City of Jacksonville Beach

11 North Third Street
Jacksonville Beach, Florida

Regular Meeting Agenda

Community Redevelopment Agency

Monday, March 28, 2022 **3:00 PM** **Council Chambers**

MEMORANDUM TO:

Members of the City of Jacksonville Beach Community Redevelopment Agency

The following Agenda of Business has been prepared for consideration and action at a Regular Meeting of the Community Redevelopment Agency:

CALL TO ORDER

ROLL CALL

DOWNTOWN CAPE

COURTESY OF THE FLOOR TO VISITORS

STAFF REPORT

A. March Staff Report

NEW BUSINESS

A. FY2021 Financial Statements and Independent Auditor's Report

OLD BUSINESS

A. Horn Court and Sunshine Court Property Disposition Intralocal Agreement

B. Art Committee Update

ITEMS FOR DISCUSSION

A. GAI Consultants' Community Solutions Group Market Analysis

ADJOURNMENT

NOTICE

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk's Office at (904) 247-6299 no later than one business day before the meeting or by sending an e-mail to CityClerk@jaxbchfl.net.

In accordance with Section 286.0114, Florida Statutes, any member of the public can attend the public hearing and can be heard on any matter presented before the Agency. Anyone who wishes to provide live public comment should complete a "Speaker Request Card" and submit it to the recording secretary prior to the beginning of the meeting. These forms are available at the entrance of the City Council Chambers for your convenience. Speakers will be called to address the Agency when specified items are under consideration and will be limited to a maximum of three minutes or less, at the discretion of the presiding officer.

Alternatively, written public comment can be submitted in advance and must include the following: (1) First Name, (2) Last Name, (3) Address, (4) Public Hearing Date, (5) Specific Agenda Item(s), and (6) Comments. Written public comments may be submitted by one of the following options: (1) Email to the Agency Administrator at planning@jaxbchfl.net, (2) Postal mail to Community Redevelopment Agency Administrator - Public Comment, 11 3rd Street North, Jacksonville Beach, FL 32250, or (3) Drop off in-person to Planning and Development at City Hall. Written comments that include all required information and are received 24 hours in advance of the meeting will be distributed to the Agency and attached to the related agenda item before the start of the meeting. Written public comments will be read into the record at the appropriate time and will be limited to three minutes of reading time. All comments received are public record.

In accordance with Section 286.0105, Florida Statutes, any person desirous of appealing any decision reached at this meeting may need a record of the proceedings. Such person 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.

cc: City Manager; City Attorney

Community Redevelopment Agency, Jacksonville Beach

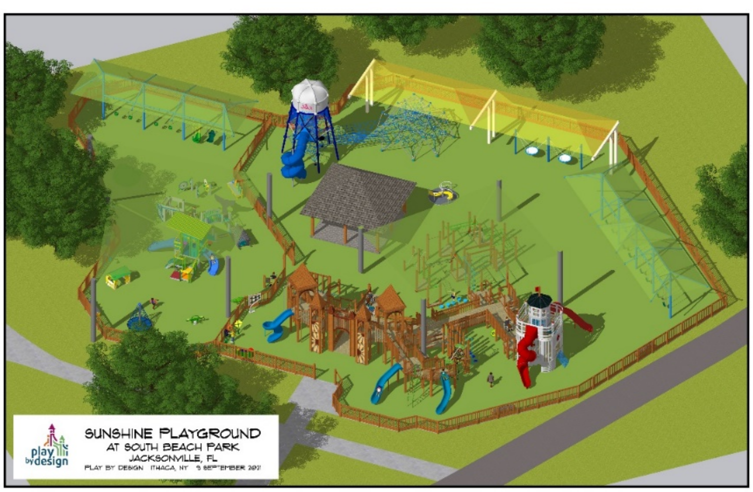
Staff Report

March 2022

Parks and Recreation:

- Sunshine Park and Playground Replacement
  - Council approved August 2nd, 2021
  - Open house community meeting scheduled for September 17th and 18th to get feedback on playground design, as of Monday, 9-20-21, the feedback received thus far was 62 positive and 4 “negative”
  - Construction scheduled to begin late November or December.
  - Target grand opening in March/April 2022.
  - Staff Committee meetings underway to work out final design choices to bring to CRA board.
  - Demolition of current playground to begin on November 16, 2021
  - Playground is currently under construction
  - Playground anticipated completion date mid-April 2022
  - Grand Opening for playground is still planned for April 15, 2022
  - At this time, parks is still waiting on the arrival of the water tower slide. If this does not make it by the April 15th deadline, there is a backup plan in place for a ‘soft opening’.

  Overall Playground Conceptual Design:



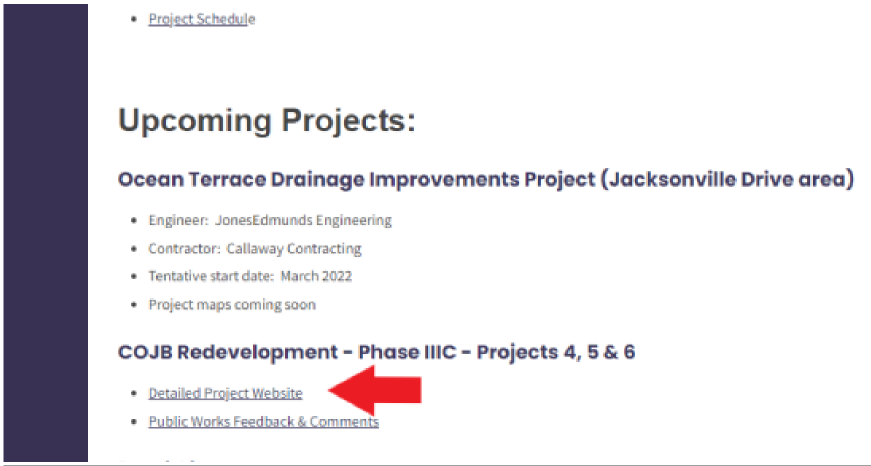
Surfboard Benches for Playground Seating:

- Replace Shower Towers and Drinking Stations
    - Second drinking fountain delivered, but was damaged. Parks waiting on replacement fountain to arrive. All other fountains and shower towers completed.
    - Second drinking fountain will be installed at the completion of the playground.
- Median Plantings on South Beach Parkway and Jacksonville Drive
    - Irrigation issues have been resolved as of January 2022
    - Target plantings for spring 2022
- Roundabout at Beach and 1st Street
    - Still requires finishing coat to be applied
    - Original contractor left mid-project and parks was unable to contact. Parks has terminated the contract with the contractor, and is moving forward with a second contractor.
    - Expecting new contractor to begin work and complete the project in the next 2-3 weeks
    - New contractor scheduled to re-finish the structure with concrete
    - As of March 21, 2022, this work is now completed
- Latham Plaza (tile work and statue)
    - Both the loose tiles, as well as the statue are in need of repairs and maintenance
    - Parks is waiting until after the deck the chairs event to begin the project
    - Statue scheduled for sand blasting and painting late February/March 2022 (after the Donna weekend in February and before the Beaches Parade in April)
        - **This work will be completed prior to the April 24th parade.**

Public Works Projects:

- WEBSITE FOR PW PROJECT MAP:
    - City of Jacksonville Beach website
    - Government ➡ Departments ➡ Public Works ➡ Const Proj/Road Closures then scroll down to "Upcoming Projects" and click the "detailed project website"



- Project Schedule

Upcoming Projects:

Ocean Terrace Drainage Improvements Project (Jacksonville Drive area)

- Engineer: JonesEdmunds Engineering
- Contractor: Callaway Contracting
- Tentative start date: March 2022
- Project maps coming soon

COJB Redevelopment - Phase IIIC - Projects 4, 5 & 6

- Detailed Project Website
- Public Works Feedback & Comments

- Downtown Redevelopment Project- Phase 3B (2nd St. N. from Beach Blvd. to 6th Ave. N) will be designed and constructed at a future date (FY 2024)

- Phase 3C - Downtown Redevelopment Projects 4 & 5 – Design Engineering being completed by GAI. GAI website storybook update site for this project is soft released on City website. It will be pushed out for public consumption very soon. This will be part of the CRA (what we are doing) items that Jacob Board, Communications Manager, is pushing out to the public. Expected 60% deliverable should be delivered for PW comment before the end of February. Construction is not anticipated to begin until 2023 with plans to last through 2025

Phase 3C - Projects 4 & 5 consist of the reconstruction of the 26 city blocks east of SR A1A, from 5th Avenue South to 10th Avenue South. The work includes new stormwater conveyance system construction which will connect to the storm trunk line constructed as part of Phase 3C - Project 2.

The reconstruction will regrade the area to improve surface water flow, construct new sidewalks, driveways, lighting, add public parking and replace the existing water and sewer facilities which are coming to the end of their lifespan.

    - 60% design plans were provided to PW at the end of February as expected. The various internal departments are reviewing those plans. Staff will provide updates to GAI to help determine the next design planning (for Projects 4 and 5) to work towards the 90% and 100% for project 4. There will be a Public Meeting scheduled very soon (prior to the April CRA Meeting). The design of project 4 will begin after Staff & GAI have reviewed comments, and Public Meeting input. Project 4 will be scoped from that information and project 5 will NOT be designed until project 4 is ready to bid.
- Phase 3C - Storm Drainage Project #3 and Southend Stormwater projects –Jones Edmunds (with Hanson Engineering) has provided 6 technical memorandums about the Central Basin drainage and the South Basin drainage. These memos comprise 228 pages of evaluations, data, observations and recommendations. A larger scale refined stormwater master plan design beginning after we provide direction.
    - These memos comprise 228 pages of evaluations, data, observations and recommendations. PW is reviewing these technical memo's internally. A review meeting will be held with JonesEdmunds upon review finality.
- Phase 3C Project 7 has been submitted to finance for inclusion in the upcoming CIP. This will be the north area of the Downtown Business District from 6th Ave. N to 9th Ave. North, between 3rd Street and beach ends.
- Dune Walkovers – The following are under construction…
    - 6th Avenue North*
    - Latham Plaza (Between 1st & Four Points)*
    - 1st Avenue South*
    - 4th Avenue South*
    - 11th Avenue South*
    - 16th Avenue South ADA (Outside CRA)
    - 34th Avenue South (Outside CRA)

    The next 8 walkovers for construction beginning Nov 2022 are assigned to Four Waters (and ATM) to get designs underway.

