

FRAMEWORK FOR THE POWER DISTRICT REDEVELOPMENT

The Gainesville Community Redevelopment Agency (“**CRA**”) approves the following framework (the “**Framework**”) between the Gainesville Regional Utility (“**GRU**”), the City of Gainesville, Florida (the “**City**”, and together with the CRA and GRU, the “**City Parties**”) and Power District Ventures, LLC, a Delaware limited liability company (“**Developer**”), an affiliate of Cross Street Partners LLC, a Maryland limited liability company. The parties are hereinafter referred to, individually, as a “**Party**,” and collectively, as the “**Parties**.”

WHEREAS the Developer plans to purchase and renovate several properties located in the Power District, as further described herein, for purposes of creating a high-quality, mixed-used destination featuring a Public Market, 85,200 SF of commercial and retail opportunities, and approximately 220 new residential units, as further described in the “Objectives” below, the Parties hereby agree to the following framework:

OVERVIEW AND IMPLEMENTATION	<p>The City Parties have been negotiating with the Developer as the master developer for the Power District, consisting of approximately 12.51 acres of land, depicted as Parcels 1, 2, and 4 in <u>Exhibit A</u> (the “Property”).</p> <p>The Developer, with the support of the City Parties, will develop a high-quality, mixed-use development that honors the goals and intent of the 2013 Power District Redevelopment Plan (the “Project”).</p> <p>Within 60 days of the approval of this Framework, the Parties will enter into 2 agreements (the “Definitive Agreements”), which agreements will be executed simultaneously and mutually dependent:</p> <ol style="list-style-type: none">1. The purchase and sale agreement (“PSA”) for the Property; and2. The Development Agreement, which will include detailed cost projections and fully negotiated, legal language around the Objectives summarized within this Framework. <p>Within 60 days of the execution of the Definitive Agreements, the Parties will effectuate the sale of the Property, per the City’s required Board and Commission approval processes.</p>
PROJECT PHASING	<p>The Developer will develop the Project in 3 phases. The full buildout plan as well as the phasing plan are attached hereto as <u>Exhibit B</u>.</p> <p>This Framework contemplates the Public Investment and the Developer Investment in Phase 1 only (see <u>Exhibit C</u>). Future proposed Phases 2 and 3 and associated next steps will be further negotiated and returned to the CRA Board for consideration.</p> <p>The Developer’s obligation to proceed with the last 2 phases is contingent upon the City’s timely completion of the Daylighting, as</p>

	defined in the Objectives.
OBJECTIVES	<ol style="list-style-type: none"> 1. <i>Property Sale:</i> In accordance with the PSA, the Developer will purchase the Phase 1-related land and improvements from the City for \$4,478,095 (the “Purchase Price”). The total purchase price is based upon a \$3,200,000 value for the Catalyst Building and its underlying land, and upon a \$230,000 per acre price for the estimated 5.56 acres of remaining land required to implement Phase 1 of the Project. The total purchase price is subject to survey verification of the estimated land acreage. 2. <i>Private Investment and Tax Base.</i> The Developer will increase the property tax base of the City by privately owning and developing the Property to its highest and best use. Except as otherwise provided herein, the Developer will use private capital to fund the development of Phase 1, which will include the adaptive reuse of the Fleet Garage and Building, shown as the Renovated Office Building on Block C, the adaptive reuse of the Operations & Warehouse Building (the “Warehouse”), shown as the Renovated Retail Building on Block F, the new construction of an approximately 200-unit multifamily building on Block F, and the new construction of approximately 20 for-sale townhouses on Block F. 3. <i>Leverage State and Federal Funds.</i> Developer will use its best efforts to obtain an allocation of federal New Markets Tax Credits (“NMTCs”) in an amount of at least \$10,000,000 prior to the beginning of Phase 1. 4. <i>Project Marketing and Leasing.</i> Developer will undertake to market and lease the completed improvements at the Project. 5. <i>Public Market.</i> The City will sign a lease for a portion of the Warehouse for the purpose of establishing a public market (the “Market”), and the Developer will subsequently renovate the Warehouse into a food and beverage destination that celebrates and supports local entrepreneurs. Together, upon approval of this Framework, the Parties will engage a consultant specializing in the creation and operation of public markets to determine the optimal size and configuration for the Market. The lease will be structured using the following parameters: <ol style="list-style-type: none"> a. A term of at least 7 years to match the compliance period for the NMTC financing; and b. The parties agree to negotiate the additional terms of the lease, including the rental rate, such that the Developer is able to achieve a reasonable market return

