RESOLUTION 2025-12-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF A MARKET RATE MULTI-FAMILY HOUSING RECAPTURE ENHANCED VALUE GRANT ("REV GRANT"), AND COMPLETION GRANT FOR THE DEVELOPMENT OF A MIXED USE PROPERTY KNOWN AS N7 AS A COMPONENT OF A LARGER MULTIPARCEL MASTER DEVELOPMENT PLAN IN THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA, AUTHORIZING THE CHIEF EXECUTIVE OFFICER (THE "CEO") TO NEGOTIATE A REDEVELOPMENT AGREEMENT REGARDING THE SAME BETWEEN THE CITY OF JACKSONVILLE, DOWNTOWN INVESTMENT AUTHORITY, AND GATEWAY COMPANIES LLC ON BEHALF OF PROPERTY OWNER 119 BEAVER ST W LLC (OR SIMILAR SPECIAL PURPOSE ENTITY TO BE FORMED); AUTHORIZING THE CEO OF THE DIA TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION INCLUDING THE FILING OF LEGISLATION; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Gateway Companies LLC ("Gateway" or "Developer"), serves as the development manager and operator of 119 Beaver St W LLC which has acquired property located within the Downtown Northbank Community Redevelopment Area with RE# 074033 0000 on which Gateway has been engaged to design, construct, and operate a multifamily and retail mixed-use development referred to in plan documents as N7 (the "N7 Property"); and

WHEREAS, Developer proposes to build a minimum 14-story residential and retail mixed-use property on this parcel, to include approximately 259 multifamily residential rental units with amenities, and estimated 37,000 gross square feet of retail space, as proposed. Collectively, the project will result in a proposed investment of approximately $148.0 million for the development of the mixed-use property; and

WHEREAS, a Grocer Tenant is an integral component of this approval and a fully executed lease with Publix grocery store (or other similarly well-known top tier regional or national grocer as approved by the DIA in its sole discretion) to occupy not less than 30,000 square feet for a minimum period of ten years is required to be in place at the time of completion to achieve payout of the Completion Grant as proposed herein; and

WHEREAS, redevelopment of the N7 Property will result in a Minimum Private Capital Investment of $140,156,500 as defined in the Term Sheet attached as Exhibit A to this Resolution; and

WHEREAS, the DIA is the Community Redevelopment Agency for the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority ("DIA") is authorized per section 55.108 *Economic Development* of the City Ordinance Code, to utilize the Tax Increment Finance District Trust Funds to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, the Downtown Investment Authority ("DIA") is authorized per section 55.108(8)-(9)(b) *Economic Development* of the City Ordinance Code, to implement the DIA Business Investment and Development Plan ("BID Plan"), to utilize incentives and economic development programs in furtherance of goals set forth in the BID Strategy for the benefit of Downtown Jacksonville; and

WHEREAS, the project proposed by the Developer advances the following BID goals to:

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

- Actively pursue a minimum of 8,140 built and occupied multi-family dwelling units by 2030; and strive to induce the construction of 425 multifamily dwelling units per year, on average.
- Improve the breadth and diversity of housing options across Downtown Jacksonville to provide all types and varied price ranges of rental and owner-occupied opportunities, including mixed-income and mixed-use structures.
- Maximize utilization of existing parking structures and minimize construction of new parking structures exclusively for the use of single building tenants by employing tools such as shared-use parking, proximity to shared transportation, and similar programs.
- Contribute to resiliency in the design and construction of new residential buildings and flexibility in response to changing residential demand for unit sizes, home workspaces, amenities, and future conversion of parking.

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

- 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.
- Add a major new grocer within Downtown by 2025 and one or more additional by 2030.

