencement of construction on the Creek Parcel notwithstanding such open permits; and (e) the City has delivered to Developer final lien waivers from all materialmen, suppliers, contractors and subcontractors who provided services or materials for the McCoy's Creek Improvements performed on the Phase II Mixed-Use Component Parcel and the Creek Parcel.

Developer Performance Schedule. Article 4 of the RDA is hereby amended to extend various Performance Schedule dates and as amended shall read as follows:

Article 4.

DEVELOPERPERFORMANCE SCHEDULE

4.1 Developer Performance Schedule.

The City, the DIA and the Developer have jointly established the following dates for the Developer's or its Designated Assignee's obligations under this Agreement (collectively, the "Developer Performance Schedule");

(a) Phase I Improvements

- (i) Developer shall purchase and obtain title to the Project Parcel and City Parcel by no later than February 4, 2022, and shall notify City of its election to undertake the Demolition Project as of this date.
- (ii) If electing to undertake such work, the Developer shall commence the Demolition Project no later than April 30, 2022 (for the purposes of this Paragraph 4.1(a)(ii), evidence of performance (acceptable to the DIA in its reasonable discretion) by Developer of abatement work on existing vertical improvements located on the City Parcel in connection with the Demolition Project shall be deemed sufficient to demonstrate commencement of the Demolition Project.
- (iii) Developer shall commence demolition of all buildings on the Project Parcel by no later than April 30, 2022 and shall continue such work to completion without any Impermissible Delays; for the purposes of this Paragraph 4.1(a)(iii), evidence of performance (acceptable to the DIA in its reasonable discretion) by Developer of abatement work on existing vertical improvements located on the Project Parcel in connection with the demolition work shall be deemed sufficient to demonstrate commencement of the demolition of all buildings on the Project Parcel.
- (iv) Developer shall apply for and receive final design approvals, inclusive of **DDRB** final approval, for the Phase I Residential Improvements and Restaurant Improvements by no later than April 30, 2022.
- (v) Developer shall submit applications for all Permit Approvals necessary to Commence Construction of the Phase I Residential Improvements and Restaurant Improvements no later than June 30, 2022.
- (vi) Developer shall Substantially Complete the

Demolition Project by September 30, 2022 (the "Demolition Project Completion Date").

- (vii) Developer shall submit applications for all Permit Approvals necessary to Commence Construction of the Phase I Retail Improvements no later than **August 31, 2023**.

- (viii) Developer shall Commence Construction of the Phase I Residential Improvements and the Restaurant Improvements within ninety (90) days after Permit Approval for the same, but, subject to Force Majeure Events, no later than March 31, 2023 (the "Residential Commencement of Construction Date"), and thereafter shall proceed through Substantial Completion of each applicable Improvement component without any Impermissible Delays, other than for Force Majeure Events.

- (ix) Developer shall Commence Construction of the Phase I Retail Improvements no later than **July 31, 2025** (the "Retail Commencement of Construction Date"), and thereafter shall proceed through Substantial Completion of each applicable Improvement component without any Impermissible Delays, other than for Force Majeure Events.

- (x) Developer shall apply for and receive final design approvals, inclusive of DDRB final approval, and Permit Approvals for the Phase I Retail Improvements **necessary to commence construction** by no later than July 31, 2024, and **shall thereafter diligently pursue all permits and governmental approvals necessary to complete construction without any Impermissible Delays**.

- (xi) Developer shall have Substantially Completed construction of the Phase I Residential Improvements and the Restaurant Improvements on or before **thirty-six (36) months** from the Residential Commencement of Construction Date, but no later than **March 31, 2026** (the "Residential Completion Date"), subject to extension for Force Majeure Events.

(xii) Developer shall have Substantially Completed construction of the Phase I Retail Improvements no later than **September 30, 2026** (the "Retail Completion Date"), subject to extension for Force Majeure Events.