	<p>while balancing benefits to the City and small businesses.</p> <p>6. <i>Affordable Housing</i>. Recognizing affordable housing as a public good, and the need within the City of Gainesville for both rental and for-sale affordable units, the Developer will reserve up to 20% of the total residential units in the Project for for-sale and rental affordable housing options, provided the City secures the appropriate affordable housing program/funding resources for Phase 1.</p> <p>7. <i>Improved Infrastructure</i>. The City will commit to infrastructure improvements (“<i>Infrastructure Improvements</i>”) in order to maximize on-street parking and improve connectivity between the Project, adjacent neighborhoods, Downtown, and Depot Park. The Phase 1 Infrastructure Improvements, illustrated in Exhibit C, will include:</p> <ol style="list-style-type: none"> The extension of SE 6th Terrace, between SE 5th Avenue and SE Depot Avenue; Augmenting improvements along SE 7th Street between SE 5th Avenue and SE Depot Avenue; and Associated utility work, as necessary. <p>8. <i>Parking to Support the Project and Depot Park</i>. The City will improve an existing surface parking lot, labeled as “Parcel 3” in Exhibit A, that will serve as overflow parking for the Project and Depot Park (the “<i>Public Surface Lot</i>”). The improvements will include striping and resurfacing (as necessary), landscaping the City-owned land surrounding the lot, and public lighting improvements.</p> <p>To support the commercial tenants the City will complete a needs assessment for a scalable, initially free circulator service, to provide transportation between the Market, Public Surface Lot and Depot Park.</p> <p>An equal amount of parking spaces to what exists today will be reserved for tenants of the Catalyst Building at no charge in the Public Surface Lot. Details of additional proposed public parking will be further negotiated and brought forward as part of the final Development Agreement.</p> <p>9. <i>Sweetwater Branch Creek Daylighting</i>. In Phase 1 the City will fund all direct due diligence costs associated with the potential daylighting of the Sweetwater Branch Creek between SE 4th Avenue and SE Depot Avenue (the “<i>Daylighting</i>”), and the City</p>
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	<p>will complete the Daylighting within 36 months of the approval date of this Framework.</p> <p>10. <i>Business Improvement District</i>. The City and Developer will work together on options for activation of and long-term maintenance for the district.</p>
DEVELOPER PURCHASE OPTION, FUTURE PHASES	<p>As will be more fully articulated in the PSA, Developer will have the option following the execution of the Definitive Agreements to purchase additional acreage of the Property from the City, with the exception of the area identified as Parcel 3 in Exhibit A (the “Option”). The purchase price for any additional acreage will be \$230,000 per acre, inclusive of all land and improvements (the “Option Per Acre Price”), subject to revised appraisals, but in no event shall the purchase price deviate more than 8.00% in either direction from Option Per Acre Price. This Option shall expire two years from the completion of the Daylighting, as described in Objective 9.</p>
INSPECTIONS AND ACCESS TO THE PROPERTY	<p>Upon approval of this Framework, the City Parties will provide Developer full access and opportunity to examine the Project, the books, records, contracts and other documentation related to the Project, and to conduct physical, environmental, legal or other inspections as the Developer may deem necessary (collectively, the “<i>Inspections</i>”).</p> <p>The Developer will promptly repair any damage to any portion of the Project resulting from the Inspections.</p>
GOOD FAITH NEGOTIATIONS	<p>Each of the Parties agrees that this Framework is not a comprehensive description of all of the terms and conditions that will be contained in the Definitive Agreements, and each of the Parties covenants and agrees to negotiate in good faith with respect to the Definitive Agreements.</p>

EXHIBIT A

Framework for the Power District

Property

See attached.

