

RESOLUTION 2021-07-01

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; AUTHORIZING THE PUBLICATION OF A NOTICE OF DISPOSITION FOR THE FEE SIMPLE CONVEYANCE OF AN APPROXIMATELY 4.77 ACRE PARCEL (THE “HOTEL PARCEL”) AND THE GROUND LEASE OF A 1.05 ACRE PARCEL (THE “OFFICE PARCEL”) OF CITY-OWNED REAL PROPERTY EACH AS DEPICTED ON THE SITE PLAN ATTACHED HERETO AS EXHIBIT “A” AND COMPRISING A PORTION THE LAND GENERALLY KNOWN AS KIDS KAMPUS LOCATED BETWEEN GATOR BOWL BOULEVARD AND THE ST. JOHNS RIVER, AND IDENTIFIED BY DUVAL COUNTY TAX PARCEL NUMBER RE# 130572-0100, COLLECTIVELY “THE PROPERTY”; EXPRESSING THE INTENTION TO DISPOSE OF SAID PROPERTY IN ACCORDANCE WITH THE NEGOTIATED TERMS TO IGUANA INVESTMENTS OF FLORIDA, LLC (THE “DEVELOPER”) UPON EXPIRATION OF THE THIRTY DAY NOTICE PERIOD ABSENT HIGHER RESPONSIVE OFFERS; APPROVING THE TERMS AND CONDITIONS OF SAID DISPOSITION INCLUDED AS EXHIBIT ‘B’; AUTHORIZING THE DISPOSITION OF THE PROPERTY AND ITS REDEVELOPMENT ON THE TERMS SET FORTH ON EXHIBIT B IF NO ALTERNATIVE RESPONSIVE OFFER IS RECEIVED; FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A REDEVELOPMENT AGREEMENT AND ASSOCIATED DOCUMENTS; AUTHORIZING THE CEO TO INITIATE THE FILING OF LEGISLATION WITH THE CITY COUNCIL REGARDING THE SAME; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING THE EXECUTION OF A REDEVELOPMENT AGREEMENT, PURCHASE AND SALE AGREEMENT, OR FUNCTIONAL EQUIVALENTS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, via Ordinance 2012-0364-E, the City Council created the Downtown Investment Authority, designating the DIA as the City’s Community Redevelopment Agency for the Combined Northbank Downtown Community Redevelopment Area and authorizing it to approve and negotiate economic development agreements and dispose of City-Owned property; and

WHEREAS, the City owns an approximately 10-acre parcel of real property currently developed as a City park known as Kids Kampus and which is included within a larger parcel identified by Duval County Tax Parcel Number RE# 130572-0100; and

WHEREAS, Developer submitted a proposal for redevelopment of the Hotel Parcel and Office Parcel comprising the Property and associated easements and public partnerships, in accordance with the Site Plan, attached as **Exhibit A**; and

WHEREAS, DIA entered into negotiation with Developer regarding the terms of the disposition and redevelopment in accordance with DIA's approved negotiated disposition process; and

WHEREAS, the terms of the redevelopment proposal including developer's obligations and proposed incentives are set forth in the Term Sheet attached 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 has engaged an appraiser to appraise the various parcels involved in the disposition; and

WHEREAS, the Property is located within the Combined Downtown Northbank Community Redevelopment Area ("Northbank CRA"); and

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

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

Interpreting the BID/CRA Plan and approving development and redevelopment projects within Downtown;

Implementing the BID/CRA Plan, and negotiating and approving downtown development and redevelopment agreements, grant agreements, license agreements, and lease agreements;

Planning and proposing Projects and Public facilities within Downtown; and

WHEREAS, at a publicly noticed meeting held on June 25, 2021, the DIA Retail Enhancement and Property Disposition Committee ("REPD") recommended that the DIA Board adopt Resolution 2021-07-01; 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 the proposed disposition and redevelopment proposal further the following Redevelopment Goal and Strategic Objectives found in the BID/CRA Plan:

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

Applicable Strategic Objectives:

1. Increase the opportunities for employment within Downtown.
2. Support the expansion of entertainment and restaurant facilities.
3. Increase venues, workspaces, and residential opportunities....
4. Focus efforts on drawing many diverse attractions, rather than a small number of large ones.
5. Create a consistent theme and image that conveys a sense of the excitement and activity Downtown.
6. Expand upon the ability for national conventions.

Redevelopment Goal No. 2 – Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.

Applicable Strategic Objectives:

1. Actively pursue a minimum of 3,850 built and occupied multi-family dwelling units by 2025; and strive to induce construction of 350 multi-family dwelling units per year.
2. Leverage land contributions, infrastructure investments, incentive grants, and low interest loans.
3. Promote and attract neighborhood retail to support downtown residents.
4. Evaluate new multi-family residential development with Downtown design guidelines, overall compatibility, financial feasibility, and existing Downtown residential developments
5. Reconcile city plan policies and regulations to insure policy consistency and uniform application.
6. Establish a clear, efficient, and maximally predictable process for reviewing development permits, including development and use of model forms and agreements where appropriate.

Redevelopment Goal No. 3 - Simplify the approval process for Downtown development and improve departmental and agency coordination.

Applicable Strategic Objectives:

1. Provide publicly owned land and building space for public and private development which will support and strengthen Downtown's commercial and residential base and comply with the other Redevelopment Goals.
2. Initiate public-private partnerships
3. Promote clean-up and redevelopment of brownfields.
4. Increase recreation, entertainment, cultural heritage, and other programming opportunities.
5. Provide spaces for residents to conduct community business and spaces for social events and educational programs.

Redevelopment Goal No. 4 – Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.

Applicable Strategic Objectives:

1. Improve access to and from the St. Johns River and enhance Downtown experience for all Jacksonville citizens and visitors through variety of spaces, signage, lighting, and technology.
2. Improve existing public parks and plazas and create new open spaces with a mix of pedestrian-oriented amenities and activities.
3. Protect, enhance, and increase public perpendicular access to the Riverwalk in line with street grid.
4. Provide for proper management and maintenance of public spaces.
5. Create a mixture of uses so that housing, activities, retail, and other businesses are within useful walking distance.
6. Require all buildings to have active facades at street level. Encourage active street life through a mixture of restaurants (including cafes with outdoor seating), retail, services, and connection to the street. Minimize blank walls and surface parking.

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

Applicable Strategic Objectives:

1. Ensure that the riverfront is both physically and visually accessible for locals and tourists of all ages and income.
2. Enforce the 50-foot (minimum) building setback from the St. Johns River's water edge.
3. Prioritize beautification and greening of the Riverwalk using Florida-Friendly landscaping practices and plant material that is indigenous to the region
4. Maintain, enhance, expand, and encourage public river access for motorized and non-motorized watercraft points.

5. Ensure that the riverfront includes a variety of immersive environments, ranging from passive enjoyment of the River to active entertainment areas with restaurants, shops, and attractions, all linked by the Riverwalk.

Redevelopment Goal No. 7 – Use planning and economic development policies to promote design for healthy living.

Applicable Strategic Objectives:

1. Recognize the economic value: Encourage Downtown development to be compact and walkable as it provides economic benefits to developers through higher residential sale prices, enhanced marketability, and faster sales or leases creating an economic multiplier effect.
2. Mix it up: Entice mixes of uses and densities; remove regulatory barriers; rethink parking; and optimize uses.

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 instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action necessary to effectuate the thirty (30) day Notice of Disposition for the Property in accordance with its Negotiated Notice of Disposition Process and consistent with Florida Statutes and the Ordinance Code.

Section 3. 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 4. If no alternate responsive and qualified proposals are received, or if they are determined by the CEO to be lower in value or unresponsive, the DIA has determined that the disposition and redevelopment of the Property in accordance with the term sheet attached hereto as Exhibit B is hereby approved.

Section 5. The DIA Board hereby authorizes the CEO of the Downtown Investment Authority, upon expiration of the thirty (30) day notice period, to negotiate the terms of a Redevelopment Agreement, Purchase and Sale Agreement, or functional equivalents, with Developer for the redevelopment of the Property, subject to the minimum terms and conditions contained in Exhibit 'B' to this Resolution 2021-07-01.

Section 6. The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to initiate legislation for approval by City Council of a Redevelopment Agreement, Ground Lease, Disbursement and Operating Agreements, and any associated agreements in accordance with the purposes of this Resolution.

Section 7. The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to take all action necessary to effectuate the purposes of this Resolution, including the execution of a Redevelopment Agreement, Purchase and Sale Agreement, or functional equivalents, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit 'B' to this Resolution 2021-07-01.

