CITY OF HOLLY HILL, FLORIDA

CITY COMMISSION

AGENDA ● MAY 20, 2019

City Commission Chamber	Special Meeting	6:00 PM

CITY HALL
1065 RIDGEWOOD AVENUE
HOLLY HILL, FL 32117

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448

City Commission Chamber
City Hall
1065 Ridgewood Avenue
Holly Hill, FL 32117

CITY COMMISSION MEMBERS

Mayor
Chris Via

District 1 - Commissioner
John Penny

District 3 - Commissioner
John C. Danio

District 2 - Commissioner
Penny Currie

District 4 - Commissioner
Roy Johnson

CITY MANAGER
Joseph Forte

CITY CLERK
Valerie Manning

1. CALL TO ORDER

a. Roll Call

2. FOUNTAINHEAD DISCUSSION

1. First Amendment to the Fountainhead Incentive Agreement
   (Requested by Joseph Forte, City Manager)

3. ADJOURNMENT

Website Address – www.hollyhillfl.org (City Clerk)

NOTICE – If any person decides to appeal any decision of the City Commission at this meeting, he/she will need a record of the proceedings and, for that purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The City does not prepare or provide such a record.

For special accommodations, please notify the City Clerk's Office at least 72 hours in advance. (386) 248-9441

Help for the hearing impaired is available through the Assistive Listening System. Receivers can be obtained from the City Clerk's Office.

In accordance with the Americans with Disabilities Act (ADA), persons needing a special accommodation to participate in the Commission proceedings should contact the City Clerk's Office no later than three (3) days prior to the proceedings.

First Amendment to the Fountainhead Incentive Agreement

FIRST AMENDMENT
TO
REDEVELOPMENT INCENTIVE AGREEMENT

WHEREAS, on or about January 27, 2017 the City of Holly Hill, the City of Holly Hill Community Redevelopment Agency (collectively referred to as the City) and Fountainhead Developers, LLC (Developer) entered into the Redevelopment Incentive Agreement (Agreement) providing terms and conditions of the redevelopment of the 1200 Center Street (Property), including redevelopment incentives.

WHEREAS, pursuant to Paragraph 8 of the Agreement the Developer was granted an option to purchase Lot 1 upon satisfying certain conditions.

WHEREAS, the Developer has requested to purchase Lot 1 prior to satisfying all these conditions.

WHEREAS, the City and Developer have agreed allow the Developer to purchase Lot 1 subject to the terms and conditions hereinafter outlined.

NOW, THEREFORE, for and in consideration of mutual covenants contained herein, the sufficiency of which are hereby acknowledged, the undersigned parties hereby agree to the following:

1) Paragraph 8 is hereby repealed and a new Paragraph 8 shall read as follows:

8. The City agrees to sell Lot 1 to the Developer for $60,000 per acre less a $190,000 credit towards the purchase price. The first payment of the New Employee Incentive shall be reduced by $190,000 and said funds shall remain in the New Employee Incentive Fund, and said first payment shall also be conditioned upon the following:

(a) Joinder of the existing Parcel 1 and Parcel 2 into a single Parcel 1 (all future references to Parcel 1 shall mean the new Parcel 1 that results from this joinder, unless reference is to old Parcel 1);

(b) The completion and final certificate of occupancy being issued for all of Phase 1, Parcel 1 improvements, as hereinafter defined and as depicted in Exhibit “C-1”, which shall replace and supersede Exhibit “C” of the original Agreement;

(c) The headquarters and all employees of Synergy Billing, LLC being permanently located to the Phase 1, Parcel 1 improvements;

(d) Phase 1, Parcel 1 shall be as generally depicted on Exhibit "C-1" and including the following:

(1) 25-foot perimeter landscaped buffer per approved plans along Center Avenue.

(2) 10-foot perimeter landscaped buffer per approved plans along Walker Street running from the intersection of Center Avenue and Walker Street, West along Walker Street until the main entrance to the Property on Walker Street.

(3) Synergy Building headquarters and other Buildings totaling at least 28,000 sq. ft.).

(4) The planned parking lot on the Northeast corner of the Property shall either be sodded with Bahia grass or hydro-seeded or have the parking lot pervious sub-base material spread, compacted and prepared for final base material and asphalt paving. Developer shall secure this area to prevent it from being used for parking as none of this area is an approved parking lot nor shall it be considered in satisfying any parking requirement until the parking lot is completed and accepted by the City as complying with the approved site plan specifications. Even in the unfinished, pervious condition, this area shall be deemed a final, completed parking lot for purposes of calculating compliance with development regulations such as impervious area, open space, etc. The Developer will take necessary preventative measures to control dust.

(5) In the event the Developer elects to install parking lot pervious sub-base instead of grass on any portion of the Property, the Developer shall install an additional viburnum hedge with a minimum of 3 gallon size plants planted at least in 3' on center in a sufficient number to screen the area with the parking lot pervious sub-base to 100% opacity within 6 months of planting resulting in the parking lot pervious sub-base not being visible from any public roadway.

(6) Resurfacing, sealing and stripping of existing parking lot to the South of the proposed new parking lot on the East side of the Property. Upon completion, the parking lot can be used as parking to satisfy the parking requirements of the Development

(7) Installation, approval and acceptance of all utility lines to serve the development on "C-1" on Parcel 1 in accordance with the approved site plan dated March 6, 2019.

(8) Installation, approval and acceptance of the retention pond shown on Exhibit "C-1" located at the Northeast corner of the Property along with all landscaping required in the approved plans.

(9) There shall be no stored debris, construction material, dirt, etc. on the Property except for the spreading of parking lot pervious sub-base in preparation for a future parking lot or as otherwise anticipated by the approved site plan. All other areas shall be sodded or hydroseeded with Bahia grass and shall be maintained with dead areas replaced.

(10) Construction and final approval and acceptance by City in accordance with the approved site plan and permits of primary driveway entrances to the Property from Walker Street and Center Avenue as depicted on the Exhibit C-1.

(11) Any other improvements required by the approved site plan for Phase 1 dated March 6, 2019.

(12) Developer shall receive approval of an amended MPUD, which shall be processed as a major amendment, from the City reflecting the changes referenced in this First Amendment.

2) Paragraph 10(a) is hereby repealed and a new Paragraph 10(a) shall read as follows:

(a) Permitting costs, including all permitting fees paid to third party regulatory agencies, impact fees, and professional services fees incurred by the Developer for services rendered by consultants, including but not limited to engineers, surveyors, and attorneys, to obtain permits and approvals for the redevelopment of the Property. The City and Agency agree that all City fees associated with the development of the Property be waived to the extent the City can legally waive such fees, such as permit fees and inspection fees. However, after the execution of this First Amendment, waiver of plan review fees for any application shall be limited to the initial review and the review of the next two resubmittals by the Developer responding to the City's reviews and comments. Fees normally charged by the City during plan review for resubmittals shall be charged for all plans review resubmittals after these three plan reviews and the Developer shall be responsible to pay said fees. Fees that cannot be waived, such as impact fees (if applicable), and fees not waived, such as plan review fees for three or more plan reviews, shall be considered an Eligible Redevelopment Cost to the extent such fees are paid by the Developer.