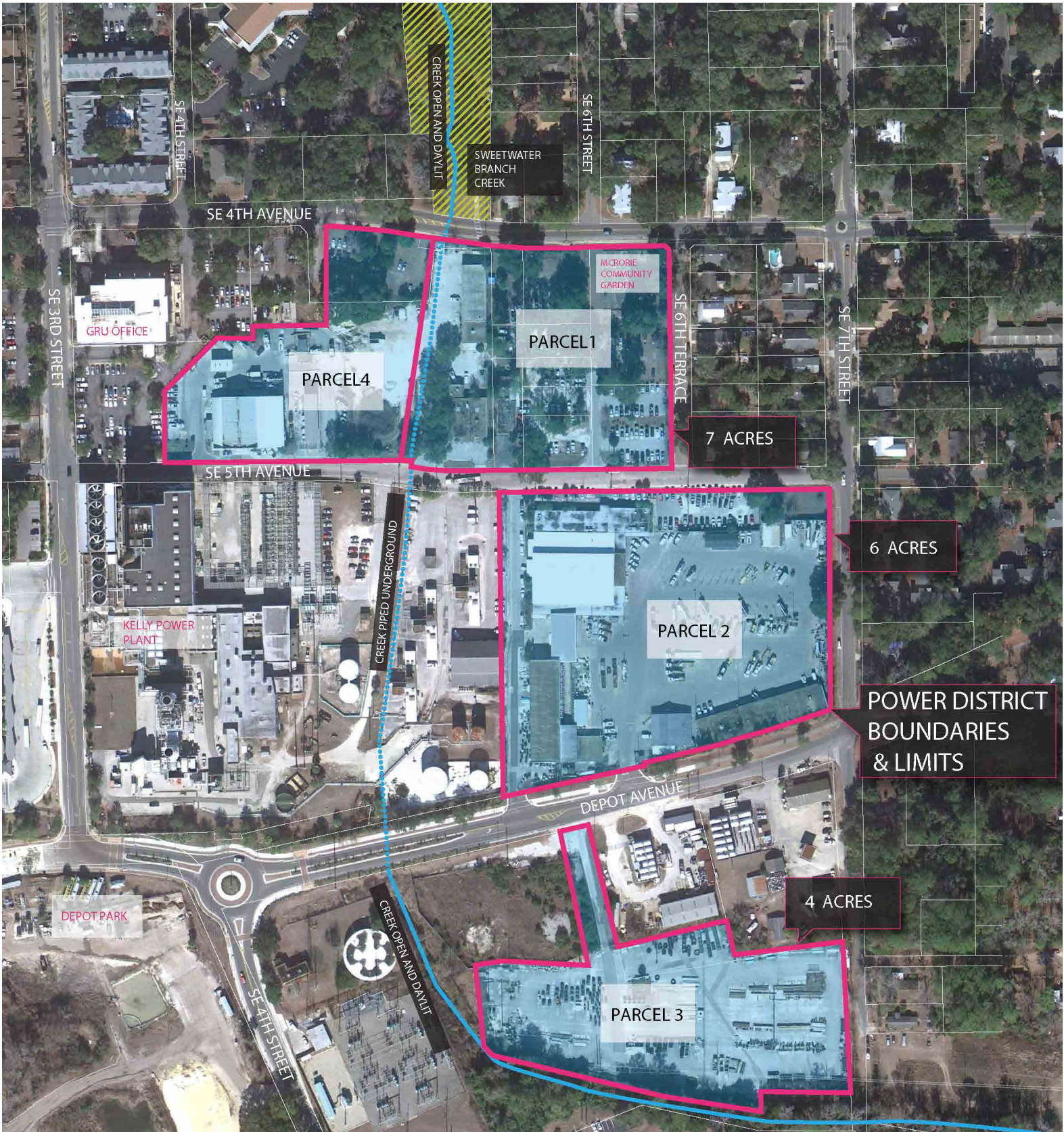