- Beach Outfalls – Four Waters (and ATM) is currently underway designing and DEP permitting. This will allow construction for this project to be completed over two years (or one if contractor can complete it) to be constructed November 2022 and November 2023.
- South Beach Parkway Road Improvements (Phase 3) – Ocean Terrace Drainage Improvements (Jax Drive) – Pre-construction meeting 1/19/22. Notice to Proceed will be issued March 1. Construction activities should begin mid-March. Timeline is 365 days construction. Public Works will be adding a section to the City website with active maps of this project soon.
    - Shop drawings and submittals are nearing completion and supplies are being delivered. Construction will start anytime. There is a construction interactive storymap on this project on the PW pages under construction projects as well.
- Reinforced Concrete Median Barrier Project on South Beach Parkway construction is completed.
    - Staff is working with Public Works to come up with solutions to make these barriers more visually appealing
- Stormwater/Road Improvements (America Ave.-Phase 2 of Jax Drive) – awaiting assignment to engineering firm for design.
- Stormwater Outfall Improvements – South Basin outfall ditch clearing project awaiting bid.

Planning Department Projects:

- Dolphin Depot site (across from Margaritaville)
  - Trevato Development Group purchased the site
  - Development currently unnamed, but representatives of the developer stated it will be a "unique mix of hotel and residential project that does not exist in NE Florida"
- Azure Property (former Waterfall Property)
  - Change in ownership
  - Anticipate official building permit within 12 months
  - 24 units total, all ocean view
  - Units starting at $1.5Million and go up to $6 million
  - 2,000-6,000 square foot units
  - Renovating existing sales trailer
  - Currently under permit review, should begin vertical construction in the next 60-90 days
  - Of the 24 units planned, only 3 remain for sale.

- Southend "big box" empty store
  - Spirit Halloween now closed for season
  - At this time, no permanent tenant
- Marc Angelo Project (downtown)
  - Vertical construction to begin soon, all underground construction completed as of June 2021
  - Restaurants announced coming are:
    - Jekyll Brewing, leasing approximately 6000 sq ft of indoor space and 2000 sq ft of outdoor space
    - Oaxaca Club (Mexican Food)
    - Private event space
- Springhill Suites
  - Construction underway
- Oku Sushi
  - Corner of 1st Street and 4th Ave N
  - Close to final inspections, finalizing outside seating design

  - Certificate of Occupancy issued November 2021, anticipate opening in the coming weeks
  - Oku Sushi still not open at this time (January 2022)
  - Oku Sushi officially open for business
    - Open Tuesday-Saturday, 5-10PM
  - https://www.o-kusushi.com/location/o-ku-jacksonville-beach/

- Dick Mondell's
  - Burger restaurant based out of Gainesville, FL going to the former carwash location.
  - Walk-up and drive through service only
  - https://www.dickmondells.com/ website for more information and menu
  - No anticipated opening date at this time
  - Finally planning for permits going on now, with staff anticipating receiving the permits in 30-60 days
- Charley's Cheesesteaks
  - Going into the former Krytal's location
  - https://www.charleys.com/menu/ website for information and menu
  - No anticipated opening date at this time
  - Currently under renovation now, seeing delays due to supply issues

Development Projects in Downtown CRA

Staff Updates/FYI:

- FRA Awards 2022 Cycle: Staff is currently working internally to nominate several CRA projects for FRA Awards at the 2022 Annual Conference in Daytona Beach. These project nominations are still **tentative**, but at this time, are as follows:
  - Outstanding Rehabilitation/Renovation: Sunshine Playground/Park Project
  - Creative Partnerships/Programs: Creation and implementation of the Public Arts Advisory Committee
  - Cultural Enhancement: **IF** timing allows, staff would like to nominate the bike racks, hardscapes, and public art plans
  - Cap. Projects/Infrastructure: Staff will be discussing public works projects located in both the Downtown and Southend to determine which, if any, of the projects should be nominated for this category.

- Maintenance Plan
  - Staff working with PW and Parks to develop an annual maintenance plan. This will include: mulching, tree trimming, planting medians, grassy/landscaped areas, etc. frequency of these jobs, and costs associated
  - Staff met with parks for a quarterly update on the work being done so far, next steps, and anticipated completion dates.
  - Staff creating a spreadsheet of each maintenance item, each month of the year, with the ability to track the 'amount' of work done each month. Can also input links to PDF invoices in the spreadsheet so they will be easily accessed.

  - Maintenance plan 'process' was started in April/may of 2021. Staff wants to work on this plan one calendar year, and be able to fine tune the frequency of the maintenance, and adjust budget accordingly
  - Staff continuing to monitor the maintenance in the downtown by working with the parks department
  - In the next few months, we will be reaching a full year of monitoring maintenance in the downtown and will be able to put together a comprehensive report on maintenance that includes frequency of maintenance activities and costs.
- Staff is currently working on an "Action Item" spreadsheet. This spreadsheet will help staff to track projects, which department or person(s) is responsible for project oversight, anticipated completion, etc. This document will become an attachment to the staff report, thus making it easier for board members to have an overview/recap of all CRA projects at a glance.

- Pier Update
  - Staff working with DixHite on status of pier entry way and process, more information to come to CRA
  - Anticipated completion date of pier summer 2022 (COJ Project)
  - DixHite to attend a March workshop, tentatively scheduled for March 16th, to discuss
  - Please note: Per an MOU with the City of Jacksonville in 2002, COJ will maintain the costs associated with the pier, but COJB **must** provide a minimum of 100 parking spots for pier use only. That is the intended use for the parking lot located directly in front of the pier.

- Downtown Hospitality Meetings
  - Mayor Hoffman organized this series of monthly meetings, and gives staff an opportunity to listen to the business community needs, and give updates when appropriate
  - No September meeting, meetings expected to occur in Oct or Nov, then be on hold until 2022
  - Staff attended the February 22 meeting and gave a brief update on the CRA, and invited attendees to participate in CRA Meetings for more updates, as well as follow our City Facebook page

- Horn Ct./Sunshine Lots
  - Finance finalizing the costs associated with maintenance and upkeep of the lots
  - City attorney set to start in October 2021, CFO wants to allow new attorney to write the interlocal agreement between the Jacksonville Beach CRA and City of Jacksonville Beach.
  - City attorney is working on the disposition methodology, as well as deed restrictions that will go along with the property once sold
  - City attorney is finalizing the interlocal agreement between the CRA and City of Jacksonville Beach
  - City attorney will attend February meeting to give recommendation to the board on disposition methods and process

- MOU review/approval set for the March 28th regular CRA meeting. The next step will be taking this item to council

- Incentive Survey Update
  - Staff has completed the survey, and completed the post cards to be sent to all property owners.
  - Post cards sent to business owners' week of 10/18/21, and staff along with board members distributed postcards to business owners/managers in the downtown.
  - As od 11/4/2021, received 30 survey results
  - Extended deadline through end of November to allow time for more results
  - Staff will present final findings of this survey, as well as draft of the incentive package, during the January 2022 meeting
  - Staff utilized the data received from survey results to create an item on the January 2022 agenda to review results and next steps
  - CRA Board approved staff and the southern group to utilize the data collected to create an incentive package for consideration by the board

- Art Master Plan Committee Plans:
  - Staff working to implement changes requested by the board to the application/process
  - Staff met with legal in January of 2022 to make sure the process and creation of the advisory committee did not violate any state or local legal requirements
  - Staff will work with the City Clerk to finalize the application for the committee and get the application out to the public. Staff will then select the best candidates to bring before the CRA for final selection approval
  - Resolution 2022-01 for consideration at the February 28, 2022
  - Staff will be reviewing applicants after the March 31st deadline, and will bring staff recommendations to the board in April 2022.

- DixHite Status Update:
  - Wayfinding Signage Plan
    - Staff has requested scope and fees from DH on wayfinding signage plan bidding and construction observation services
    - The final proposal for wayfinding signage will be presented to CRA during Q1 2022
  - Bicycle and Hardscapes
    - Staff waiting on final costs for bidding process, as well as construction observation costs
  - As of 3/21/2022, staff has confirmed with the public works department they have all of the necessary documents from DixHite necessary to begin the RFP process. Per PW staff, the documents will go out for bids March 23, 2022. These documents will be up for 30 days.

- Code Enforcement/Violations
  - Should there be a need to report a code enforcement violation, please follow this link to fill out the form to report the issues to our code enforcement officer:

    https://www.jacksonvillebeach.org/FormCenter/Planning-Development-6/Report-a-Code-Enforcement-Violation-57
  - This link will show the code enforcement page, with examples of typical violations: https://www.jacksonvillebeach.org/FormCenter/Planning-Development-6/Report-a-Code-Enforcement-Violation-57
  - If you see an issue and have further questions or concerns, please reach out to Nikki Beavers in the planning department (code enforcement officer). 904-247-6284

- Irrigation and Planting in the Downtown:
  - The repairs are ongoing, with plans to be complete prior to spring, to allow for time for new planting to occur

- Landscaping around the Community Center
  - Will occur simultaneously with the sidewalk project at South Beach Park entrance.
  - Sidewalk discussion for this project to be held at the February 28, 2022 meeting
- Upcoming Events:
  - April 1-3: Springing the Blues (Latham Plaza)
  - April 9: Canine Companions (Latham Plaza) 12PM-4PM, A fundraising event to support canine companions. All funds raised assist with providing service dogs to children and adults with disabilities
  - April 10: 904 Popup Market (Latham Plaza) 11AM-7PM
  - April 16: Easter Egg Hunt (Wingate Park) 10AM-11AM
  - April 23: Sandcastle Contest (Beach in front of Joe's Crabshack) 9AM-11AM: Registration begins April 1st, no fee required. To register, contact the COJB Parks and Recreation department 904-247-6157
  - April 24: Opening of the Beaches Parade (1st and 2nd Street between the municipal parking lot adjacent to Latham Plaza) 2PM-4PM
  - April 30: Best Buddies Friendship Walk (Latham Plaza) 8AM-Noon: A fundraising walk for individuals with intellectual and developmental disabilities.

To access these events, on the COJB homepage, scroll down to the calendar and underneath click "view all events". Once selected, you will be on a page where you can select which calendars (events, council, etc) you wish to see. When you click on a date in the calendar, it will bring up information on any events or meetings occurring that day.