Section 8. This Resolution, 2021-07-01, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY





Braxton Gillam, Chairman

7/7/2024

Date

VOTE:

In Favor: 8

Opposed: 0

Abstained: 0

**Exhibit A to Resolution 2021-07-01
Site Plan of Property**

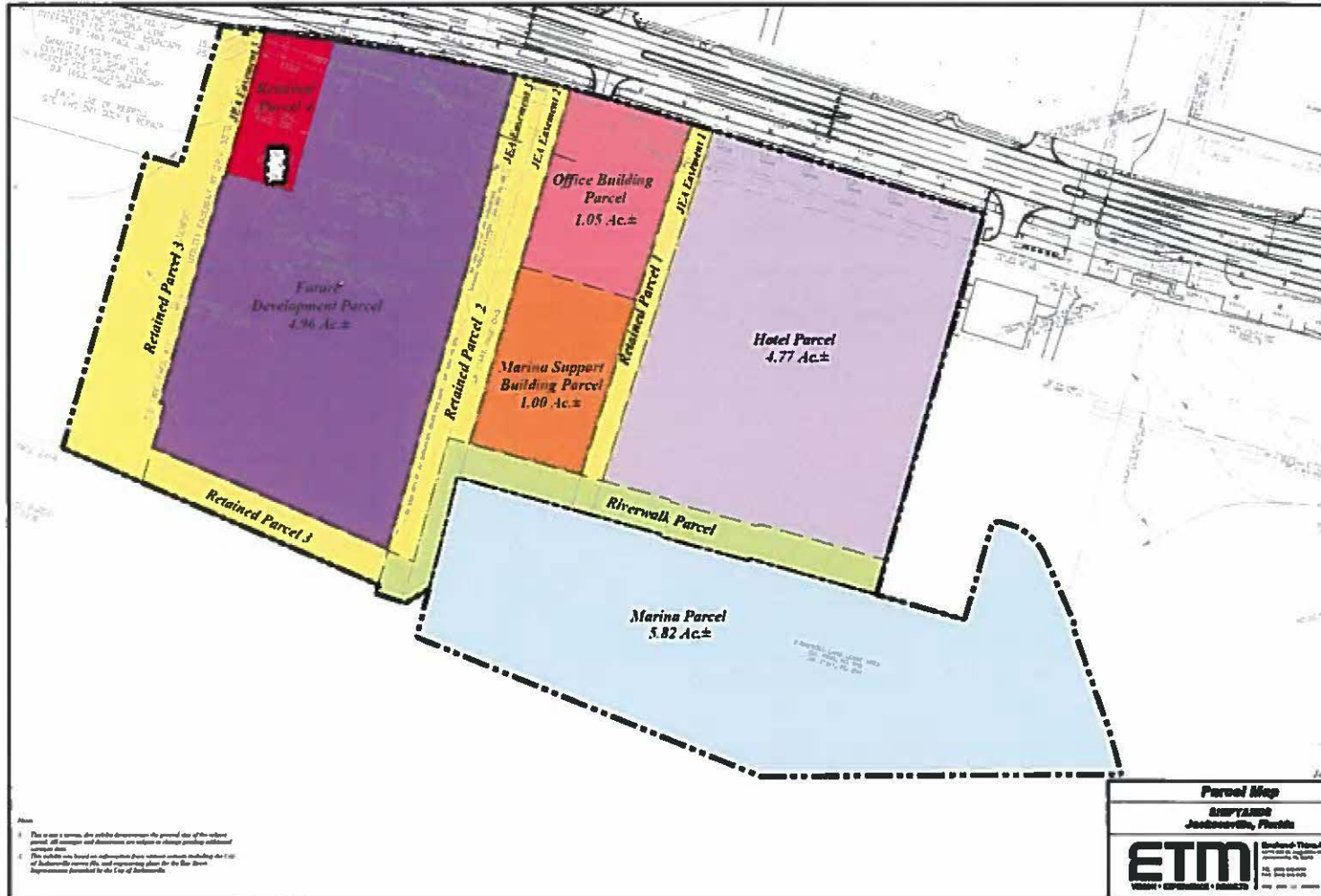


Exhibit B to Resolution 2021-07-01

CRA LAND INTERESTS TO BE CONVEYED

Hotel Parcel. City of Jacksonville (“COJ”) to convey to Developer fee simple title to a parcel consisting of approximately 4.77 acres located on the easternmost portion of the property known as Kids Kampus and depicted as the Hotel Parcel on survey map attached hereto as **Exhibit 1**. The Hotel Parcel is bounded on the north by the new proposed right of way line of Gator Bowl Boulevard, on the south by a line parallel to and 50 feet landward of the existing bulkhead, on the east by the Metropolitan Park lands subject to the restriction for perpetual use in favor of the National Park Service and bounded on the west by that certain easement in favor of JEA recorded in OR Book 11109 at page 1942. The Hotel Parcel does not include any interest in riparian rights or submerged lands. At Closing, the Hotel Parcel will be deed restricted to preclude industrial, manufacturing, or assembly on such parcel.

Office Parcel. COJ and the Downtown Investment Authority (“DIA”) shall enter into a (40) forty-year ground lease with (1) one ten-year renewal option with Developer upon terms set forth below, on an approximate 1.05-acre parcel comprising the western portion of Kids Kampus and depicted as the Office Parcel on the survey map attached hereto as **Exhibit 2**. The Office Parcel is bounded on the north by the new proposed right of way line of Gator Bowl Boulevard, bounded on the east by the JEA Easement recorded in OR Book 11109 at page 1942 and on the west by the JEA Easement recorded in OR Book 17483 at page 2143 and is a depth of 260.00 feet as measured from the northerly boundary of the Parcel. The Office Parcel does not include any interest in riparian rights or submerged lands).

Nonexclusive easements for pedestrian and bicycle access over the JEA Easements depicted on **Exhibit 3** as JEA Easements 1, 2, and 3, as well as the area located between JEA Easements 2 and 3. Vehicular access easements, to the extent allowed by the JEA Easements, will be permitted on JEA Easements 1, 2 and 3, as well as the area located between JEA Easements 2 and 3. Landscaping will be allowed to the extent not inconsistent with COJ’s current or future use. To the extent permitted by JEA under JEA Easement 1, the easement between the Hotel Parcel and Office Parcel (Easement 1) will be developed by Developer with a minimum 8’ wide pedestrian and bicycle access running from Gator Bowl Boulevard to the Riverwalk unless DIA approves an alternative Riverwalk connection point outside the boundaries of Easement 1. No fill may be placed on any of the easement parcels in excess of 3’ in depth in order to maintain their function as view corridors from Gator Bowl Boulevard, unless in the discretion of DIA a greater amount can be accommodated while still preserving the view from Gator Bowl Boulevard to the river. To the extent required fill of any amount and all improvements are subject to approval of the easement holder (JEA).

Nonexclusive Easement for pedestrian and bicycle use over Riverwalk parcel for benefit of Developer.

Temporary construction easements for Metropolitan Park Marina ("Marina") and Marina Support Building Parcel, Riverwalk Parcel, and Future Development Parcel for lay down area provided the same does not conflict with Hart Bridge contractor's right of use thereof.

Air rights restriction over Riverwalk Parcel prohibiting improvements over 6 feet in height except public art, shade structures, lighting, trees, landscaping, and hardscaping, etc.

COMPENSATION PAID TO DIA/COJ FOR PROPERTY INTERESTS AND CONTRACTUAL RIGHTS

1. Fee simple purchase price for Hotel Parcel

\$100.00 to acquire the Hotel Parcel; plus, the full cost to pay off the Florida Recreation Development Assistance Program Grant ("FRDAP Grant") currently estimated to be \$21,000,000 (or such lesser amount as may be accepted by the Florida Department of Environmental Protection ("FDEP")) in the event the DIA/COJ is unable to negotiate a suitable replacement park

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|---|---|
| 2. Ground Lease Rate for Office Parcel | \$36,000 annually for 40 years |
| 3. Right of First Offer ("ROFO") | \$50,000 annually until exercised or terminates |
| 4. Donation to Metropolitan Park | \$200,000 annually for 20 years |
| 5. Construction by Developer of New Drive | \$176,200 includes 20 parking spaces |

CONDITIONS TO CLOSING ON HOTEL AND OFFICE PARCELS

1. Satisfactory elimination of FRDAP Grant encumbrance from the Kids Kampus property by either replacement of the park or payoff. DIA shall diligently pursue approval of a replacement park. In the event such approval of a replacement park is not obtained by October 1, 2021, Developer shall have the right to negotiate with FDEP regarding the amount required to pay off the encumbrance. In the event FDEP approval for a replacement park is not obtained by the closing date, Developer shall have the option to either terminate the Redevelopment Agreement ("RDA") or pay the balance due to the state to remove the encumbrance.
2. Developer shall have the right to terminate the RDA if at any time prior to closing, Developer, in its sole discretion, determines that environmental issues render the property unsuitable for development as intended. If requested by COJ, all environmental studies and test results obtained by Developer shall be delivered to COJ upon termination of the RDA.

