



**Downtown Investment Authority
Retail Enhancement and Property Disposition Committee**

**Hybrid Virtual In-Person Meeting
Monday, March 15th at 3:00 p.m.**

RE&PD AGENDA

Carol Worsham, Committee Chair
Oliver Barakat, Committee Member

Todd Froats, Committee Member
Jim Citrano, Committee Member

Ron Moody, DIA Board Chair

- I. CALL TO ORDER
- II. PUBLIC COMMENTS
- III. RESOLUTION 2021-03-06: BERKMAN II NOTICE OF DISPOSITION (RIPARIAN RIGHTS) (Lori Boyer, CEO)
- IV. RESOLUTION 2021-03-02: LAVILLA TOWNHOMES NOTICE OF DISPOSITION (Lori Boyer, CEO)
- V. UPDATE ON 1511 HARPER STREET (Steve Kelley, Director of Downtown Real Estate and Development)
- VI. ADJOURN

Please be advised that this will be a hybrid virtual in person meeting. Attendees may participate in person or virtually.

PHYSICAL LOCATION

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

Directions and Instructions for Accessing 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 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.

At present, all visitors are subject to a COVID-19 screening upon entering a City of Jacksonville building. In addition, a mandatory face covering requirement is in place for all public buildings pursuant to Emergency Executive Proclamation 2020-005.



**Downtown Investment Authority
Retail Enhancement and Property Disposition Committee**

**Hybrid Virtual In-Person Meeting
Monday, March 15th at 3:00 p.m.**

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/98523384528?pwd=elcvUFgwaHBUUXhiL3NaSjNGaXFHUT09>

Meeting ID: 985 2338 4528

Passcode: 653096

One tap mobile

+1 (312) 626-6799 (Chicago)

+1 (646) 558-8656 (New York)

Find your local number: <https://zoom.us/u/adQCoYcPRG>

TAB III

RESOLUTION 2021-03-06 BERMAN II NOTICE OF DISPOSITION (RIPARIAN RIGHTS)

RESOLUTION 2021-03-06

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO ISSUE A 30-DAY NOTICE OF DISPOSITION IN ACCORDANCE WITH THE NEGOTIATED DISPOSTION PROCEDURE ADOPTED BY DIA, FOR THE GRANTING OF AN UPLAND EASEMENT THAT GRANTS RIPARIAN RIGHTS ADJACENT TO CITY OWNED PROPERTY FRONTING THE BERKMAN MARINA TO THE OWNER OF SAID MARINA IN ORDER TO FACILITATE A RENEWAL OF THE SUBMERGED LAND LEASE FOR SAID MARINA; APPROVING THE TERMS AND CONDITIONS INCLUDED AS EXHIBIT ‘B’ AND EXPRESSING THE INTENTION TO DISPOSE OF SAID PROPERTY INTEREST SUBSTANTIALLY IN ACCORDANCE WITH THE NEGOTIATED TERMS TO DB HOLDINGS COMPANY AMELIA ISLAND, LLC (THE “DEVELOPER”) UPON EXPIRATION OF THE THIRTY DAY NOTICE PERIOD ABSENT HIGHER RESPONSIVE OFFERS; AND FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the pursuant to that certain Special Warranty Deed dated November 5th, 2003 and recorded on Official Records Book 11464, at page 700-713 of the Public records of Duval County Florida, DB Holdings, LLC (Grantor) conveyed to the City certain real property including that certain Riverwalk property depicted on Exhibit A attached hereto (the Property); and

WHEREAS, prior to conveyance, Grantor as owner of the riparian rights related to the Property had entered into a Sovereignty Submerged Lands Lease regarding construction of a marina thereon; and

WHEREAS, the deed reserved to Grantor and its successors a right of access over the Property but did not expressly reserve to Grantor riparian rights; and

WHEREAS, riparian rights follow ownership of the Property and are therefore now owned by the City; and

WHEREAS, the Property is located within the Northbank Community Redevelopment Area (“Northbank CRA”); and