Social Media Update:

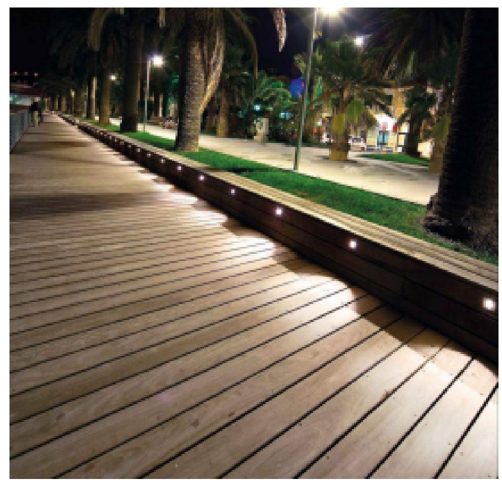
As of February 17, 2022, staff has made two posts on the city facebook page.

- The first post outlined what a CRA is, where our districts are, why/how they were created, etc. staff was able to answer questions from citizens and engage with the community

- The second post was a “coming soon” post regarding the bike racks. The engagement from the community was very positive.
- Each of the posts have the same logo in the corner that reflects it is a “CRA” specific post

- Beaches Lighting Update
    - Staff has met with Beaches Energy to get each other up to speed on the plan. After discussions, it was determined that the lighting styles would not change, since turtle lighting and police input was considered when these lights were chosen. Here are some examples of the types of lighting expected (please note these are examples, NOT the final lights chosen)

Example of Boardwalk Lighting:



Example of Granville Lighting: Featured from 2nd Street to 3rd, as it is NOT turtle friendly

Example of Mongoose Light pole: Will be LED and some Amber Bulb (close to Ocean) the shape of these lights is in compliance with the COJB Turtle Ordinance

City of Jacksonville Beach ● 11 North Third Street ●Jacksonville Beach FL 32250

CRA AGENDA ITEM	
TO:	CRA Board
FROM:	Ashlie Gossett, Chief Financial Officer
DATE:	03/10/2022
SUBJECT:	FY2021 Financial Statements and Independent Auditor's Report

BACKGROUND

State Statutes now require a separate independent audit of tax increment fund districts in addition to the independent audit requirements for the City. Because the CRA is a dependent special district of the City, its financial information will continue to be presented within the City's Annual Comprehensive Financial Report.

The CRA received an unmodified opinion which is the highest level of assurance that can be attained during an independent audit.

FINANCIAL IMPACT

For informational purposes only.

REQUESTED ACTION

Accept the FY2021 Jacksonville Beach Community Redevelopment Agency Financial Statements and Independent Auditor's Report

ATTACHMENTS

1. FY2021 CRA Financial Statements and Audit Report
2. FY2021 Governance Communication CRA

AGENDA ITEM:	A.
MEETING DATE:	March 28, 2022

2021

Jacksonville Beach Community Redevelopment Agency

Financial Statements and Independent Auditor's Report

September 30, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities and each major fund of the Jacksonville Beach Community Redevelopment Agency (the Agency), a component unit of the City of Jacksonville Beach, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2022, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Purvis Gray

February 25, 2022
Tallahassee, Florida

MANAGEMENT’S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (the MD&A) of the Jacksonville Beach Redevelopment Agency (the Agency), is intended to provide an overview of the Agency's financial position and results of operations for the fiscal year ended September 30, 2021. The MD&A should be read in conjunction with the Agency's financial statements, including the accompanying notes, to enhance the understanding of the Agency's financial performance.

Financial Highlights

- At September 30, 2021, restricted net position of $35,552,467 is unspent tax increment financing revenues restricted for upcoming redevelopment projects.

- Fund balance increased in the current year by $6,606,995. Substantially all of this increase is attributable to tax increment revenues in excess of expenditures due to the timing of CRA projects.

- $2,279,078 in Southend Redevelopment District tax increment revenues was returned to the taxing authorities as part of the year-end fund balance appropriation.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the Agency's basic financial statements which have the following components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Agency's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how the Agency's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements listed above distinguish functions of the Agency that are principally supported by ad-valorem taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their cost through user fees and charges. The governmental activities in the Agency are community redevelopment and public safety.

The government-wide financial statements include only the financial activities of the Agency. However, the Agency is considered a component unit of the City of Jacksonville Beach, Florida (the City), and as such, the financial information of the Agency is included in the City's Annual Comprehensive Financial Report in each fiscal year.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources, available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities when required.

Key elements of the reconciliation of these two statements are that the government-wide statement of activities reports the issuance of debt as a liability, the purchases of capital assets as assets which are then charged to expense over their useful lives (depreciated) and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental funds statements report the issuance of debt as another financing source of funds, the repayment of debt as an expenditure, the purchase of capital assets as an expenditure, and do not reflect changes in long-term liabilities.

The Agency maintains two governmental funds. Information is presented separately for the Downtown and Southend Redevelopment Districts in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance. In the City's Annual Comprehensive Financial Report, these two funds are referred to as the Downtown and Southend Redevelopment Trust funds.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The following table summarizes the statement of net position for the current and prior year:

SUMMARY SCHEDULE OF NET POSITION

	2021	2020
Current Assets	$ 38,170,925	$ 32,121,889
Capital Assets, Net	7,291,255	7,291,255
Total Assets	45,462,180	39,413,144
Current Liabilities	2,618,458	3,176,468
Total Liabilities	2,618,458	3,176,468
Net Position		
Investment in Capital Assets	7,291,255	7,291,255
Restricted for Redevelopment Projects	35,552,467	28,945,421
Total Net Position	$ 42,843,722	$ 36,236,676

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Governmental activities increased the Agency's net position by $6,607,046 for the year ended September 30, 2021. Key elements of the change are described below.

The following table summarizes the changes in net position for the current and prior year:

SUMMARY OF CHANGES IN NET POSITION

	2021	2020
General Revenues:		
Tax Increment Financing	$ 9,651,025	$ 9,278,569
Investment and Other Income	43,999	1,049,142
Total Revenues	9,695,024	10,327,711
Expenses:		
Community Redevelopment	1,881,040	6,809,294
Public Safety	1,206,938	962,044
Total Expenses	3,087,978	7,771,338
Change in Net Position	6,607,046	2,556,373
Net Position, Beginning of Year	36,236,676	33,680,303
Net Position, End of Year	$ 42,843,722	$ 36,236,676

Community redevelopment expenses decreased by $4,683,360, largely due to the timing of capital projects.

Governmental Funds

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Agency's financing requirement. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

The Agency maintains two Redevelopment trust funds, one for the Downtown District and another for the Southend District. At the end of the current year, a fund balance of $35,550,984 was both restricted and appropriated to ongoing and future redevelopment projects.

The Agency is required to adopt an annual budget for the two funds prepared on a basis consistent with accounting principles generally accepted in the United States of America.

Capital Assets

The Agency's investment in capital assets as of September 30, 2021 is $7,291,255 which is strictly land held for future development projects. At the completion of the projects, the land and resulting improvements will become property of the City.

Budgetary Highlights

The Agency's governing board, the Community Redevelopment Agency (CRA), is authorized to transfer budget amounts. Revisions that alter the total expenditure must be approved by both the CRA and City Council. Legal level of control is maintained at the fund level. The difference between the original budget and the final amended amount was a net increase of $2,637,454 for capital projects and $55,449 for other expenditures.

Actual revenues were lower than the final budgeted revenues by $132,182, largely due to interest income on investments. Actual expenditures were under budget by $3,207,067 due to timing of capital project expenditures.

Economic Factors and Future Developments

Both districts have been a redevelopment success. Downtown taxable property values have grown from $42.3 million in the 1984 base year to $659.2 million in the most recent year and Southend taxable values have grown from $6.5 million in the 1986 base year to $423.5 million.

The CRA will continue to plan projects and infrastructure improvements that align with its redevelopment priorities for each district. Additionally, the City and CRA will continue to partner to encourage private sector development in the designated Downtown area.

Key FY2022 projects in the Downtown District are as follows:

- Complete the infrastructure improvements planned for the area east of 3rd Street between 4th and 11th Avenues South. (Phase IIIC – Projects 3, 4, and 5).
- Continue design and implementation of the specific elements identified in the *Downtown Action Plan* including a Public Art Master Plan, Bike Parking Plan, Site Furnishings, Wayfinding Signage Plan, and Lighting Plan.
- Expand on the Incentive Toolbox Program for downtown, and market incentive plans to current and future downtown businesses and residents.

Key FY2022 projects in the Southend District are as follows:

- Work with a consultant to provide design for multi-use trails on collector roads.
- Install the new, ADA accessible, playground at South Beach Park.

The development pattern for the Southend area has effectively been built out and the majority of the Redevelopment Plan capital projects in Agency have been completed. For the past three fiscal years, the Agency has returned tax increment revenues to the taxing authorities because revenues exceeded the fund balance amount appropriated to projects.

Requests for Information

This financial report is designed to provide users with a general overview of the Agency's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, 11 North Third Street, Jacksonville Beach, Florida 32250.

Additional information can also be found on the City and CRA's website at www.jacksonvillebeach.org.

FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
SEPTEMBER 30, 2021
JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)

Assets	
Equity in Pooled Cash and Investments	$ 38,168,571
Assessments Receivable	2,354
Capital Assets	7,291,255
Total Assets	45,462,180
Liabilities	
Accounts Payable	305,836
Other Accrued Liabilities	33,544
Due to Other Governments	2,279,078
Total Liabilities	2,618,458
Net Position	
Investment in Capital Assets	7,291,255
Restricted for Redevelopment Projects	35,552,467
Total Net Position	$ 42,843,722

See accompanying notes.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)

	Expenses	Net Revenue (Expense) and Changes in Net Position Total Governmental Activities
Functions		
Governmental Activities:		
Community Redevelopment	$ 976,864	$ (976,864)
Public Safety	1,206,938	(1,206,938)
Capital Improvements Contributed to Primary Government	904,176	(904,176)
Total Governmental Activities	3,087,978	(3,087,978)
General Revenues:		
Tax Increment Financing		9,651,025
Investment and Other Income		43,999
Total General Revenues		9,695,024
Change in Net Position		6,607,046
Net Position, Beginning of Year		36,236,676
Net Position, End of Year		$ 42,843,722

See accompanying notes.

