

DOWNTOWN INVESTMENT AUTHORITY
COMMITMENT TRACKING REPORT
3-MAY-23

PROJECT (AS PREVIOUSLY APPROVED)	DIA RES	CITY ORD	ROI	FUNDED (Y OR N)	SOURCE OF FUNDING	GENERAL FUND IMPACT (Y OR N)	FISCAL YEAR											
							22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	
Ream/Kids Kampus/Shiyards (Completion Grant)	2022-09-01	2022-921	1.13	N	General Fund	Y	\$ -	\$ -	\$ -	\$ 25,884,886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
HS (Closing Fund Grant)	2019-08-01	2019-0586	1.20	N	General Fund	Y	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Regions Bank (DPBP)	2021-04-05	2021-210	0.50	N	General Fund	Y	\$ 900,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Laura Street Trco (DPBP)	2021-04-05	2021-0453	0.87	N	General Fund	Y	\$ -	\$ -	\$ -	\$ 24,674,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
One Riverside - Restaurant Completion Forgivable Loan	2021-08-01	2021-796	1.18	N	General Fund	Y	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Union Terminal (DPBP)	2022-03-06	2022-0319	0.81	N	General Fund	Y	\$ -	\$ -	\$ 8,285,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Home2Suites (DEGO)	2021-12-01	2022-0316	1.34	N	General Fund	Y	\$ -	\$ -	\$ 238,522	\$ 218,522	\$ 238,522	\$ 238,522	\$ 238,522	\$ 238,522	\$ 238,522	\$ 238,522	\$ 238,522	
323 E Bay Street (DPBP)	2022-01-01	2022-0452	0.59	N	General Fund	Y	\$ -	\$ 1,586,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Furniture's (DPBP)	2022-03-05	2022-0572	0.50	N	General Fund	Y	\$ -	\$ -	\$ 7,150,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Central Natl Bank Historic (DPBP)	2022-07-02	2022-841	0.53	N	General Fund	Y	\$ -	\$ -	\$ 5,314,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Lofts at Cathedral (DPBP)	2022-11-06	2023-0088	0.50	N	General Fund	Y	\$ -	\$ -	\$ 2,398,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SUBTOTAL Future General Fund expenditure required)							\$ 4,400,000	\$ 1,586,350	\$ 24,638,102	\$ 50,747,708	\$ 238,522	\$ 238,522	\$ 238,522	\$ 238,522	\$ 238,522	\$ 238,522	\$ 82,091,814	

Subject Legislation																	
525 W Beaver Street (DPBP)	2022-09-04	TBD	0.71	N	General Fund	Y	\$ -	\$ 1,251,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL FUTURE FUNDING THROUGH THE GENERAL FUND BY THIS LEGISLATION							\$ -	\$ 1,251,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,251,430	
TOTAL FUTURE FUNDING THROUGH THE GENERAL FUND (Full Approved plus Proposed by Subject Legislation)							\$ 4,400,000	\$ 2,787,780	\$ 24,638,102	\$ 50,747,708	\$ 238,522	\$ 238,522	\$ 238,522	\$ 238,522	\$ 238,522	\$ 238,522	\$ 84,248,244

Revised Exhibit 1

Property Appraiser's Budgetary Comparison

	FY22-23 Approved	FY 23-24 Proposed	Increase (Decrease)	
			Dollars	Percent
Revenue				
Florida Inland Navigation	24,013	23,064	(949)	(4.0%)
Water Management P A Fees	164,262	142,277	(21,985)	(13.4%)
Comm Dev District PA Fees	294,568	323,613	29,045	9.9%
Investment Pool Earnings	2,040	23,624	21,584	1,058.0% *
Miscellaneous Sales and Charges	500	0	(500)	(100.0%)
Subsidy from General Fund	11,663,253	12,059,941	396,688	3.4% *
Total Revenue	12,148,636	12,572,519	423,883	3.5%