WHEREAS, DIA is the designated Community Redevelopment Agency for the Northbank CRA, for which a BID Plan, inclusive of a Community Redevelopment Plan, was adopted by Ordinance 2014-560-E; and

WHEREAS, pursuant to state law, any disposition of any interest in CRA property must follow the prescribed thirty-day notice procedure; and

WHEREAS, the Developer wishes to renew the submerged land lease and continue operation of the marina and requires an upland easement that grants certain riparian rights in the Property in order to do so; and

WHEREAS, the DIA finds the grant of the requested property interest to be in the best interest of the Community Redevelopment Area; and

WHEREAS, upon adoption of this Resolution, a 30-day notice for the solicitation of proposals pursuant to Section 163.380(3)(a), Florida Statutes, and Sections 122.434(a) and (b), Jacksonville Ordinance Code, will be issued; and

WHEREAS, the DIA finds that this resolution furthers the following Redevelopment Goal and Strategic Objectives found in the BID Plan:

Redevelopment Goal No. 1 Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment.

Redevelopment Goal No. 5 Establish a waterfront design framework to ensure a unique experience and sense of place.

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 has determined that absent an alternate responsive bid that can demonstrate an ability to own, operate and manage the marina, it will proceed to sell an upland easement interest that grants certain riparian rights in the Property to the Developer in accordance with the term sheet attached hereto as Exhibit B.

Section 3. The DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action necessary to effectuate the Notice of Disposition for aforementioned interest in the Property in accordance with its Negotiated Notice of Disposition Process.

Section 4. Proposals received, if any, will be reviewed by the DIA Chief Executive Officer, who will make a recommendation to the DIA Board regarding any responsive alternate proposals received.

Section 5. If no alternate responsive and qualified proposals are received, the CEO is authorized to take all necessary actions, including the filing of legislation with City Council if required, to effectuate the disposition to Developer of a sufficient upland easement interest in the

Property together with riparian rights necessary to renew the submerged land lease and continue the operation of the marina in accordance with the term sheet attached hereto as Exhibit B.

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

WITNESS:

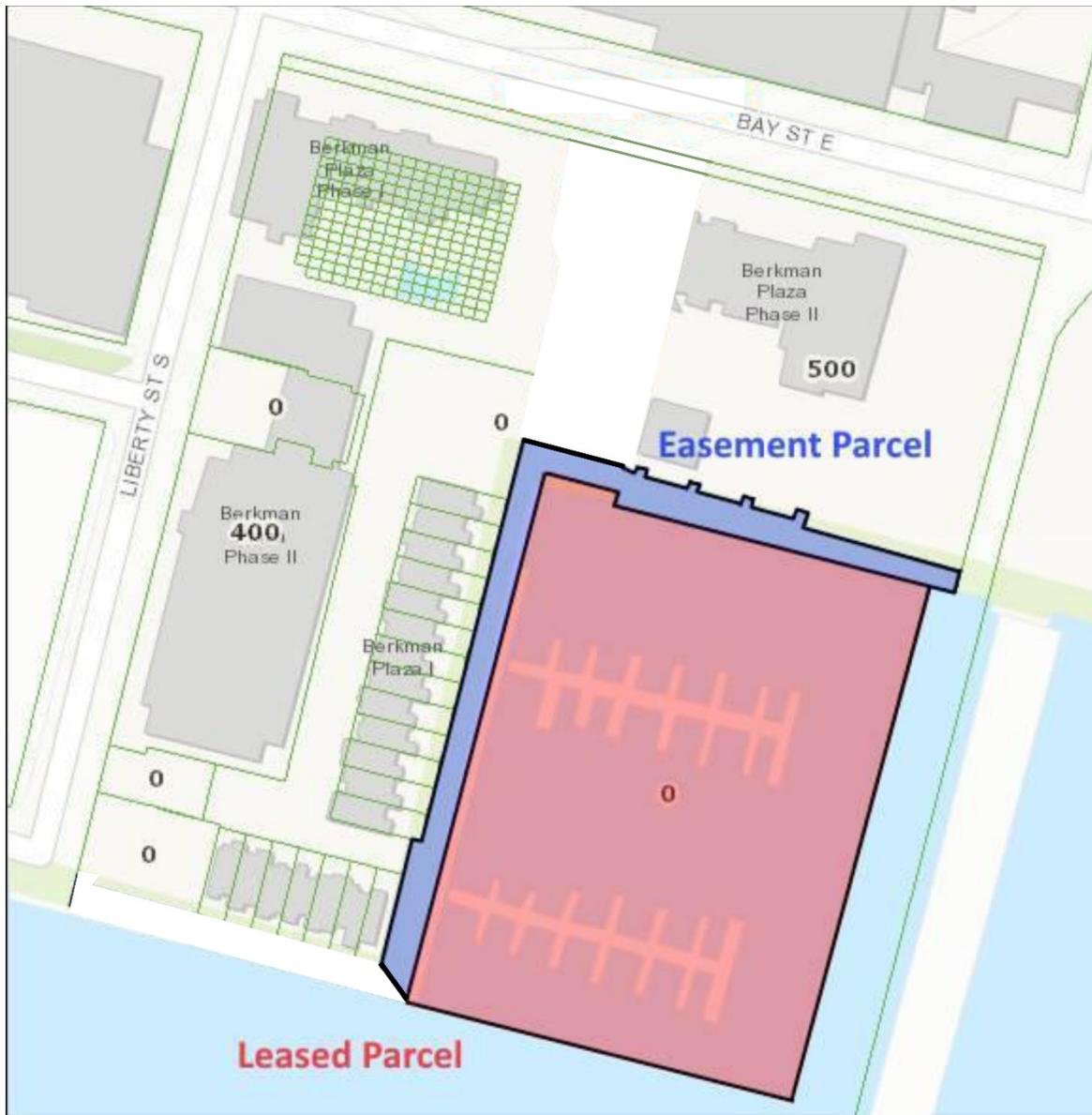
DOWNTOWN INVESTMENT AUTHORITY

Ron Moody, Chair

Date

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

Exhibit A
Map depicting the Property



The “Easement Parcel” depicts the Property.

The “Leased Parcel” depicts the property that is the subject of the Sovereignty Submerged Land Lease.

Exhibit B
Term Sheet

1. DIA shall convey to Developer at no cost a sufficient upland easement interest in the Property together with riparian rights in the Property necessary to allow developer to renew the submerged lands lease for the Berkman Marina
2. Such rights shall extend so long as the marina remains in continuous operation, but such interest shall revert to the City in the event the submerged lands lease is allowed to lapse, is terminated or the marina ceases operation

DRAFT

TAB IV

RESOLUTION 2021-03-02 LAVILLA TOWNHOMES NOTICE OF DISPOSITION

RESOLUTION 2021-03-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO ISSUE A 30-DAY NOTICE OF DISPOSITION IN ACCORDANCE WITH THE NEGOTIATED DISPOSITION PROCEDURE ADOPTED BY DIA, FOR AN APPROXIMATELY 3.45 ACRE PARCEL OF CITY-OWNED REAL PROPERTY LOCATED GENERALLY BETWEEN LEE STREET, FORSYTH STREET, ADAMS STREET AND STUART STREET; APPROVING THE TERMS AND CONDITIONS INCLUDED AS EXHIBIT ‘A’ AND EXPRESSING THE INTENTION TO DISPOSE OF SAID PROPERTY SUBSTANTIALLY IN ACCORDANCE WITH THE NEGOTIATED TERMS TO JOHNSON COMMONS, LLC (THE “DEVELOPER”) UPON EXPIRATION OF THE THIRTY DAY NOTICE PERIOD ABSENT HIGHER RESPONSIVE OFFERS; AND FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City owns an approximately 3.45 acre parcel of real property described on Exhibit “A” attached hereto (the Property); and

WHEREAS, the DIA issued ISP 0552-19 in August of 2019 regarding disposition of the subject property for development of for sale residential units; and