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021
JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)

	Downtown Redevelopment District	Southend Redevelopment District	Total Governmental Funds
Assets			
Equity in Pooled Cash and Investments	$ 22,917,846	$ 15,250,725	$ 38,168,571
Assessments Receivable	871	1,483	2,354
Total Assets	22,918,717	15,252,208	38,170,925
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	131,369	174,467	305,836
Other Accrued Liabilities	31,400	2,144	33,544
Due to Other Governmental Units		2,279,078	2,279,078
Total Liabilities	162,769	2,455,689	2,618,458
Deferred Inflows of Resources			
Unavailable Revenues		1,483	1,483
Fund Balance			
Restricted for Redevelopment Projects	22,755,948	12,795,036	35,550,984
Total Fund Balance	22,755,948	12,795,036	35,550,984
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 22,918,717	$ 15,252,208	$ 38,170,925

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	
Total Fund Balance - Governmental Funds	$ 35,550,984
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Governmental Funds	7,291,255
Certain Revenues Have Been Deferred on the Balance Sheet Because They Were not Measurable and Available at Year-End	1,483
Net Position of Governmental Activities	$ 42,843,722

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)

	Downtown Redevelopment District	Southend Redevelopment District	Total Governmental Funds
Revenues			
Tax Increment Financing	$ 7,118,716	$ 2,532,309	$ 9,651,025
Investment and Other Income	26,261	17,687	43,948
Total Revenues	7,144,977	2,549,996	9,694,973
Expenditures			
Community Redevelopment:			
Personnel Services	172,450	94,624	267,074
Operating Expenses	415,310	294,480	709,790
Public Safety:			
Personnel Services	1,096,252		1,096,252
Operating Expenses	110,686		110,686
Capital Outlay	532,148	372,028	904,176
(Total Expenditures)	(2,326,846)	(761,132)	(3,087,978)
Net Change in Fund Balance	4,818,131	1,788,864	6,606,995
Fund Balance, Beginning of Year	17,937,817	11,006,172	28,943,989
Fund Balance, End of Year	$ 22,755,948	$ 12,795,036	$ 35,550,984

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Net Change in Fund Balance	$ 6,606,995
Certain Revenues Have Been Deferred on the Balance Sheet Because they Were not Measurable and Available at Year-End, but Have Been Recognized in the Statement of Activities	51
Change in Net Position of Governmental Activities	$ 6,607,046

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

In March 1978, the five-member Jacksonville Beach Community Redevelopment Agency (the Agency) was established by the City of Jacksonville Beach, Florida (the City), by Ordinance No. 6950 as a public body organized pursuant to Part III of Chapter 163 of the Florida Statutes. The Agency's stated purpose is to intervene in the decline of the economic and physical character of the redevelopment area and transformation of the existing conditions into a functional and vibrant urban center. The governing body of the Agency is appointed by the City Council. There are two redevelopment trust funds established by the Agency, the Downtown Redevelopment District and the Southend Redevelopment District.

The Downtown Redevelopment District was established in 1984 with the original redevelopment plan being established in 1987. The plan was amended in 2007 to incorporate the Downtown Vision Plan, and in 2014 to create a Downtown Community Assisted Policing Effort (CAPE), in an effort to making the downtown a safer and more inviting area. The most recent amendment to the downtown plan came via the adoption of the 2015 Downtown Action Plan, a collection of projects and programs to address community redevelopment concerns in the areas of public spaces, transportation, public safety, and overall quality of life in the downtown community redevelopment district. The redevelopment plan is set to expire in January of 2047.

In November 1985, the Southend Redevelopment District was designated for redevelopment. A plan for the redevelopment of the area was adopted and a tax increment trust fund was established in 1987. The redevelopment plan is set to expire in June of 2047.

The following is a summary of the significant accounting policies applicable to the Agency:

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the governmental activities of the Agency. The government-wide focus is more on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include operating and capital grants and contributions. In 2020, the Agency did not have any program revenues. Taxes and other items not included as program revenues are reported as general revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation
The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Tax increment financing from property taxes are recognized as revenue in the year when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on their balance sheet. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

Their operating statements present sources (revenue and financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recognized when due.

Tax increment financing revenue, when levied for and interest associated with the current fiscal period, are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

Per Florida Statutes, Section 163.387, resources deposited into a redevelopment trust fund are restricted for community redevelopment activities pursuant to the approved redevelopment plan.

The Agency reports two special revenue funds which are considered major governmental funds. These funds are used to account for all financial resources received by the Agency. The Agency does not have any non-major funds.

Assets, Liabilities and Net Position
Equity in Pooled Cash and Investments: The Agency participates in the City's pooled cash and investment portfolio. Investment earnings are distributed monthly to the participating funds' relative percentage of investments.

Capital Assets: Capital assets include land titled to the Agency. The Agency pays for certain infrastructure improvements (roads, sidewalks, bridges, and other utility infrastructure) within the designated redevelopment area; however, these improvements are considered to be property of the City, and therefore are included as capital assets in the City's government-wide financial statements.

Capital assets titled to the Agency are reported in governmental activities in the government-wide financial statements. The Agency utilizes the City's capitalization policy and capitalizes assets with a cost in excess of $1,000 and an estimated life greater than one year. Capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized but are expensed as incurred.

Nature and Purpose of Fund Balance: Per Florida Statutes, Section 163.387, unspent tax increment financing revenues are restricted for future redevelopment projects pursuant to the approved community redevelopment plan and are reported as restricted fund balance in the financial statements. There are no other classifications of fund balance.

Compensation Costs: The Agency has no employees of its own. Instead, the Agency reimburses the City for the portion of salaries and benefits attributable to Agency activities based on the estimated time spent on those activities as projected during the annual budget process. Any long-term payroll and benefit liabilities such as compensated absences, other postemployment benefits, or pension liabilities are reported on the City's financial statements.

Net Position: The government-wide statements utilized a net position presentation. Net investment in capital assets is that portion of net position that relates to the Agency's capital assets reduced by accumulated depreciation. Restricted net position are unspent tax increment financing revenues that are restricted for future redevelopment projects.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - <u>Deposits and Investments</u>

At year-end, the Agency's share of the City's pooled cash and investment balances was $38,168,571. The City's bank deposits are held in qualified depositories pursuant to Chapter 280, Florida Statutes, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 25% to 200% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with an approved financial institution. The Public Depository Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. The Agency's bank balances were insured either by the federal depository insurance corporation or collateralized in the bank's participation in the *Florida Security for Public Deposits Act*.

Authorized Investments

The Agency does not have a separate deposit and investment policy and it follows the deposit and investment policies of the City.

Florida Statute 218.415 authorizes the City to invest in the state pools and in obligations of the United States Treasury and agencies. The City has adopted an investment policy for operating funds pursuant to state statutes that allows the City to contract for investment and related services, establish internal controls, and specifies the types of investments that may be purchased. Key objectives of the policy are as follows:

- Safety of principal is the foremost objective of the investment program.

- Provide sufficient liquidity to allow for quick conversion of investments to cash easily and rapidly without loss of principal to meet operating, payroll, and capital requirements.

- The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

- Investments held should be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

The policy also lists permitted types of investments, limitations as to amounts invested in each type, the amount invested with each issuer, the length of investment maturities, and other statutory or contractual restrictions for each type of investment. The investment in any derivative products or the use of reverse repurchase agreements is not permitted by this investment policy.

Risk Disclosure
The City's investment policy does not address its exposure to interest rate changes, custodial credit risk, or quality credit risk. The following items discuss the City's operating funds' and pension funds' exposure to various risks in primarily the fixed rate portions of their investment portfolios:

- **Interest Rate Risk**—the City's fixed rate investments are intended to be held until the funds are needed, at maturity.

- **Custodial Credit Risk**—for an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City generally utilizes third-party custodians to help manage custodial credit risk.

- **Concentration of Credit Risk**—the investment policy for the operating funds of the City define what percentage of the total investment portfolio may be invested in each type of investment vehicle. The City's policy states that these percentages may be further restricted based on market conditions, risk, and diversification investment strategies.

  More detailed information on the City's investment portfolio can be obtained from the City's Annual Comprehensive Report which can be found on the City's website at www.jacksonvillebeach.org.

Note 3 - Capital Assets

Capital asset activity for the year ended September 30, 2021 follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
Capital Assets Not Being Depreciated:				
Land	$ 7,291,255	$ -	$ -	$ 7,291,255

Note 4 - Tax Increment Financing Revenue

The Agency is primarily funded through tax-increment financing revenue. This revenue is computed by applying the operating tax for the City and the City of Jacksonville multiplied by the increased value of property in the Agency over the base property value minus 5%. The City and the City of Jacksonville are required to fund this amount annually without regard to tax collections or other obligations.

In accordance with Section, 163.387(7), Florida Statutes, at the end of each fiscal year, any funds remaining in the Tax Increment Trust Fund must be either appropriated to specific projects, used to reduce debt, or returned to the taxing authorities. The Southend District projected to end the fiscal year with a fund balance of $15,097,255. Of that total, $12,818,177 was appropriated to projects already underway or which were expected to start in the near term. Because there is no outstanding debt in the Southend District, the remaining $2,279,078, is being returned to taxing authorities; the City of Jacksonville Beach ($749,573) and the City of Jacksonville ($1,529,505). These amounts are included in Due to Other Governments on the District's Balance Sheet and Statement of Net Position.

Note 5 - Construction Commitments

As of September 30, 2021, the Agency had the following construction commitments related to significant unfinished capital projects:

Project	Expended as of September 30, 2021	Remaining Commitment
Downtown District:		
Downtown Site Furnishing & Bike	$ 11,076	$ 416,924
Design of Downtown Phase 3C (4 & 5) 4th Ave. S - 11th Ave S	129,673	343,689
Design of Downtown District Infrastructure Improvements, Phase 3C, Projects 4 & 5	166,017	1,264,087
Southend:		
Sunshine Playground	14,800	1,663,899
Total	$ 321,566	$ 3,688,599

Note 6 - Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors, omissions, and natural disasters. The Agency is covered by the City's insurance plans. The City purchases commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage, Including Flood Damage
- General Liability
- Automobile Liability
- Commercial Crime
- Police Professional Liability
- Workers Compensation
- Health Insurance
- Pension Fiduciary
- Public Official

Prior to fiscal year 2020, the City was self-insured for workers compensation risks up to $150,000 per claim. All other insurance coverages have not changed significantly from the prior year.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET ACTUAL (UNAUDITED) FOR THE YEAR ENDED SEPTEMBER 30, 2021 DOWNTOWN REDEVELOPMENT DISTRICT

	Budgeted Amounts		Actual	Variance with
	Original	**Final**	**Amounts**	**Final Budget**
Revenues				
Tax Increment Financing	$ 7,099,859	$ 7,099,859	$ 7,118,716	$ 18,857
Investment and Other Income	176,489	177,300	26,261	(151,039)
Total Revenues	7,276,348	7,277,159	7,144,977	(132,182)
Expenditures				
Community Redevelopment:				
Personnel Services	244,805	245,136	172,450	72,686
Operating Expenses	755,070	762,870	415,310	347,560
Total Community Redevelopment	999,875	1,008,006	587,760	420,246
Police:				
Personnel Services	973,934	973,934	1,096,252	(122,318)
Operating Expenses	111,450	158,768	110,686	48,082
Total Police	1,085,384	1,132,702	1,206,938	(74,236)
Capital Outlay	755,750	3,393,204	532,148	2,861,056
(Total Expenditures)	(2,841,009)	(5,533,912)	(2,326,846)	3,207,066
Net Change in Fund Balance	$ 4,435,339	$ 1,743,247	$ 4,818,131	$ 3,074,884

