

Term Sheet regarding Development in Downtown Jacksonville Sports and Entertainment Complex

July 31, 2019

Project Name	Lot J Development Project (the “Project”)
Developer	<p>Jacksonville I-C Parcel One Holding Company, LLC</p> <p>A joint venture between Gecko Investments, LLC (an affiliate of the Jacksonville Jaguars) and The Cordish Companies</p>
Development Objective	<p>Create a transformational new neighborhood in downtown Jacksonville that will not only position the City of Jacksonville to attract events of national and international significance but will also serve as a catalyst for further downtown development.</p> <p>This new neighborhood will become the preeminent place for people to gather, work and live.</p> <p>The Project will bring economic benefits to downtown Jacksonville, including increased tax revenues and jobs (both during construction and on a permanent basis to support the new facilities). The first-class, iconic Project will also attract additional investment in, and elevate the profile of, downtown Jacksonville.</p>
Keys to Project Success	<p>Well-funded project supported by a development team that has substantial real estate development experience and the financial capacity to guarantee completion</p> <p>Create critical mass density as soon as possible</p> <p>Provide flexibility to modify development program in an efficient manner in response to changing market conditions</p>
Development Scope and Investment	<p>The aggregate cost of the development (including any expanded phases) is estimated to be \$450M.</p> <p>The Project will consist of five uses:</p> <ol style="list-style-type: none"> 1. Live! entertainment district, similar to Philadelphia, St. Louis, and Arlington 2. Luxury high-rise residential tower similar to Kansas City and St. Louis (300 units) 3. Boutique hotel (200 units) 4. Office tower of a caliber of Class A office in Jacksonville (120k sq. ft.) 5. Surface parking lot (700 spaces), above the storm water retention pond to the west of Lot J. In addition, a total of 600 parking spaces will be integrated into the hotel, residential tower, office tower and/or as street parking.

	<p>As between the City and the Developer, the Developer will be responsible for all costs of the development (including any cost overruns in connection with construction) other than those costs that will be paid by the City, as set forth below.</p> <p>The Project will be similar to The Cordish Companies’ developments in St. Louis and in Kansas City.</p> <p>The Developer will retain the following flexibility to modify the Project based on changing market conditions:</p> <ul style="list-style-type: none"> - Replace the office tower and/or the boutique hotel with an approximately 300 unit high-rise residential tower - Replace the 300-unit luxury high-rise residential tower with luxury mid-rise residential buildings totaling 300 units. In the event the conversion from high-rise to mid-rise residential buildings requires additional property, or in the event the Developer desires to expand the area of the Project to achieve the density desirable for success, the City will provide the Developer with the development rights to the surface parking lot constructed in the place of storm water retention pond and/or other adjacent property at no additional cost to the Developer. If the Developer chooses to develop the newly-constructed surface parking lot and/or other adjacent property, the City will provide access to REV grants similar to those provided for the Project.
<p>Ownership of Development</p>	<p>The City of Jacksonville will retain ownership of the Live! entertainment district, the surface parking lot, the streets, the sidewalks and all other public spaces and improvements within the development.</p> <p>The Developer will operate the Live! entertainment district on behalf of the City under a lease term equal to the estimated useful life of the original building, as improved from time to time, and any replacement facilities.</p> <p>The City will transfer to the Developer, at no cost, the property for the luxury high-rise residential tower(s), the boutique hotel, the office tower and the mid-rise residential building(s). The transfer will occur immediately prior to the commencement of construction on the applicable pad.</p>
<p>Parking</p>	<p>A minimum of 1,300 parking spaces will be created within the Lot J development (i.e., the same number of spaces that are in Lot J).</p> <ul style="list-style-type: none"> - 700 spaces on the surface lot - 600 spaces dispersed through the luxury high-rise residential tower, the boutique hotel, the office tower and/or as street parking <p>Subject to the other provisions of this Section, the City will retain all parking revenue generated from the 1,300 parking spaces.</p>

