

Development Agreement for Incentives

This Term Sheet summarizes the principal terms of a Development Agreement for Incentives of for the establishment of a supermarket to be located at 2286 SE Hawthorne Road, Gainesville, Florida. This term sheet does not create any legally binding obligation or any commitment to provide any loan from the City to the Developer until the definitive agreements are executed and delivered by all parties involved in the transaction

Parties:	City of Gainesville, Florida Developer: Southern Accommodations, LLC
Effective Date:	August 1, 2021
Project:	The creation of an approximate 25,000 sq.ft. <i>supermarket</i> located at 2286 SE Hawthorne Road, Gainesville, Florida 32641
Project Schedule and Completion Date:	July 21, 2022
Loan Amount:	Not to exceed \$3,300,000, amount to be subject to final determination during Due Diligence Period.
Source of City Funds:	American Rescue Plan Act (ARPA) and/or Gainesville Community Reinvestment Area (GCRA) Special Revenue Funds
Job Creation Requirement:	Supermarket – 30 FTE
Local Hiring:	Developer and Supermarket Operator shall use commercially reasonable efforts to hire individuals to satisfy the Job Creation Requirement who reside within Census Tracts within a 1-mile radius of the Project.
Living Wage Requirement:	Required pursuant to Chapter 2, Article IX, Division 2 of the Code of Ordinances of the City of Gainesville, Florida.
Local Contracting Requirement:	Best efforts to work with City, through its Office of Equity and Inclusion, to notify local business firms, minority owned firms, women-owned firms of the opportunities to submit bids for work on the Project.
Financing Structure:	Developer is responsible for using own funds to develop the project.

Upon attainment of a lease agreement with a Supermarket operator acceptable to the City, the City will provide construction financing in an amount not to exceed \$2,000,000, amount to be subject to final determination during Due Diligence Period. Securitization of the construction financing shall be subject to a method acceptable to the City (such as an UCC-1 filing).

Upon completion of the Supermarket (receives a Certificate of Occupancy), the City will loan Developer an amount not to exceed \$3,300,000, amount to be subject to final determination during Due Diligence Period, inclusive of the construction financing.

Two promissory notes:

1. Job Creation \$1,200,000. Reduced on the 3rd, 4th and 5th anniversary of the Project Completion Date by the proportionate number of jobs created from the Job Creation Requirement multiplied by \$400,000. For example, 27 FTEs created, 30 FTE requirement would equal 0.90 multiplied by \$400,000 resulting in \$360,000 of the note forgiven.
2. Supermarket Operation. \$2,100,000. Reduced on the 4th, 5th, 6th, 7th, 8th, 9th and 10th anniversary of the Project Completion Date by \$300,000 provided that the supermarket was operational for at least 4,320 hours during the preceding year.

Mobility Hub Lease:

No later than November 1, 2021, Developer shall lease to the City a portion of the property (approximately 1.5 to 2 acres in size) at 2286 SE Hawthorne Road, Gainesville, Florida 32641 for the amount of \$1/year for 99 years for the purpose of the City building and operating an RTS Mobility Hub that will serve transit, microtransit, micromobility, bicycle, pedestrian and Park & Ride commuters and connect to the existing bike boulevard. Site depicted on Exhibit A.

Supermarket Product Selection:

The Supermarket product selection should feature (1) grocery and hot bar products that cater to the heritage,

culture and customs of the indigenous and existing community and (2) grocery aisles/sections and hot bar products that provide healthy options that address the health issues within the existing community (such as hypertension, diabetes, etc.). Proper product selection shall be affirmed by a Community Advisory Group.

Community Advisory Group:

During the term of any outstanding principal of the note, the Supermarket Operator must establish a community advisory group consisting of no less than 9 residents of the City from a ½ mile radius of the supermarket to provide recommendations to the supermarket operator regarding product selection and services. The Community Advisory Group shall meet at least quarterly with the supermarket manager.

SNAP/WIC Acceptance:

The Supermarket must accept Florida ACCESS EBT Cards (Florida SNAP benefits and Florida Temporary Cash Assistance Program) and WIC benefits as payment per state program guidelines. Supermarket must also offer Fresh Access Bucks (FAB) - the USDA funded statewide nutrition incentive program that enables SNAP recipients to double the purchasing power of their SNAP benefits on Florida grown fruits and vegetables sold at the Supermarket.

Supermarket Energy Efficiency:

Must apply for and receive a score of 75 or higher for the Energy Star Certification.

Supermarket Operations During Emergencies:

The Developer shall ensure that the Supermarket has emergency power (i.e., generator) to operation during periods of prolonged power outages.

Supermarket Disposal of Product:

Must develop a partnership with a Gainesville-based food pantry and Gainesville-based composting facility for the disposal of surplus product.

Local Sourcing of Product:

In association with providing product for sale at the supermarket, the Developer shall establish a program for local sourcing of product which will be included as a performance requirement of the loan. The definition of "Local" shall refer to products produced "as close as possible" to the City of Gainesville based on seasonality

and availability of product, with preference being given to food items produced and processed in Alachua County, the State of Florida, and the southeast region of the United States.

Expansion of Project: To the extent that the Project is expanded to meet unmet community needs, as defined by the City, the City and the Developer may agree to additional development incentives in addition to those delineated in this term sheet.