See note to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET ACTUAL (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021
SOUTHEND REDEVELOPMENT DISTRICT

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Tax Increment Financing	$ 2,533,448	$ 2,533,448	$ 2,532,309	$ (1,139)
Investment and Other Income	77,361	77,361	17,687	(59,674)
Total Revenues	2,610,809	2,610,809	2,549,996	(60,813)
Expenditures				
Community Redevelopment:				
Personnel Services	119,071	125,716	94,624	31,092
Operating Expenses	330,137	324,425	294,480	29,945
Capital Outlay	2,765,000	8,417,603	372,028	8,045,575
(Total Expenditures)	(3,214,208)	(8,867,744)	(761,132)	8,106,612
Net Change in Fund Balance	$ (603,399)	$ (6,256,935)	$ 1,788,864	$ 8,045,799

See note to required supplementary information.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021
JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)

Note 1 - Budgetary Procedures and Budgetary Accounting

The Agency adheres to the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

Prior to September 30, the Agency Administrator submits, to the Community Redevelopment Agency, a proposed operating budget for the Trust Fund for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

The Agency budget is also included in the City's budget and is presented to the City Council for ratification prior to September 30.

Agency management is authorized to transfer budget amounts. Revisions that alter the total expenditures must be approved by the Community Redevelopment Agency. Legal level of budgetary control is maintained at the fund level. Budget amendments totaling $2,692,903 in the Downtown Redevelopment District and $5,653,536 in the Southend Redevelopment District were primarily related to ongoing construction projects that were previously encumbered and rolled forward from the previous year.

OTHER REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Jacksonville Beach Community Redevelopment Agency (the Agency), a component unit of the City of Jacksonville Beach, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated February 25, 2022.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Community Redevelopment Agency
City of Jacksonville Beach, Florida

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

February 25, 2022
Tallahassee, Florida

PURVIS GRAY

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

We have examined the Jacksonville Beach Community Redevelopment Agency's (the Agency) compliance with Section 218.415, Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination of the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and pass-through entities, the Agency Board members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis Gray

February 25, 2022
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 163.387(6) AND (7), FLORIDA STATUTES

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

We have examined the Jacksonville Beach Community Redevelopment Agency's (the Agency) compliance with Section 163.387(6) and (7), Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556 (10)(a), *Rules of the Auditor General*. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination of the Agency's compliance with specified requirements.

In our opinion, except for the non-compliance noted below, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

2021-1 Budget Submission
Criteria: Section 163.387(6)(b), Florida Statutes requires the Agency to submit its original budget and any subsequent budget amendments to the board of county commissioners (or applicable taxing authority) in which the CRA is located within 10 days of adoption.

Condition: Due to transitions in staffing, the Agency did not submit its budget and budget amendments to the taxing authority (City of Jacksonville) within 10 days of adoption.

Effect: By not submitting the District's budget or any budget amendments within 10 days of adoption, the Agency is not in compliance with Section 163.387(6)(b), Florida Statutes.

Recommendation: We recommend the Agency submit its budget and any subsequent amendments to the City of Jacksonville within 10 days of adoption.

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 163.387(6) AND (7), FLORIDA STATUTES

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and pass-through entities, the Agency Board members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis Gray

February 25, 2022
Tallahassee, Florida

MANAGEMENT LETTER

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

Report on the Financial Statements
We have audited the financial statements of the Jacksonville Beach Community Redevelopment Agency (the Agency), a component unit of the City of Jacksonville, Florida (the City), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated February 25, 2022.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Reports on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 25, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding annual financial report.

Official Title and Legal Authority
Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This is disclosed in Note 1 of the financial statements.

Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Community Redevelopment Agency
City of Jacksonville Beach, Florida

MANAGEMENT LETTER

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Unit

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Agency reported:

UNAUDITED

a. The total number of district employees compensated in the last pay period of the district's fiscal year was 0. As disclosed in Note 1 of the financial statements, the Agency has no employees but receives administrative, engineering, and project management support from City staff.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year was 2.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency was $0. As described in Note 1 of the financial statements, the Agency reimburses the City for support provided by City employees. During the fiscal year, the Agency reimbursed the City for payroll and related benefits totaling $1,363,325 for work performed by City employees on behalf of the Agency.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency was $284,670.
e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1, of the fiscal year being reported, together with the total expenditures for such project. See attached schedule in Appendix A.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes was $6,876,157.

To the Community Redevelopment Agency
City of Jacksonville Beach, Florida

MANAGEMENT LETTER

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and the Board of Directors and management of the Agency, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis Gray

February 25, 2022
Tallahassee, Florida

Appendix A

Each construction project with a total cost of at least $65,000 approved by the District that is scheduled to begin on or after October 1, of the fiscal year being reported, together with the total expenditures for such projects was as follows:

UNAUDITED

Project Description	CRA Res. No. or Budget Year	Project Budgeted Cost	Total Expenditures in Year
Projects #4-5: Professional engineering services for infrastructure improvement projects DT Phase IIIC- projects 4 & 5	2021-02	$1,052,416	$(129,673)
Professional engineering services to perform a study of the Central and South stormwater basins	2021-03	$211,546	$(102,836)
Rebuild 6 Dune Walkovers	2021-12	$608,289	$-

FINANCE DEPARTMENT

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904.247.6274

www.jacksonvillebeach.org

February 10, 2022

Auditor General's Office
Local Government Section
Claude Denson Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

RE: Response to Auditor's Management Letter Comments

The following is the Jacksonville Beach Community Redevelopment Agency's response to the independent auditor's management letter comments.

2021-1 Budget Submission

Criteria: Section 163.387(6)(b), Florida Statutes requires the Agency to submit its original budget and any subsequent budget amendments to the board of county commissioners (or applicable taxing authority) in which the CRA is located within 10 days of adoption.

Condition: Due to transitions in staffing, the Agency did not submit its budget and budget amendments to the taxing authority (City of Jacksonville) within 10 days of adoption.

Effect: By not submitting the District's budget or any budget amendments within 10 days of adoption, the Agency is not in compliance with Section 163.387(6)(b), Florida Statutes.

Recommendation: We recommend the Agency submit its budget and any subsequent amendments to the City of Jacksonville within 10 days of adoption.

Management's Response to Comment 2021-1 Budget Submission

The Agency and City agree with the auditor's comments and will implement the recommendation.

The CRA Administrator retired in early FY2021 and a new Administrator was promoted a few months later. Additionally, a new position of CRA Coordinator has been created and filled to provide administrative support to both the new CRA Administrator and Agency. One of the responsibilities of this new role will be to ensure compliance with Statutory reporting requirements.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

We have audited the financial statements of the governmental activities and each major fund of the Jacksonville Beach Community Redevelopment Agency (the Agency), a component unit of the City of Jacksonville Beach, Florida (the City), for the year ended September 30, 2021. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated June 4, 2021. Professional standards also require that we communicate to you the following information related to our audit:

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year.

We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates may be particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We did not identify any particularly sensitive estimates in the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We are pleased to report we encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during the course of our audit.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated February 25, 2022.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements
We applied certain limited procedures to Management's Discussion and Analysis (MD&A) and the Required Supplementary Information (RSI) as identified in the table of contents of the financial statements (collectively, the Required Supplementary Information). Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Community Redevelopment Agency and management of the Agency and is not intended to be and should not be used by anyone other than these specified parties.

Purvis Gray

February 25, 2022
Tallahassee, Florida

City of Jacksonville Beach ● 11 North Third Street ●Jacksonville Beach FL 32250

CRA AGENDA ITEM	
TO:	CRA Board
FROM:	Taylor Mobbs, CRA Coordinator
DATE:	03/10/2022
SUBJECT:	Horn Court and Sunshine Court Property Disposition Intralocal Agreement

BACKGROUND

As previously adopted by CRA Resolution No. 2022-02, the CRA board has agreed to the method of disposition of the CRA-owned properties located on Horn Court and Sunshine Court.

The document attached is a final draft of the Memorandum of Understanding/Intra-local Agreement necessary to move forward with the sale of the properties, and a description of how the proceeds from the sale will be disbursed between the City of Jacksonville Beach and the City of Jacksonville Beach Community Redevelopment Agency.

FINANCIAL IMPACT

None at this time.

REQUESTED ACTION

Approve/Disapprove the Memorandum of Understanding/Intra-local Agreement between the City of Jacksonville Beach and the Jacksonville Beach Community Redevelopment Agency for the disposition of the CRA-owned lots located on Horn Court and Sunshine Court, as well as the disbursement of associated funds

ATTACHMENTS

1. Appraisal - 0 Horn Court
2. Memorandum of Understanding/Intra-local Agreement

AGENDA ITEM:	A.
MEETING DATE:	March 28, 2022

INVOICE

FROM:
Hileman Appraisal Group
1713 Penman Road
Jacksonville Beach, FL 32250-3731
Tax ID - 59-3489628

Telephone Number: (904) 270-2250 Fax Number: (904) 270-2251

INVOICE NUMBER	
20-42255	
DATES	
Invoice Date:	01/07/2021
Due Date:	
REFERENCE	
Internal Order #:	20-42255
Lender Case #:	
Client File #:	
FHA/VA Case #:	
Main File # on form:	20-42255
Other File # on form:	
Federal Tax ID:	
Employer ID:	

TO:
William C. Mann / Jim Gilmore
Community Redevelopment Agency
11 N 3rd St
Jacksonville Beach, FL 32250

E-Mail:
Telephone Number: Fax Number:
Alternate Number:

Please include invoice number on remittance within 15 Days

DESCRIPTION

Lender:	None / Jax Beach Community Redevelopment Ager	Client:	Community Redevelopment Agency
Purchaser/Borrower:	Not for Lending (JB Community Redevelopment Agency)		
Property Address:	0 Horn Ct		
City:	Jacksonville Beach		
County:	Duval	State: Fl	Zip: 32250
Legal Description:	Lot 8, Blk 13, Jacksonville Beach Heights, PB 11 Pg 40	(RE Parcel ID#180932-0000)	