	FY22-23 Approved	FY 23-24 Proposed	Increase (Decrease)	
			Dollars	Percent
Expenditures				
Salaries	6,477,603	6,690,189	212,586	3.3% *
Salary & Benefit Lapse	(147,429)	(143,326)	4,103	(2.8%) *
Pension Costs	1,917,916	2,143,838	225,922	11.8% *
Employer Provided Benefits	1,190,355	1,150,269	(40,086)	(3.4%) *
Internal Service Charges	1,351,735	1,322,932	(28,803)	(2.1%) *
Insurance Costs and Premiums - Allocations	32,709	32,709	0	0.0% *
Professional and Contractual Services	522,085	468,334	(53,751)	(10.3%)
Other Operating Expenses	803,661	907,573	103,912	12.9%
Capital Outlay	1	1	0	0.0%
Total Expenditures	12,148,636	12,572,519	423,883	3.5%

* Certain internal service charges and personnel costs for FY23-24 have not yet been finalized. Final amounts for these accounts will be presented as part of the Mayor's annual budget submission.

Property Appraiser's Budgetary Comparison - Expenditures By Account

* The FY23-24 budget for various accounts have not yet been finalized. Final amounts will be presented as part of the Mayor's budget submission.

Account	Title	FY22-23 Approved	FY 23-24 Proposed	Increase (Decrease)		Footnote
				Dollars	Percent	
* 512010	Permanent and Probationary Salaries	6,260,820	6,367,129	106,309	1.7%	(a)
513060	Salaries Part Time	79,835	200,782	120,947	151.5%	(b)
* 513070	Salaries&Benefits Lapse	(147,429)	(143,326)	4,103	(2.8%)	
* 515010	Special Pay	59,000	59,500	500	0.8%	
515030	Leave Sellback	13,173	1,234	(11,939)	(90.6%)	
* 515110	Special Pay - Pensionable	64,775	61,544	(3,231)	(5.0%)	
* 521010	Payroll Taxes FICA	14,329	15,472	1,143	8.0%	(a)
* 521020	Medicare Tax	92,763	94,086	1,323	1.4%	(a)
* 522010	Pension Contribution	243,138	260,286	17,148	7.1%	
* 522011	GEPP DB Unfunded Liability	1,209,957	1,373,712	163,755	13.5%	
* 522040	FRS Pension ER Contribution	100,977	107,274	6,297	6.2%	
* 522070	Disability Trust Fund-ER	8,052	8,864	812	10.1%	(c)
* 522130	GEPP Defined Contribution DC-ER	355,792	393,702	37,910	10.7%	(c)
* 523010	Group Dental Plan	15,843	15,593	(250)	(1.6%)	
* 523030	Group Life Insurance	22,264	22,760	496	2.2%	
* 523040	Group Hospitalization Insurance	945,586	902,788	(42,798)	(4.5%)	
* 524001	City Employees Worker's Compensation	99,570	99,570	0	0.0%	
Personnel Expense Totals:		9,438,445	9,840,970	402,525	4.3%	
531090	Other Professional Services	407,956	350,782	(57,174)	(14.0%)	(d)
531180	Software Hosting Services	114,129	117,552	3,423	3.0%	
540010	Auto Allowance	6,000	6,000	0	0.0%	
540020	Travel Expense	24,390	24,390	0	0.0%	
542001	Postage	237,125	332,563	95,438	40.2%	(e)
* 545020	General Liability Insurance	32,709	32,709	0	0.0%	
546030	Repairs and Maintenance	900	0	(900)	(100.0%)	(f)
546620	Hardware-Software Maintenance & Licenses	333,346	344,448	11,102	3.3%	(f)
547210	Printing and Binding Commercial	97,250	113,100	15,850	16.3%	(g)
548010	Advertising and Promotion	1,000	1,000	0	0.0%	
549040	Miscellaneous Services & Charges	19,365	20,340	975	5.0%	
* 549505	ISA-Building Cost Allocation - Yates	400,066	400,066	0	0.0%	
* 549510	ISA-Computer Sys Maint&Security	563,515	563,515	0	0.0%	
* 549511	ISA-Copier Consolidation	28,249	28,249	0	0.0%	
* 549512	ISA-Copy Center	11,518	11,518	0	0.0%	
* 549516	ISA-Ergonomic Assessment&Equipment	5,563	5,563	0	0.0%	
* 549518	ISA-Fleet Part,Oil&Gas	51,258	51,258	0	0.0%	
* 549519	ISA-Fleet Repairs, Sublet and Rentals	40,176	40,176	0	0.0%	
* 549521	ISA-Fleet Vehicle Replacement	124,594	95,791	(28,803)	(23.1%)	
* 549529	ISA-Mailroom Charge	1,939	1,939	0	0.0%	
* 549532	ISA-OGC Legal	124,857	124,857	0	0.0%	
551010	Office Supplies - Other	10,000	10,000	0	0.0%	
552080	Furniture & Equipment Under \$1,000	18,900	0	(18,900)	(100.0%)	(h)
552160	Other Operating Supplies	10,774	12,949	2,175	20.2%	
554001	Dues and Subscriptions	21,885	20,057	(1,828)	(8.4%)	(f)
555001	Employee Training Expenses	22,726	22,726	0	0.0%	
564030	Office Equipment	1	1	0	0.0%	
Total Expenditures		12,148,636	12,572,519	423,883	3.5%	
Employee Cap		113	113			
Part-Time Hours		5,408	5,408			

