

Term Sheet - 71st Street Town Center Development

A. The Project

1. The City currently owns the five parcels outlined in red on Exhibit "A" which contain 83 surface parking spaces.
2. North Beach Town Center Development, LLC ("Developer") owns the parcels outlined in yellow on Exhibit "A."
3. The project between Abbott and Byron consists of two separate structures, consisting of 121,693 SF of retail in four stories and a 484-space parking garage. 384 of the parking spaces are metered public parking spaces in a separate City-owned parking structure and 100 of the parking spaces are for the sole use of the ground floor retail tenant on the Developer's property, which is projected to be a grocery store. The project between Abbott and Harding consists of existing office buildings at 42,456 SF, and new a 134-unit residential building with 42,538 SF of ground floor retail uses and a 275-space parking garage that will serve the residential building and office tenants.
4. City to convey its five parcels to Developer and Developer to convey its parcels outlined in blue on Exhibit "A" to the City for use as a parking garage with up to 384 spaces.
5. The number of public parking spaces is up to 384 because the community and City have consistently wanted more parking in the North Beach Town Center. By providing more parking in this location, the City can potentially reduce the size of the planned parking garage on 72 Street and/or utilize the 72 Street property as a multi-modal facility.

B. Terms

1. The Developer will contribute \$2,374,680 towards the Project, which will be realized as a subsidy/contribution towards the construction cost of the 384-space City-owned parking garage (see #2 below). The four components of the Developer's total contribution of \$2,374,680 are:
 - a. Based on the agreed upon appraisals of the properties the City-owned properties are appraised at a higher value by an amount of \$800,000.
 - b. Developer to build a 4,362 SF retail/restaurant space on the ground floor of the City-owned property and the Developer will own the retail/restaurant space. Developer will cover the cost of the ground floor retail/restaurant space, which at the agreed upon appraised value of \$120/SF equals \$523,440.
 - c. There will be five loading spaces and two trash compactor spaces on the City-owned property that are required by zoning regulations for use by the Developer retail tenants. The loading and trash area is 2,927 SF, which valued at \$120/SF is \$351,240.
 - d. Customers of the Developer's retail tenants in the adjacent building will get two hours of free parking in the City-owned parking garage through a validation system and the two-hour free parking for such tenants will be in place in perpetuity. The Developer will also provide 100 parking spaces on its own property at its own expense for the tenant on the first floor. The Developer believes that providing two hours of free parking to the general public for an initial period of time would also be beneficial to the growth and economic development of the North Beach Town Center. Therefore, the Developer proposes that the public be allowed to also have two hours of free parking in the City-owned garage for three years beginning from the completion and opening of the garage and the Developer agrees to cover the operating losses, if any, for the City-owned garage for the first three years,

until the area matures economically and such growth would result in operating gains for the City. The Developer estimates the value of the two-hour free parking for its customers in perpetuity is \$700,000.

2. Developer will build the 384-space City-owned parking garage. The City will pay for the construction of the parking garage with a per-space construction cost cap of \$33,816. The Developer's contribution of \$2,374,680 equals a \$6,184 per space subsidy towards the cost of constructing the 384-space City-owned parking garage.
3. The City will fund its portion of the design/construction costs. The City will reimburse Developer per a schedule based on draws (as typical with construction projects). The City's budget is defined as \$33,816 per space.
4. The City will operate the parking garage. Developer to have validation system for customers of retail tenants on Developer's property for two-hour free parking. Developer to pay its proportionate share of CAM costs of the City-owned parking garage through a Reciprocal Easement Agreement (REA).
5. The REA will allow for (i) cost allocation, (ii) cross access for grocery store-related vehicles to utilize parking garage ramp and second floor drive aisles of City-owned garage in order to access the 100-space parking garage on the Developer's property, (iii) cross access for Developer's retail tenants to utilize the loading spaces and trash compactors located in the City-owned parking garage, among other things.
6. The City-owned parking garage will be designed in a way that the garage can be converted to other uses if parking demand declines in the future.
7. Upon the closing and exchange of properties between the City and Developer, Developer would pay the City \$800,000 for the difference in the appraised value of the land and also post a performance and payment bond to assure the completion of the construction. As the construction of the City-owned parking garage is completed the money would be reimbursed and the bond would be released.
8. Prior to the completion of the Project, any transfer of the property by the Developer (except a transfer to a related company) shall require approval by the City Commission.

Exhibit A