(xiii) Developer shall submit applications for all Permit Approvals necessary to Commence Construction of the Phase II Improvements and diligently pursue the same within six (6) months after the date of final DDRB approval for the Phase II Improvements;

(b) The City, DIA and the Developer have approved this Developer Performance Schedule. By the execution hereof, and subject to the terms of this Agreement, the Developer or its Designated Assignee hereby agrees to undertake and complete the construction and development of the Improvements in accordance with this Agreement and the Developer Performance Schedule, and to comply with all of the Developer's obligations set forth herein. The CEO of the DIA may extend each component of the Developer Performance Schedule (exclusive of the Demolition Project) for up to six (6) months in her sole discretion for good cause shown by Developer. For purposes of clarity, each of the Commencement of Construction Date and the Completion Date may receive up to a six (6) month extension by the CEO of the DIA and the DIA Board, respectively. Any extensions greater than one year (with the exception for extensions due to Force Majeure Events) shall require City Council approval. Any change to the Commencement of Construction Date pursuant to this paragraph shall automatically result in a corresponding extension to the related Completion Date. Extensions to any other dates within the Developer Performance Schedule shall serve only to extend the individual date referenced.

City Performance Schedule. Section 7.2 of the RDA is hereby amended to extend each of the commencement and completion dates for the McCoy's Creek Improvements Project and, as amended, shall read as follows:

Article 7.

CITY IMPROVEMENTS

7.1 **McCoy's Creek Improvements.**

As of the Effective Date of this Agreement, McCoy's Creek is located within the Creek Parcel. The City agrees to realign McCoy's Creek from its location as of the Effective Date hereof to the City Parcel by excavating and constructing a new riverbed for McCoy's Creek on the City Parcel, removing the bulkheads from the Creek Parcel and filling the existing McCoy's Creek site to the grade of the bulkhead in existence as of the Effective date of this Agreement, and in accordance with **Exhibit K** attached hereto. The City will also extend and realign May Street from its terminus at Leila Street to the Project Parcel as depicted on **Exhibit J** at the City's sole cost and expense. Nothing contained in this Agreement or any other document attached hereto or contemplated hereby shall constitute or create any duty on or warranty or representation by the City or the DIA as to whether the McCoy's Creek and Creek Parcel will be suitable for Developer or Designated Assignee's intended uses thereon after Substantial Completion of the McCoy's Creek Improvements, including, without limitation, with respect to load bearing, support or construction of any improvements. **The excavation and construction of a new creek channel on the City Parcel and the extension and realignment of May Street to provide access to the Phase 1 Retail Parcel from May Street are herein referred to as the Phase 1 McCoy's Creek Improvements. The filling of the existing creek channel in accordance with Exhibit K is herein referred to as the Phase 2 McCoy's Creek Improvements. Collectively the Phase 1 McCoy's Creek Improvements and the Phase 2 McCoy's Creek Improvements constitute the McCoy's Creek Improvements.**

7.2 **City Performance Schedule.**

The City agrees to the following schedule with regard to the McCoy's Creek Improvements (collectively, the "City Performance Schedule"):

- (a) Prior to Commencing Construction of the McCoy's Creek Improvements, the Developer shall have received the plans and specifications prepared by the City's design team for the McCoy's Creek Improvements (the "McCoy's Creek Improvement Plans"), it being agreed that Developer shall have a right to provide comments regarding the location of the juncture of the May Street extension to the Project Parcel, however the City will have no obligation to make any changes to the McCoy's Creek Improvements Plans; within five (5) days of the Effective Date, the DIA shall provide its conceptual plans as to the location of the McCoy's Creek Improvements.
- (b) The City shall Commence Construction of the McCoy's Creek Improvements by no later than **October 1, 2023**, subject to extension for Force Majeure Events.

- (c) The City shall have Substantially Completed construction of the **Phase 1 McCoy's Creek Improvements** by **March 30, 2025** (the "**Phase 1 Completion Date**"), subject to extension for Force Majeure Events.
- (d) **The City shall have Substantially Completed construction of the McCoy's Creek Improvements, inclusive of the Phase 2 McCoy's Creek Improvements by October 30, 2025 (the "City Completion Date"), subject to extension for Force Majeure Events.**

7.3 Repurchase Right on City Parcel. In the event the City does not Commence Construction of the McCoy's Creek Improvements on or before **October 1, 2023**, as such date may be extended by an Event of Force Majeure (the "Repurchase Trigger Date"), the Developer or its Designated Assignee, shall have the right and option (the "Repurchase Right") to purchase the City Parcel from the City for the Purchase Price, exercisable by delivering written notice of such intent to the City, within thirty (30) days of such Repurchase Trigger Date. If Developer fails to provide its written notice within thirty (30) days of such Repurchase Trigger Date, this Repurchase Right shall automatically terminate. Closing on the City Parcel shall occur within forty-five (45) days of the date of such notice.

