

Proposed Amendment to Section 5. Straw Ballot Title

1. On **page 9, lines 16-19, strike** ""A STRAW BALLOT REFERENDUM REGARDING AMENDING CHARTER TO CREATE IMMEDIATE VACANCIES FOR CITY OFFICERS AND SCHOOL BOARD MEMBERS WHO RESIGN TO RUN FOR OTHER OFFICES"" and **insert** ""STRAW BALLOT REGARDING RESIGNING TO RUN BY QUALIFYING FOR NEW CITY OFFICE CREATES IMMEDIATE VACANCY"".

Council Auditor's Office
Bill 2022-871: Kids Kampus Amended Redevelopment Agreement

Project

- Separates the original agreement into separate agreements for the Hotel and Office Building
- Authorizes the sale of the City-owned Office Building Parcel (rather than leasing the parcel to the Developer for \$36,000 annually for an initial term of 40 years) at the March 2022 appraised value of \$3,200,000, providing for a right of reverter and repurchase if construction commencement does not occur by the performance schedule deadline
- Requires City to relocate utilities located under the Service Road at its expense
- Extends the completion of the project by six months to June 30, 2026 and grants the Developer an additional six months to exercise its right of first offer to lease or purchase the Future Development Parcel, now by June 30, 2025
- Revises the Developer's minimum capital investment for the Hotel and Office Building and adds Minimum Required Direct Cost amounts

	Original Agreement	Amended & Restated Agreement**	Increase/ (Decrease)
Hotel Improvements			
Minimum Required Capital Investment	\$242,907,231	\$334,552,000	
Office Building Improvements			
Minimum Required Capital Investment	\$58,150,317	\$53,050,000	
Total Minimum Required Capital Investment	\$301,057,548*	\$387,602,000	\$86,544,452

*The original agreement did not identify the breakdown of Minimum Required Capital Investment between Hotel and Office Building Improvements. The amounts reflected above were obtained from DIA's analysis of the original agreement.

**The amended and restated agreement also includes Minimum Required Direct Costs of \$281,947,000 for the Hotel Improvements and \$43,015,000 for the Office Building Improvements.

Incentives

- The total amount of the REV Grant is being increased by \$11,017,545 and is being separated into two separate grants
- The amount of the Completion Grant is not changing, but will now be made in two payments, with the second payment contingent upon completion of the Office Building Improvements

Incentive	Original Agreement	Amended & Restated Agreement	Increase/ (Decrease)
Hotel REV Grant		\$50,581,200	
Office Building REV Grant		\$8,120,300	
Subtotal REV Grants	\$47,683,955	\$58,701,500	\$11,017,545
Hotel Completion Grant – 1 st Payment		\$23,634,887	
Hotel Completion Grant – 2 nd Payment		\$2,200,000	
Subtotal Completion Grant	\$25,834,887	\$25,834,887	\$0
Maximum Indebtedness	\$73,518,842	\$84,536,387	\$11,017,545

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Cost Disbursement Agreements for City-Owned Improvements

- The Developer is now required to construct all City-owned Improvements, rather than having the option
- The Agreements are being revised to increase the maximum indebtedness for all three agreements
- The scope of the Marina Improvements Cost Disbursement Agreement is being expanded to include dredging and reconstruction of the adjacent Bulkhead and the Pier
- The payment terms are being revised from reimbursement at completion to a monthly reimbursement on a work performed and invoiced basis, subject to a 10% retainage by the City to be paid at substantial completion of each improvement
- \$22.1 million was funded in the FY 22/23 CIP for the City-Owned Improvements and the remaining \$21.1 million is scheduled to be funded in out years

Improvement	Original Agreement	Amended & Restated Agreement	Increase/ (Decrease)
Marina Improvements	\$7,180,133	\$13,170,939	\$5,990,806
Bulkhead Improvements	\$0	\$6,921,680	\$6,921,680
Pier Improvements	\$0	\$8,763,506	\$8,763,506
Subtotal	\$7,180,133	\$28,856,125	\$21,675,992
Marina Support Building Improvements	\$6,192,967	\$9,875,667	\$3,682,700
Riverwalk Improvements	\$3,900,000	\$4,103,135	\$203,135
Total City-Owned Improvements	\$17,273,100	\$42,834,927	\$25,561,827