WHEREAS, after receipt and scoring of responses, the DIA awarded the Property to the top-scoring respondent, adopted Resolution 2019-09-04 and pursuant thereto entered into a Redevelopment Agreement and transferred the Property to said respondent; and

WHEREAS, the Property has been returned to the City voluntarily as the owner elected not to proceed with development; and

WHEREAS, the Developer also responded to ISP 0552-19 and was the second to top scoring respondent; and

WHEREAS, The Developer has expressed the desire to proceed with redevelopment of the Property in accordance with the terms contained in their response as modified by the Term Sheet attached hereto as Exhibit “B”; and

WHEREAS, in order to determine fair value for the property pursuant to Florida Statutes Chapter 163.380(2), and as required by City of Jacksonville Code of Ordinances §122.432, the DIA engaged an appraiser in 2019 to appraise the various parcels involved in the disposition; and

WHEREAS, the Property is located within the Northbank Community Redevelopment Area (“Northbank CRA”); and

WHEREAS, DIA is the designated Community Redevelopment Agency for the Northbank CRA, for which a BID Plan, inclusive of a Community Redevelopment Plan, was adopted by Ordinance 2014-560-E; and

WHEREAS, upon adoption of this Resolution, a 30-day notice for the solicitation of proposals pursuant to Section 163.380(3)(a), Florida Statutes, and Sections 122.434(a) and (b), Jacksonville Ordinance Code, will be issued; and

WHEREAS, the DIA finds that this resolution furthers the following Redevelopment Goal and Strategic Objectives found in the BID Plan:

Redevelopment Goal No. 1 Reinforce Downtown as the City’s unique epicenter for business, history, culture, education, and entertainment.

Redevelopment Goal No. 2

Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.

Plan Umbrella 7 Housing – creating a critical mass of housing Downtown of all forms.

Redevelopment Goal No. 4

Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.

Redevelopment Goal No. 7

Use planning and economic development policies to promote design for healthy living.

Housing Incentive Programs

The CRA Plan contemplates housing incentives, including the disposition of City land at reduced cost, in order to achieve Downtown housing goals. It expressly provides “The best way to attract a diverse population is by providing high quality housing and a wide range of housing types.”

The recommendations of the LaVilla Strategy regarding development of the park parcel.

The recommendations of the LaVilla Strategy regarding the LaVilla Heritage Trail: Making the neighborhood’s history visible.

Simplify the approval process for downtown development and improve departmental and agency coordination.

WHEREAS, the DIA finds that this resolution furthers CRA Plan Umbrellas 1. Economic Development; 4. Parking; 5. Design Guidelines; 7. Housing; 8. Riverfront, Parks and open Space, and 9. Public Investment Properties; and

WHEREAS, Section 55.108 of the Jacksonville Code of Ordinances grants certain powers and duties to the DIA, including:

Interpreting the BID Plan and approve development and redevelopment projects within Downtown;

Implementing the BID Plan, and negotiate and grant final approval of downtown development and redevelopment agreements, grant agreements, license agreements, and lease agreements;

Plan and propose Projects and Public facilities within Downtown.

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 has determined that absent a higher responsive bid that can demonstrate an ability to perform on substantially the same terms and conditions, it will proceed to sell the Property to the Developer in accordance with the term sheet attached hereto as Exhibit B.

Section 3. The DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action necessary to effectuate the Notice of Disposition for the Property in accordance with its Negotiated Notice of Disposition Process.

Section 4. Proposals received, if any, will be reviewed by the DIA Chief Executive Officer, who will make a recommendation to the DIA Board regarding any responsive alternate proposals received.

Section 5. If no alternate responsive and qualified proposals are received, the CEO is authorized to take all necessary actions, including the filing of legislation with City Council to effectuate the disposition off the Property to Developer in accordance with the term sheet attached hereto as Exhibit B.

Section 6. If alternate qualified proposals are received and are determined by the CEO to be lower in value or unresponsive to the desired development of the Property as outlined in ISP 0552-19, CEO shall present the final term sheet and site plan to DIA its next meeting following the close of the disposition notice period.