3. Approval for and relocation of the historically designated Fire Museum from the site to another location approved by JHPC and DIA.
4. Relocation of the JFRD personnel from the current fire station located on Kids Kampus.

DEVELOPER OBLIGATIONS

HOTEL PARCEL

1. On the Hotel Parcel, Developer shall design and construct the hotel improvements ("Hotel Improvements") to include the following:
 - i) a five-star ("Four Seasons") hotel with approximately 176 keys (but no fewer than 170) (the "Hotel");
 - ii) approximately 25 (but no fewer than 23) Class A condominium units (the "Condominium Residences");
 - iii) approximately 259 (but no fewer than 250) integrated structured parking spaces
 - iv) approximately 39,100 (but no less than 37,000) square feet of restaurants, bars, rooftop amenities, sundry shops, retail space, river-view lounge (restaurant, pool, and decks located facing the riverfront), spa, wellness, and fitness center that will be open to the public
 - v) approximately 10,600 (but no less than 9,500) square feet of flexible meeting space; and,
 - vi) the DIA Board shall have the discretion to permit deviation below the stated minimums in an amount not to exceed 10% in each instance provided such reduction does not result in in reduction in the Minimum Private Capital Investment nor a per unit or per square foot cost that exceeds the reasonable value limits used in underwriting.
2. The Minimum Private Capital Investment for the Hotel Improvements and Office Improvements shall be \$301,057,548. In addition to the Minimum Capital Investment for the Hotel Improvements and Office Improvements, the cost of the access drive from Gator Bowl Boulevard to the Marina described below is an additional Developer investment in the amount of \$176,200.
3. Any improvements constructed on the Hotel Parcel shall comply with the Downtown Zoning Overlay and be subject to DDRB approval. The JEA Easements shall be deemed to be River View and Access Corridors as defined in Chapter 656, Part 3, Subpart H of the Jacksonville Ordinance Code. Due to the width of the JEA Easements and adjacent Metropolitan Park, DIA will support a deviation from the required View and Access corridors as to Hotel Parcel without loss of incentives provided both view and access are preserved on Easement 1.
4. The design of the Hotel Improvements shall be similar to the conceptual renderings attached as **Exhibit 4** and shall include open plaza and pool space fronting, and open to the

Riverwalk which may be fenced to provide controlled entry from the Riverwalk; provided, however, entry from the Riverwalk to the public areas of the Hotel shall not be prohibited.

5. Developer, to the extent permitted by law, shall cause an additional 2% room fee ("Room Fee") to be collected and rebated for the benefit of Metropolitan Park, the Marina, and Marina Support Building into a COJ capital fund ("Capital Fund"). Developer and the COJ shall mutually agree on the use of the Capital Fund to be spent in accordance with an annual budget that is reviewed and approved by the Jacksonville City Council ("City Council"). Proceeds in the Capital Fund shall be the property of the COJ and shall be used exclusively to fund capital expenses in accordance with the approved capital plan ("Capital Plan").
6. Developer shall enter into a Park Partnership Agreement ("PPA") with COJ and shall contribute a minimum of \$200,000 annually for a term of twenty (20) years for the maintenance and programming of Metropolitan Park.
7. During the term of any REV grant on the Hotel Parcel, the Hotel shall be operated as a Four Seasons Hotel (or, to the extent the Four Seasons name is changed throughout the United States by the ownership of the hotel name, under such new name, but subject to the below). In the event the owner of the Hotel Parcel elects to change the flag of the Hotel from the Four Seasons to another brand, the change in the flag will be subject to approval of DIA to ensure that the Hotel continues to be operated as a luxury brand (four or five-star facility as determined by Forbes Travel Guide, or other respected source in the hospitality industry). In the event DIA fails to approve the change of flag on the Hotel, the owner of the Hotel Parcel may nevertheless change the flag but will thereafter lose the right to collect any further REV grant payments.
8. The deed to the Hotel Parcel will contain a Right of Reverter in the event Developer fails to commence the Hotel Improvements in accordance with the Performance Schedule. The Right of Reverter will terminate upon commencement.
9. Upon commencement of vertical construction of the Hotel Improvements, Developer shall provide DIA/COJ with a completion guaranty ensuring completion of the Hotel Improvements. The completion guaranty in favor of DIA/COJ shall be subordinate to any completion guaranty provided to Developer's lender, if any.

OFFICE PARCEL

1. On the Office Parcel, Developer shall design and construct the office improvements ("Office Improvements") to include the following:
 - i) a Class A office building with 157,027 gross square feet (but not less than 141,300 square feet) to include leasable spaces, terraces, ground floor and common spaces, mechanical room space (including rooftop mechanical). Approximately 99,000 (but no less than 90,000 square feet) shall consist of leasable office space, and approximately

- 10,000 (but no less than 9,000) square feet retail/amenity/activated space (the "Office Building") as conceptually depicted on Exhibit 5.
- ii) The DIA Board shall have the discretion to permit deviation below the stated minimums in an amount not to exceed 10% in each instance provided such reduction does not result in a reduction in the Minimum Private Capital Investment nor a per unit or per square foot cost that exceeds the reasonable value limits used in underwriting.
 - iii) The ground floor of the Office Building shall be constructed so that a minimum of 50% of those facades fronting Gator Boulevard and the Marina Support Building Parcel are businesses open to the general public. A majority of such space shall be retail space as defined herein. As used herein retail shall include businesses that sell products on a transactional basis to end consumers, food and beverage establishments, or providers of services targeted towards the general public (other than healthcare, advising, or counseling; provided, such exclusion shall not prohibit a gym, spa, or other amenity). Locations should be ground floor, street or marina facing, and designed to attract the general public onto the property. Businesses, other than a gym or spa, operating primarily or exclusively on a membership basis, conducting business with customers under term arrangements, or providing goods and services targeted principally to other businesses shall not generally meet this definition, unless approved on a case-by-case basis.
- 2. Any improvements constructed on the Office Parcel shall comply with the Downtown Zoning Overlay and be subject to DDRB approval.
 - 3. The Minimum Private Capital Investment for the Office Improvements together with the Hotel Improvements shall be \$301,057,548. In addition to the Minimum Capital Investment for the Hotel Improvements and Office Improvements, the cost of the access drive from Gator Bowl Boulevard to the Marina described below is an additional Developer investment in the amount of \$176,200.
 - 4. Upon commencement of vertical construction of the Office Improvements, Developer shall provide DIA/COJ with a completion guaranty ensuring completion of the Office Improvements. The completion guaranty in favor of DIA/COJ shall be subordinate to any completion guaranty provided to Developer's lender, if any.

EASEMENT PARCELS

- 1. At such time as Developer closes off access to the Marina parking spaces currently located on the Hotel Parcel and Marina Support Building Parcel, Developer shall provide temporary replacement parking spaces on the property bounded by Easements 2 and 3 where the current access roadway is located to support the Marina. Prior to substantial completion of the Hotel Improvements and Office Improvements, and subject to approval of JEA, if required, Developer shall construct a new access drive ("New Drive) from Gator Bowl Boulevard to the Riverwalk Parcel over Easements 2 and 3 and the land located between such easements with a minimum of twenty (20) on-street parking spaces to provide parking for Marina patrons.

2. Prior to completion of the Hotel Improvements and Office Improvements, but subject to approval of JEA, if required, Developer shall construct a minimum 8' wide pedestrian and bicycle multi-use path connecting Gator Bowl Boulevard to the Riverwalk in the general location of Easement 1 (or in such other location as maybe approved by DIA) to meet the requirement of an access corridor between the Office Parcel and Hotel Parcel and to provide pedestrian, bicycle and motorized vehicular access for vehicles such as scooters, golf carts and electric bicycles but not street licensed automobiles, trucks, etc. between Gator Bowl Boulevard and the Riverwalk.
3. Any improvements, including landscaping and fill, installed on Easements 1, 2, and 3 shall not materially obstruct the view of the river from Gator Bowl Boulevard for the width of such easements. The DIA has determined that up to 3 feet of fill would not be considered a view obstruction.
4. COJ/DIA shall provide to Developer a nonexclusive easement for pedestrian and bicycle use over Riverwalk Parcel for benefit of Developer.