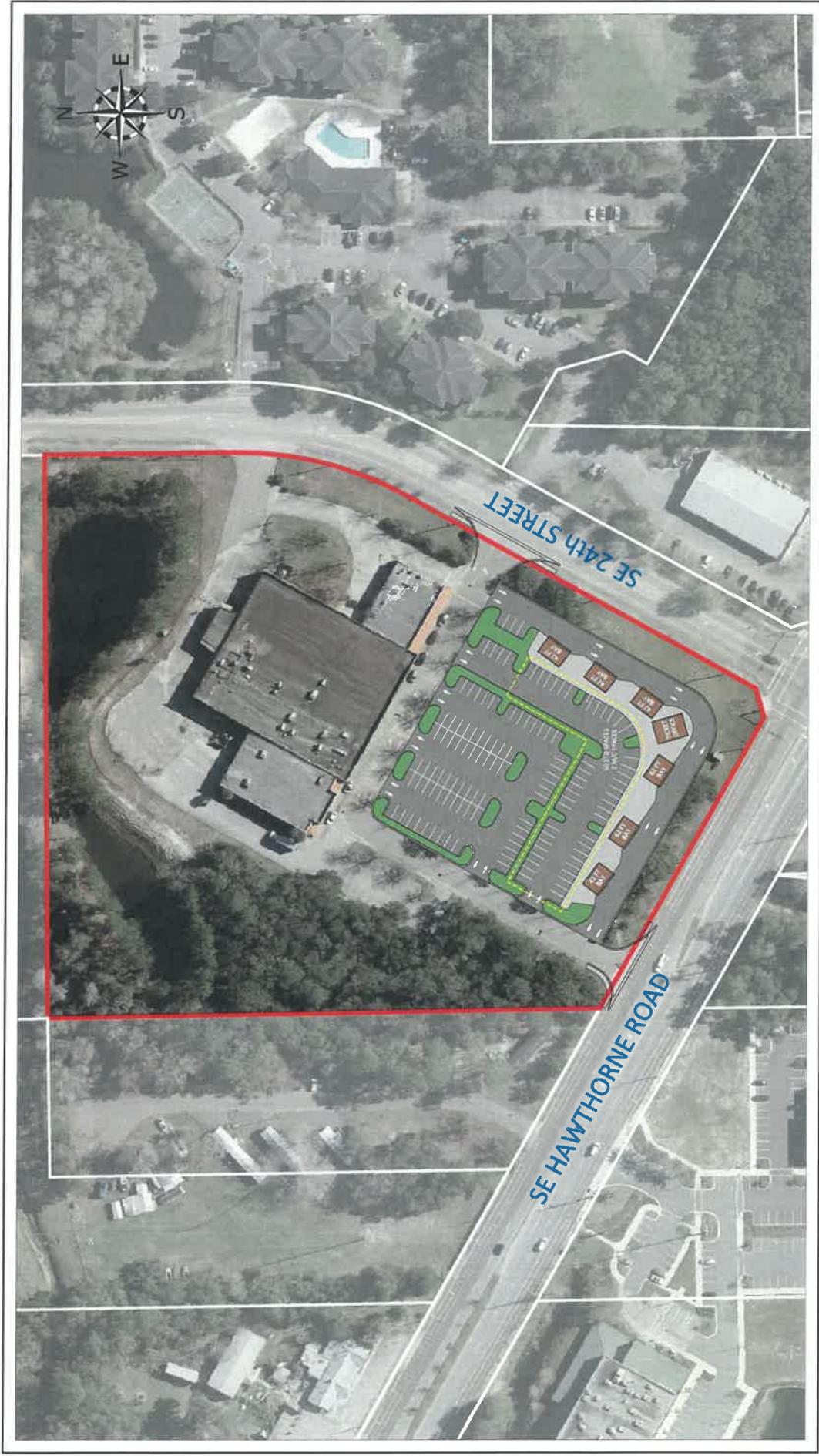
Due Diligence: City will be given an option to conduct due diligence on the Developer's business, historical and projected financials, legal contracts with tenants and potential tenants, legal contracts with vendors, operational and quality procedures, marketing strategy, tax compliance, and human resources. The City will also be given access to the site (interior and exterior) to perform necessary inspections to determine the viability of the Project.

Due Diligence Period: The period of time between the execution of this term sheet and the final approval of the loan documents by the City Commission.

Fees and Expenses: Each party shall bear its own legal fees and expenses including, but not limited to, legal, professional, due diligence, advisory support and negotiation in connection with this transaction.

Termination: Either party may terminate this agreement by a simple notice including email before the signing of the definitive agreements. No party is required to give the reasons for the same.

This Term Sheet is not a contract or a binding agreement but just an expression of a possible business transaction between the City and the Developer. No party will be bound for a transaction until and unless definitive agreements are approved by the City Commission of the City of Gainesville, Florida and executed by the parties to this transaction.



RTS - EASTSIDE TRANSFER STATION - CONCEPTUAL SITE PLAN

PREPARED BY:  **JBrown Professional Group**
CIVIL ENGINEERING • LAND SURVEYING • PLANNING
3530 NW 43rd Street • Gainesville, FL 32605 • 352.375.6999 • JBPGGroup.com