Property Appraiser's Budgetary Comparison
Footnotes

- (a) Includes the impact of the 10/01/23 general wage increase of 2.5%
- (b) Based on active part-time employees as well as the 10/01/23 general wage increase of 2.5%
- (c) Includes costs for anticipated new DC participants as well as the 10/01/23 general wage increase of 2.5%
- (d) The net decrease is being driven by a \$64,500 decrease in the Pictometry contract
- (e) Includes USPS increased postage rates (average \$0.507 per piece) as well as a moderate increase in the number of mailings
- (f) Annual subscription and/or maintenance budget moved to more appropriate account
 - \$1,070 for microfiche annual maintenance contract
 - \$8,000 for Levin Associates Annual Subscription
- (g) Increase in budget based on current year actuals and TRIM mailout quote
- (h) One-time funding provided in FY22-23 for the replacement of scanners has been removed

Council Auditor's Office

2023-310: Cosentino Cecil Commerce Center Mega Site Development

Project Description:

- Sale of approximately 330 acres (or ~45.8%) of the City-owned Mega Site at Cecil Commerce Center for \$76,000 per acre on 270 acres (approx. \$20.5 million) with remaining 60 acres contributed at no cost as unpermitted wetlands and stormwater construction sites
- Initial Improvements
 - Developer's private capital investment of approx. \$270,000,000 (inclusive of purchase price)
 - Construction of Initial Improvements, including manufacturing facility (approx. 408,000 square feet) and adjacent support areas (approx. 734,000 square feet)
 - Creation of 180 New Jobs with an average annual salary of \$56,594
- Phase II Improvements
 - Developer's private minimum capital investment of \$70,000,000
 - Minimum 300,000 square foot facility
- Minimum 120 combined acre development for Initial and Phase II Improvements

City Incentives/Project Contributions:

- \$12,000,000, 10-year 50% REV grant (solely attributable to Initial Improvements)
- City contribution to the project of \$13.6 million as follows:
 - \$2.5 million towards construction of railroad extension capable of servicing the Mega Site (estimated total cost of \$8,000,000 including grant funding of \$5,500,000 – bill 2023-311)
 - \$3 million towards construction of road extension
 - \$2.5 million towards construction of utility improvements (JEA also providing \$6,000,000 with Developer constructing improvements on behalf of JEA)
 - \$5.6 million towards mitigation of wetlands (previously appropriated by Ord. 2023-212-E)

Summary of Performance Schedule (subject to allowable 1-year extension):

- Commence construction of Initial Improvements by 1/1/25
- Substantial completion of Initial Improvements by 12/31/28
- Installation of machinery and equipment by 6/30/29
- Creation of 180 new jobs by 6/30/29

Exclusive Purchase Option:

- Developer has exclusive option to purchase additional 150 acres (or ~20.8%) of Mega Site abutting the development site
 - Purchase price at 75% of appraised value of parcel which is to include reduction in value based on anticipated cost of wetland mitigation required for development
 - Option extends seven (7) years from date of Substantial Completion of Initial Improvements (out to 12/31/35)
 - Seven (7) annual extensions available to developer at \$150,000 each (out to 12/31/42), provided Developer has completed plans for Option Parcel development
 - Annual extension payments will be applied against purchase price
- Developer must have substantially completed Initial and Phase II Improvements to exercise Option
- Design plans for Option Parcel development must be complete and submitted to OED for review with a minimum anticipated capital investment of \$100,000,000 to exercise Purchase Option

Council Auditor's Office

2023-310: Cosentino Cecil Commerce Center Mega Site Development

Other Significant Details:

- City has right of repurchase if Developer fails to commence construction of development(s) by the dates listed below:
 - Initial Improvements – 1/1/26
 - Phase II Improvements – 1/31/35
 - Option Parcel Development – within two (2) years of closing on Option Parcel
- Once commencement of construction occurs, the City's repurchase right for each phase is terminated
- City and Developer will enter into agreement for maintenance of railroad extension. Developer will be responsible for standard maintenance and repair, with City responsible for capital repairs.

Clawback Language:

- In the event reporting requirements are not met in the time period specified in the agreement, the City will be entitled to withhold disbursement of the REV Grant
- If by 12/31/28, the Developer fails to invest the amounts listed below, the City funding will be reduced by the corresponding amount:
 - Fails to invest at least \$240,000,000 – REV grant reduced proportionately
 - Fails to invest at least \$200,000,000 – REV grant is terminated, and any amounts paid to the Developer will be repaid to the City
- If the Developer fails to create and retain the 180 new jobs at an average wage of no less than \$56,594, the City is entitled to withhold the annual installment of the REV Grant

ROI:

OED calculated an ROI of 1.77 over a 10-year period; however, the ROI does not account for (1) selling the property at possibly less than appraised value (an appraisal was not obtained to determine this), or (2) the value of the 60 acres contributed at no cost as unpermitted wetlands and stormwater construction sites

Things to Consider:

- Developer could construct a project smaller in scope (square footage and capital investment) than proposed. Penalty for loss of REV Grant is related only to reduced capital investment.
- There are no defined commencement or completion date requirements for Phase II Improvements
- Agreement does not address use/intent of remaining parcel (could be +/- 200 acres) after Initial and Phase II Improvements. (Developer would have right to sell this portion of the property upon commencement of construction of Phase II Improvements.)
- Developer holds exclusive right to purchase 150 acres at Mega Site until approx. 12/31/44 (with payment of annual extensions)
- The City could invest dollars and the project not move forward. The City's repurchase right would be available to the City at such time.
- Cecil Field Master Development Agreement Mega Site Requirements (see attached)

Amendments:

1. Attach Estoppel Certificate as an Exhibit, and correct scrivener's in bill
2. Attach Revised RDA to clarify rail extension responsibilities, and correct scrivener's

Bill 2023-310: Cosentino Cecil Commerce Center Mega Site Development

The Master Development Agreement with Hillwood for the Cecil Commerce Center identifies certain requirements that must be met for the City to pursue an economic development opportunity of the Mega Site. The specific requirements are detailed below along with responses from OED for how each requirement is addressed. Hillwood has provided the City with an Estoppel Certificate waiving all claims and rights to contest the company or its development eligibility under the Agreement as a Mega Site End User (estoppel certificate attached).