FEES	AMOUNT
Land Appraisal	400.00
SUBTOTAL	400.00

PAYMENTS			AMOUNT
Check #:	Date:	Description:	
Check #:	Date:	Description:	
Check #:	Date:	Description:	
		SUBTOTAL	0
		TOTAL DUE	$ 400.00

LAND APPRAISAL REPORT

File No. 20-42255

SUBJECT

Borrower: Not for Lending (JB Community Redevelopment Agency)	Census Tract: 0142.04	Map Reference: 27260	
Property Address: 0 Horn Ct			
City: Jacksonville Beach	County: Duval	State: Fl	Zip Code: 32250
Legal Description: Lot 8, Blk 13, Jacksonville Beach Heights, PB 11 Pg 40 (RE Parcel ID#180932-0000)			
Sale Price $	Date of Sale	Loan Term yrs.	Property Rights Appraised: [X] Fee [ ] Leasehold [ ] De Minimis PUD
Actual Real Estate Taxes $ 0 (yr)	Loan charges to be paid by seller $	Other sales concessions	
Lender/Client: None / Jax Beach Community Redevelopment Agenc	Address: 11 3rd Street N, Jacksonville Beach, FL 32250		
Occupant: Vacant	Appraiser: Lynn L Hileman	Instructions to Appraiser: Opinion of market value	

NEIGHBORHOOD

Location	[ ] Urban	[X] Suburban	[ ] Rural
Built Up	[X] Over 75%	[ ] 25% to 75%	[ ] Under 25%
Growth Rate [ ] Fully Dev.	[X] Rapid	[ ] Steady	[ ] Slow
Property Values	[X] Increasing	[ ] Stable	[ ] Declining
Demand/Supply	[X] Shortage	[ ] In Balance	[ ] Oversupply
Marketing Time	[X] Under 3 Mos.	[ ] 4-6 Mos.	[ ] Over 6 Mos.

Present Land Use: 80 % One-Unit, 10 % 2-4 Unit, % Apts., 5 % Condo, 5 % Commercial, % Industrial, % Vacant, %

Change in Present Land Use: [X] Not Likely [X] Likely (*) [ ] Taking Place (*)
(*) From Vacant To Developed as Zoned

Predominant Occupancy: [X] Owner [ ] Tenant 1 % Vacant

One-Unit Price Range $ 240,000 to $ 1,310,000 Predominant Value $ 489,000

One-Unit Age Range 0 yrs. to 80 yrs. Predominant Age 10 yrs.

	Good	Avg.	Fair	Poor
Employment Stability	[ ]	[X]	[ ]	[ ]
Convenience to Employment	[ ]	[X]	[ ]	[ ]
Convenience to Shopping	[X]	[ ]	[ ]	[ ]
Convenience to Schools	[ ]	[X]	[ ]	[ ]
Adequacy of Public Transportation	[ ]	[X]	[ ]	[ ]
Recreational Facilities	[X]	[ ]	[ ]	[ ]
Adequacy of Utilities	[ ]	[X]	[ ]	[ ]
Property Compatibility	[ ]	[X]	[ ]	[ ]
Protection from Detrimental Conditions	[ ]	[X]	[ ]	[ ]
Police and Fire Protection	[ ]	[X]	[ ]	[ ]
General Appearance of Properties	[X]	[ ]	[ ]	[ ]
Appeal to Market	[X]	[ ]	[ ]	[ ]

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) The subject is located in South Jacksonville Beach in an area built up with a variety of both older and newer newer homes, attached and detached homes. The area is built up with homes ranging in size from 900 to 3000+ sf with the intracoastal waterway properties representing the upper end of the home value range. The subject is within 1 mile from area parks, shopping, places of worship, and expressways. No adverse factors known or noted.

SITE

Dimensions: 50 x 120 Per Plat / Subject to Survey = 6,000 sf SF [X] Corner Lot

Zoning Classification: Residential Low Density 3-7 units Per Acre / JRS-2 Present Improvements [X] Do [ ] Do Not Conform to Zoning Regulations

Highest and Best Use [X] Present Use [ ] Other (specify) *Highest & best use is as zoned JRS-2 for SFR & subject is being appraised as same.*

	Public	Other (Describe)	OFF SITE IMPROVEMENTS		
Elec.	[X]		Street Access [X] Public [ ] Private	Topo	Level
Gas	[ ]		Surface: Asphalt	Size	Typical
Water	[X]		Maintenance [X] Public [ ] Private	Shape	Rectangular
San. Sewer	[X]		[ ] Storm Sewer [ ] Curb/Gutter	View	Residential
	[X] Underground Elect. & Tel.		[ ] Sidewalk [X] Street Lights	Drainage	Appear Adequate

Is the property located in a FEMA Special Flood Hazard Area? [ ] Yes [X] No

Comments (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions) The subject is a typical 50' wide corner / cul de sac lot that offers residential views. The lot is boarded to the south by a utility easement which will afford additional privacy and the homes in the Rip Tide S/D, which is considered a typical residential view lot . There were no detrimental influences noted at the site at the time of inspection. No adverse easements or encroachments known or noted for the area. Lot dimensions and flood zone subject to survey.

MARKET DATA ANALYSIS

The undersigned has recited the following recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (–) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	0 Horn Ct Jacksonville Beach, FL 32250	3270 Merrill Blvd Jacksonville Beach, FL 32250		554 S 8th Ave Jacksonville Beach, FL 32250		1649 5th Ave N Jacksonville Beach, FL 32250	
Proximity to Subject		0.11 miles W		1.10 miles N		2.15 miles NW	
Sales Price	$		$ 225,000		$ 220,000		$ 231,000
Price $/Sq. Ft.	$		$		$		$
Data Source(s)	Public Records	NEFMLS#1042321; DOM 1		NEFMLS#1015172; DOM 271		NEFMLS#1000445 DOM 336	
ITEM	DESCRIPTION	DESCRIPTION	+(–)$ Adjust.	DESCRIPTION	+(–)$ Adjust.	DESCRIPTION	+(–)$ Adjust.
Date of Sale/Time Adj.		04/15/2020	+13,500	07/02/2020	+8,250	07/29/2020	+8,662
Location	JBHeights/SouthJax	JBHeights/SouthJax		OcnSdPrk/SouthJax		PineGrove/NJaxBch	
Site/View	6,000 sf +/-	5,820 sf +/-	0	5,000 sf +/-	0	7,875 sf +/-	0
View	Residential	Residential		Residential		Residential	
Lot Dimensions	50 x 120 +/-	50 x 116 +/-	0	52x 100 +/-	0	75 x 105 +/-	0
Prior Sale Date	05/18/1994	09/20/1991		09/07/2011		05/02/2019	
Prior Sale Price	$13,500	$5,000		$100		$400,000 (2-Lots)	
Sales or Financing Concessions		CASH None Noted		CASH None Noted		CASH None Noted	
Net Adj. (Total)		[X] + [ ] –	$ 13,500	[X] + [ ] –	$ 8,250	[X] + [ ] –	$ 8,662
Indicated Value of Subject		Net 6.0 % Gross 6.0 %	$ 238,500	Net 3.8 % Gross 3.8 %	$ 228,250	Net 3.7 % Gross 3.7 %	$ 239,662

Comments on Market Data No lot sales found in the south Jax Beach market over the most recent 90 days, thus time adjustments were applied based on 9% annual appreciation per the most recent FHFA statistics for the Jacksonville MSA and state of Florida.(SEE ATTACHED APPRECIATION TABLES) ** SEE ADDITIONAL LISTING COMPARABLE #4 AND ADDITIONAL COMMENTS. **

RECONCILIATION

Comments and Conditions of Appraisal As certified herein and on attached FNMA/FHLMC certification and statement of limiting conditions.* THIS IS A SUMMARY TYPE APPRAISAL REPORT PER FNMA GUIDELINES. * SEE ATTACHED USPAP ADDENDUM.*

Final Reconciliation The market approach to value is considered most applicable for the valuation of vacant lots as it reflects the actions and reactions of buyers and sellers in the marketplace.

Lynn L Hileman

I (WE) ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF 12/30/2020 **TO BE $** 239,000

Appraiser: Lynn L Hileman	Supervisory Appraiser (if applicable)
Date of Signature and Report: 01/07/2021	Date of Signature
Title: Owner, Hileman Appraisal Group	Title
State Certification #: Cert Res RD996 ST FL	State Certification # ST
Or State License # ST	Or State License # ST
Expiration Date of State Certification or License: 11/30/2022	Expiration Date of State Certification or License
Date of Inspection (if applicable): 12/30/2020	[ ] Did [ ] Did Not Inspect Property Date of Inspection

ADDITIONAL COMPARABLE SALES

File No. 20-42255

MARKET DATA ANALYSIS

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address	0 Horn Ct Jacksonville Beach, FL 32250	4064 Palm Way Jacksonville Beach, FL 32250					
Proximity to Subject		0.49 miles S					
Sales Price	$		$ 250,000		$		$
Price $/Sq. Ft.	$		$		$		$
Data Source(s)	Public Records	NEFMLS#999562; DOM 558					
ITEM	DESCRIPTION	DESCRIPTION	+(–)$ Adjust.	DESCRIPTION	+(–)$ Adjust.	DESCRIPTION	+(–)$ Adjust.
Date of Sale/Time Adj.		ACTIVE					
Location	JBHeights/SouthJax	OcnTerr/SouthJax					
Site/View	6,000 sf +/-	6,975 +/- SF					
View	Residential	Res/JTB					
Lot Dimensions	50 x 120 +/-	50 x 133 +/-					
Prior Sale Date	05/18/1994	06/09/2004					
Prior Sale Price	$13,500	$265,000					
Sales or Financing Concessions							
Net Adj. (Total)		☐ + ☐ –	$	☐ + ☐ –	$	☐ + ☐ –	$
Indicated Value of Subject		Net % Gross %	$ 250,000	Net % Gross %	$	Net % Gross %	$

Comments on Market Data Comparable 4 is the only active lot currently listed for sale in the South Jacksonville Beach market area. The lot was originally listed 06/07/2019 for $250,000, reduced to $225,000 on 03/12/2020, increased to $230,000 on 11/19/2020 and then increased to $250,000 on 01/04/2021.

The closed comparables are considered the best indicators of value with sale #1 being assigned the most weight as it is from the subject's immediate S/D and is a similar cul-de-sac lot adjacent to the same easement as the subject lot and the Rip Tide S/D. Sale #2 is from the Oceanside Park S/D and is a smaller 50' wide lot that is only 100' deep, thus due to set back requirements limits the size dwelling that can be built on the lot, however, the lot is closer to area beaches with more direct access, thus the lot size and location are considered offsetting. Sale #3 is from he Pine Grove section of North Jax Beach, west of Penman Road. The lot is a larger corner lot, which based on required set backs offers a similar sized building pad, thus no lot size adjustment felt necessary.