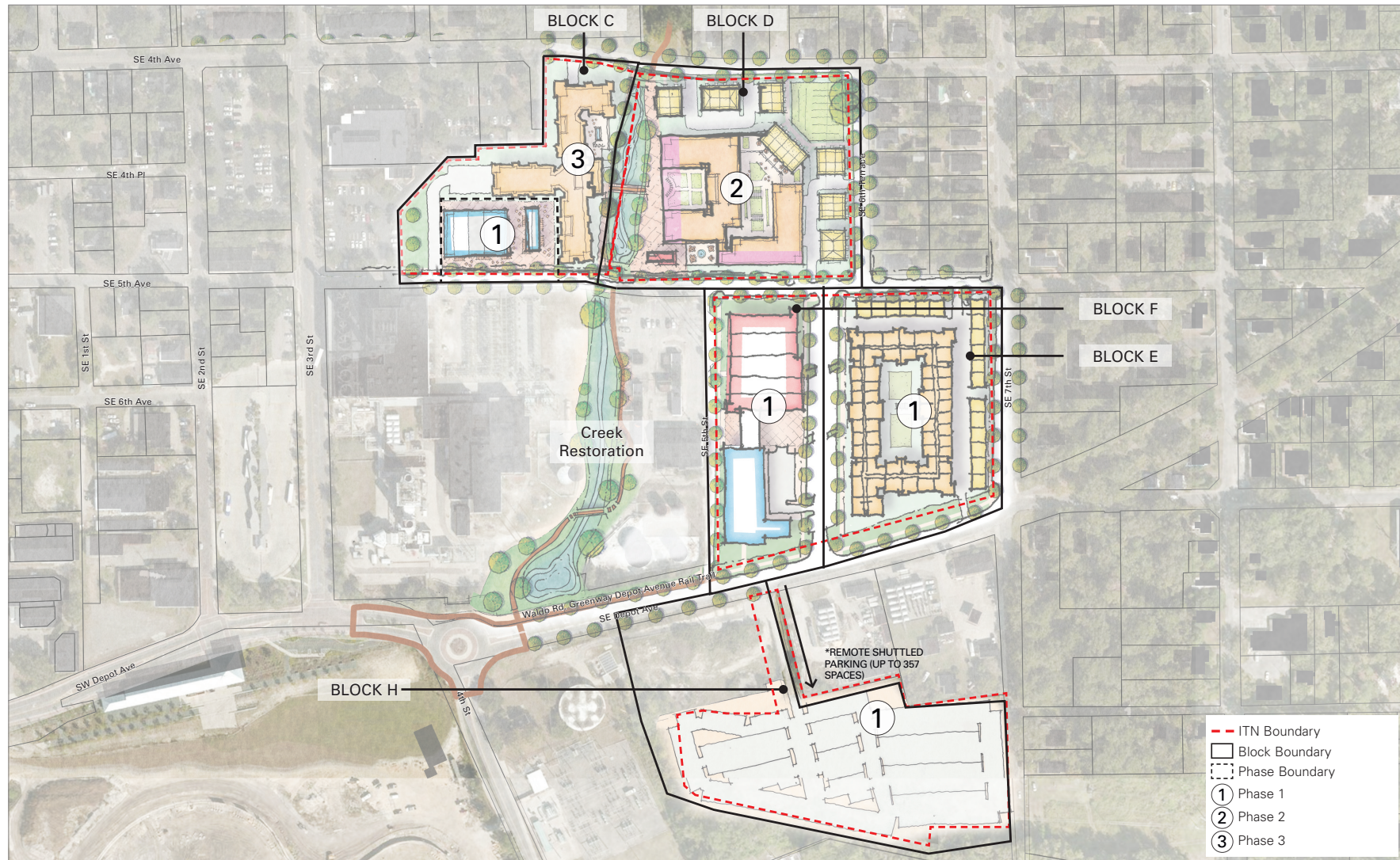