WHEREAS, the proposed City of Jacksonville REV Grant and Completion Grant incentives are a material factor in assisting Gateway, or its special purpose entity, in expanding the number of residential units, the residential population, and activated retail space within the Downtown Northbank Community Redevelopment Area of Downtown Jacksonville; and

WHEREAS, DIA is proposing a REV Grant to be paid over seventeen (17) years in the not to exceed amount of $21,412,000, based on 75% of the incremental increase in the county portion of ad valorem taxes to be collected over twenty (20) years, as generated from total costs proposed in development of the N7 Property estimated at $148.0 million, and the REV Grant is consistent with program guidelines set forth in the Bid Plan; and

WHEREAS, REV Grant annual payments will be funded through the Downtown Northbank Redevelopment Trust Fund; and

WHEREAS, DIA is proposing a Completion Grant in the not to exceed amount of $28,250,000 to be earned upon substantial completion of the project consistent with the Term Sheet attached hereto as Exhibit A; and

WHEREAS, Completion Grant amounts will be funded through the City of Jacksonville General Fund and will require future appropriation from City Council after Developer meets performance requirements outlined in the Term Sheet attached hereto as Exhibit A; and

WHEREAS, DIA calculation of the ROI for the incentives proposed is consistent with the approach approved by the DIA Board in Resolution 2024-05-04 for high rise properties utilizing Type 1 or Type 2 fire rating construction techniques; and

WHEREAS, Developer agrees to provide City with a profit participation structure whereby City will receive a portion of the Project's pre-tax, levered Net Cash Flow that exceeds an agreed-upon internal rate of return on Developer's equity. Specific definitions, calculation methodology, and payment timing shall be established in the Redevelopment Agreement.

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

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

Section 2. The DIA hereby approves a 17-year, 75% REV Grant with Maximum Indebtedness of $21,412,000 to be paid from the Downtown Northbank CRA Trust Fund subject to the terms and conditions as provided in the Term Sheet attached hereto as Exhibit A.

Section 3. The DIA hereby recommends City Council approval of a Completion Grant in the not to exceed amount of $28,250,000 to be paid through City of Jacksonville General Fund subject to the terms and conditions as provided in the Term Sheet attached hereto as Exhibit A.

Section 4. The DIA hereby authorizes its CEO to negotiate a Redevelopment Agreement authorizing the REV Grant and Completion Grant as described above subject to the minimum terms and conditions contained in the term sheet attached as Exhibit A.

Section 5. The DIA recommends that City Council adopt an ordinance that authorizes a Redevelopment Agreement pursuant to Exhibit A, terms, and conditions.

Section 6. The DIA hereby authorizes its CEO to take all necessary actions to effectuate the purposes of this Resolution, including but not limited to the filing of legislation and execution of a Redevelopment Agreement, or functional equivalents, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit A to this Resolution 2025-12-02.

Section 7. This Resolution, 2025-12-02, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Patrick Krechowski, Esq., Chairman — Date: 12/17/25

VOTE: In Favor: 9 Opposed: 0 Abstained: 0

Exhibit A to Resolution 2025-12-02

Gateway Jax – N7 Building Term Sheet

Applicant:	119 Beaver St W LLC or other entity formed by property owners CLDG Plummer Partners LLC (a Corner Lot entity) and DTJ Fund LLC (a JWB and DLP entity) to be managed by Gateway Companies, LLC for the development and operation of the subject property.
Developer:	Gateway Companies, LLC, (Gateway) or other such special purpose entity as may be created where the principals of Gateway have a controlling interest.
The Property:	Denoted as N7 on master development maps, includes approximately 66,124 square feet (1.52 acres) of land bounded by W Union Street to the north, N Laura Street to the east, W Beaver Street to the south, and N Hogan Street to the west inclusive of parcel RE# 074033 0000 as identified in Exhibit 1. to this Term Sheet.
The Project:	On the Property, Developer shall design and construct the subject project (the "Project") to include the following (all dimensions and counts are approximate unless stated otherwise): 1. Proposed building with a minimum of 14 floors to be occupied by mixed residential and retail uses incorporating construction techniques due to Type I or Type II fire rating considerations per State of Florida or City of Jacksonville building codes. 2. Residential Units: Approximately 259 residential units proposed with unit mix comprised of: a) 21 - Studio units (No minimum unit count) b) 207 - 1 BR units (No fewer than 166 units) c) 31 - 2 BR units (No fewer than 25 units) d) No fewer than 246 total residential unit count minimum. e) Gross square footage proposed of 259,990 sf, and leasable square footage of 201,374 sf, may each adjust downward in final design by not more than 10% to remain within compliance, with no limit on upward adjustment. f) Amenities include a club room, fitness center, outdoor pool, and deck that may be restricted for the exclusive use of the residents. 3. Retail Space: a) Approximately 37,000 sf of ground floor Leasable Retail Space, may adjust downward in final design by not more than 10% to remain within compliance, with no limit on upward adjustment. Not less than 30,000 sf shall be designated for use by Publix grocery store (or other similarly well-known regional or national grocer as approved by the DIA in its sole discretion). b) Retail and activated frontages at the ground level proposed totaling approximately 370 linear feet out of approximately 1,043