3) Paragraph 15 is repealed and a new Paragraph 15 shall read as follows:

15. Neither the Net Sale Proceeds nor the $60,000 per acres for New Employee Incentive shall be paid to the Developer until all improvements in Phase 1, Parcel 1, as reflected in an Exhibit "C-1" for the Property are completed and a final certificate of occupancy is issued. Furthermore, fifty percent of the available Net Sale Proceeds shall only be used for reimbursements of Eligible Redevelopment Costs for New Vertical Construction of buildings, including foundations, on Parcel 1, which will be reimbursed upon issuance of the building permit for New Vertical Construction. New Vertical Construction means vertical construction that is included in the MPUD, exclusive of all vertical construction on Exhibit C-1. The remaining fifty percent of the Net Sale Proceeds shall be available for Redevelopment Capital Expense Reimbursement subject to the following:

(a) The Developer shall timely submit all paid invoices for those capital expenditures for which reimbursement is sought.

(b) Reimbursement shall be for the capital improvements incurred on Parcel 1, that are Eligible Redevelopment Costs.

(c) Satisfying the obligations outlined in Paragraph 8.

4) Paragraph 16(a) is hereby to read as follows:

(a) The option provided to the Developer shall apply to the Property not already owned by the Developer and the Workforce Housing Parcel in the event the Workforce Housing Parcel is not acquired by a third-party purchaser as provided in Part Three. The option shall permit the Developer to purchase all outparcels identified on Exhibit F, including the parcel identified as the “Wellfield Parcel” in the event the Wellfield Parcel is abandoned by the City. Developer can purchase one or more outparcels at a time. The option price shall be $60,000 per acre and the sale proceeds shall be used as additional revenues for the New Employee Incentive. The contract for the sale and purchase for each option exercised shall be the contract attached hereto marked as Exhibit G. The Developer shall next purchase Lot 1. After the acquisition of Lot 1, the Developer shall have the option to purchase Lot 3, subject to the following: (1) the Developer shall have completed the parking lot on Northeast portion of the Property within eighteen months of the effective date of this First Amendment and shall complete all improvements on Parcel 1, or; (2) development or the number of employees occupying Parcel 1 improvements requires additional parking, as determined by the applicable parking requirements, that would be provided on Lot 3. In the event a third party proposes to purchase Lot 3 before one of the above requirements is satisfied, the City shall negotiate and sell Lot 3 to said 3rd party with the written approval of the Developer. The first $60,000 per acre of the sale price will be placed in the New Employee Job Incentive Fund with the Net Sale Proceeds being available to reimburse Eligible Redevelopment Costs for New Vertical Construction unless all vertical construction as outlined in the MPUD is completed and reimbursed, in which case said funds are available for any other Eligible Redevelopment Costs. Lot 3 must be acquired as provided above before the Developer has the right to purchase Lot 4 (this has no impact on the sale of Lot 4 to a 3rd party for workforce housing as outlined in Part III.

The right to purchase any additional parcels of the Property shall lapse on July 1, 2026.

5) Paragraph 18(a) is hereby amended to read as follows:

(a) All required information shall be provided to the City or Agency in a timely manner. A "timely manner" under Part One shall be no later than thirty (30) days of the end of the quarter to be reviewed. Under Part Two and Part Three, a "timely manner" shall be no later than thirty (30) days of payment of the invoices to be reimbursed. However, the Developer shall have thirty (30) days from the effective date of this First Amendment to submit all paid invoices paid prior to the effective date of this First Amendment that the Developer seeks to have reimbursed pursuant to the Redevelopment Capital Expense Reimbursement. Any invoices submitted after the expiration of either thirty (30) day time period shall not be eligible for reimbursement.

6) Except as amended herein, the Agreement shall remain in full force and effect.

7) This First Amendment shall be deemed effective on ___________________.

Fountainhead Developers, LLC	City of Holly Hill
By:____________________	By:___________________
Title:_________________	Title:_________________
Date:_________________	Date:_________________
	City of Holly Hill Community Redevelopment Agency
	By:___________________
	Title:________________
	Date:________________

Fountainhead MPUD, Incentive Agreement and Exhibits were approved March 2017. The proposal was presented as a $25,000,000.00 development completed by 2026 and bringing 100 existing and 400 new jobs to the City of Holly Hill by the end of 2020.

Two incentive packages were developed. One is to reimburse the developer a specified dollar amount for all new and existing jobs, as well as, an added incentive for those employees who live inside the city limits. The money used for this reimbursement is available from the developers purchase of the property. The second incentive package is designed to reimburse the developer for qualified expenses for the development of the project. The money used for reimbursement would come from the Tax Increment generated from the property's increased tax value.

To understand the expectation, below are a few points of fact that must be understood when deciding future changes to the agreements.

Section 2. **Master Development Plan** authorized the following:

A. Corporate Headquarters: 110,172 sq. ft.

B. Medical Office/Clinic 16,000 sq. ft.

C. Office: 30,000 sq. ft.

   a. Financial Institution may be included within the office area as provided for below.

D. Fitness Center: 4,000 sq. ft.

E. Child Day Care: 6,000 sq. ft.

F. Specialty Food/Restaurant 4,000 sq. ft.

G. Multi-family Dwelling units 88 dwelling units

Section 6. **Phasing of Development:** The PROPERTY may be developed in multiple phases as individual parcels, as shown on the MPUD. However, at a minimum, the following improvements must be included as part of Phase 1 as also illustrated in Exhibit “C”:

A. Synergy Billing Headquarters (2 buildings, totaling 21,000 sq. ft.)

B. Synergy Academy (7,000 sq. ft.)

C. 24 ft. landscaped perimeter buffer along Center Avenue

D. 10 ft. buffer along Walker Street, running from the intersection of Walker Street and Center Avenue to the main entrance to the Property on Walker

E. Water retention ponds, as required by the St. Johns River Water Management District, as depicted in Exhibit “C”. Landscaping of said ponds shall be provided herein

F. Parking to support the Phase 1 buildings, with future parking area to be sodded until improved

G. Primary entrances to Walker Street and Center Avenue as depicted on Exhibit “C”

All of the items identified in Exhibit “C” Phase I on Parcel 2 (attached) must be completed before the developer would be permitted to purchase Parcel 1. The developer would then have to purchase Parcel 3 in order to gain access to the funds in excess of the first $60k per acre of the housing development, Parcel 4, once that property is sold to a housing developer. These moneys were to be used to keep the development moving forward.

