

RESOLUTION 2019-08-01

A RESOLUTION APPROVING, AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER (“CEO”) OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) TO ENTER INTO AN ECONOMIC DEVELOPMENT AGREEMENT AMONG THE CITY OF JACKSONVILLE, DIA, AND PROJECT SHARP (THE “COMPANY”), TO SUPPORT THE DEVELOPMENT OF AN APPROXIMATELY 300,000 SQ. FT. BUILDING AND RELATED FACILITIES TO SERVE AS PROJECT SHARP’S CORPORATE HEADQUARTERS, AND THE CREATION OF 500 NEW JOBS (COLLECTIVELY, THE “PROJECT”); RECOMMENDING THE COMPANY BE APPROVED BY THE STATE OF FLORIDA’S DEPARTMENT OF ECONOMIC OPPORTUNITY AS A QUALIFIED TARGET INDUSTRY (“QTI”) BUSINESS PURSUANT TO SECTIONS 288.106-108, FLORIDA STATUTES; EVIDENCING A COMMITMENT OF CITY SUPPORT IN AN AMOUNT NOT TO EXCEED \$600,000 AS THE LOCAL FINANCIAL SUPPORT UNDER THE QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM, WITH A STATE MATCH OF \$2,400,000, FOR A TOTAL CITY AND STATE QTI AMOUNT OF \$3,000,000 FOR 500 JOBS WITH AN AVERAGE ANNUAL WAGE OF \$85,000; AUTHORIZING A RECAPTURE ENHANCED VALUE (REV) GRANT NOT TO EXCEED \$23,400,000 IN CONNECTION WITH THE PROJECT; RECOMMENDING APPROVAL BY CITY COUNCIL OF A CITY CLOSING FUND GRANT IN THE AMOUNT OF \$3,500,000 PAYABLE UPON SUBSTANTIAL COMPLETION OF THE CONSTRUCTION OF THE IMPROVEMENTS COMPRISING THE PROJECT; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE THE TERMS OF THE ECONOMIC DEVELOPMENT AGREEMENT AS NECESSARY FOR THE PROJECT; AUTHORIZING THE CEO TO INITIATE FILING LEGISLATION WITH THE CITY COUNCIL REGARDING THE SAME; AUTHORIZING THE CEO OF THE DIA TO EXECUTE SUCH AGREEMENTS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 288.075, Florida Statutes, allows certain confidentiality regarding economic development projects and the Company has requested confidentiality in accordance with such law and DIA staff has approved the Project and advised that the Economic Development Agreement is necessary to effectuate the Project; and

WHEREAS, Company has committed to cause the construction of an approximately 300,000 sq. ft. office building and structured parking facility in the downtown Jacksonville Community Redevelopment Area and create 500 permanent full-time equivalent new jobs in Jacksonville with an average salary, exclusive of benefits, of approximately \$85,000; and

WHEREAS, to assist the Company in constructing the improvements and creating the new jobs, the DIA proposes to offer a package of incentives in conjunction with the City as further detailed in the Term Sheet attached hereto as Exhibit "A" and incorporated herein by this reference; 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 Community Redevelopment Area; and

WHEREAS, the REV Grant annual payments will be funded through the Combined Downtown North Tax Increment Finance Districts Trust Fund,

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

Section 1. The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

Section 2. The DIA Board has determined that the Project is consistent with the following North Bank Downtown Community Redevelopment Area Plan Redevelopment Goals:

- (i) Goal 1. Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment by increasing the opportunities for employment within Downtown; and supporting the expansion of entertainment, restaurant and retail/commercial within proximity to adjacent residential redevelopment, in particular the Strategic Objective to increase the opportunities for Downtown employment;
- (ii) Goal 3. Simplify the approval process for downtown development and improve departmental and agency coordination, in particular the Strategic Objective to initiate public/private partnerships;
- (iii) Goal 4. Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. John River while creating highly walkable nodes, in particular the Strategic Objective to Create a mixture of uses so that housing, activities, retail and other businesses are within useful walking distance; and

Section 3. Authorizing the CEO to negotiate the terms of an economic development agreement authorizing the incentives as described above and as described in more detail in the Term Sheet attached hereto.

Section 4. Authorizing the CEO to initiate legislation for approval by City Council of the Agreement and related documents authorizing the economic incentives authorized hereby.

Section 5. Authorizing the CEO of the Downtown Investment Authority to execute said agreements subject to the terms as described above.

Section 6. This Resolution, 2019-08-01, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

[Signature]

[Signature]

08-07-19

~~Jim Bailey, Chairman~~
Craig Gibbs, Vice-chair

Date

VOTE: In Favor: 7 Opposed: 0 Abstained: 0

Term Sheet

Summary of Terms and Conditions

DIA/City Responsibilities:

- **OTI Refunds.** Will recommend approval of Company as a QTI eligible business, and authorize local financial support in the maximum amount of twenty percent of \$3,000,000, or \$1,200 for each of 500 new jobs to be created by the Company.
- **REV Grant.** The DIA will make a 20 year, 75%, recapture enhanced value grant (“REV Grant”) to the Company in the total amount not to exceed \$23,400,000.
- **City Closing Fund Grant.** The DIA recommends to City Council that it approve a City Closing Fund Grant in the amount of \$3,500,000, payable upon substantial completion of the building improvements comprising the project.

Company Responsibilities:

- Will construct an approximately 300,000 sq. ft. office building and a structured parking facility within the Northbank Downtown Jacksonville community redevelopment area, to be substantially completed by December 31, 2023, with an anticipated capital investment cost of \$145,000,000. The Company must invest or cause to be invested at least \$130,000,000 to remain eligible for the REV Grant.
- If approved, the Company will enter into a QTI Agreement with the State of Florida, requiring company to create at least 500 jobs new to the City and the State with an average annual salary of \$85,000, in accordance with the job creation schedule set forth in the State Agreement.
- The Company will retain 1,216 existing jobs in the City.