EXHIBIT B

Framework for the Power District

Development Phasing

See attached.



PHASING DIAGRAM

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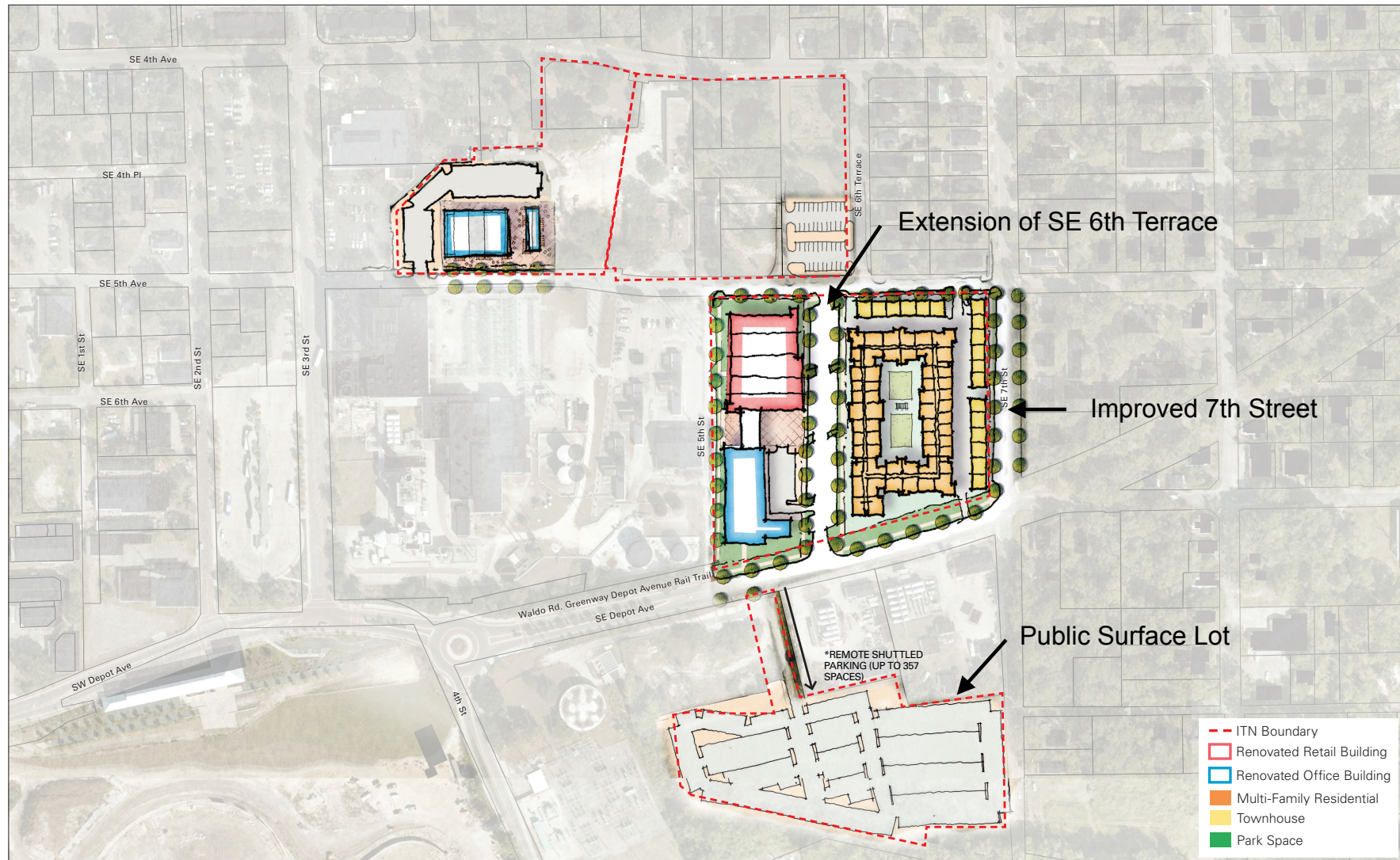
10 JULY 2018

EXHIBIT C

Framework for the Power District

Phase 1 Improvements

See attached.



PHASE I

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