	total linear feet (see Exhibit 4 to this Term Sheet) broken down as: i. 35 linear feet fronting W Union Street ii. 120 linear feet fronting N Laura Street including retail, lobby, garage entrance, utility access, and related uses iii. 200 linear feet fronting W Beaver Street iv. 15 linear feet fronting N Hogan Street v. To remain in compliance, aggregate retail and activated frontages may not adjust downward more than 10%. 4. Applicant commits to a Minimum Private Capital Investment of $140,156,500 based on development budget of $147,958,700, presented to the DIA inclusive of land valued at $2,486,400, and exclusive of tenant improvements, marketing costs, leasing commissions, property management start-up costs, ownership expenses, development fee, and financing costs included in the overall development costs as further itemized in Exhibit 2. to this Term Sheet. If there is a downward adjustment in the Construction Cost approved pursuant to the Rev Grant section, the Minimum Private Capital Investment shall also be adjusted downward by an equivalent amount.
Design:	1. The design will comply with the Downtown Overlay Zone Standards as enacted within the Jacksonville Municipal Code as well as the DDRB's development guidelines and approvals, except as otherwise approved by the DDRB.
Easements and temporary interests to be conveyed:	1. Crane air rights, if applicable, and granted by the City over public property. 2. Temporary road/lane closures as necessary. 3. To the extent reasonably required, temporary site safety/construction logistics easement(s) to protect street (and general public) from adjacent construction activities (not to include any lay down yard or storage on public land).
REV Grant:	1. 75% REV grant with Maximum Indebtedness of $21,412,000 calculated over a 20-year term but to be paid over 17 years on the Real Property taxes collected on the subject Property and Improvements beginning with the first year after the property has achieved substantial completion. 2. The maximum indebtedness shall be calculated based on the projected assessed value using the agreed-upon private Construction Cost of $129,583,400 equaling Development Cost as provided by the Applicant totaling $147,958,700 less land, development fee, tenant improvements, FF&E, insurance and title, construction management fee, and other costs all totaling $18,375,300 as itemized in Exhibit 3.

	to this Term Sheet. 3. DIA staff may approve a reduction in the minimum Construction Cost of up to 10% with an accompanying pro rata reduction in the Rev Grant Maximum Indebtedness. 4. The DIA Board may approve a reduction in projected Construction Cost greater than 10% but no more than 15% with an accompanying pro rata reduction in the Rev Grant maximum indebtedness. Any reduction in actual projected Construction Cost of more than 15% shall result in the forfeiture of the REV Grant and Completion Grants.
Completion Grant:	1. Maximum Proceeds: Not to exceed $28,250,000 to be earned and paid upon Substantial Completion of the Improvements. 2. Grocer Tenant is an integral component of this agreement. A fully executed lease with Publix grocery store (or other similarly well-known top tier regional or national grocer as approved by the DIA in its sole discretion) to occupy not less than 30,000 square feet for a minimum period of ten years is required to be in place at the time of completion to achieve payout of the Completion Grant.
Profit Share:	Developer agrees to provide City with a profit participation structure whereby City will receive an agreed-upon percentage of the Project's pre-tax, levered Net Cash Flow that exceeds an agreed-upon internal rate of return on Developer's equity. Specific definitions, calculation methodology, and payment timing shall be established in the Redevelopment Agreement.
Redevelopment Agreement:	The Redevelopment Agreement will establish the essential terms of the incentives, funding, easements, and other terms relevant to the development of the Property. The RDA will become effective upon its execution following approval by the City of Jacksonville City Council. Its terms will govern the rights and responsibilities of the parties throughout the term of the RDA.
Entitlements:	The City and the DIA will allocate all required entitlements for the Project, including Downtown Development Rights, and will timely process all applications required including, without limitation, Conceptual and Final DDRB Applications. Mobility Credits and Stormwater Credits will be available for purchase by Developer in accordance with the ordinance governing the same once the quantity of credits required is known.
Permits:	Developer / Applicant will be responsible for obtaining all building and other permits required for the Project.
Performance Schedule:	RDA EXECUTION– The Redevelopment Agreement will be entered into by Developer, DIA, and the City within thirty (30) days following the effective date of legislation authorizing the RDA. INITIAL PERMITTING – Developer shall apply for all permits (including vertical building permits) necessary to commence construction and proceed without interruption to completion of the Project no later than June 30, 2026, and