FUTURE DEVELOPMENT PARCEL

Future Development Parcel. DIA shall contractually provide Developer an exclusive right of first offer ("ROFO") to ground lease or purchase in fee approximately 4.96 acres located on the eastern end of the property commonly referred to as the Shipyards (the "Future Development Parcel") on the terms set forth below, as such Future Development Parcel is depicted on Exhibit 6 attached hereto. The Future Development Parcel is bounded on the north by the new proposed right of way line of Gator Bowl Boulevard, on the south by a line parallel to and 50 feet landward of the existing bulkhead, on the east by the two easements in favor of the COJ of Jacksonville recorded in OR Book page 3524 at page 674 and OR Book 669 at page 480, respectively, and bounded on the west by that certain easement in favor of JEA recorded in OR Volume 5570 at page 1913 (also found in Deed Book 1406 at page 417). The Future Development Parcel shall also include, at lessee's or purchaser's option, a grant of an easement providing Developer non-exclusive ingress and egress rights and exclusive riparian rights in front of the COJ retained waterfront property immediately south of Future Development Parcel (as if the easterly and westerly boundaries of Future Development Parcel were extended into the river). The Future Development Parcel shall also include nonexclusive easement for ingress, egress, and landscaping over Easements 4 and 5 as depicted on the attached Exhibit 3 to the extent permitted by such easements.

Terms of ROFO:

1. The Future Development Parcel is currently subject to a right of use in favor of the contractor working on the Hart Bridge project through August 2022 and DIA commits that it will not entertain or initiate any disposition of the Future Development Parcel, except from Developer, prior to August 31, 2022.

2. Thereafter, at any time prior to December 31, 2024, DIA agrees that prior to entering into negotiations with any other party or initiating a notice of disposition, DIA will notify Developer of its desire to dispose of the Future Development Parcel and Developer shall have a period of ninety (90) days following such notice to present DIA with a proposal for ground lease or purchase of the Future Development Parcel. Failure to respond or present an offer within such ninety (90 days) shall terminate the ROFO.
3. Developer may initiate the negotiated disposition process with DIA at any time.
4. The ROFO expires December 31, 2024.
5. Any offer on the Future Development Parcel shall comply with the goals of the BID and CRA Plan and describe in detail the proposed uses, square footage of each, minimum private capital investment and projection of tax revenue generated. Developer is encouraged to focus density on Gator Bowl Boulevard that activates toward the street and leave as much open space as possible adjacent to the Riverwalk and connecting to the Marina Support Building Parcel and public Events Lawn.
6. Any requested incentives shall be identified in the offer for negotiated disposition.
7. Any improvements constructed on the Future Development Parcel shall comply with the Downtown Zoning Overlay and be subject to DDRB approval. No deviation from the Downtown Zoning Overlay shall be permitted unless requested at the time of consideration of the disposition.
8. The Future Development Parcel excludes an out-parcel for a future permanent fire station office building and associated parking. In the event Developer designs an office building and/or associated parking that provides adequate ground floor office space and/or parking for JFRD personnel acceptable to JFRD, the outparcel (or portion of the outparcel) may be incorporated into Future Development Parcel and Developer will be credited with the budgeted cost for construction of the new permanent fire station office building and/or associated parking when calculating ROI of any development proposal.
9. Only offers that will generate property taxes from the development on the property will be entertained.
10. The Future Development Parcel is subject to a BSRA. If acquired in fee, the disposition would be conditioned upon separation of the BSRA based on property boundaries, with Developer becoming party to the BSRA solely as to the Future Development Parcel while COJ remains responsible for the remainder of the property under the BSRA. If ground leased, Developer shall maintain the option of becoming party to the BSRA and the disposition would require Developer to comply with the BSRA with respect to the Future Development Parcel, develop a Remedial Action Plan for the Future Development Parcel and obtain approval therefor, and ultimately obtain a closure from FDEP as to the Future Development Parcel based upon implementation of the Remedial Action Plan.

11. Developer shall have the right to acquire riparian rights to the south of the Future Development Parcel if Developer is the successful bidder for the Future Development Parcel. Those riparian rights shall be conveyed at the time of development of the Future Development Parcel. Developer may obtain a submerged lands lease over such state-owned lands and may elect to construct a private or public marina on such submerged lands in front of the Future Development Parcel.
12. The Future Development Parcel is bisected by an existing 35' wide Easement reserved in Deed Book 1687 at page 483 (Easement 4 on the attached Exhibit 3. Developer may choose to make an offer only on that portion of the Future Development Parcel east of Easement 4 if Developer so elects.
13. A 30-day notice disposition regarding the Future Development Parcel will be published at the time an offer is received and the terms thereof are approved by the DIA Board

CONDITION TO ENTRY INTO NEGOTIATIONS WITH DEVELOPER FOR ANY DISPOSITION OF THE FUTURE DEVELOPMENT PARCEL

Jacksonville Jaguars, LLC ("Jaguars") will release the COJ from any obligation to provide parking for the stadium on Lot H as depicted on the ASM GLOBAL map attached hereto as Exhibit 7. If necessary, to reduce the required parking number accordingly, the Jaguars will amend the lease dated September 7, 1993 between the COJ and Jacksonville Jaguars, LLC as amended to date. If COJ is required to provide replacement parking, the cost of the replacement land and any structured parking will be calculated as part of the analysis of any potential disposition.

OPTIONAL DEVELOPMENT/OPERATING PARTNERSHIPS

MARINA SUPPORT BUILDING PARCEL

The Marina Support Building Parcel is that parcel of COJ retained property consisting of approximately 1 acre located between the Office Parcel and the Marina bounded on the east and west by JEA Easement 1 and 2 and on which a Marina Support Building will be constructed.

The Marina Support Building is anticipated to consist of approximately 6,500 square feet of retail, food service, and support services for the Marina including at a minimum the dockmaster office, showers and bathrooms, and a store providing sundries and convenience items for boaters (collectively, the "Marina Support Building").

On the **Marina Support Building Parcel**, Developer shall have the option to design and construct on behalf of COJ, subject to COJ approval of the plans and construction budget therefor:

- i) The Marina Support Building; and
- ii) A multipurpose events venue ("Events Lawn").

1. Such option must be exercised no later than six (6) months following the closing on the Hotel Parcel, if at all, and must include an election to build the Marina.
2. The relative location of the Marina Support Building and Events Lawn shall be subject to the approval of the COJ Parks Department to ensure public use and benefit of the Events Lawn is maximized.
3. The Marina Support Building Parcel shall be the location of the Sports and Entertainment node element as required by the SWA Riverfront Design guidelines, unless prior to construction of the improvement on the Marina Support Building Parcel an alternate location on the Riverwalk Parcel, Hotel Parcel or Future Development Parcel has been designed and accepted by DIA.
4. If Developer elects to design and construct the Marina Support Building and Events Lawn, Developer shall be responsible for advancing the entire cost of construction of the Marina Support Building and Events Lawn. COJ shall reimburse Developer up to \$13,373,100 upon completion of the Marina, Marina Support Building and Events Lawn, collectively, in accordance with the approved budget for such facilities. Any cost overruns in excess of \$13,373,100 shall be the responsibility of Developer.
5. Cost savings below budget in construction of the Marina Support Building and Events Lawn may be applied to any cost overruns in construction of the Marina or vice-versa. Thereafter any savings shall inure to the benefit of the COJ.
6. Developer shall enter into a Marina Support Building Costs Disbursement Agreement ("MCDA") with DIA/COJ to fund the Marina Support Building and Events Lawn improvements at the 1+/- acre Marina Support Building Parcel
7. Upon completion, the Marina Support Building and Events Lawn shall be owned by COJ.

MARINA REDEVELOPMENT

COJ agrees to renovate and upgrade the Marina in its current location. Such renovations will include:

1. A replacement of Metropolitan Park Marina with no less lineal footage of dock space and no fewer than the seventy-eight (78) slips (sufficient space to accommodate 78 boats without rafting).
2. Floating concrete docks similar to the replacement docks recently installed at the former Landing shall be utilized.
3. All renovations will remain in compliance with outstanding FIND and FRDAP Grants.
4. The entire Marina will remain a public marina with 100% of the slips available to the general public for public recreational use with additional limitations as follows:

- i) All slips shall be transient rental only with no rental longer than 3 days allowed unless a longer period is approved by COJ Department of Parks and Recreation and permitted by the Submerged lands lease and FRDAP;
 - ii) No fewer than 60 slips (spaces for no fewer than 60 boats to dock without rafting) shall be available on an hourly or daily basis; and,
 - iii) No slip rentals shall be limited to hotel guests or property owners only.
- 5. COJ shall maintain SLLs with the State for the Marina consistent with terms to be included in the RDA.
- 6. The Marina may provide fuel, water and pump-out services if allowed by the state SLL.
- 7. The current SLL does not allow live-aboard, wet slips, contractual agreements with cruise ships, rental of recreational pleasure craft, charter, or tour boats.