If the Developer exercises its Repurchase Right, title, survey, all closing costs and conveyance documents shall be the responsibility of the Developer, except for the City's legal fees. The instruments of conveyance shall be substantially the same as those executed and delivered upon conveyance of the City Parcel to the City except that conveyance by the City shall be made via a Quitclaim deed. If the City has encumbered all or any portion of the City Parcel with a mortgage, security agreement or the City Parcel has other liens placed on it during City's ownership of the City Parcel, the City shall secure a full release of the same as to the property being purchased by the Developer and the cost of paying or discharging the same in full shall be at the City's sole expense. Ad valorem taxes will be prorated between the Developer and the City as of the date of conveyance of title to the Developer.

The Repurchase Right shall run with and be a burden upon title to the City Parcel, binding upon the City and any successor-in-title to the City Parcel or any portion thereof.

7.4 Put Option on Phase II Mixed-Use Component Parcel. In the event the City does not Substantially Complete McCoy's Creek Improvements by **October 30, 2025**, as such date may be extended by a Force Majeure Event (the "Outside City Completion Date"), the Developer may elect to require the City (the "Put Option") to purchase the Phase II Mixed-Use Component Parcel (exclusive of any land underlying the required view and access corridor running from the juncture of the realigned May Street with the Project Parcel to the Riverwalk easement, the "Put

Option Parcel"), at the rate of \$60 per square foot of the Phase II Mixed-Use Component Parcel, plus all related submerged lands at its appraised value as of the Effective Date, plus \$60 per square foot of the 0.53 acre upland portion of the Creek Parcel to the extent not included in the View and Access Corridor, and \$2.43 per square foot of the 0.31 submerged portion of the Creek Parcel (collectively, the "Put Purchase Price") by delivering written notice of such intent to City, within thirty (30) days of such Outside City Completion Date. If Developer fails to provide its written notice within thirty (30) days of such Outside City Completion Date, this Put Option shall automatically terminate. Closing on the Put Option Parcel shall occur within sixty (60) days of the date of such notice. For avoidance of doubt, if the Developer exercises the Put Option, the Title Company shall release the Creek Parcel Deed from escrow and shall return it to the City, and the 0.53 acre upland portion of the acreage of the Creek Parcel shall be included in the Put Purchase Price, it being agreed that the Purchase Price for the City Parcel has already been reduced by the value of the Creek Parcel. The DIA and the City, as applicable, covenant to file legislation timely to request appropriation by City Council of such funds as may be necessary to consummate the acquisition of the Put Option Parcel in accordance with the schedule set forth in this Section 7.4.

The City Completion Date and Outside City Completion Date shall be extended (i) on a day-for-day basis in the event that City's failure to meet the City Completion Date is a result of a Force Majeure Event (as defined in the Agreement), (ii) on a day-for-day basis in the event the Developer elects to undertake the Demolition Project and does not Substantially Complete the Demolition Project by the Demolition Project Completion Date. In the event that such delay is caused by a fire or other casualty which damages the unfinished improvements, the City and Developer agree that the aforementioned day-for-day extension shall be based upon the time period required to return the unfinished improvements to the condition such improvements were in immediately prior to the fire or other casualty.

If the Developer exercises its Put Option, title, survey, closing costs and conveyance documents shall be consistent with terms and conditions of this Agreement and the Purchase and Sale Agreement for the conveyance of the City Parcel. The instruments of conveyance shall be substantially the same as those executed and delivered upon conveyance of the City Parcel to the City. If the Developer has encumbered all or any portion of the Phase II Mixed-Use Component Parcel with a mortgage, security agreement or the Phase II Mixed-Use Component Parcel has other liens placed on it, the Developer shall secure a full release of the same as to the property being purchased by the City and the cost of paying or discharging the same in full shall be at the Developer's sole expense. In the event the City acquires fee title to the Put Option Parcel between January 1 and November 1, Developer shall, in accordance with Section 196.295, Florida Statutes, place in escrow with the tax collector an amount equal to the current taxes prorated to the closing date, based upon the current assessment and millage rates on the Put Option Parcel. In the event the City acquires fee title to the Put Option Parcel on or after November 1, Developer shall pay to the tax collector an amount

equal to the taxes that are determined to be legally due and payable by the tax collector.