	<p>Parking rates throughout the Project will be set at no higher than prevailing local market rates.</p> <p>The Developer will operate all of the parking facilities in the Project and the adjacent Lots M, N and P on behalf of the City, at market rate for such services. The City will retain all parking revenue up to historic levels and the Developer will retain the growth in parking revenue above historic levels.</p> <p>The residents of the luxury high-rise residential tower (s), mid-rise residential building(s), tenants of the office tower and guests of the boutique hotel will have the first right to access the parking spaces and will pay the City negotiated parking rates that take into account the parking needs of the Project.</p> <p>Visitors to the Project will be eligible for complementary validated parking at all available parking spaces within the sports and entertainment complex. In the event the Developer chooses to implement a discounted (versus a complementary) validation program, all revenue generated from the discounted program will be deposited into a marketing fund managed by the Developer. The Developer will use the marketing fun to promote the Project.</p> <p>The Developer will retain the right to operate a valet parking program within the sports and entertainment complex for visitors to the Project. If the valet program uses City-owned parking spaces, the City will be compensated at the prevailing local market rate.</p> <p>The City and the Developer will cooperate to develop a discounted parking program for employees who work in the Project or at the stadium.</p> <p>Access to parking within the Project will support existing City obligations to the Jaguars, the Gator Bowl, the Florida/Georgia game, and any other preexisting major event parking requirements, while taking into account the parking needs of the Project.</p>
<p>City-Owned Live! District</p>	<p>The City will provide 50% of the cost of the development of the Live! District, up to a maximum of \$50M. If the City’s 50% of the Live! District is less than \$50M, the balance shall be reallocated at the Developer’s discretion to other portions of the Project. The Developer will be responsible for the operation of the facility, inclusive of maintenance, repairs and capital improvements. Similar to the amphitheater lease, the Developer and the City will create a fund to support future capital maintenance, repairs and improvements from the dedication of any live event parking and/or ticket surcharges.</p>
<p>REV Grant</p>	<p>The City will provide a partial ad valorem tax rebate for 20 years at 75%, for an approximate total grant of \$25M, based on the plan to develop a luxury high-rise residential tower (\$128.4M), boutique hotel (\$76.5M) and office tower (\$67.0M). If the hotel or office tower is replaced with additional residential, the REV grant will be recalculated based on the revised development program.</p>

<p>Infrastructure and City Public Works Investment</p>	<p>The City will provide \$92.8M in infrastructure improvements, to include parking, streets, sidewalks, environmental cleanup, utility relocations, installation of utilities, wayfinding, directional signage, public spaces, hardscaping, landscaping, and other infrastructure.</p> <ul style="list-style-type: none"> - \$33.3M for site improvements - \$6.3M for environmental remediation - \$44.9M for structured parking - \$8.3M for surface parking <p>The Developer will have the right to reallocate funds between line items and to shift funds to the Development Grant.</p>
<p>Development Grant</p>	<p>The City will provide \$65.5M grant to be used facilitate the development of the Project.</p> <p>The Developer shall have the right to reallocate funds among the Project uses and to shift funds to the Infrastructure Investment. The Developer will provide the City with prior notice detailing any reallocation of funds.</p>
<p>Development Cooperation</p>	<p>The City will waive any tipping fees at Trail Ridge Landfill if contaminated soils from the Project are disposed of there.</p> <p>The City will cooperate to facilitate the service and consumption of food and beverage (including alcoholic beverages) within the Project (including on the streets, sidewalks and plazas of the Project).</p> <p>The City will provide the Developer with an easement at no cost to use the public spaces, including streets, plazas, sidewalks, for cafes, kiosks, wayfinding, communications equipment, stages and other activations.</p> <p>The City will provide the Developer with the ability to close some of all of the publicly-owned spaces and to limit pedestrian access to support the execution of special events within the Project.</p> <p>The City will, in consultation with the Developer, clear title encumbrances impacting the Property.</p>
<p>Conditions</p>	<p>This Term Sheet is limited by the following conditions:</p> <ul style="list-style-type: none"> - The proposed financial terms are subject to and contingent upon the approval of the Downtown Investment Authority, the Jacksonville City Council, and the administration of the City of Jacksonville. - The parties agree to cooperate to structure the financial aspects in connection with the Project in the most tax-efficient manner permitted, which may result in changes to the terms set forth herein, but which will not increase the total dollar amount the City is obligated to contribute.

	<ul style="list-style-type: none">- The parties must enter into definitive agreement(s) in respect of the Project. There will be additional terms, conditions, rights, responsibilities, warranties and obligations for both parties, to be set forth in later negotiated mutually-agreed upon written contract(s). - This Term Sheet is non-binding and neither party will have any obligation in respect of the Project unless and until execution and delivery of definitive written agreement(s).
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