Section 6. City Council approval will be required to authorize any disposition via legislative action.

Section 7. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Ron Moody, Chair

Date

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

DRAFT

Exhibit 1 to 2021-03-02

Term Sheet for LaVilla/Johnson Commons, LLC Disposition

Purchaser/Developer: Johnson Commons, LLC., or its permitted assignee

The Land or Property: all right, title and interest in and to certain real property owned by City and located in downtown Jacksonville, described on Exhibit A attached hereto

Purchase Price: \$ 1. 50% of Net Sales Proceeds (proceeds less brokerage commission) on each unit in excess of \$250,250 will be paid to DIA.

Development Product: Minimum of 91 townhome units to be constructed in Phase 1; all units to be offered as individual for sale product. Townhome units will be three story (approximately 1400 square feet average) with one car garage. All 91 townhome units will be developed in single phase. Phase 2 of development, fronting Lee and Forsyth Street will consist of a minimum of 10,000 square feet of stand-alone retail or a mixed-use product of multi-family residential and retail that includes a minimum of 10,000 square feet of retail on first floor. Phase 2 to be commenced within 7 years of closing or property will revert. In the interim, this portion of the site will be developed as green space accessible to the adjacent Emerald Trail and maintained by the Developer.

Infrastructure: All current ROW's will remain open; Johnson Street to be improved by Developer; New public ROW dedicated and street to be constructed by Developer between Lift Ev'ry Voice and Sing park parcel and development parcel. No portion of street ROW (including parking) may encroach into existing park and paved street shall be located as close to development side of ROW as possible while accommodating required sidewalk. Sidewalks and street trees will be provided where development parcels abut all ROW frontages.

Architectural deference to park and heritage: Townhomes will be frame construction, approximate 18' widths with gable roofs and patios to emulate the feel of a second story porch. Peaked or gable roofs will differentiate units in a nod to shotgun style on all Townhome product. Units adjacent to new street will face park; Future retail and or mixed use will face trail.

Park: Developer to make cash contribution to be used toward development of Lift Ev'ry Voice and Sing park in the amount of \$150,000, payable at closing.

Trail: Developer acknowledges that an expanded right of way has been retained by the City for the Emerald Trail which will be constructed on the Lee Street Frontage. Development shall be set back from the property line adjacent to the trail sufficient to accommodate landscape previously designed.

Performance Schedule: Time for approval and Closing: The parties will strive to complete negotiation and drafting of all documentation by April 28 and file legislation immediately thereafter. Developer will pursue DDRB Approval while legislation pending. Closing will be conditioned upon Council approval, satisfactory evidence of financing for Phase 1 (91 townhomes) and DDRB final approval but shall occur no later than October 1, 2021. Developer to file for all permits prior to or within 30 days following

closing. Developer to commence construction within 45 days of receipt of permits required to begin work but no later than 8 months following closing. For purposes of this term sheet, commencement of construction means the start of construction activities at the development site such as excavation, site work and infrastructure. The Property will revert to the City in the event Developer fails to commence construction in accordance with the Performance Schedule.

Vertical construction shall commence within _____ months following closing and be completed within ____ months following commencement. In the event Developer has commenced construction but fails to complete vertical construction as required by the Performance Schedule, Developer shall incur a \$100/day penalty. In light of the City's risk associated with the disposition and the desire to see completed product in the marketplace, the City will require a performance guaranty from the Developer or to be named as an additional party on a payment and performance bond ensuring completion.

DIA CEO will be authorized to extend the Performance Schedule by not more than 6 months.