Counterparts. This Amendment may be executed in counterparts, which when later combined shall constitute one and the same document as if originally executed together. Scanned signatures shall suffice as original signatures, and the parties may exchange executed counterparts by email, which shall be binding for all purposes.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment, to be effective on the Effective Date.

ATTEST:

CITY OF JACKSONVILLE

By: _____
James R. McCain, Jr.
Corporation Secretary

By: _____
Donna Deegan, Mayor

Form Approved:

Office of General Counsel

IN COMPLIANCE WITH the Ordinance Code of the City of Jacksonville, I do hereby certify that there is or will be an unexpended, unencumbered and unimpounded balance in the appropriation sufficient to cover the foregoing Agreement in accordance with the terms and conditions thereof and that provision has been made for the payment of monies provided therein to be paid.

Director of Finance

**DOWNTOWN INVESTMENT
AUTHORITY**

By: _____
Lori N. Boyer, CEO
Chief Executive Officer

Signed, sealed and delivered
in the presence of:

(Printed
Name)_____

(Printed
Name)_____

**FUQUA BCDC ONE RIVERSIDE
PROJECT OWNER, LLC**

By: _____

Name: Jeffrey S. Fuqua

Its: President

Exhibit B to Resolution 2023-06-05**1. Amend Developer's Performance Schedule as follows:**

- | | |
|--|------------------------|
| (a) Submit for all permit approvals for Phase 1 Retail | August 31, 2023 |
| (b) Commence Construction Phase 1 Retail | July 31, 2025 |
| (c) Obtain permits for Phase 1 Retail sufficient to commence | July 31, 2024 |
| (d) Substantially complete Phase I Residential | 36 mos./ March 31,2026 |
| (e) Substantially complete Phase 1 Retail | September 30, 2026 |

2. Define Phase 1 McCoy's Creek Improvements and Phase 2 McCoy's Creek Improvements**3. Amend City Performance Schedule as follows:**

- | | |
|---|-------------------|
| (a) Commence Construction of McCoy's Creek Improvements | October 1, 2023 |
| (b) Repurchase trigger Date | October 1, 2023 |
| (c) Deliver Notice of Repurchase | October 31, 2023 |
| (d) Subst. Complete Phase 1 McCoy's Creek | March 30, 2025 |
| (e) Subst. Complete Phase 2 McCoy's Creek | October 31, 2025 |
| (f) Outside City Completion Date | October 31, 2025 |
| (g) Deliver Put Option Notice | November 30, 2025 |

**TAB IV.A.
MAY 17TH, 2023 DOWNTOWN INVESTMENT AUTHORITY BOARD MEETING
MINUTES**



Downtown Investment Authority
Hybrid Meeting
Wednesday, May 17th, 2023 – 2:00 p.m.

Downtown Investment Authority
DRAFT MEETING MINUTES

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

DIA Board Members Excused: Oliver Barakat, Carol Worsham

Mayor's Staff: None.

Council Members: Aaron Bowman

DIA Staff: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Operations Manager; Jovial Harper, Administrative Assistant, Susan Kelley, Redevelopment Coordinator (*attended virtually*), John Crescimbeni, Contract and Regulatory Compliance Manager (*attended virtually*) and Ric Anderson, Communications and Marketing Specialist.

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER:

Jim Citrano called to order the Downtown Investment Authority Meeting at 2:35 p.m.

II. PUBLIC COMMENTS

None.

III. DOWNTOWN INVESTMENT AUTHORITY

A. APRIL 19TH, 2023 DOWNTOWN INVESTMENT AUTHORITY BOARD MEETING MINUTES

Motion: Board Member Gillam.

Second: Board Member Saoud.

Vote: Aye: 6 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 6-0-0

C. RESOLUTION 2023-05-04 ADVERTISING AND PROMOTION SUPPORT FOR PARKS AND PROGRAMMING

CEO Boyer spoke regarding the request to transfer \$5,000.00 to City Parks Department for parks programming. She shared the classes that were available throughout the Downtown parks in Jacksonville.