The language in the proposed Amendment modifies the deliverable as follows. The developer is unable to complete all of Exhibit “C” Phase I on Parcel 2 and has requested to modify the incentive agreement to allow the developer to purchase Parcel 1 in order to leverage the funds needed to complete work on Exhibit “C-1”. The developer is requesting to move forward with purchasing Parcel 1 by completing only the Media Center and Gymnasium at the time of purchase at a total of 18,424 sq. ft. The proposed indicates that an additional building will be completed by December 2019 for a total of 28,424 sq. ft. The City will not provide jobs incentive money until the 28,000 sq. ft. receives a full Certificate of Occupancy (C.O.)

Additionally, the required parking on Exhibit “C” would not be completed but the parking on Parcel 1 would be available for the parking necessary for the developer to gain early access to the building through a partial C.O. The developer has requested a parcel C.O. which will be granted providing the criteria provided to the developer is met.

Attached, you will see the former Exhibit “C” as approved in March 2017 along with the new proposed Exhibit C-1 and C-2. Items in Exhibit C-1 are proposed to be completed before January 1, 2020 and once completed would allow for access to the jobs incentive money. Items in Exhibit C-2 would be completed in 18 months.

I must point out, that the city will not provide jobs incentive money until ALL of Exhibit C-1 is complete and a Certificate of Occupancy is obtained. Additionally, 50% of the available Net Sale Proceeds shall only be used for reimbursements of Eligible Redevelopment Costs for New Vertical Construction of buildings, including foundations, on Parcel 1, which will be reimbursed upon issuance of the building permit for New Vertical Construction. New Vertical Construction means vertical construction that is in addition to all vertical construction on Exhibit C-1. The remaining fifty percent of the Net Sale Proceeds shall be available for Redevelopment Capital Expense Reimbursement subject to the conditions outline in the First amendment to the Incentive Agreement.

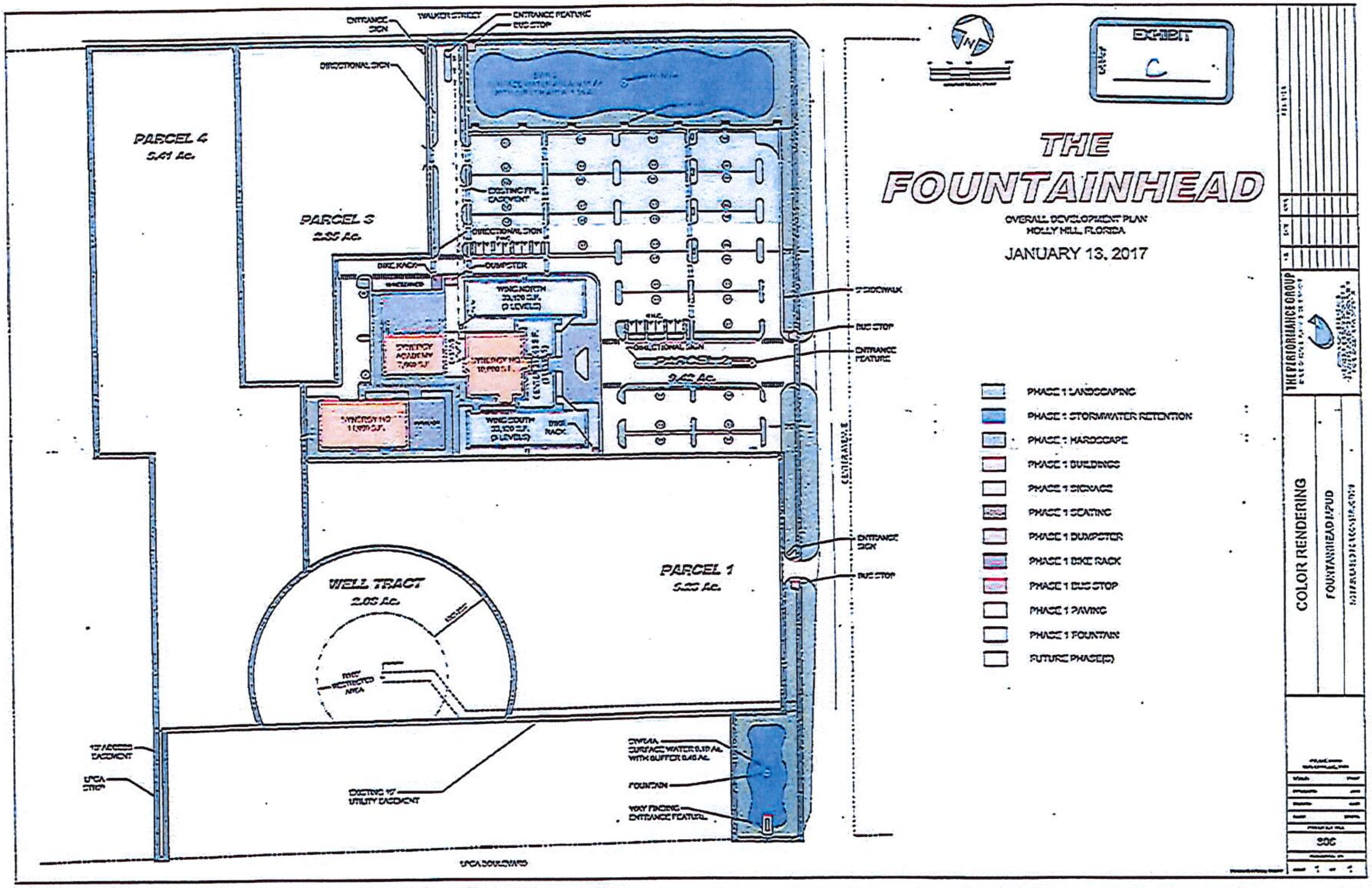


EXHIBIT
C
THE
FOUNTAINHEAD
OVERALL DEVELOPMENT PLAN
HOLLY HILL, FLORIDA
JANUARY 13, 2017
PHASE 1 LANDSCAPING
PHASE 1 STORMWATER RETENTION
PHASE 1 HARDSCAPE
PHASE 1 BUILDINGS
PHASE 1 SIGNAGE
PHASE 1 SEATING
PHASE 1 DUMPSTER
PHASE 1 BIKE RACK
PHASE 1 BUS STOP
PHASE 1 PAVING
PHASE 1 FOUNTAIN
FUTURE PHASE(S)
COLOR RENDERING
FOUNTAINHEAD PUD
THE PERFORMANCE GROUP
PARCEL 4
5.41 Ac.
PARCEL 3
2.35 Ac.
PARCEL 1
5.23 Ac.
WELL TRACT
2.08 Ac.
9.42 Ac.
ENTRANCE SIGN
WALKER STREET
ENTRANCE FEATURE
BUS STOP
DIRECTIONAL SIGN
BIKE RACK
DUMPSTER
WING NORTH
WING SOUTH
(2 LEVELS)
SYNERGY ACADEMY
SIDEWALK
ENTRANCE FEATURE
ENTRANCE SIGN
FOUNTAIN
WAY FINDING ENTRANCE FEATURE
EXISTING 15' UTILITY EASEMENT
USCA STRIP
USCA BOULEVARD
CENTER AVENUE
January 13, 2017