SUPPLEMENTAL INFORMATION
LAVILLA TOWNHOMES STAFF REPORT

**Downtown Investment Authority
Redevelopment Proposal Staff Report
Johnson Commons- LaVilla Townhomes
March 1, 2021**

Applicant: Johnson Commons, LLC (the Developer)
Project: Disposition and Redevelopment of the 2 ½ block LaVilla Townhome site
Program Request: Property Disposition

Current Status

The Property is located in La Villa between Adams and Forsyth Streets adjacent to Lift Ev'ry Voice and Sing Park. The Property was the subject of ISP-0552-19 issued by DIA in August of 2019 seeking proposals for redevelopment of the site as for-sale townhomes. After receipt and scoring of responses, the DIA awarded the Property to the top-scoring respondent, adopted Resolution 2019-09-04 and pursuant thereto entered into a Redevelopment Agreement and transferred the Property to an affiliate of Vestcor. As a result of market changes associated with the current pandemic, and after all permissible extensions, Vestcor determined that they no longer wished to proceed with development of the for-sale product previously proposed. The Property has been returned to the City voluntarily.

After consultation with the City Procurement Division and the Office of General Counsel, we were advised that the Property could not be simply be awarded to the second-place respondent since a contract was executed, approved by City Council and the Property conveyed pursuant to ISP 0552-19. A new 30-day notice of Disposition will be required to be advertised and responses considered.

As the Property has now once again become available, DIA staff contacted the Developer. The Developer also responded to ISP 0552-19 and was the second to top scoring respondent. The scorers preferred the Developer's product and design but Vestcor was the top-scoring respondent based on the short construction timeline and financial responsibility of the applicant. The Developer expressed a willingness to proceed with redevelopment substantially in accordance with their response to ISP-0552-19. As a result, DIA staff began negotiation of a term sheet with Developer and presents to the Board Resolution 20211-03-02.

This property is within Northbank Community Redevelopment Area and is currently tax exempt as it is City-owned.

Proposed Redevelopment

The Proposed redevelopment will consist of a minimum of 91 for-sale townhomes in Phase 1. (The previous disposition required a minimum of 88 townhomes). All units will be offered as individual for sale product, adding to the diversity of residential options in the community. The Townhome units proposed by Johnson Commons will be three story (approximately 1400 square feet average) each with a one car garage. All 91 townhome units will be developed in single phase.

In deference to the historic architecture and heritage of La Villa, the townhomes will be frame construction, approximate 18' widths with gable roofs and patios to emulate the feel of a second story porch.

Peaked or gable roofs will differentiate units in a nod to shotgun style on all Townhome product. Units adjacent to new street will face park.

Phase 2 of the development, fronting Lee and Forsyth Street will consist of a minimum of 10,000 square feet of stand-alone retail or a mixed-use product of multi-family residential and retail that includes a minimum of 10,000 square feet of retail on first floor. Vertical construction on Phase 2 will be commenced within 7 years of closing or property will revert. In the interim, this portion of the site will be developed as green space accessible to the adjacent Emerald Trail and maintained by the Developer. Future retail and or mixed use will face trail

All current ROW's will remain open; Johnson Street will be improved by Developer; and a new public ROW and one-way street will be constructed by Developer between Lift Ev'ry Voice and Sing park parcel and development parcel. No portion of the new street ROW (including parking) may encroach into existing park and the paved street shall be located as close to development side of ROW as possible while accommodating required sidewalk. Sidewalks and street trees will be provided where development parcels abut all ROW frontages. A minimum of eight parking spaces will be provided adjacent to the park.

Adjacent Lift Ev'ry Voice and Sing Park and Emerald Trail

Developer to has offered to make cash contribution to be used toward development of Lift Ev'ry Voice and Sing park in the amount of \$150,000, payable at closing. The proposal further elaborates on the Developer's intention to pay tribute to the heritage of LaVilla through the installation of 8 Heritage signs at Developer's cost.

Developer acknowledges that an expanded right of way has been retained by the City for the Emerald Trail which will be constructed on the Lee Street Frontage. Development shall be set back from the property line adjacent to the trail sufficient to accommodate landscape previously designed. While Developers response to ISP 0552-19 contemplated that Developer would construct that portion of the trail adjacent to the site, work on that capital project has now progressed to a stage where that offer is no longer feasible as the trail will be constructed prior to the development.