Developer shall have the option to design and renovate the Marina replacement on behalf of COJ, subject to COJ approval of the plans and construction budget therefor:

- 1. Such option must be exercised no later than six (6) months following the closing on the Hotel Parcel and Office Parcel, if at all, and must include an election to construct the Marina Support Building and Events Lawn.
- 2. Developer shall be responsible for advancing the entire cost of construction of the renovated Marina. COJ shall reimburse Developer up to \$13,373,100 upon completion of the Marina, Marina Support Building and Events Lawn collectively, in accordance with the approved budget for such facilities. Any cost overruns or budget in excess of \$13,373,100 shall be the responsibility of Developer.
- 3. Cost savings below budget in construction of the Marina may be first applied to any cost overruns in construction of the Marina Support Building and Events Lawn. Thereafter any savings shall inure to the benefit of the COJ.
- 4. Developer shall enter into a Marina Disbursement Agreement ("MDA")
- 5. Developer shall use commercially reasonable efforts to keep the Marina open, in whole or in part, during the Project (as this term will be defined in any RDA).
- 6. No portion of the Marina may extend beyond the boundaries of the current submerged lands lease unless and until Developer has exercised the ROFO and purchased or leased the Future Development Parcel.

MARINA OPERATION

Developer shall have the option to enter into a management agreement for the Marina regarding the management of the Marina and Marina Support Facility.

- 1. Such option must be exercised no later than six (6) months following the closing on the Hotel Parcel and Office Parcel, if at all.

2. Developer shall pay the balance due on all FIND Grants at the time of entering into such Marina Management Agreement, estimated to be \$625,725 after 9/6/21 (or such lesser amount as may be accepted by FDEP).
3. Developer shall enter into a Marina Management Agreement (“MMA”) with an effective date as of the time of substantial completion of the Marina Improvements whereby Developer, and/or its affiliate or assignee, shall manage the Marina to a commercially reasonable standard while retaining all revenue from and maintenance responsibilities for the Marina. Developer shall maintain customary operating hours for the Marina.

RIVERWALK RECONSTRUCTION ON RIVERWALK PARCEL

There currently exists a completed segment of the Riverwalk on the Riverwalk Parcel adjacent to the Hotel Parcel and Marina Support Building Parcel. COJ agrees to reconstruct the Riverwalk on the Riverwalk Parcel consistent with current resiliency recommendations. Developer shall have the option to design and construct on behalf of COJ, subject to COJ approval of the plans and construction budget therefor, a new more resilient Riverwalk.

1. Such option must be exercised no later than six (6) months following the closing on the Hotel Parcel and Office Parcel, if at all.
2. Developer shall be responsible for advancing the entire cost of construction of the replacement Riverwalk, not including the bulkhead. COJ shall reimburse Developer up to \$3,900,000 upon completion, in accordance with the approved budget for such facilities. Any cost overruns in excess of \$3,900,000 shall be the responsibility of Developer
4. Developer shall enter into a Riverwalk Costs Disbursement Agreement (“RCDA”).
5. Any reconstruction of the Riverwalk on the Riverwalk Parcel shall be completed in accordance with plans approved by DIA and COJ and shall comply with the adopted Riverwalk Park Design Criteria and Riverwalk Planting Palette and Thread Plant List, and to the extent not in conflict with the foregoing, the 2018 Riverwalk Design Guidelines prepared by SWA. The Riverwalk Parcel may include the node/art/tower element contemplated by the SWA Riverwalk Design Guidelines. Public access shall be maintained in the entire fifty (50’) foot wide strip retained by COJ.
6. Once completed, COJ shall retain ownership and all maintenance obligations of the Riverwalk, including the bulkhead. COJ shall maintain the Riverwalk Parcel, including the bulkhead, in a Class “A” condition. In the event the Riverwalk is not maintained by COJ, Developer shall have the right of self-help and the ability to seek reimbursement from COJ all in accordance with terms to be included in the RDA.

PERFORMANCE SCHEDULES

1. The following Performance Schedule milestones (“Milestones”) shall be included in the RDA for all Improvements to be constructed on the Hotel Parcel and Office Parcel:

RDA EXECUTION:	within thirty (30) days following City Council Approval and execution by the Mayor.
FEE/LEASE CLOSINGS	“as is” sale/lease to be completed within sixty (60) days after the later of execution of the RDA, removal of the Fire Museum from the site, or resolution of any environmental issues, in Developer’s sole discretion, but in no event later than six (6) months after the Effective Date of the RDA.
FINAL DESIGN	(including final DDRB approval) to start within thirty (30) days after the Effective Date of the RDA; to be completed no later than six (6) months after the Effective Date of the RDA.
INITIAL PERMITTING	to start no later than thirty (30) days after Final Design is completed, and permits necessary to commence horizontal construction shall be obtained within six (6) months after Final Design is completed
COMMENCE CONSTRUCTION	to start ninety (90) days after Permits for horizontal improvements are received, but no later than June 1, 2022; and proceed without material delay through completion.
COMPLETION OF CONSTRUCTION	All improvements on the Hotel Parcel and Office Parcel and Easements to be substantially completed no later than December 31, 2025.
2. The following Performance Schedule milestones (“Milestones”) shall be included in the RDA for all Improvements to be constructed on Marina Support Building Parcel, Riverwalk Parcel, and Marina:	
ELECTION TO ENTER INTO PARTNERSHIP FOR CONSTRUCTION	Such option must be exercised no later than six (6) months following the closing on the Hotel Parcel and Office Parcel, if at all.
MARINA & RIVERWALK CLOSED FOR RECONSTRUCTION	No earlier than date on which all plans approved.
MARINA & RIVERWALK RECONSTRUCTION TO COMMENCE	Within 30 days of Marina and Riverwalk Closure.

MARINA, MARINA SUPPORT
BUILDING AND RIVERWALK
COMPLETION DATE

No later than the Completion of the Hotel
Improvements and Office Improvements or
December 31, 2025, whichever occurs first.

DEVELOPMENT RIGHTS

The DIA will rescind Resolution 2020-11-03 allocating development rights to Lot J and will allocate by separate Resolution, development rights to the Hotel Parcel, Office Parcel, and Marina Support Building Parcel consistent with any disposition.

All Marina slips previously allocated to the Shipyards and adjacent parcels will be expressly returned to the COJ and made available for use on the remainder of the Shipyards or elsewhere within Downtown.

All remaining Development Rights assigned to the Shipyards and adjacent parcels will be allocated by DIA to various redevelopment activities under consideration for the remainder of the Shipyards property.

COJ OBLIGATIONS

PARK REPLACEMENT PROPERTY

1. The Kids Kampus park land must be replaced per Ordinance Code Section 122.421 (b) as follows:

Preservation of parklands. It is a policy of the City that no parklands, park facilities or other recreational or park related land or space of the City shall be converted to another use or sold by the City, pursuant to Subpart B of this Chapter, unless the following conditions have been met: If a sale becomes necessary for the greater public good by either local, state or federal needs, in which case the City shall replace that facility, land, or space with new park facilities, land or space of equal or greater size and value in the same general area or as close thereto as possible, to assure that adequate recreational and park facilities, land or spaces are available for use by the neighborhoods impacted by the sale.

2. DIA shall:

- i) designate replacement park land within the Shipyards sufficient to replace the 10 acres of Kids Kampus impacted by/included in this disposition.
- ii) work with Jessie Ball DuPont Fund incorporating the public input received to design a replacement park of equal or greater size and value.
- iii) meet with FDEP prior to August 31, 2021 to present the replacement park for consideration as replacement for the FRDAP and seek to obtain approval therefor prior to October 1, 2021.

- iv) submit funding requests for final design of the replacement park to COJ Council this fiscal year and construction next fiscal year.
- v) work with Public Works to utilize remediation funds in the park area to leverage tax credits and increase available funding.

FIRE MUSEUM

DIA will work to relocate the historic Fire Museum prior to closing. A site has been selected on Bay Street near Catherine Street and a remediation plan and cost estimates are being prepared.