Mega Site Economic Development Opportunity Requirements		OED Response on what the Proposal Does	OED Response on Does Proposal Meet Standard	Council Auditor Comments
Section	Requirement			
a	Minimum 350 acres of the Mega Site for initial phase of the development	330 acres to be purchased with an option for 150 acres. In total, 480 acres. OED indicated there is not a definition of "initial phase" in the MDDA.	Subject to interpretation	Developer is not required to purchase Option Parcel, and therefore would not meet the minimum 350 acres
b	End user certifies in writing intent to promptly begin construction and development on the portion purchased or leased immediately following closing	Performance Schedule in Agreement states Developer will have 60% engineered design plans by Dec. 31, 2023 and commence construction by Jan. 1, 2025	Yes	Appears reasonable
c	End user certifies in writing intent to operate manufacturing facility on the portion purchased or leased	Cosentino plans to manufacture products at the facility	Yes	Development meets requirement
d	End user certifies in writing that it will pay on average its full time employees used as a criteria for any incentives and employed on the portion of the Mega Site it will purchase or lease an average annual wage of at least 115% of the Florida statewide average wage, as most recently published by Enterprise Florida, Inc. or its successor, at the time of the determination the opportunity qualifies as a Mega Site	Wages are somewhat unknown at this point. The market will dictate that at the time. There is a clawback if 180 jobs are not created with an average wage of at least \$56,594. However, the capital investment is the criteria for a REV Grant, which is the only incentive. There is not a true job based incentive on this project.	N/A	N/A Wages are below the average annual wage of 115% of the Florida statewide average (2023 \$69,202), but it is not used as a criteria for incentives
e	(1) It is contemplated use of Mega Site will generate 1,000 new full-time jobs at portion of Mega Site it will purchase or (2) Estimated capital investment in the Mega Site (or portion it will purchase), excluding purchase price, will total at least \$500 million	Phase I will utilize an estimated 20% - 25% of the 330 acres and has an estimated capital investment of \$270 million. While not certain that a straight line projection would be accurate in estimating the total capital investment, we feel confident the total capital investment will far exceed \$500 million.	Yes	(1) Jobs requirement not met (2) Developer is not required to invest beyond \$270 million for Initial Improvements (can invest \$240 million and still receive full REV Grant)
f	End user is engaged in a "Targeted Industry" as most recently published and defined by Enterprise Florida, Inc. or its successor, at the time of the determination the opportunity qualifies as a Mega Site	Manufacturing is a targeted industry	Yes	Development meets requirement
g	A development opportunity that would not locate in the Mega Site or Jacksonville unless such development opportunity receives incentives offered by the City	This is correct.	Yes	Unable to confirm

A number of the Mega Site Economic Development Opportunity Requirements require the end use to certify in writing as to each requirement. This has not been specifically provided, but by entering into the redevelopment agreement would appear to be met.

ESTOPPEL CERTIFICATE

City of Jacksonville
Office of Economic Development
117 West Duval Street Suite 275
Jacksonville, FL 32202

Re: Master Disposition and Development Agreement ("Agreement") among City of Jacksonville ("City"), Jacksonville Economic Development Commission, and Jacksonville/Cecil Commerce Center, LLC ("Developer") dated September 15, 2010 (the "Agreement"); capitalized terms used herein and not otherwise defined shall have the meaning as set forth in the Agreement.

The undersigned Developer hereby certifies that:

1. The City has delivered to Developer a copy of the Redevelopment Agreement attached hereto as Exhibit "A" and incorporated herein by reference (the "RDA") including the terms and conditions of the proposed acquisition by Cosentino Industrial USA, LLC ("Company") of up to 480 acres of the Mega Site that the Company intends to develop as a manufacturing facility. With respect to the transaction described in the attached RDA, Developer hereby knowingly and voluntarily waives all claims and rights to contest the Company or its development eligibility under the Agreement as a Mega Site End User.
2. Developer has read this Estoppel Certificate (this "Certificate") and acknowledges and understands the certifications, representations, and waivers made herein. Developer is executing this Certificate, intending reliance hereon by City. The person executing this Certificate is duly authorized and empowered in all respects to do so on behalf of the Developer.

EXECUTED to be effective on the date this Estoppel Certificate is executed by Developer.

DEVELOPER:

**JACKSONVILLE/CECIL COMMERCE
CENTER, LLC,**

a Delaware limited liability company

By: 

Printed Name: DANIEL C. TATSCH

Title: EVP

Date: 24 APRIL 2023