	pursue the same with commercially reasonable diligence. COMMENCE CONSTRUCTION – Developer shall commence construction within 8 months following the effective date of legislation authorizing the RDA, and proceed without material delay through completion. COMPLETION OF CONSTRUCTION - All improvements on the Property to be substantially completed within 36 (Thirty Six) months of commencement. The foregoing deadlines will be subject to extensions of up to six (6) months granted by the DIA's CEO without additional City Council approval upon reasonable cause shown by Developer, or by force majeure. Such extension of the Commencement Date shall also apply to the date of Substantial Completion so that a single extension provided will apply to both simultaneously.
Additional terms and Conditions	1. All funding commitments other than the REV Grant are subject to further approval and funding by the COJ City Council. 2. Minimum Equity Requirement of $49,662,000 to be evidenced to the satisfaction of the DIA in its sole discretion prior to payment of any Completion Grant. For these purposes, equity shall be defined as: Direct at-risk investment into the property owner entity (recipient of funding) that is put in place prior to or during the construction phase and remains in place at the time construction is substantially completed and construction debt converts to permanent debt. May include common and preferred equity evidenced by shares of proportional ownership in the entity. The value of any property owned or contributed to the project as part of an investment in the ownership of the property owner entity shall be given credit using the "As-is" value from an appraisal ordered, or agreed upon, by the DIA in its sole discretion, net of any associated debt or liens regardless of the obliger for such debt. Pre-development costs incurred and paid through out-of-pocket expenditures will be considered but must be supported by documentation satisfactory to the DIA in its sole discretion. Shall exclude equity like investments including but not limited to warrants, tax-credit equity, mezzanine financing, PACE loans, and grants or incentives provided by third party agencies of any nature including the DIA and the City of Jacksonville. Equity shares earned through like-kind exchanges or "sweat equity" will not be considered. This list of inclusions and exclusions to the definition of Equity, including any items specifically not captured here, is subject to revision by the DIA

	at its sole discretion. 3. Developer shall obtain from the City's Procurement Division the list of certified Jacksonville Small and Emerging Businesses ("JSEB"), and shall exercise good faith, in accordance with Sections 126.608 et seq., Ordinance Code, to enter into contracts with City certified JSEBs to provide materials or services in an aggregate amount of not less than twenty percent (20%) of the City and DIA maximum potential contribution to the Project as requested from time to time with respect to the development activities or operations of the Project over the term of this Agreement.

The provisions of this Term Sheet are intended to guide the parties in negotiating the Redevelopment Agreement, and any other documents that may be necessary to give effect to the manifest intent of the parties expressed herein.

Exhibit 1. The Property

The property located at 119 W. Beaver Street within the Northbank Downtown Community Redevelopment Area of Downtown Jacksonville with RE# 074033 0000 including Lots 1, 2, 3, 4, 5 and 6, Block 81, Hart's Map of Jacksonville for the former public records of Duval County, Florida Less and except any part of Lot 4, lying within any right of way.