Motion: Board Member Gillam moved to approve.

Seconded: Board Member Saoud seconded.

Board Member Saoud inquired which mediums will be used for advertising these events.

Gary Monahan explained the primary method of advertisement is via social media and A-frame signage is used. He further explained the average attendance and frequency of visitation of participants.

Board Member Hassan asked how long the classes have been available.

Gary Monahan advised the classes have been held since the fall and winter of 2022.

Vote: Aye: 6 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 6-0-0

V. OLD BUSINESS

VI. NEW BUSINESS

A. NOMINATING COMMITTEE MEMO

Administrative Assistant Jovial Harper read into the record the DIA Nominating Committee Memo from Board Chair Carol Worsham: “Ms. Harper, As we discussed on the phone, I would like to nominate Mr. Gillam, Mr. Saoud and Mr. Citrano to the Nominating Committee. Please add Mr. Gibbs as an alternate. Thank you, Carol Worsham.”

CEO Boyer explained the Bylaws and why the memo is being read into the record.

Board Member Gibbs inquired whether there was a designation of who would Chair this Committee.

CEO Boyer explained due to Chair Worsham’s absence, this has not been determined, but this will be confirmed prior to the commencement of the Nominating Committee Meeting.

VII. CEO INFORMATIONAL BRIEFING

A. CEO MONTHLY UPDATE

CEO Boyer provided a PowerPoint presentation of photographs to show the work that has been completed in Downtown. She continued into the CEO Monthly updates, providing a timeline for the projects that are pending and under construction.

Board Member Gibbs inquired about the displacement of special events during construction downtown.

CEO Boyer advised there will be a monthly analysis of the logistics throughout the construction phases in Downtown Jacksonville.

VII. ADJOURN

Jim Citrano adjourned the Downtown Investment Authority Meeting at 3:08 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments on this meeting, transcripts are available upon request. Please contact Jovial Harper at HarperJ@coj.net to acquire a recording of the meeting.

TAB IV.B.
RESOLUTION 2023-06-01 CEO CONTRACT EXTENSION

RESOLUTION 2023-06-01

RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING A SECOND AMENDMENT TO THE EMPLOYMENT AGREEMENT BETWEEN THE DIA AND LORI N. BOYER, CHIEF EXECUTIVE OFFICER (“CEO”), THE AMENDED TERMS OF WHICH ARE DESCRIBED AND MEMORIALIZED IN THE “SECOND AMENDMENT TO EMPLOYMENT AGREEMENT” ATTACHED HERETO AS EXHIBIT ‘A’; AUTHORIZING THE DIA GOVERNING BOARD CHAIR TO EXECUTE THE “SECOND AMENDMENT TO EMPLOYMENT AGREEMENT”; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, City Council adopted Ordinance 2012-364-E, thereby creating a new Chapter 55, Jacksonville Code of Ordinances, the purpose of which is to establish “a single, comprehensive organizational structure for the Authority [DIA] and a single, comprehensive method of addressing downtown redevelopment”; and

WHEREAS, pursuant to §55.108, Jacksonville Code of Ordinances, the DIA shall “Appoint a Chief Executive Officer ("CEO"), prescribe his or her duties, and fix his or her compensation...”; and

WHEREAS, after a nation-wide search, the DIA selected Lori N. Boyer as the most qualified applicant, resulting in an offer of employment to Lori N. Boyer as DIA Chief Executive Officer; and

WHEREAS, Lori N. Boyer and the DIA negotiated the terms of employment, which are memorialized in an Employment Agreement dated June 20, 2019; and

WHEREAS, in June 2021 and effective on July 1, 2021, Ms. Boyer and the DIA entered into a first amendment to the abovementioned Employment Agreement, extending the employment term through June 2023; and

WHEREAS, the DIA Board and the CEO desire to effectuate a “Second Amendment to Employment Agreement” inclusive of a term extension through June 30, 2024, and compensation package attached hereto as Exhibit ‘A’, for the purposes of exercising a second, one-year term of the Employment Agreement.

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

Section 1. The DIA finds that the abovementioned recitals are true and correct.