Active listing comparable #4 is provided to show the most similar purchase alternative currently available, however, given no consideration and shown for informational purposes only as the lot has been on the market for an extended period of time and the location being only 2 lots from the J Turner Butler Blvd expressway is considered inferior due to the traffic noise. The listing price is a mere supposition until it actually contracts and sells.

The appraised value reflects only a snapshot of the market within the required 0-180 market period prior to the effective date of appraisal as required by FNMA / USPAP guidelines. Your appraiser does not create or predict past or future market conditions and can only provide the homes which offer the most similar quality and degree of upgrades available in the market place.

The final opinion of value is in no way to be considered as a guarantee as to what the subject lot would sell for if exposed to the open market as your appraiser can not predict buyer and seller motivation in the marketplace.

Borrower	Not for Lending (JB Community Redevelopment Agency)					File No.	20-42255
Property Address	0 Horn Ct						
City	Jacksonville Beach	County	Duval	State	Fl	Zip Code	32250
Lender/Client	None / Jax Beach Community Redevelopment Agency)						

APPRAISAL AND REPORT IDENTIFICATION

This Report is one of the following types:

☒ Appraisal Report (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)

☐ Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use only by the specified client and any other named intended user(s).)

Comments on Standards Rule 2-3

I certify that, to the best of my knowledge and belief:
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).
- **Field, research and clerical assistance provided by Andrew Clayton Robertson, RI24872 State Registered Trainee Appraiser, in compliance with USPAP and Florida Real Estate Appraisal Board / DPBR Guidelines.**
- **It can be noted that MLS photos are often utilized for comparable sales as they are considered to be most reflective of the condition of the property at the time of listing / sale as represented herein and in no way are considered to compromise the conclusions or opinion of value as provided herein. Use of MLS photos is USPAP and FNMA compliant.**

Reasonable Exposure Time

(USPAP defines Exposure Time as the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.)

My Opinion of Reasonable Exposure Time for the subject property at the market value stated in this report is: 90 Days

Comments on Appraisal and Report Identification

Note any USPAP-related issues requiring disclosure and any state mandated requirements:

This report is for use only by Current Owner / Named Client. Use of this report by others is not intended by the appraiser. This report is NOT FOR MORTGAGE LENDING PURPOSES. When performing the inspection of this property, the appraiser visually observed area that were readily accessible from the public street. This appraisal does not guarantee that the property is free of defects or environmental problems. The appraiser is not required to disturb or move anything that obstructs access or visibility. When completing the appraisal, a visual inspection was done in accordance with FNMA/USPAP guidelines. This inspection is not technically exhaustive. The inspection does not offer warranties or guarantees of any kind. It can be noted that this report has been digitally signed with a password protected signature.

SCOPE: The scope of work related to the this appraisal includes an exterior inspection of the subject property and comparable data, as well as a comprehensive search of available market sales. Numerous sources have been used including the Marshall & Swift Cost Handbook, local builders cost estimates, the Northeast Florida Multiple Listing Service, Win2Data, and online public records search for the specific county in which the subject is located. Market sales data has been analyzed for comparable land sales in the subject's market area to determine a reasonable land value for the subject lot as if vacant. Site value is derived through extraction method based on typical land to value ratios for the area if there are insufficient land sales in the area available.

APPRAISER:	SUPERVISORY or CO-APPRAISER (if applicable):
Signature: Lynn L. Hileman	Signature:
Name: Lynn L Hileman	Name:
Owner, Hileman Appraisal Group	
State Certification #: Cert Res RD996	State Certification #:
or State License #:	or State License #:
State: FL Expiration Date of Certification or License: 11/30/2022	State: FL Expiration Date of Certification or License:
Date of Signature and Report: 01/07/2021	Date of Signature:
Effective Date of Appraisal: 12/30/2020	
Inspection of Subject: ☐ None ☐ Interior and Exterior ☒ Exterior-Only	Inspection of Subject: ☐ None ☐ Interior and Exterior ☐ Exterior-Only
Date of Inspection (if applicable): 12/30/2020	Date of Inspection (if applicable):

Client:	Community Redevelopment Agency	Client File #:	
Subject Property:	0 Horn Ct, Jacksonville Beach, Fl 32250	Appraisal File #:	20-42255

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, we have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraisers written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- A true and complete copy of this report contains 14 pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

VALUE DEFINITION

☒ Market Value Definition (below) ☐ Alternate Value Definition (attached)

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Appraisal Institute Dictionary of Real Estate Appraisal

Client:	Community Redevelopment Agency	Client File #:	
Subject Property:	0 Horn Ct, Jacksonville Beach, Fl 32250	Appraisal File #:	20-42255

APPRAISER CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

  ☐ None ☒ Name(s) Andrew C Robertson

  As previously identified in the scope of work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as:

Appraiser	☐ None	☐ Interior	☒ Exterior
Co-Appraiser	☐ None	☐ Interior	☐ Exterior

ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS

Appraisal Institute Member Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Designated Appraisal Institute Member Certify:	Designated Appraisal Institute Member Certify:
• As of the date of this report, I ☐ have / ☒ have not completed the continuing education program of the Appraisal Institute.	• As of the date of this report, I ☐ have / ☐ have not completed the continuing education program of the Appraisal Institute.
APPRAISER:	**CO-APPRAISER:**
Signature Lynn L. Hileman	Signature
Name Lynn L Hileman Report Date 01/07/2021	Name Report Date
State Certification # Cert Res RD996 ST FL	State Certification # ST
or License # ST	or License # ST
Expiration Date 11/30/2022	Expiration Date

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

Covid-19 Disclosure

File No. 20-42255

Borrower	Not for Lending (JB Community Redevelopment Agency)						
Property Address	0 Horn Ct						
City	Jacksonville Beach	County	Duval	State	Fl	Zip Code	32250
Lender/Client	None / Jax Beach Community Redevelopment Agency)						

COVID19 Disclosure

As of the effective date of the report, the local, national and world economy is experiencing unprecedented conditions as the result of the COVID-19 virus, which is considered a world pandemic. The market opinion of value in this appraisal is based on historic sales and your appraiser has no way to predict the long term effect on the local real estate market with regards to how it will impact property values or marketing times in the future. The federal government has begun to adjust interest rates in an effort to mitigate the effects, however, until this unfolds it is unknown of the total impact it will have on the local real estate market and should be closely monitored by the servicing companies of new mortgage originations. The opinion of value is considered credible as of the effective date of this report, based on the information and data on hand as of the effective date of valuation. It is reasonable to assume that current restrictions in the market activity due to the virus will extend marketing times at least 60 days beyond the current levels. This assumption has been taken into consideration with regards to the estimate of reasonable exposure time. At this time, the appraiser assumes that there is a delay in market activity, but not a significant long-term shift in demand or supply, which would result in a change in market prices. The opinion of value is considered applicable as of the effective date of this report only as your appraiser can not predict what and if there will be a long term affect on property values in the subject's market.

As of 08/01/2020 the subject county is listed on the FEMA declaration list for the COVID-19 Pandemic, however, does not appear to have any negative impact on the subject or the subject's neighborhood.

Statistical Market Analysis

Status	# Listings	List Volume	Sold Volume		List Price	Sold Price	Sale/ List Price	Approx. Heated SqFt	List Price Per Approx. Heated SqFt	Sold Price Per Approx. Heated SqFt	Days on Market	Cumulative Days on Market
Active	6	4,386,900	0	Low	450,000	0	0.00	1,553	208.21	0.00	28	28
				Avg	731,150	0	0.00	2,789	276.55	0.00	124	141
				High	1,310,000	0	0.00	5,655	353.38	0.00	308	308
Contingent Take Backup	7	3,699,700	0	Low	419,000	0	0.00	1,158	233.45	0.00	16	22
				Avg	528,529	0	0.00	1,971	275.27	0.00	77	85
				High	697,000	0	0.00	2,600	361.83	0.00	239	239
Pending	13	6,164,500	0	Low	259,900	0	0.00	818	193.38	0.00	3	3
				Avg	474,192	0	0.00	1,934	251.66	0.00	56	56
				High	625,000	0	0.00	2,689	342.30	0.00	413	413
Sold	160	76,822,197	75,496,919	Low	255,000	240,000	0.83	736	178.14	176.27	-5	-5
				Avg	480,139	471,856	0.98	1,980	247.61	243.35	60	73
				High	999,000	950,000	1.07	4,153	370.70	358.05	403	589
Overall	186	91,073,297	75,496,919	Low	255,000	240,000	0.83	736	178.14	176.27	-5	-5
				Avg	489,641	471,856	0.98	2,002	249.87	243.35	62	75
				High	1,310,000	950,000	1.07	5,655	370.70	358.05	413	589

Selection Criteria for Comparable Properties

Specified listings from the following search: Property type Residential; Status of 'Active', 'Coming Soon', 'Pending', 'Sold','Auction','Contingent Take Backup','First Right of Refusal'; Sub-Type of 'Single Family Residence'; Region of '21-JACKSONVILLE BEACH'; Area of '214-JACKSONVILLE BEACH-SW'; Sold Date between '1/7/2020' and '01/7/2021'.