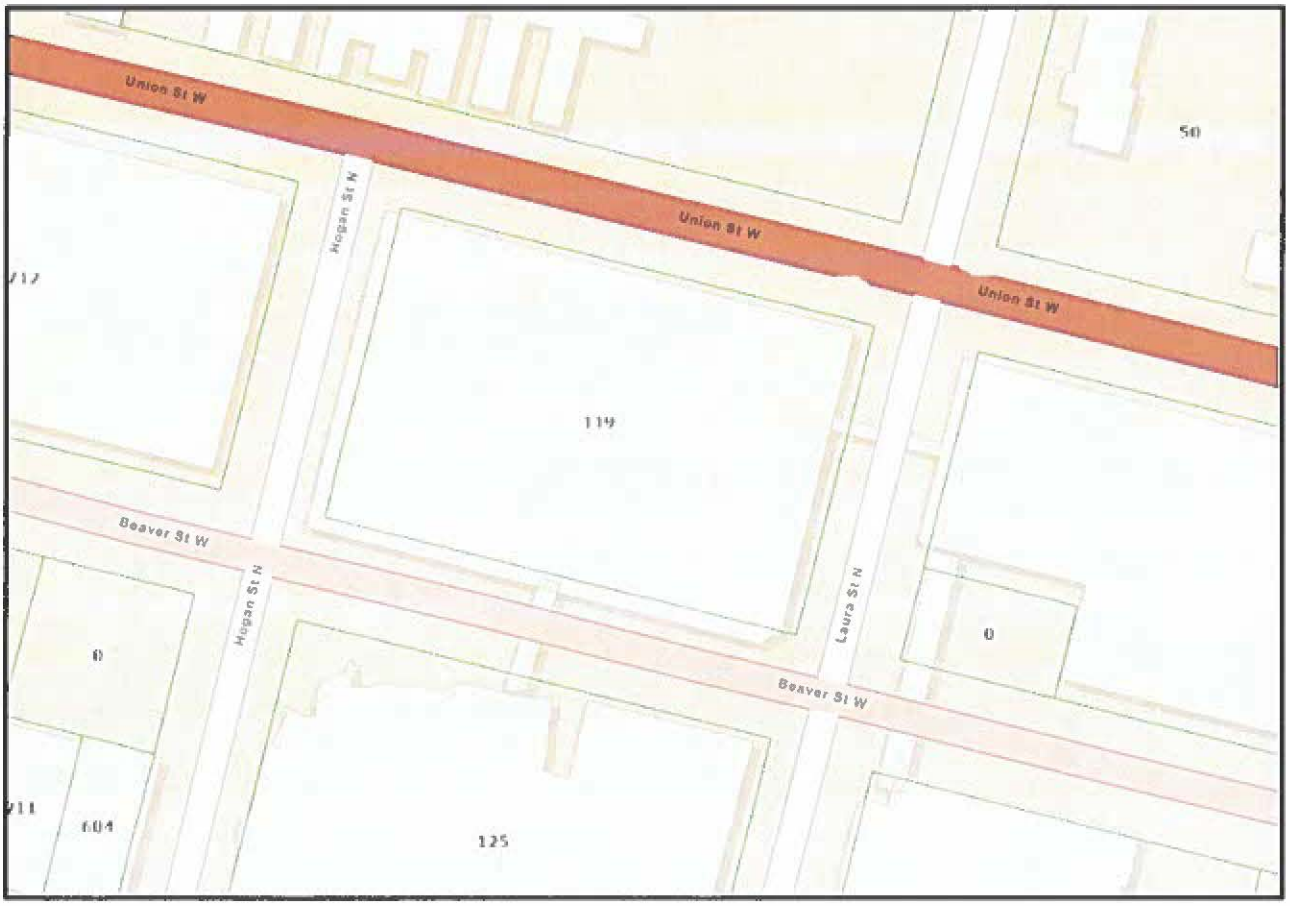

Exhibit 2. – Minimum Private Capital

Development Costs	**$**	**147,958,700**
Less:		
TI's & LLW	$	410,600
Marketing costs	$	478,100
Leasing Commissions	$	1,035,200
Property management startup costs	$	264,300
Ownership Expenses	$	305,600
Development Fee	$	5,308,400
Minimum Private Capital	**$**	**140,156,500**