Section 2. The DIA hereby approves the attached Exhibit ‘A’, “Second Amendment to Employment Agreement”, and authorizes its execution by the DIA Chair.

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

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Carol Worsham, Chair

Date

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

RESOLUTION 2023-06-01

EXHIBIT A

1. **2nd Amendment to Section 2 (Employment and Compensation)**. Section 2 (Employment and Compensation) of the Agreement is amended to increase the salary of the Employee and, as amended, shall read as follows:

Employment and Compensation. The DIA hereby agrees to employ the Employee as Chief Executive Officer and the Employee hereby accepts the employment as the Chief Executive Officer pursuant to Chapter 55, Part I, Ordinance Code, as the same may be amended, and the qualifications and criteria set forth therein (collectively, the "Ordinance"). The City shall pay the Employee an annual salary of two hundred twenty-one thousand five hundred and fifty dollars and zero cents \$221,550.00, subject to any adjustments as provided to other City employees as determined by the City Council during its annual budget process including any percentage increases as may be included in the City's 2023/2024 budget. The Employee acknowledges and understands that the Employee's annual salary is contingent upon the approval of the DIA's annual budget by the Jacksonville City Council. Employee serves at the pleasure of the DIA Board for a term ending June 30, 2024, representing the second of two, one-year extensions authorized by this agreement.

2. **1ST Amendment to Section 4 (Duties and Functions)**

The CEO shall have the functions, authority and powers set forth in the Ordinance, job specification, and the employment letter dated May 23, 2019, executed by Employee. The DIA recognizes that in order for its CEO to effectively carry out their functions, authority and powers, non-traditional work hours and work weeks in excess of forty (40) hours are often required. Further, the DIA recognizes that the CEO may effectively carry out certain functions, authority and powers, outside of the office and outside of traditional business hours. As may be coordinated with the DIA CEO and the DIA Board Chair, DIA grants the CEO the option to perform certain functions, authority and powers outside of the office and outside of traditional business hours.

**SUPPLEMENTAL INFORMATION
CEO CONTRACT EXTENSION MEMO**



Downtown Investment Authority

MEMORANDUM

TO: Downtown Investment Authority Governing Board

THROUGH: Carol Worsham, Chair

FROM: Craig Gibbs, Esq., Governance Committee Chair

SUBJECT: Resolution 2023-06-01, CEO Contract Extension and Amendment to Contract

DATE: June 6, 2023

At the June 6, 2023 meeting of the Downtown Investment Authority (“DIA”) Governance Committee, via Resolution 2023-06-01, the Committee approved and recommended that the DIA Governing Board approve the following:

A second (2nd) one-year extension to the DIA Chief Executive Officer employment contract, the term of which is July 1, 2023 through June 30, 2024.

An amendment to Section 2 of the Chief Executive Officer employment contract identifying an annual salary of two hundred twenty-one thousand five hundred and fifty dollars (\$221,500.00), subject, further, to any adjustments afforded City-wide.

An amendment to Section 4 of the Chief Executive Officer employment contract formalizing the necessity and ability of the Chief Executive Officer to perform certain tasks and duties during non-traditional work hours and outside of the office, subject to coordination with the DIA Governor Board Chair. For clarity, the Chief Executive Officer position remains full-time.

Attachments:

Resolution 2023-06-01 as amended and adopted by the Governance Committee
Chief Executive Officer Employment Contract
Amendment One to the Chief Executive Officer Employment Contract

RESOLUTION 2023-06-01

EXHIBIT A

1. **2nd Amendment to Section 2 (Employment and Compensation)**. Section 2 (Employment and Compensation) of the Agreement is amended to increase the salary of the Employee and, as amended, shall read as follows:

Employment and Compensation. The DIA hereby agrees to employ the Employee as Chief Executive Officer and the Employee hereby accepts the employment as the Chief Executive Officer pursuant to Chapter 55, Part I, Ordinance Code, as the same may be amended, and the qualifications and criteria set forth therein (collectively, the "Ordinance"). The City shall pay the Employee an annual salary of two hundred twenty-one thousand five hundred and fifty dollars and zero cents \$221,550.00, subject to any adjustments as provided to other City employees as determined by the City Council during its annual budget process including any percentage increases as may be included in the City's 2023/2024 budget. The Employee acknowledges and understands that the Employee's annual salary is contingent upon the approval of the DIA's annual budget by the Jacksonville City Council. Employee serves at the pleasure of the DIA Board for a term ending June 30, 2024, representing the second of two, one-year extensions authorized by this agreement.