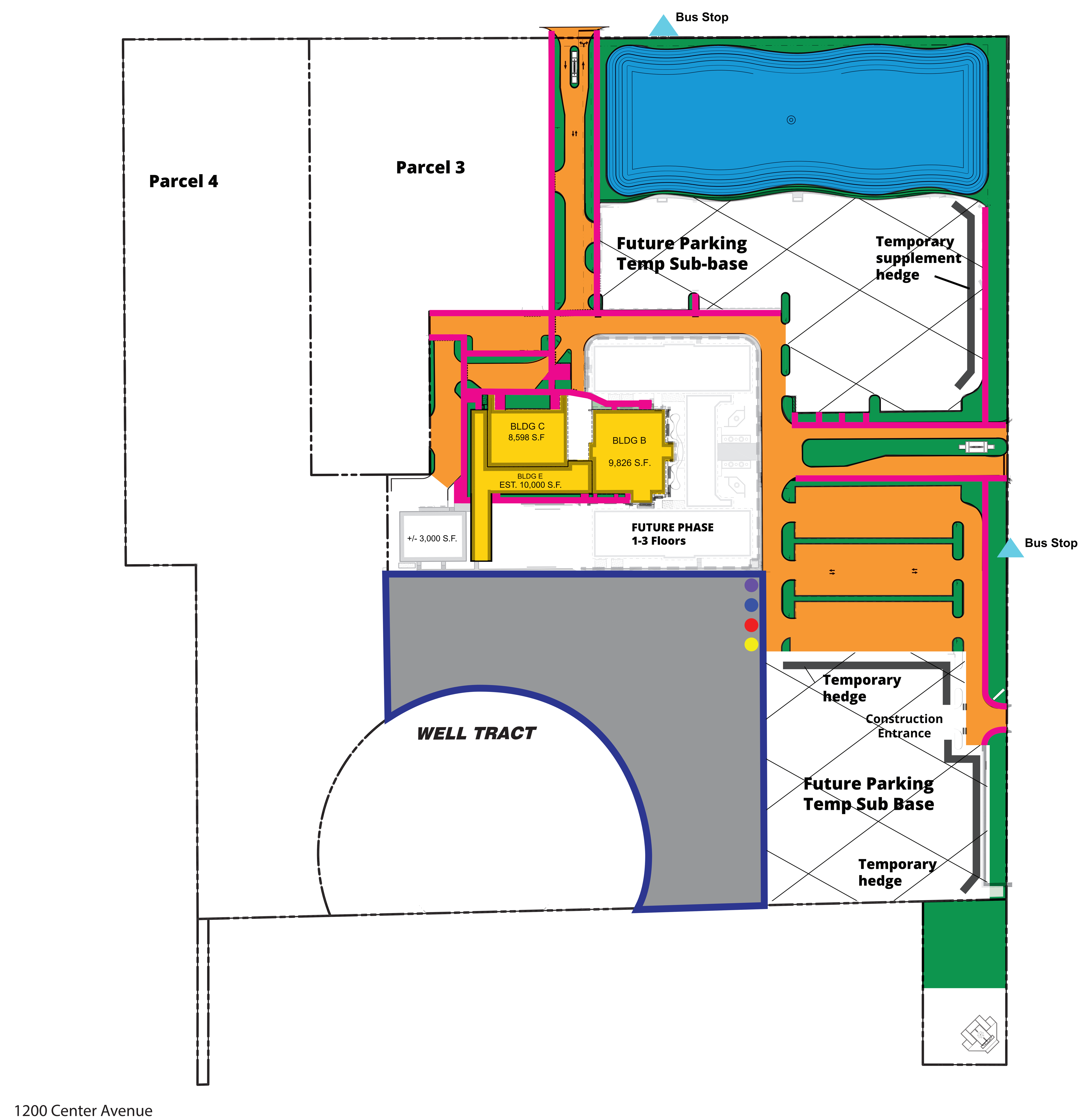


EXHIBIT C-1

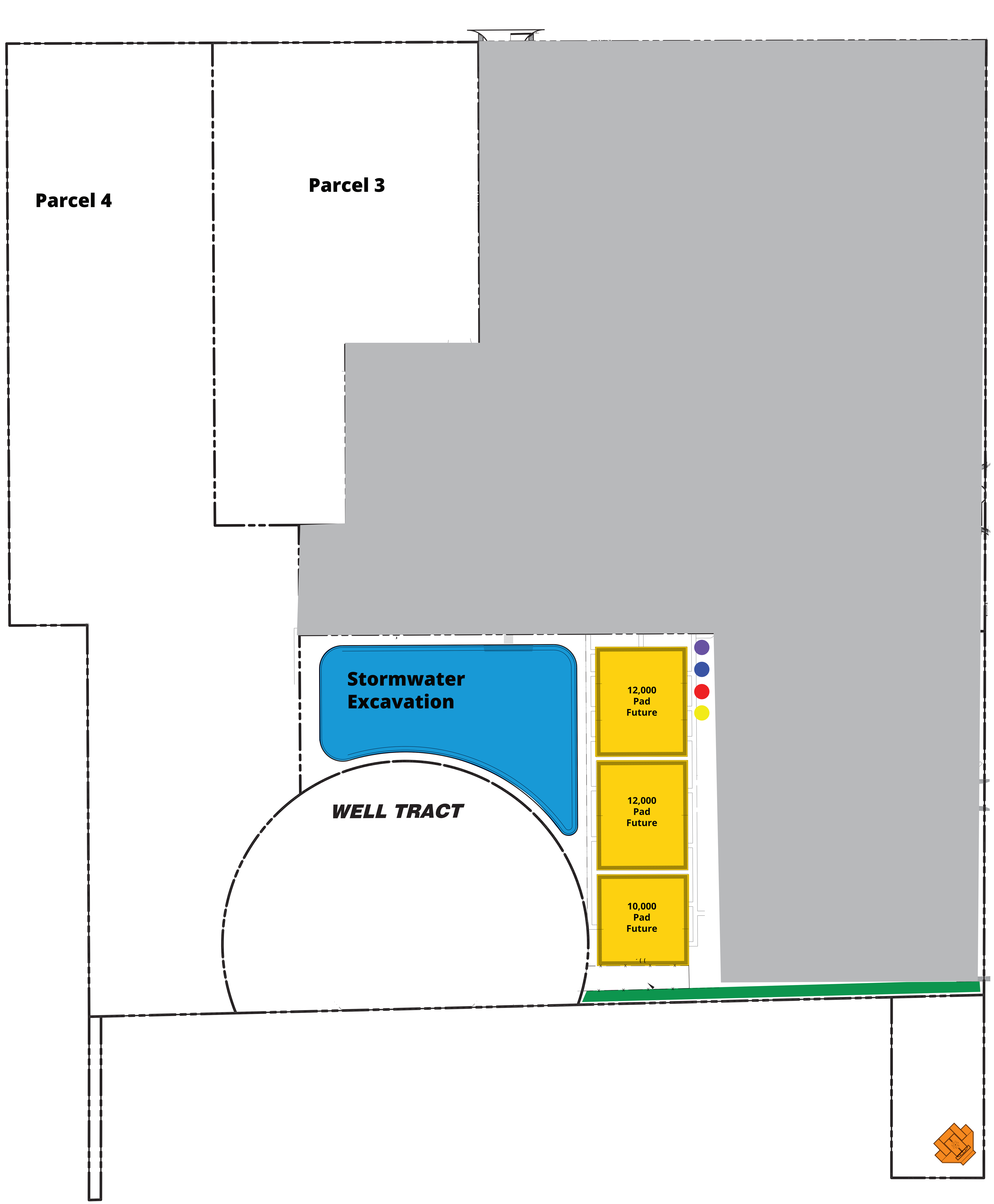
THE FOUNTAINHEAD AT HOLLY HILL

- 25-foot perimeter landscaped buffer per approved plans along Center Avenue
- 10-foot perimeter landscaped buffer per approved plans along Walker Street running from the intersection of Center Avenue and Walker Street, West along Walker Street until the main entrance to the Property on Walker Street
- Buildings totaling minimum of 28,000 sq. ft.
- Resurfacing, sealing and stripping of existing parking lot.
- Stormwater retention pond, as required by the St. John's River Water Management District
- Parking to support the Phase 1 buildings
- Primary entrances on Walker Street and Center Avenue
- Future Parking Sub-base North East and South East Area
- Temporary Supplemental Hedge North East and South East Area
- Utilities required by approved site plan

Irrigation Connection
Potable and Fire Water Supplies
Sanitary Connection
Electric Connection
Temporary Supplemental Hedge
Storm Water/Water Retention
Paved
Landscape/Greenscape
Concrete Sidewalks
Bus Stop

EXHIBIT C-2

THE FOUNTAINHEAD AT HOLLY HILL



Irrigation Connection

Potable and Fire Water Supplies

Sanitary Connection

Electric Connection

Storm Water Excavation

Pad Sites

Landscape/Greenscape

Signage at corner of LPGA and Center

1200 Center Avenue

FIRST AMENDMENT
TO
REDEVELOPMENT INCENTIVE AGREEMENT

WHEREAS, on or about January 27, 2017 the City of Holly Hill, the City of Holly Hill Community Redevelopment Agency (collectively referred to as the City) and Fountainhead Developers, LLC (Developer) entered into the Redevelopment Incentive Agreement (Agreement) providing terms and conditions of the redevelopment of the 1200 Center Street (Property), including redevelopment incentives.

WHEREAS, pursuant to Paragraph 8 of the Agreement the Developer was granted an option to purchase Parcel 1 ~~with $190,000 used as a credit towards the purchase price of the Developer acquiring Parcel 1 and~~ upon satisfying certain conditions.

WHEREAS, the Developer has requested to purchase Parcel 1 prior to satisfying all these conditions.

WHEREAS, the City and Developer have agreed to the terms and conditions of this First Amendment to allow the Developer to purchase Parcel 1 subject to the terms and conditions hereinafter outlined.

NOW, THEREFORE, for and in consideration of mutual covenants contained herein, the sufficiency of which are hereby acknowledged, the undersigned parties hereby agree to the following:

1) Paragraph 8 is hereby repealed and a new Paragraph 8 shall read as follows:

8. The City agrees to sell Parcel 1 to the Developer for $60,000 per acre less a $190,000 credit towards the purchase price. The first payment of the New Employee Incentive, shall be reduced by $190,000 and said funds shall remain in the New Employee Incentive Fund, and said first payment ~~and the reimbursement of the $190,000 credit from the purchase of Parcel 1~~ shall also be conditioned upon the following:

(a) Joinder of the existing Parcel 1 and Parcel 2 into a single Parcel 1 (all future references to Parcel 1 shall mean the new Parcel 1 that results from this joinder, unless reference is to old Parcel 1);

(b) The completion and final certificate of occupancy being issued for all of Phase 1, Parcel 1 improvements, as hereinafter defined and as depicted in Exhibit "C-1", which shall replace and supersede Exhibit "C" of the original A~~a~~greement ~~by December 31, 2019~~;

(c) The headquarters and all employees of Synergy Billing, LLC being permanently located to the Phase 1, Parcel 1 improvements; ~~by December 31, 2019.~~

Commented [MW1]: Jayson wants to make s e $190,000 continues to be part of the initial reimbursement. I think we can address by eithe making it part of the initial repayment once the in Paragraph 8 are satisfied or simply keep the pu price for Parcel 1 reduced by the credit so it wo originally intended in the current agreement.

Commented [MW2]: Same comment as abov

(d) Phase 1, Parcel 1 shall be as generally depicted on Exhibit "C-1" and including~~es~~ ~~but not limited to~~ the following ~~improvements are hereby defined to be the following~~:

(1) 25-foot perimeter landscaped buffer per approved plans ~~—~~along Center Avenue.

(2) 10-foot perimeter landscaped buffer per approved plans along Walker Street running from the intersection of Center Avenue and Walker Street, West along Walker Street until the main entrance to the Property on Walker Street.

(3) Synergy Building headquarters and other ~~(2~~ Buildings totaling at least ~~23~~28,000 sq. ft.).

(4) The planned parking lot on the Northeast corner of the Property shall either be sodded with B~~b~~ahia grass or ~~,~~ hydro-seeded or have the parking lot ~~base~~pervious sub-base material spread, compacted and prepared for final base material and~~coat of~~ asphalt paving. Developer shall secure this area to prevent it from being used for parking as none of this area is an approved parking lot nor shall it be considered in satisfying any parking requirement until the parking lot is completed and accepted by the City as complying with the approved site plan specifications. Even in the unfinished, pervious condition, this area ~~shall~~ may be deemed a final, completed parking lot for purposes of calculating impervious area if required by the St. Johns River Water Management District, open space, etc. The Developer will take necessary preventative measures to control dust.