Exhibit 3. – Construction Costs

Development Costs	**$**	**147,958,700**
Less:		
Land Costs	$	2,486,400
TI's & LLW	$	410,600
Other Hard Costs	$	1,596,000
Surveys, testing, appraisals & inspections	$	711,700
Permits, licenses, bonds & fees	$	995,100
Insurance and title	$	2,977,600
Property taxes during development	$	258,600
Utilities during development	$	142,500
Legal and accounting	$	401,000
Marketing costs	$	478,100
Leasing Commissions	$	1,035,200
Property management startup costs	$	264,300
Construction management fee	$	520,000
Ownership Expenses	$	305,600
Master Plan A&E	$	23,000
Development Fee	$	5,308,400
Soft cost contingency	$	461,200
Construction Costs	**$**	**129,583,400**
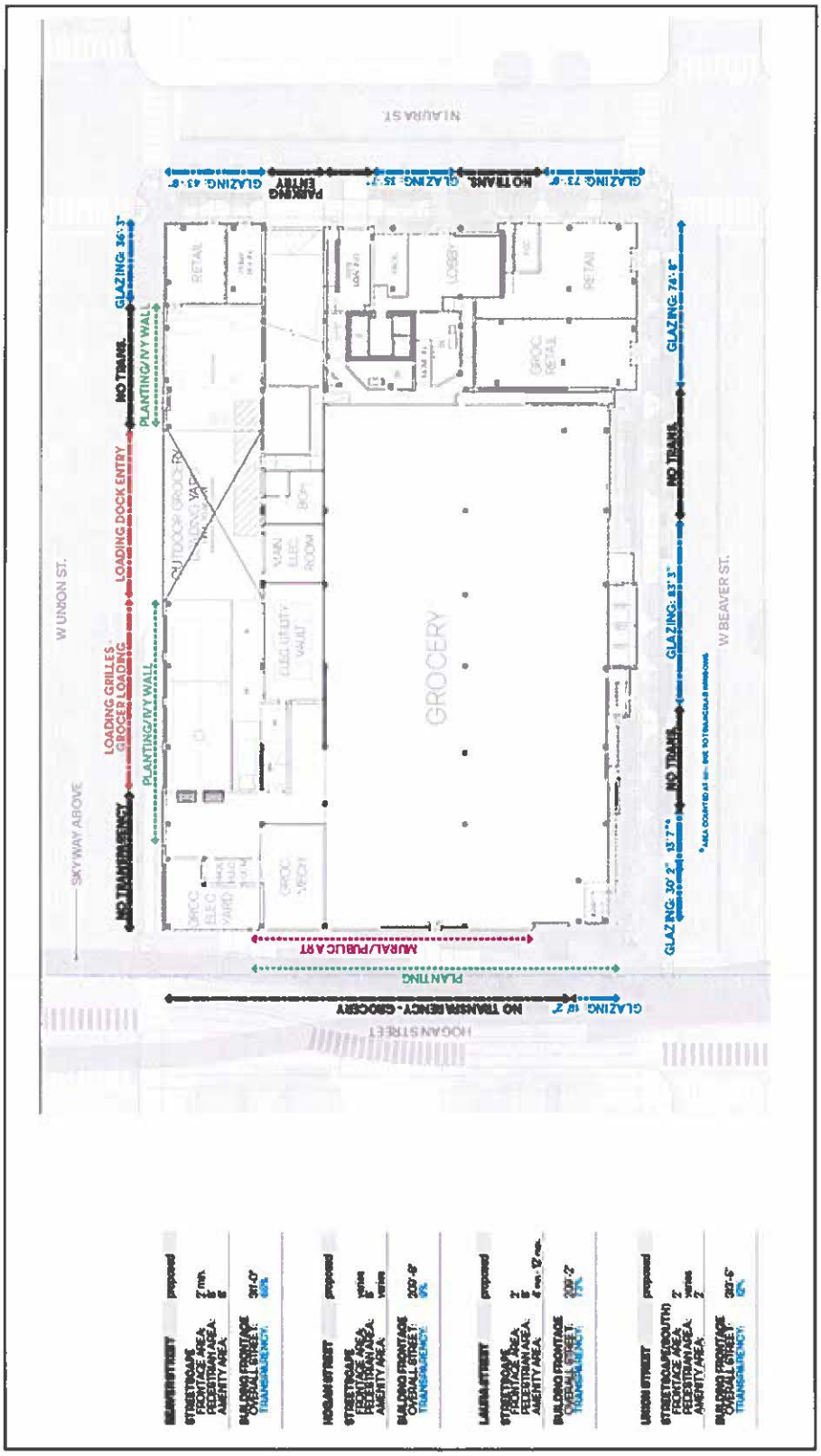
Exhibit 4 – Retail Frontages