2. **1ST Amendment to Section 4 (Duties and Functions)**

The CEO shall have the functions, authority and powers set forth in the Ordinance, job specification, and the employment letter dated May 23, 2019, executed by Employee. The DIA recognizes that in order for its CEO to effectively carry out their functions, authority and powers, non-traditional work hours and work weeks in excess of forty (40) hours are often required. Further, the DIA recognizes that the CEO may effectively carry out certain functions, authority and powers, outside of the office and outside of traditional business hours. As may be coordinated with the DIA CEO and the DIA Board Chair, DIA grants the CEO the option to perform certain functions, authority and powers outside of the office and outside of traditional business hours.

EMPLOYMENT AGREEMENT
(DIA Chief Executive Officer Position)

THIS EMPLOYMENT AGREEMENT ("Agreement") is executed and made effective as of 20th day of June, 2019 ("Effective Date"), by and between the **DOWNTOWN INVESTMENT AUTHORITY**, on behalf of the **CITY OF JACKSONVILLE** (the "DIA") and **LORI N. BOYER**, an individual (the "Employee").

RECITALS

WHEREAS, the Employee was selected by the DIA Board to be its Chief Executive Officer effective as of July 1, 2019; and

WHEREAS, the DIA and the Employee desire to memorialize the terms of the Employee's employment in a written agreement pursuant to the terms set forth herein.

NOW, THEREFORE, in mutual consideration of the provisions contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to amend the Agreement as follows:

1. **Recitals**. The Recitals as set forth above are agreed to be true and correct and incorporated herein by this reference.

2. **Employment and Compensation**. The DIA hereby agrees to employ the Employee as Chief Executive Officer and the Employee hereby accepts the employment as the Chief Executive Officer pursuant to Chapter 55, Part I, Ordinance Code, as the same may be amended, and the qualifications and criteria set forth therein (collectively, the "Ordinance"). The City shall pay the Employee an annual salary of One Hundred Eighty Thousand and 00/100 Dollars (\$180,000.00), subject to any adjustments in the same percentage as provided other City employees as determined by the City Council during its annual budget process excluding, however, any percentage increases as may be included in the City's 2019/20 budget. The Employee acknowledges and understands that the Employee's annual salary is contingent upon the approval of the DIA's annual budget by the Jacksonville City Council. Employee serves at the pleasure of the DIA Board.

3. **Term**. The initial term of employment shall be for three (3) years from the Effective Date, subject to renewals as provided herein.

4. **Duties and Functions**. The CEO shall have the functions, authority and powers set forth in the Ordinance, job specification, and the employment letter dated May 23, 2019 executed by Employee.

5. **Employment Benefits**. The DIA shall provide the Employee with all benefits accruing to City employees under the Appointed Officials and Employees Salary and Employment Plan for the City of Jacksonville, as may be amended

("Appointed Officials Employment Plan"), which are provided to employees in similar positions (e.g., the CEO of the Kids Hope Alliance or the Jacksonville Public Library). A copy of the Appointed Officials and Employees Salary and Employment Plan is on file with the City's Employee Services Department.

6. Renewal. This Agreement may be renewed for two (2) additional one (1) year terms upon the mutual agreement of the Employee and the DIA Board.

7. Termination. This Agreement may be terminated by the DIA Board in accordance with the Appointed Officials and Employees Salary and Employment Plan terms and upon an affirmative vote of at least two-thirds vote of the DIA Board fixed membership (e.g., the number of members comprising the DIA Board established by ordinance).

8. Governing Laws. This Agreement shall be governed by the laws of the State of Florida.

9. Entire Agreement and Counterparts. This document constitutes the entire Agreement between the parties and may only be modified in writing by the parties. This Agreement may be executed by facsimile, electronic and counterpart signatures, the counterparts of which when taken together shall be deemed to constitute one original.

[The remainder of this page was intentionally left blank by the parties – signature page to immediately follow this page]

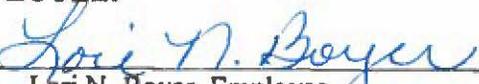
IN WITNESS, whereof the parties have executed this Agreement on the date set forth above.