(5) In the event the Developer elects to install parking lot ~~base~~pervious sub-base instead of grass on any portion of the Property, the Developer shall install an additional viburnum hedge with a minimum of 3 gallon size plants planted at least in 3' on center in a sufficient number to screen the area with the parking lot ~~base~~pervious sub-base to 100% opacity within 6 months of planting resulting in the parking lot ~~base~~pervious sub-base not being visible from any public roadway.

(6) Resurfacing, sealing and stripping of existing parking lot to the South of the proposed new parking lot on the East side of the Property. Upon completion, the parking lot can be used as parking for the parking requirements of the Development

(7) Installation, approval and acceptance of all utility lines to serve ~~all future~~ the development on "C-1" on Parcel 1 in accordance with the approved site plan dated March 6, 2019. ~~as reflect on the MPUD.~~

(8) Installation, approval and acceptance of the retention pond~~s~~ shown on approved plans Exhibit "C-1" located at the Northeast corner of the Property ~~and adjacent to the Wellfield Parcel,~~ along with all landscaping required in the approved plans.

Commented [MW3]: Concerned about timin... C-1 shows 24,899 sf to be completed under curr... plan. No plans have been drawn up or submitte... 12/31/19 seems unrealistic to get to 28,000 sf, ...er all employees and headquarters will have reloca...nd +100 new employees will be in the City. Sugges... simply drop the additional 3,101 sf or move to ... provide for proportionate reduction in payment... remaining square footage is completed.

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(9) There shall be no stored debris, construction material, dirt, etc. on the Property except for the spreading of parking lot ~~base~~pervious sub-base in preparation for a future parking lot or as otherwise anticipated by the approved site plan. All other areas shall be sodded or hydroseeded with bahia grass and shall be maintained with dead areas replaced.

Commented [MW4]: Understand the zoning for prohibiting outside storage, but we need to be ... not to limit what is allowed for sitework that ma... continue under an approved site plan.

(10) Construction and final approval and acceptance by City in accordance with the approved site plan and permits of primary driveway entrances to the Property from Walker Street and Center Avenue as depicted on the Exhibit C-1.

(11) Any other improvements required by the approved site plan for Phase 1 dated March 6, 2019.

(12) Developer shall receive approval of an amended MPUD, which shall be processed as a major amendment, from the City reflecting the changes referenced in this First Amendment.

2) Paragraph 10(a) is hereby repealed and a new Paragraph 10(a) shall read as follows:

(a) Permitting costs, including all permitting fees paid to third party regulatory agencies, impact fees, and professional services fees incurred by the Developer for services rendered by consultants, including but not limited to engineers, surveyors, and attorneys, to obtain permits and approvals for the redevelopment of the Property. The City and Agency agree that all City fees associated with the development of the Property be waived to the extent the City can legally waive such fees, such as permit fees and inspection fees. However, after the execution of this First Amendment, waiver of plan review fees for any application shall be limited to the initial review and the review of the next two resubmittals by the Developer responding to the City's reviews and comments. Fees normally charged by the City ~~for~~during plan review for resubmittals shall be charged for all plans review~~ed~~ resubmittals after these three plan reviews and the Developer shall be responsible to pay said fees. Fees that cannot be waived, such as impact fees (if applicable), and fees not waived, such as plan review fees for three or more plan reviews, shall be considered an Eligible Redevelopment Cost to the extent such fees are paid by the Developer.

3) Paragraph 15 is repealed and a new Paragraph 15 shall read as follows:

15. Neither the Net Sale Proceeds nor the $60,000 per acres for New Employee Incentive shall be paid to the Developer until all improvements in Phase 1, Parcel 1, as reflected in an ~~amended~~ Exhibit "C-1" ~~to be submitted for review and approval to the City as an amendment to the MPUD~~ for the Property are completed and a final certificate of occupancy is issued. Furthermore, fifty percent of the available Net Sale Proceeds shall only be used for reimbursements of Eligible Redevelopment Costs for New V~~v~~ertical C~~c~~onstruction of buildings, including foundations, on Parcel 1, which will be reimbursed upon issuance of the building permit for New Vertical Construction. New Vertical Construction means vertical construction that is in

addition to all vertical construction on Exhibit C-1. The remaining fifty percent of the Net Sale Proceeds shall be available for Redevelopment Capital Expense Reimbursement subject to the following:

(a) The Developer shall timely submit all paid invoices for those capital expenditures for which reimbursement is sought.

(b) Reimbursement shall be for the capital improvements incurred on ~~the prior~~ Parcel 1, that are Eligible Redevelopment Costs.

~~(c) Reimbursement shall also be allowed for capital expenses related to the cost of oversizing the prior Phase 1, Parcel 2 utility improvements that were designed to accommodate utility services to other portions of the Property. The determination as to how much the utilities were oversized and the additional cost to the Developer shall be determined solely by the City's Engineer, Mead Hunt.~~

(c~~d~~) Satisfying the obligations outlined in Paragraph 8.

4) Paragraph 16(a) is hereby ~~amended~~ to read as follows:

(a) The option provided to the Developer shall apply to the Property not already owned by the Developer and the Workforce Housing Parcel in the event the Workforce Housing Parcel is not acquired by a third-party purchaser as provided in Part Three. The option shall permit the Developer to purchase all outparcels identified on Exhibit F, including the parcel identified as the "Wellfield Parcel" in the event the Wellfield Parcel is abandoned by the City. Developer can purchase one or more outparcels at a time. The option price shall be $60,000 per acre and the sale proceeds shall be used as additional revenues for the New Employee Incentive. The contract for the sale and purchase for each option exercised shall be the contract attached hereto marked as Exhibit G. The Developer shall next purchase old Parcel 1. After the acquisition of old Parcel 1, the Developer shall have the option to purchase Parcel 3, subject to the following: ~~The Initial Option shall be exercised as discussed in Paragraph 8 above for the purchase of Parcel 1 (the "Initial Option"). If the Developer fails to exercise and close the Initial Option as discussed in Paragraph 8, the Initial Option shall may lapse and the Developer shall have no further binding option to purchase any outparcel. If the Developer exercises and closes the Initial Option as required in Paragraph 8, the Developer shall have four (4) years measured from the date of acquisition of Parcel 2 to exercise and close the next option (the "Rolling Option"). However,~~ the Developer shall have completed the parking lot on Northeast portion of the Property within eighteen months of the effective date of this First Amendment and ~~, and~~ shall complete all improvements on ~~C-2~~Parcel 1 ~~Parcel 1~~, or development or the number of employees on Parcel 1 requires~~demands~~ additional parking that would be provided on Parcel 3, before purchasing any additional Parcels. In the event a third party proposes to purchase Parcel 3 before one of the above requirements is satisfied, the City shall negotiate and sell Parcel 3 to said 3rd party with the first $60,000 per acre being placed in the New Employee Job Incentive Fund and the Net Sale Proceeds being available for reimbursement of Eligible Redevelopment Costs for

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Commented [MW5]: Not sure we had a full agreement on this trigger when we left the mee Jayson wants to maintain the ability to acquire 3 in case needed for additional development earl n the completion of all Parcel 1 improvements.