MARINE FIRE DOCK AND STATION

DIA will coordinate relocation of the dock which serves the JFRD and JSO vessels as well as the relocation of the office space for the marine personnel. As a temporary solution, a trailer is being considered until the Future Development Parcel ROFO is exercised or expires. An outparcel has been retained for this use.

RIVERWALK PARCEL

COJ shall retain the fee title to a 50' wide parcel running parallel to the St. Johns River, including the bulkhead, as depicted on Exhibit 8 ("Riverwalk Parcel"). In the event Developer does not exercise its option to reconstruct the Riverwalk as described above, COJ shall complete such work and ensure:

1. Any reconstruction of the Riverwalk on the Riverwalk Parcel shall be completed in a timely manner and in accordance with plans approved by DIA and COJ and shall comply with the adopted Riverwalk Park Design Criteria and Riverwalk Planting Palette and Thread Plant List, and to the extent not in conflict with the foregoing, the 2018 Riverwalk Design Guidelines prepared by SWA.
2. The Riverwalk Parcel shall be open and available for public use and enjoyment located landward of the riverside edge of the bulkhead along the Saint Johns River.
3. The Riverwalk Parcel shall be subject to an air rights agreement in favor of Developer prohibiting the construction of vertical improvements greater than six feet (6') in height other than landscaping, hardscaping, cultural art pieces (including a possible node marker), lighting fixtures and signage within the Riverwalk Parcel.
4. COJ shall retain ownership and all maintenance obligations of the bulkhead adjacent to the Riverwalk, In the event that COJ fails to maintain the bulkhead improvements in the Riverwalk Parcel, Developer shall have the right of self-help and the ability to seek reimbursement from COJ all in accordance with terms to be included in the RDA.
5. Once completed, Developer agrees to maintain the Riverwalk Parcel to City standards.

DIRECT INCENTIVES TO DEVELOPER

1. DIA/COJ to convey Hotel Parcel, with an appraised value of \$12,450,000, to Developer for \$100.
2. DIA/COJ to ground lease Office Parcel, with an appraised value (fee value of \$2,520,000 less residual value after 40 years of \$657,840) of \$1,862,160 minus annual lease payments of \$36,000/year for 40 years (\$1,440,000) for an incentive value of \$422,160.
3. DIA to provide non-exclusive easements to Developer over Easement 1 and the parcel which will include Easements 2 and 3 and the intervening strip of land which have an appraised value of \$285,000 at no charge.
4. DIA to provide a 75% REV Grant for privately owned property on Hotel Parcel and Office Parcel for a term of twenty (20) years or the termination of the Northside CRA whichever occurs first, unless COJ agrees to assume the obligations of the Northside CRA. The maximum indebtedness shall be calculated based on the projected assessed value using agreed upon private capital investment construction cost values. Any reduction in actual construction cost that is 10% or less of the projected construction cost shall result in a pro rata reduction of the maximum indebtedness. The DIA Board may approve a reduction in Private Capital Investment greater than 10% but no more than 15% with an accompanying pro rata reduction in the Rev Grant maximum indebtedness. Any reduction in actual Private Capital Investment that is more than 15% of the agreed upon Minimum Private Capital Investment shall result in forfeiture of the REV Grant. Based upon the project Minimum Private Capital Investment, the Rev Grant maximum indebtedness is \$47,683,955.
5. COJ to provide a grant for \$25,834,887 upon completion of the Hotel Improvements and Office Improvements ("Completion Grant").

COJ EXPENSES

1. DIA to provide replacement park land for FRDAP upland consisting of at least ten (10) acres valued at \$8,712,000 to satisfy Ord 122.461 and the FRDAP requirement (net land value of 7,536,000 when remaining Kids Kampus public property taken into consideration).
2. COJ to relocate the Marine Fire Station and construct new dock in a timely manner ("Fire Station and Dock") at a budgeted cost to the COJ of \$6,971,000. The replacement cost of the new fire station (as opposed to depreciated value of the existing fire station) estimated at \$1,798,000 is an upgraded facility from the existing building and the value assigned for ROI calculation is discounted by 40% to \$1,078,800. It is possible that a temporary fire station will be required as an interim facility and the associated cost is \$705,000 which has been discounted by 50% for ROI purposes since a trailer may be relocated from another site depending on timing. The dock and boathouse replacement cost is estimated to be \$4,468,000 but also includes an upgraded lift and boathouse and the value has been discounted by 30% to take into account the upgrades yielding a value for ROI of \$3,127,600.
3. COJ to relocate the Fire Museum in a timely manner ("Fire Museum") at a budgeted cost to the COJ of \$1,750,000.

4. COJ to fund the renovation and reconstruction of the Marina, the Marina Support Building, and the Events Lawn at a budgeted cost of \$13,373,100.