The original ISP Response from Developer included a letter of support from Adonnica Toler, curator of the Ritz Museum and La Villa historian.

The Developer

Johnson Commons, LLC. Is a joint venture between JWB Real Estate Capital and Corner Lot Development Group, LLC.

Since 2006, JWB has purchased over 3000 single family and townhome properties, and since 2011 has built over 650 single family and townhome properties. JWB is currently the largest single family/townhome infill developer in Jacksonville (building approximately 260 properties in 2018 and 400 in 2019). JWB currently owns over 900 infill

lots and is in the process of entitling and developing over 1700 single family and townhome lots, mostly in infill locations.

Corner Lot has purchased over 3500 single family properties since 2009. Since 2011, Corner Lot has built over 250 single family residences including attached and detached products. Corner Lot Development group has entitled and developed over 1500 single family lots since 2017. Its home-building company, Breeze Homes, will build over 100 homes in its first full year in business. Corner Lot is currently developing 375 multifamily units and its first commercial development of 7 acres in St. Johns County. It prides itself on being one of Northeast Florida's most successful real estate developers through creating win/win/win/results for the company, the community, and the City.

Since 2006, JWB and Corner Lot have financed over \$600,000,000 in real estate projects through their various capital sources.

Performance Schedule

The parties will strive to complete negotiation and drafting of all documentation by April 28 and file legislation immediately thereafter. Developer will pursue DDRB Approval while legislation pending. Closing will be conditioned upon Council approval, satisfactory evidence of financing for Phase 1 (91 townhomes) and DDRB final approval but shall occur no later than October 1, 2021. Developer to file for all permits prior to or within 30 days following closing. Developer to commence construction within 45 days of receipt of permits required to begin work but no later than 8 months following closing. For purposes of this term sheet, commencement of construction means the start of construction activities at the development site such as excavation, site work and infrastructure. The Property will revert to the City in the event Developer fails to commence construction in accordance with the Performance Schedule.

Vertical construction shall commence within _____ months following closing and be completed within _____ months following commencement. In the event Developer has commenced construction but fails to complete vertical construction as required by the Performance Schedule, Developer shall incur a \$100/day penalty. In light of the City's risk associated with the disposition and the desire to see completed product in the marketplace, the City will require a performance guaranty from the Developer or to be named as an additional party on a payment and performance bond ensuring completion.

DIA CEO will be authorized to extend the Performance Schedule by not more than 6 months.

Valuations and ROI Calculation

Land Value

The Property was appraised in 2019 and valued at 3,580,000. We believe that to be a fair valuation and that a further appraisal is not required.

Post construction assessed value

Based on documentation included in the Johnson Commons ISP response, we concur that a future value of \$170 per square foot is a reasonable “for sale” estimate. As such, each 1430 square foot unit could yield a sale price of 243,100 and absent significant market growth, we would not expect the shared profits to be a meaningful benefit to the City. The term does allow the City to share in any windfall that market conditions might generate.

As to the taxes generated by the Phase 1 redevelopment of 91 townhomes, using our standard formula based on construction costs, we calculate an ROI of 1.06, inclusive of the 150,000 contribution to the park.

DRAFT

ROI SUMMARY

\$17.7 Million in Capital Expenditures

Ad Valorem Taxes Generated County Operating Millage	(1) \$	3,643,097	
Local Option Sales Tax	(2) \$	-	
Payroll	(3) \$	-	
Add'l Benefits Provided	(4)	\$ 150,000	
Total City Expected Benefits			\$ 3,793,097
Total City Investment	(5)	\$ 3,580,000	
Return on Investment Ratio			1.06

(1) - The investment from the Company is estimated to be \$18.2 million in Capital Contribution for development

(2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.

(3) - Job estimates are calculated at # of jobs * avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.

(4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive

(5) - City Incentives as follows:	
Land	\$ 3,580,000
Total Direct Incentives	\$ 3,580,000

NOTE:

Construction price for 91 homes is calculated as 80% of estimated sales price.

Additional benefit comprises contribution to Lift Ev'ry Voice and Sing Park