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New Vertical Construction. ~~Each purchase by the developer under the Rolling Option shall add one (1) year to the Rolling Option duration regardless of the number of outparcels acquired Developer in a single closing. The Rolling Option will continue until such time as all outparcels have been acquired. The Rolling Option shall terminate and all options~~ The right to purchase any additional parcels of the Property shall lapse on July 1, 2026. ~~A failure by Developer to acquire an outparcel that the Developer has exercised the Rolling Option for shall not terminate the Rolling Option rights outlined above as long as the failure to acquire the outparcel meets the following conditions:~~

~~(i) the failure to purchase is beyond the reasonable control and foreseeability of the Developer, including but not limited to, adverse economic conditions;~~

~~(ii) the Developer is in full compliance with all other terms under this Agreement; and~~

~~(iii) the Developer is in full compliance with all applicable City regulations and an approved Mixed Use Planned Unit Development approved for the Property.~~

~~If the Developer does not satisfy the above conditions, the City has the option of terminating the remainder of the Rolling Option period and the Developer will have no further option to purchase any remaining portion of the Property.~~

5) Paragraph 18(a) is hereby amended to read as follows:

(a) All required information shall be provided to the City or Agency in a timely manner. A "timely manner" under Part One shall be no later than thirty (30) days of the end of the quarter to be reviewed. Under Part Two and Part Three, a "timely manner" shall be no later than thirty (30) days of payment of the invoices to be reimbursed. However, the Developer shall have thirty (30) days from the effective date of this First Amendment to submit all paid invoices paid prior to the effective date of this First Amendment that the Developer seeks to have reimbursed pursuant to the Redevelopment Capital Expense Reimbursement. Any invoices submitted after the expiration of either thirty (30) day time period shall not be eligible for reimbursement.

6) Except as ~~amended~~amended herein, the Agreement shall remain in full force and effect.

7) This First Amendment shall be deemed effective on ___________________.

Fountainhead Developers, LLC City of Holly Hill

By:____________________ By:___________________

Title:___________________

Date:___________________

Title:___________________

Date:___________________

City of Holly Hill Community
Redevelopment Agency

By:____________________

Title:_________________

Date:_________________

FIRST AMENDMENT
TO
REDEVELOPMENT INCENTIVE AGREEMENT

WHEREAS, on or about January 27, 2017 the City of Holly Hill, the City of Holly Hill Community Redevelopment Agency (collectively referred to as the City) and Fountainhead Developers, LLC (Developer) entered into the Redevelopment Incentive Agreement (Agreement) providing terms and conditions of the redevelopment of the 1200 Center Street (Property), including redevelopment incentives.

WHEREAS, pursuant to Paragraph 8 of the Agreement the Developer was granted an option to purchase Lot 1 upon satisfying certain conditions.

Commented [MW1]: Jayson wants to make s e $190,000 continues to be part of the initial reimbursement. I think we can address by eithe making it part of the initial repayment once the in Paragraph 8 are satisfied or simply keep the pu price for Parcel 1 reduced by the credit so it wo originally intended in the current agreement.

WHEREAS, the Developer has requested to purchase Lot 1 prior to satisfying all these conditions.

WHEREAS, the City and Developer have agreed allow the Developer to purchase Lot 1 subject to the terms and conditions hereinafter outlined.

NOW, THEREFORE, for and in consideration of mutual covenants contained herein, the sufficiency of which are hereby acknowledged, the undersigned parties hereby agree to the following:

1) Paragraph 8 is hereby repealed and a new Paragraph 8 shall read as follows:

8. The City agrees to sell Lot 1 to the Developer for $60,000 per acre less a $190,000 credit towards the purchase price. The first payment of the New Employee Incentive shall be reduced by $190,000 and said funds shall remain in the New Employee Incentive Fund, and said first payment shall also be conditioned upon the following:

Commented [MW2]: Same comment as abov

(a) Joinder of the existing Parcel 1 and Parcel 2 into a single Parcel 1 (all future references to Parcel 1 shall mean the new Parcel 1 that results from this joinder, unless reference is to old Parcel 1);

(b) The completion and final certificate of occupancy being issued for all of Phase 1, Parcel 1 improvements, as hereinafter defined and as depicted in Exhibit “C-1”, which shall replace and supersede Exhibit “C” of the original Agreement ;

(c) The headquarters and all employees of Synergy Billing, LLC being permanently located to the Phase 1, Parcel 1 improvements;

(d) Phase 1, Parcel 1 shall be as generally depicted on Exhibit “C-1” and including the following:

(1) 25-foot perimeter landscaped buffer per approved plans along Center Avenue.

(2) 10-foot perimeter landscaped buffer per approved plans along Walker Street running from the intersection of Center Avenue and Walker Street, West along Walker Street until the main entrance to the Property on Walker Street.

(3) Synergy Building headquarters and other Buildings totaling at least 28,000 sq. ft.).

(4) The planned parking lot on the Northeast corner of the Property shall either be sodded with Bahia grass or hydro-seeded or have the parking lot pervious sub-base material spread, compacted and prepared for final base material and asphalt paving. Developer shall secure this area to prevent it from being used for parking as none of this area is an approved parking lot nor shall it be considered in satisfying any parking requirement until the parking lot is completed and accepted by the City as complying with the approved site plan specifications. Even in the unfinished, pervious condition, this area shall be deemed a final, completed parking lot for purposes of calculating compliance with development regulations such as impervious area, open space, etc. The Developer will take necessary preventative measures to control dust.

(5) In the event the Developer elects to install parking lot pervious sub-base instead of grass on any portion of the Property, the Developer shall install an additional viburnum hedge with a minimum of 3 gallon size plants planted at least in 3' on center in a sufficient number to screen the area with the parking lot pervious sub-base to 100% opacity within 6 months of planting resulting in the parking lot pervious sub-base not being visible from any public roadway.

(6) Resurfacing, sealing and stripping of existing parking lot to the South of the proposed new parking lot on the East side of the Property. Upon completion, the parking lot can be used as parking to satisfy the parking requirements of the Development

(7) Installation, approval and acceptance of all utility lines to serve the development on "C-1" on Parcel 1 in accordance with the approved site plan dated March 6, 2019.