Site Plan

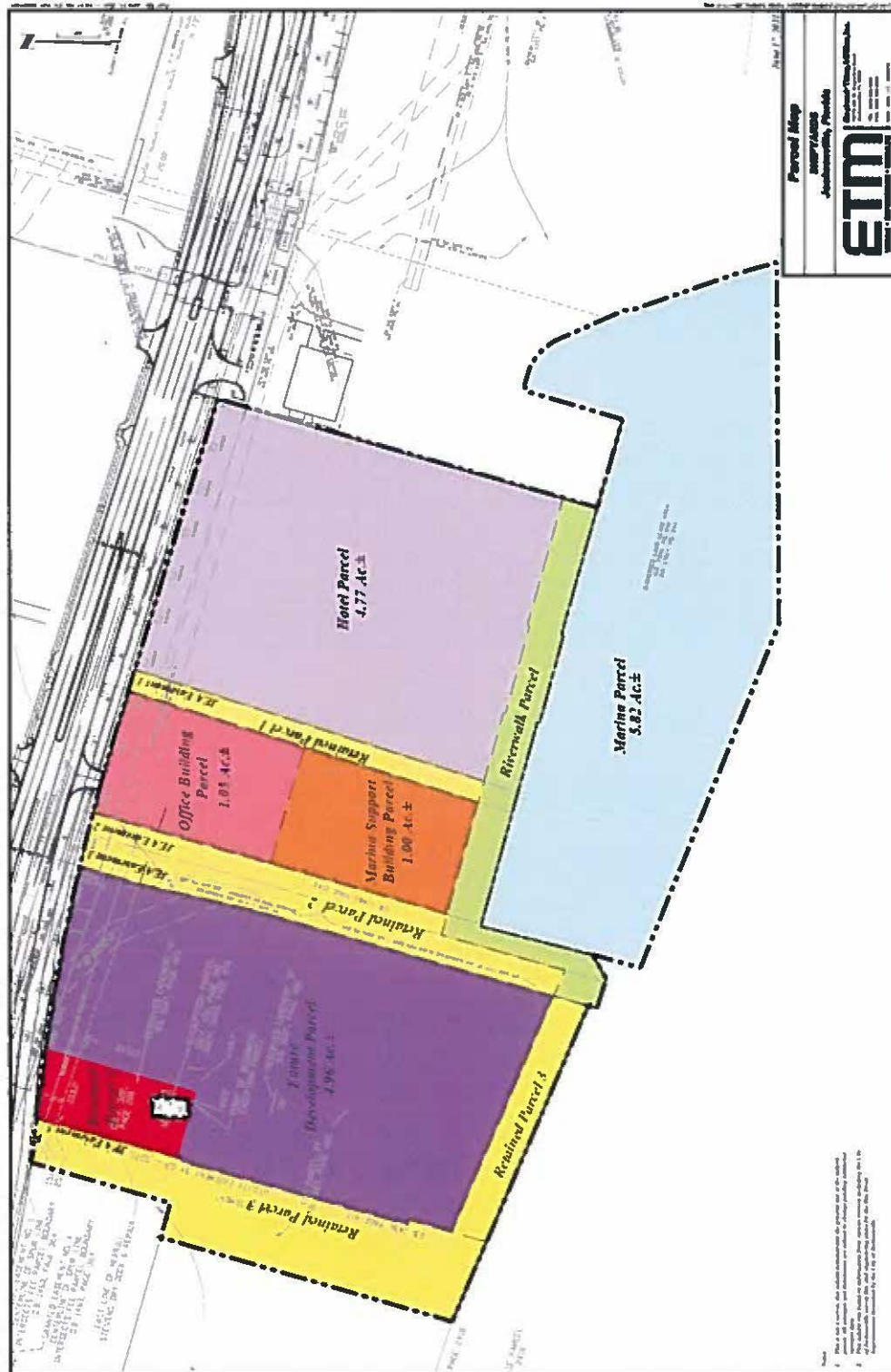


Exhibit 1 to term sheet

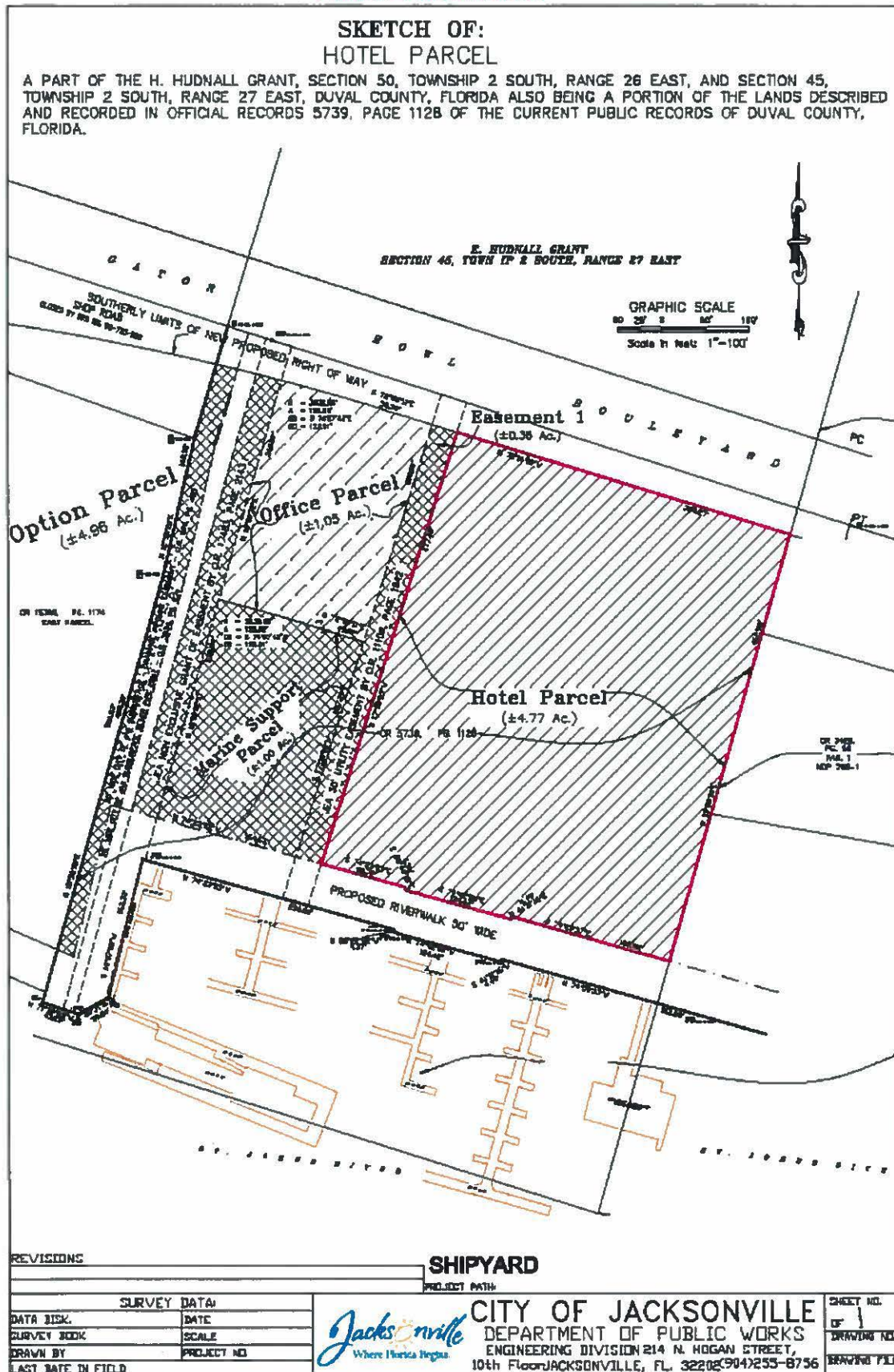


Exhibit 2 to term sheet

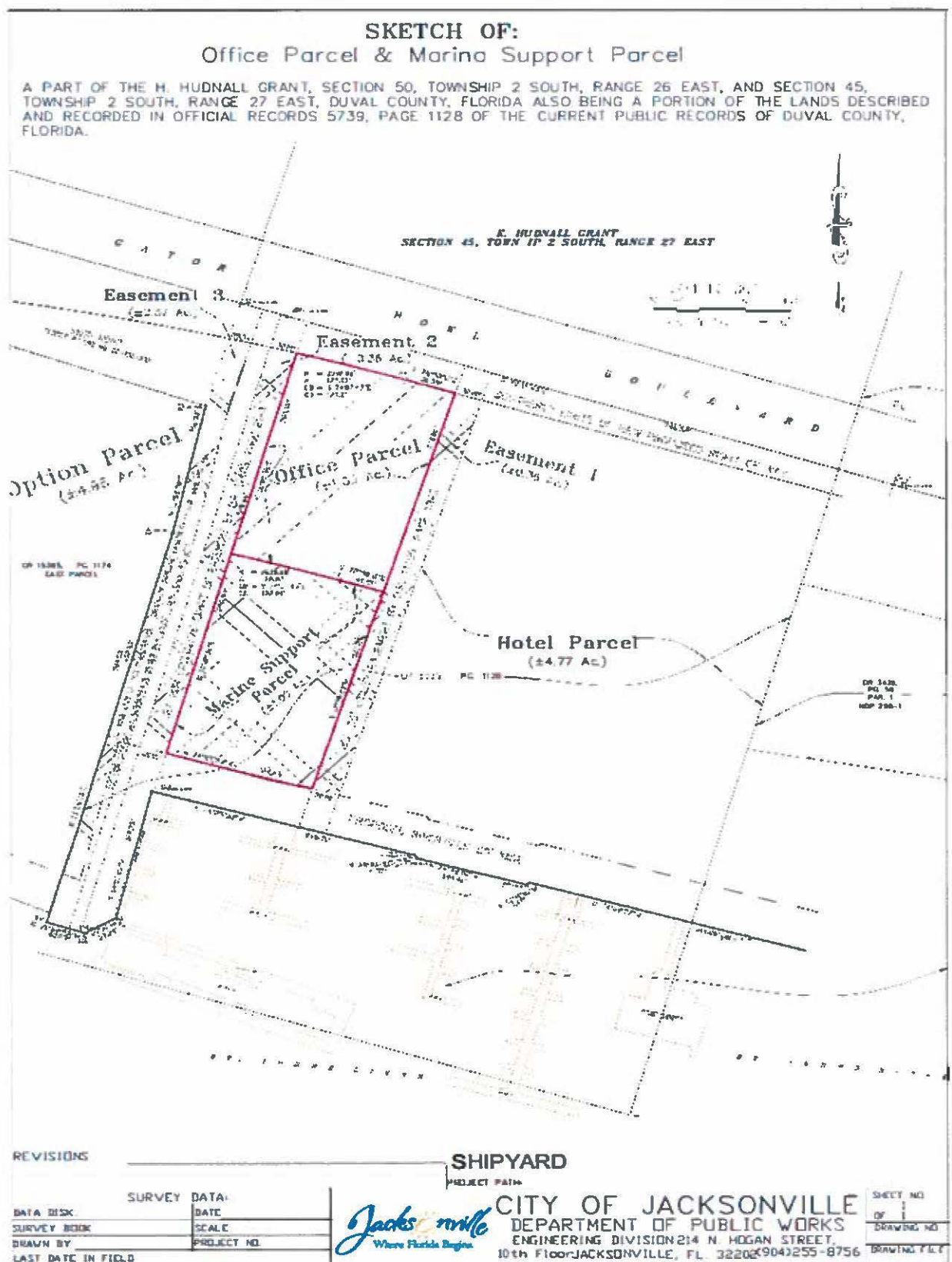


Exhibit 3 to term sheet

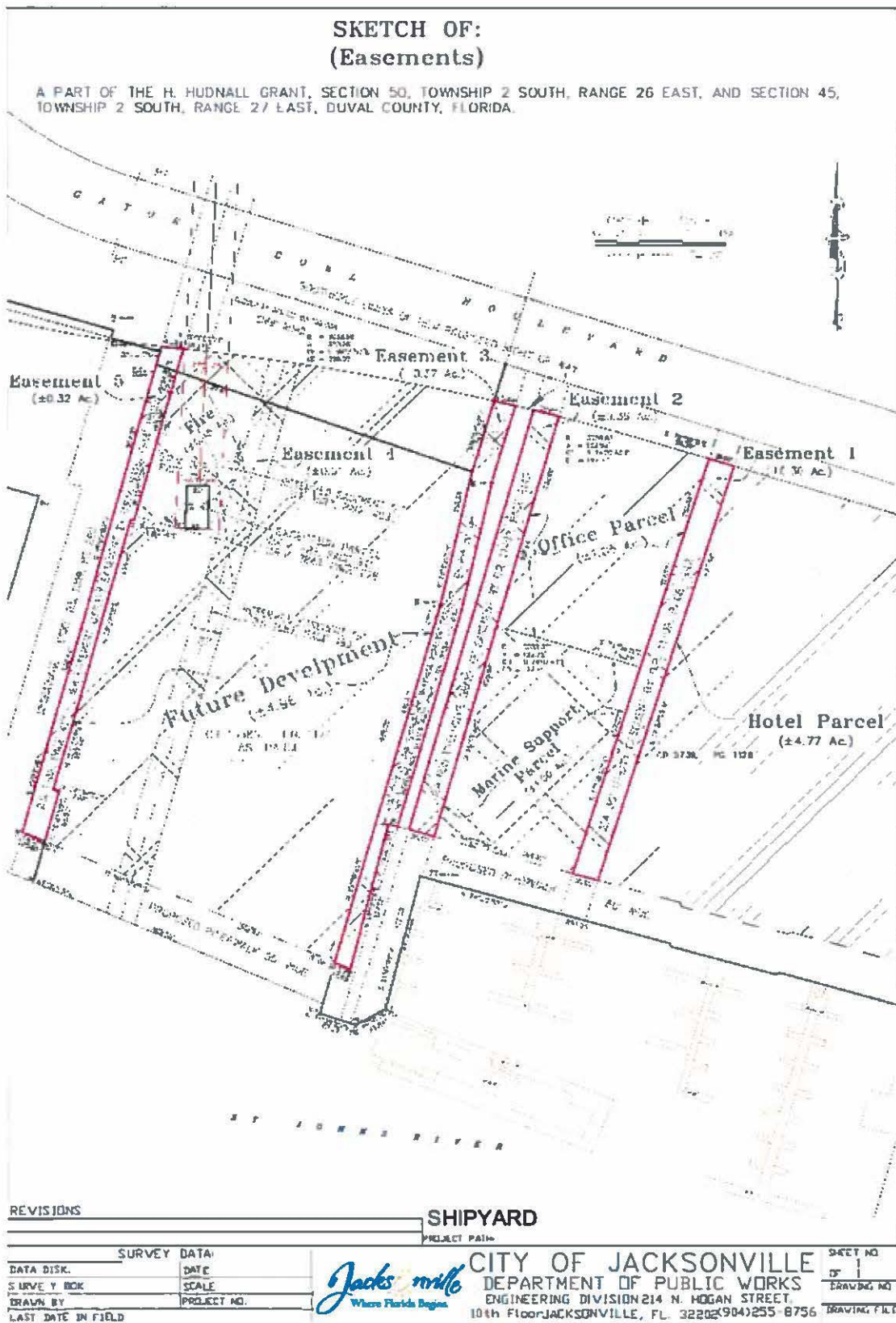


Exhibit 4 to term sheet, page 1



HKS



SKIDMORE OWINGS
MERRELL LLP

05/19/2021

FOUR SEASONS HOTEL & RESIDENCES JACOBI WALK
at Jacobi in Florida

AERIAL VIEW FROM MARINA

Exhibit 4 to term sheet, page 2



HKS

Architectural rendering

06/19/2021

06/19/2021

FOUR SEASONS HOTEL & RESIDENCES JACKSONVILLE
Architectural rendering

EYE LEVEL VIEW FROM MARINA