Performance Schedule

Deadline	Original Agreement	Amended & Restated Agreement (1)
Commence Hotel Improvements	Horizontal - by 6/1/22 Vertical - not specified	Horizontal - by 12/31/22 Vertical - by 9/1/23
Complete Hotel Improvements	12/31/25	6/30/26
Commence Office Improvements	Horizontal - by 6/1/22 Vertical - not specified	Horizontal - by 12/31/22 Vertical - by 6/1/24
Complete Office Improvements	12/31/25	6/30/26
Completion of Marina Improvements (includes Marina, Bulkhead and Pier)	The earlier of completion of the Hotel and Office Building Improvements or 12/31/25	Earlier of 36 months from the Marina Closure Date or 6/30/26 (2)
Completion of Marina Support Building Improvements	The earlier of completion of the Hotel and Office Building Improvements or 12/31/25	The earlier of the opening of the Hotel Improvements to customers or 6/30/26
Completion of Riverwalk Improvements	The earlier of completion of the Hotel and Office Building Improvements or 12/31/25	The earlier of the opening of the Hotel Improvements to customers or 6/30/26

Notes:

1. All milestones are subject to a day for day extension if 1) utilities have not been relocated and 2) the temporary construction easement to the Future Development Parcel has not been provided
2. Allows for closure of the Marina and Riverwalk for a maximum of 36 months (previously Developer was required to use reasonable efforts to keep them open during construction)

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Waivers

- Waives Code Sec. 122.811(a) to allow the Developer to coordinate the sale of any surplus City property in coordination with the construction of the improvements and apply the revenues toward the cost of the City-owned improvements
- Waives the Public Investment Policy to authorize the REV Grants for the Hotel and Office Building (REV Grants are currently limited to multifamily residential developments under the PIP)

ROI

- The ROI has been recalculated based on the terms of the amended and restated agreements
- The increase in the ROI is due to an increase in the estimated ad valorem revenues based on increased capital investment amounts and revised assumptions for the Hotel based on an updated market study showing increased occupancy and average daily rate

	Original Agreement	Amended & Restated Agreement
DIA calculated ROI	1.01 (Overall)	1.10 (Hotel) 1.23 (Office)

Technical Amendments:

1. Include language authorizing the Completion Grant in bill
2. Correct scrivener's errors
3. Attach revised Exhibit 2 (BT) to correct account strings
4. Attach revised Exhibit 3 (CIP Sheet) to correct project scope
5. Place revised agreements on file to:
 - a. Clarify how savings between City-owned improvements can be shared between various Project Components
 - b. Add maximum dollar amount for Bulkhead Improvements
 - c. Clarify responsibility of future signalized intersections along Gator Bowl Blvd
 - d. Correct Developer name within Guaranty Modification
 - e. Replace Marina Improvements Budget Estimate Schedule
 - f. Mirror language in Riverwalk Costs Disbursement Agreement for project management fees
 - g. Strike reference to Ch. 126 in Riverwalk and Marina Improvements Cost Disbursement Agreements
 - h. Clarify unused development rights related to Office Building Improvements will return to DIA
 - i. Clarify DIA Board discretion to permit deviation below stated minimum developments
 - j. Insert base year value for Office Building REV Grant
 - k. Remove insurance requirements for Office Building
 - l. Correct scrivener's errors

Auditor Recommended Amendments:

1. Require Developer to obtain estoppel letter from the Jaguars regarding required parking spaces pursuant to the Jaguars lease and deliver to the City within 30 days of Closing of the Office Parcel
2. Mirror applicable conditions for disbursement of the first payment of the Completion Grant on the Hotel to the second payment related to the Office Building Improvements
3. Include 5-year sliding scale clawback on Completion Grant if the Hotel is not operated as a Four Seasons or equivalent flag