DIA:

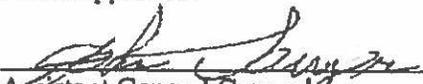
**DOWNTOWN INVESTMENT AUTHORITY, on
behalf of the CITY OF JACKSONVILLE**

By: 
Craig A. Gibbs, Esq., Vice-Chairman

EMPLOYEE:

By: 
Lori N. Boyer, Employee

Form Approved:


Assistant General Counsel

GC-#1283130-v3-DIA_CEO_Employment_Agreement -Lori_Boyer_2019.RTF

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT ("First Amendment") is entered into this 10 day of June, 2021, and made effective as of July 1, 2021 ("Effective Date"), between the DOWNTOWN INVESTMENT AUTHORITY, on behalf of the City of Jacksonville ("DIA"), and Lori N. Boyer, an individual ("Employee").

RECITALS:

- A. DIA and Employee entered into that certain Employment Agreement for the Chief Executive Officer position effective June 20, 2019 (the "Agreement").
- B. As authorized by DIA Resolution 2021-05-05, DIA and Employee desire to amend the Agreement as provided herein.

NOW, THEREFORE, for and in consideration of the mutual benefits each to flow to the other the parties covenant and agree as follows:

- 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by this reference.
- 2. Capitalized Terms. Unless otherwise defined herein, all capitalized terms shall have the meanings given to them in the Agreement.
- 3. Amendment to Section 2 (Employment and Compensation). Section 2 (Employment and Compensation) of the Agreement is amended to increase the salary of the Employee and, as amended, shall read as follows:

“2. Employment and Compensation. The DIA hereby agrees to employ the Employee as Chief Executive Officer and the Employee hereby accepts the employment as the Chief Executive Officer pursuant to Chapter 55, Part I, Ordinance Code, as the same may be amended, and the qualifications and criteria set forth therein (collectively, the "Ordinance"). The City shall pay the Employee an annual salary of One Hundred Eighty Thousand and 00/100 Dollars (\$180,000.00), subject to any adjustments in the same percentage as provided other City employees as determined by the City Council during its annual budget process excluding, however, any percentage increases as may be included in the City's 2019/2020 budget. Commencing July 1, 2021, the DIA shall pay the Employee an annual salary of Two Hundred Thousand and 00/100 Dollars (\$200,000.00), subject to any adjustments in the same percentage as provided other City employees as determined by the City Council during its annual budget process excluding, however, any percentage increases as may be included in the City's 2021/2022 budget. The Employee acknowledges and understands that the Employee's annual salary is contingent upon the

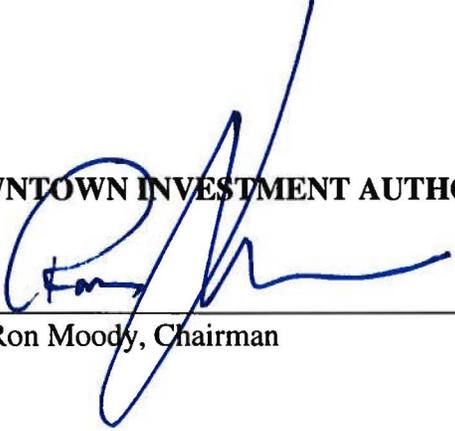
approval of the DIA's annual budget by the Jacksonville City Council.
Employee serves at the pleasure of the DIA Board.”

4. Effectiveness. This First Amendment shall be effective as of the Effective Date. Except as otherwise modified hereby, the Agreement shall remain in full force and effect in accordance with its terms.
5. Counterparts. This First Amendment may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which shall constitute collectively one (1) agreement. A counterpart delivered by electronic means shall be valid for all purposes.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this First Amendment, the day and year above written

DIA:

DOWNTOWN INVESTMENT AUTHORITY

By: 

Ron Moody, Chairman

EMPLOYEE

By: 

Lori N. Boyer, CEO

Form Approved:

By: 

Office of General Counsel

TAB IV.C.
NOMINATING COMMITTEE MEMBERS OFFICER SLATE

**TAB VII.A.
CEO MONTHLY UPDATE**