Exhibit 4 to term sheet, page 3



HKS |  |  | 05/19/2021 | FOUR SEASONS HOTEL & RESIDENCES JACKSONVILLE
Jacksonville, Florida

EYE LEVEL VIEW FROM MARINA

Exhibit 4 to term sheet, page 4

Hotel left, Office right



HKS |  |  | 09.19.2021 | FOUR SEASONS HOTEL & RESIDENCES JACOBSEN LLC
Jacksonville, Florida

EYE LEVEL VIEW FROM GATOR BOWL BLVD.

Exhibit 5 Office Rendering



HKS



PERKINS+WILL

08.19.2021

4 CUR DESIGN HOTEL & RESIDENCES / REASCHWILF
Site 3 covered by 7th floor

AERIAL VIEW FROM GATOR BOWL BLVD

11

Exhibit 6 to term sheet

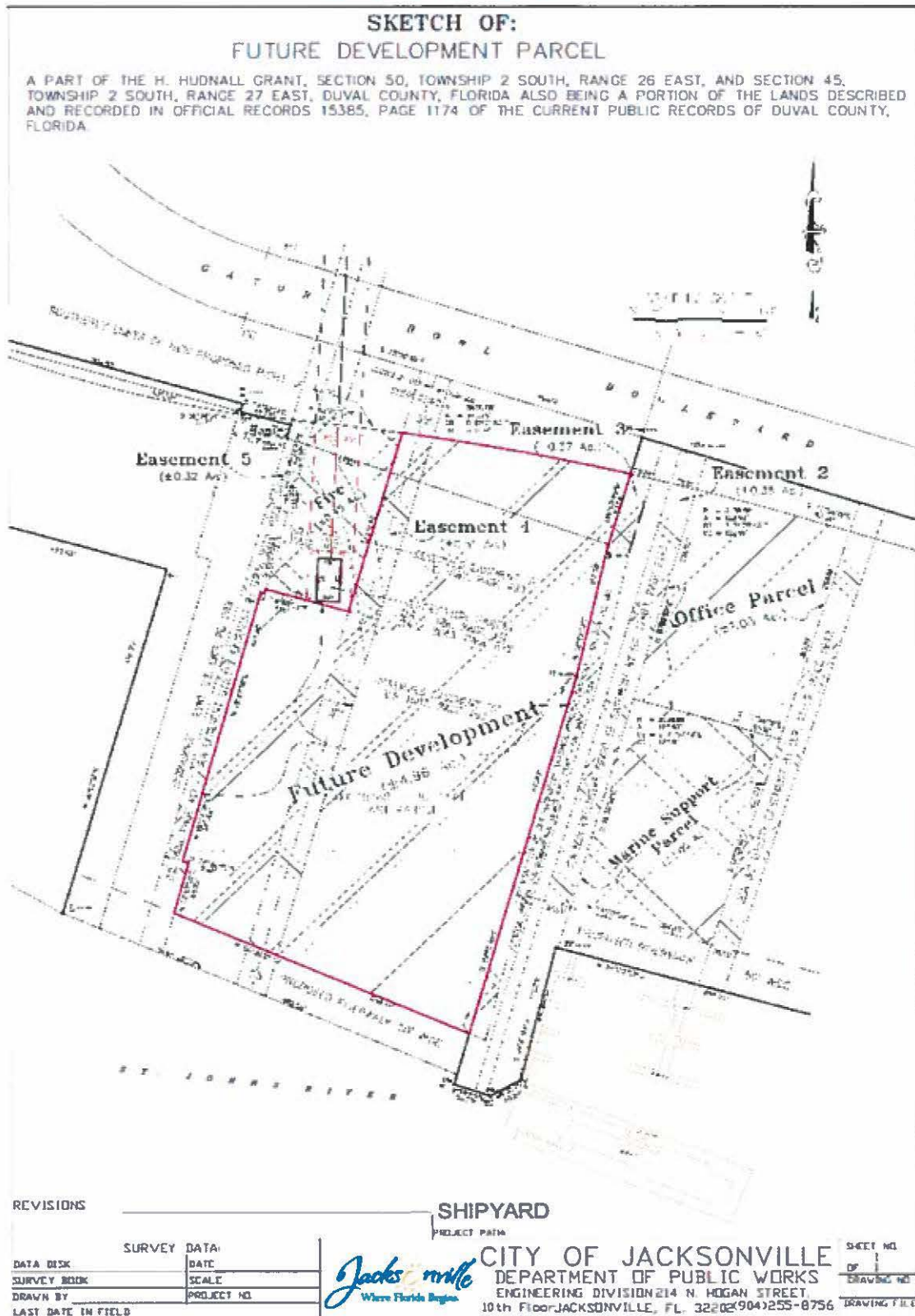


Exhibit 7 to term sheet