(8) Installation, approval and acceptance of the retention pond shown on Exhibit "C-1" located at the Northeast corner of the Property along with all landscaping required in the approved plans.

(9) There shall be no stored debris, construction material, dirt, etc. on the Property except for the spreading of parking lot pervious sub-base in preparation for a future parking lot or as otherwise anticipated by the approved site plan. All other areas shall be sodded or hydroseeded with Bahia grass and shall be maintained with dead areas replaced.

Commented [MW3]: Concerned about timin… C-1 shows 24,899 sf to be completed under curr… plan. No plans have been drawn up or submitte… 12/31/19 seems unrealistic to get to 28,000 sf, …er all employees and headquarters will have reloca…nd +100 new employees will be in the City. Sugges… simply drop the additional 3,101 sf or move to … provide for proportionate reduction in payment… remaining square footage is completed.

Commented [MW4]: Understand the zoning …for prohibiting outside storage, but we need to be … not to limit what is allowed for sitework that ma… continue under an approved site plan.

(10) Construction and final approval and acceptance by City in accordance with the approved site plan and permits of primary driveway entrances to the Property from Walker Street and Center Avenue as depicted on the Exhibit C-1.

(11) Any other improvements required by the approved site plan for Phase 1 dated March 6, 2019.

(12) Developer shall receive approval of an amended MPUD, which shall be processed as a major amendment, from the City reflecting the changes referenced in this First Amendment.

2) Paragraph 10(a) is hereby repealed and a new Paragraph 10(a) shall read as follows:

(a) Permitting costs, including all permitting fees paid to third party regulatory agencies, impact fees, and professional services fees incurred by the Developer for services rendered by consultants, including but not limited to engineers, surveyors, and attorneys, to obtain permits and approvals for the redevelopment of the Property. The City and Agency agree that all City fees associated with the development of the Property be waived to the extent the City can legally waive such fees, such as permit fees and inspection fees. However, after the execution of this First Amendment, waiver of plan review fees for any application shall be limited to the initial review and the review of the next two resubmittals by the Developer responding to the City's reviews and comments. Fees normally charged by the City during plan review for resubmittals shall be charged for all plans review resubmittals after these three plan reviews and the Developer shall be responsible to pay said fees. Fees that cannot be waived, such as impact fees (if applicable), and fees not waived, such as plan review fees for three or more plan reviews, shall be considered an Eligible Redevelopment Cost to the extent such fees are paid by the Developer.

3) Paragraph 15 is repealed and a new Paragraph 15 shall read as follows:

15. Neither the Net Sale Proceeds nor the $60,000 per acres for New Employee Incentive shall be paid to the Developer until all improvements in Phase 1, Parcel 1, as reflected in an Exhibit "C-1" for the Property are completed and a final certificate of occupancy is issued. Furthermore, fifty percent of the available Net Sale Proceeds shall only be used for reimbursements of Eligible Redevelopment Costs for New Vertical Construction of buildings, including foundations, on Parcel 1, which will be reimbursed upon issuance of the building permit for New Vertical Construction. New Vertical Construction means vertical construction that is included in the MPUD, exclusive of all vertical construction on Exhibit C-1. The remaining fifty percent of the Net Sale Proceeds shall be available for Redevelopment Capital Expense Reimbursement subject to the following:

(a) The Developer shall timely submit all paid invoices for those capital expenditures for which reimbursement is sought.

(b) Reimbursement shall be for the capital improvements incurred on Parcel 1, that are Eligible Redevelopment Costs.

(c) Satisfying the obligations outlined in Paragraph 8.

4) Paragraph 16(a) is hereby to read as follows:

(a) The option provided to the Developer shall apply to the Property not already owned by the Developer and the Workforce Housing Parcel in the event the Workforce Housing Parcel is not acquired by a third-party purchaser as provided in Part Three. The option shall permit the Developer to purchase all outparcels identified on Exhibit F, including the parcel identified as the "Wellfield Parcel" in the event the Wellfield Parcel is abandoned by the City. Developer can purchase one or more outparcels at a time. The option price shall be $60,000 per acre and the sale proceeds shall be used as additional revenues for the New Employee Incentive. The contract for the sale and purchase for each option exercised shall be the contract attached hereto marked as Exhibit G. The Developer shall next purchase Lot 1. After the acquisition of Lot 1, the Developer shall have the option to purchase Lot 3, subject to the following: (1) the Developer shall have completed the parking lot on Northeast portion of the Property within eighteen months of the effective date of this First Amendment and shall complete all improvements on Parcel 1, or; (2) development or the number of employees occupying Parcel 1 improvements requires additional parking, as determined by the applicable parking requirements, that would be provided on Lot 3. In the event a third party proposes to purchase Lot 3 before one of the above requirements is satisfied, the City shall negotiate and sell Lot 3 to said 3rd party with the written approval of the Developer. The first $60,000 per acre of the sale price will be placed in the New Employee Job Incentive Fund with the Net Sale Proceeds being available to reimburse Eligible Redevelopment Costs for New Vertical Construction unless all vertical construction as outlined in the MPUD is completed and reimbursed, in which case said funds are available for any other Eligible Redevelopment Costs. Lot 3 must be acquired as provided above before the Developer has the right to purchase Lot 4 (this has no impact on the sale of Lot 4 to a 3rd party for workforce housing as outlined in Part III

The right to purchase any additional parcels of the Property shall lapse on July 1, 2026.

5) Paragraph 18(a) is hereby amended to read as follows:

(a) All required information shall be provided to the City or Agency in a timely manner. A "timely manner" under Part One shall be no later than thirty (30) days of the end of the quarter to be reviewed. Under Part Two and Part Three, a "timely manner" shall be no later than thirty (30) days of payment of the invoices to be reimbursed. However, the Developer shall

Commented [MW5]: Not sure we had a full agreement on this trigger when we left the mee Jayson wants to maintain the ability to acquire 3 in case needed for additional development earl n the completion of all Parcel 1 improvements.

have thirty (30) days from the effective date of this First Amendment to submit all paid invoices paid prior to the effective date of this First Amendment that the Developer seeks to have reimbursed pursuant to the Redevelopment Capital Expense Reimbursement. Any invoices submitted after the expiration of either thirty (30) day time period shall not be eligible for reimbursement.

6) Except as amended herein, the Agreement shall remain in full force and effect.

7) This First Amendment shall be deemed effective on ___________________.

Fountainhead Developers, LLC

By:____________________

Title:__________________

Date:__________________

City of Holly Hill

By:___________________

Title:__________________

Date:__________________

City of Holly Hill Community
Redevelopment Agency

By:___________________

Title:_________________

Date:_________________