Fannie Mae 1004MC Statistics

Inventory Analysis	Prior 7-12 Months 1/7/2020 - 7/6/2020	Prior 4-6 Months 7/7/2020 - 10/6/2020	Current - 3 Months 10/7/2020 - 1/7/2021
Total # of Comparable Sales (Settled)	79	47	34
Absorption Rate (Total Sales/Months)	13.17	15.67	11.33
Total # of Active Listings	21 (Active on 7/6/2020)	17 (Active on 10/6/2020)	13 (Active on 1/7/2021)
Months of Housing Supply (Total Listings / Ab. Rate)	1.59	1.08	1.15
Median Sale & list Price, Dom, Sale/List %	**Prior 7-12 Months**	**Prior 4-6 Months**	**Current - 3 Months**
Median Comparable Sale Price	425,000	471,000	434,500
Median Comparable Sales DOM	42	40	21
Median Comparable List Price	469,000	549,999	529,000
Median Comparable Listings DOM	85	84	73
Median Sale Price as % of List Price	98.00 %	100.00 %	100.00 %

Statistical Market Analysis

Status	# Listings	List Volume	Sold Volume		List Price	Sold Price	Sale/ List Price	Lot Acres	List Price Per Lot Acres	Sold Price Per Lot Acres	Days on Market	Cumulative Days on Market
Active	1	250,000	0	Low	250,000	0	0.00	0	1,666,666.67	0.00	564	564
				Avg	250,000	0	0.00	0	1,666,666.67	0.00	564	564
				High	250,000	0	0.00	0	1,666,666.67	0.00	564	564
Sold	8	1,916,500	1,777,509	Low	190,000	190,000	0.90	0	1,466,666.67	1,376,725.87	0	0
				Avg	239,562	222,189	0.93	0	1,857,435.27	1,722,365.46	503	503
				High	310,000	280,000	1.00	0	2,218,181.82	2,000,000.00	1,453	1,453
Overall	9	2,166,500	1,777,509	Low	190,000	190,000	0.90	0	1,466,666.67	1,376,725.87	0	0
				Avg	240,722	222,189	0.93	0	1,836,238.76	1,722,365.46	510	510
				High	310,000	280,000	1.00	0	2,218,181.82	2,000,000.00	1,453	1,453

Selection Criteria for Comparable Properties

Specified listings from the following search: Property type Land; Status of 'Active', 'Coming Soon', 'Pending', 'Sold','Auction','Contingent Take Backup','First Right of Refusal'; Region of '21-JACKSONVILLE BEACH'; Area of '214-JACKSONVILLE BEACH-SW'; Sold Date between '1/1/2020' and '01/7/2021'.

Fannie Mae 1004MC Statistics

Inventory Analysis	Prior 7-12 Months 1/7/2020 - 7/6/2020	Prior 4-6 Months 7/7/2020 - 10/6/2020	Current - 3 Months 10/7/2020 - 1/7/2021
Total # of Comparable Sales (Settled)	6	1	0
Absorption Rate (Total Sales/Months)	1.00	0.33	0.00
Total # of Active Listings	1 (Active on 7/6/2020)	1 (Active on 10/6/2020)	1 (Active on 1/7/2021)
Months of Housing Supply (Total Listings / Ab. Rate)	1	3.03	
Median Sale & list Price, Dom, Sale/List %	**Prior 7-12 Months**	**Prior 4-6 Months**	**Current - 3 Months**
Median Comparable Sale Price	225,000	206,000	
Median Comparable Sales DOM	213	696	
Median Comparable List Price	250,000	250,000	250,000
Median Comparable Listings DOM	564	564	564
Median Sale Price as % of List Price	90.00 %	92.00 %	

FHFA HPI by Metropolitan Statistical Area

Percent Change in House Prices

Purchase-Only FHFA HPI® (Seasonally Adjusted, Nominal)

Period ended 2020Q3

Metropolitan Statistical Area or Division	1-Yr	Qtr	5-Yr	Since 1991Q1
Greensboro-High Point, NC	9.20%	-0.08%	32.45%	113.33%
Greenville-Anderson, SC	8.28%	1.99%	43.78%	197.39%
Hartford-East Hartford-Middletown, CT	7.08%	2.87%	13.25%	68.39%
Houston-The Woodlands-Sugar Land, TX	2.97%	0.14%	18.55%	223.34%
Indianapolis-Carmel-Anderson, IN	10.18%	3.55%	47.32%	152.84%
Jacksonville, FL	9.65%	2.71%	46.16%	245.77%
Kansas City, MO-KS	10.73%	3.10%	48.09%	196.84%
Knoxville, TN	11.04%	3.35%	40.78%	190.23%
Lake County-Kenosha County, IL-WI (MSAD)	2.79%	1.42%	21.07%	98.37%
Las Vegas-Henderson-Paradise, NV	5.68%	1.63%	54.44%	166.79%
Little Rock-North Little Rock-Conway, AR	5.50%	2.40%	18.28%	131.30%
Los Angeles-Long Beach-Glendale, CA (MSAD)	7.74%	2.70%	38.91%	232.84%
Louisville/Jefferson County, KY-IN	7.22%	2.41%	34.43%	188.45%
Memphis, TN-MS-AR	10.38%	6.40%	41.14%	138.81%
Miami-Miami Beach-Kendall, FL (MSAD)	5.12%	1.51%	40.87%	348.59%
Milwaukee-Waukesha, WI	8.50%	3.35%	36.16%	194.28%
Minneapolis-St. Paul-Bloomington, MN-WI	7.97%	2.65%	37.21%	229.91%
Montgomery County-Bucks County-Chester County, PA (MSAD)	6.60%	2.68%	24.46%	147.80%
Nashville-Davidson--Murfreesboro--Franklin, TN	9.41%	3.07%	51.25%	292.89%
Nassau County-Suffolk County, NY (MSAD)	6.33%	1.35%	30.13%	236.85%
New Haven-Milford, CT	10.90%	7.47%	20.82%	91.69%
New Orleans-Metairie, LA	6.98%	1.95%	24.60%	240.98%
New York-Jersey City-White Plains, NY-NJ (MSAD)	4.56%	3.38%	23.09%	207.16%
Newark, NJ-PA (MSAD)	7.50%	5.40%	21.70%	180.85%
North Port-Sarasota-Bradenton, FL	7.77%	2.77%	43.92%	258.72%
Oakland-Berkeley-Livermore, CA (MSAD)	8.53%	6.94%	42.44%	295.39%
Oklahoma City, OK	6.73%	1.67%	24.82%	187.57%
Omaha-Council Bluffs, NE-IA	7.44%	2.30%	36.60%	191.53%
Orlando-Kissimmee-Sanford, FL	6.78%	0.89%	47.23%	209.55%
Oxnard-Thousand Oaks-Ventura, CA	4.10%	0.74%	27.64%	204.03%
Philadelphia, PA (MSAD)	9.20%	5.25%	37.59%	221.07%
Phoenix-Mesa-Chandler, AZ	12.03%	3.19%	51.36%	314.69%
Pittsburgh, PA	9.34%	4.53%	33.39%	184.95%
Portland-Vancouver-Hillsboro, OR-WA	9.23%	3.60%	43.79%	406.68%
Providence-Warwick, RI-MA	8.95%	5.51%	37.19%	174.85%
Raleigh-Cary, NC	7.73%	2.61%	39.88%	200.55%
Richmond, VA	7.58%	2.80%	38.00%	195.12%
Riverside-San Bernardino-Ontario, CA	7.92%	3.67%	38.52%	177.23%

FHFA HPI by State

Percent Change in House Prices

Purchase-Only FHFA HPI® (Seasonally Adjusted, Nominal)

Period ended 2020Q3

State	Rank*	1-Yr**	Qtr	5-Yr	Since 1991Q1
Idaho (ID)	1	14.36%	5.20%	73.55%	316.16%
Arizona (AZ)	2	11.08%	3.63%	49.47%	276.61%
Washington (WA)	3	10.80%	3.72%	59.75%	325.55%
Utah (UT)	4	10.66%	3.98%	56.53%	386.16%
Tennessee (TN)	5	10.02%	3.54%	44.34%	205.04%
Montana (MT)	6	9.92%	4.97%	35.80%	357.26%
New Hampshire (NH)	7	9.87%	4.73%	36.57%	190.06%
Georgia (GA)	8	9.22%	3.02%	41.71%	174.10%
Ohio (OH)	9	9.21%	2.73%	37.45%	131.34%
Missouri (MO)	10	9.11%	3.18%	35.57%	170.38%
Rhode Island (RI)	11	9.03%	6.21%	38.84%	165.59%
Maine (ME)	12	8.70%	3.54%	36.90%	188.66%
Alabama (AL)	13	8.60%	2.81%	31.56%	151.76%
South Carolina (SC)	14	8.54%	2.76%	39.21%	177.61%
New Mexico (NM)	15	8.49%	3.04%	27.15%	177.15%
Florida (FL)	16	8.43%	2.59%	46.86%	248.13%
North Carolina (NC)	17	8.33%	3.24%	38.72%	175.58%
Oregon (OR)	18	8.32%	3.24%	44.94%	378.05%
Indiana (IN)	19	8.29%	2.55%	38.69%	141.66%
Pennsylvania (PA)	20	8.06%	4.13%	29.25%	153.89%
Kentucky (KY)	21	7.96%	3.64%	32.74%	168.58%
Massachusetts (MA)	22	7.92%	3.72%	34.00%	221.50%
Michigan (MI)	23	7.92%	3.36%	41.63%	158.36%
New Jersey (NJ)	24	7.86%	3.70%	23.67%	164.56%
Connecticut (CT)	25	7.84%	4.18%	16.35%	89.35%
USA		**7.81%**	**3.09%**	**35.35%**	**193.23%**

*Rankings based on annual percentage change.

**1-Yr changes are relative to the value four quarters ago.

Subject Photo Page

Borrower	Not for Lending (JB Community Redevelopment Agency)						
Property Address	0 Horn Ct						
City	Jacksonville Beach	County	Duval	State	Fl	Zip Code	32250
Lender/Client	None / Jax Beach Community Redevelopment Agency)						

Subject Front

0 Horn Ct
Sales Price
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Location JBHeights/SouthJax
View 6,000 sf +/-
Site
Quality
Age

Subject Front

Subject Street / Cul De Sac

Comparable Photo Page

Borrower	Not for Lending (JB Community Redevelopment Agency)						
Property Address	0 Horn Ct						
City	Jacksonville Beach	County	Duval	State	Fl	Zip Code	32250
Lender/Client	None / Jax Beach Community Redevelopment Agency)						

Comparable 1

3270 Merrill Blvd

Prox. to Subject	0.11 miles W
Sale Price	225,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	JBHeights/SouthJax
View	5,820 sf +/-
Site	
Quality	
Age	

Comparable 2

554 S 8th Ave

Prox. to Subject	1.10 miles N
Sale Price	220,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	OcnSdPrk/SouthJax
View	5,000 sf +/-
Site	
Quality	
Age	

Comparable 3

1649 5th Ave N

Prox. to Subject	2.15 miles NW
Sale Price	231,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	PineGrove/NJaxBch
View	7,875 sf +/-
Site	
Quality	
Age	

Comparable Photo Page

Borrower	Not for Lending (JB Community Redevelopment Agency)						
Property Address	0 Horn Ct						
City	Jacksonville Beach	County	Duval	State	Fl	Zip Code	32250
Lender/Client	None / Jax Beach Community Redevelopment Agency)						

Comparable 4

4064 Palm Way

Prox. to Subject	0.49 miles S
Sale Price	250,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	OcnTerr/SouthJax
View	6,975 +/- SF
Site	
Quality	
Age	

Comparable 5

Prox. to Subject	
Sale Price	
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	
View	
Site	
Quality	
Age	

Comparable 6

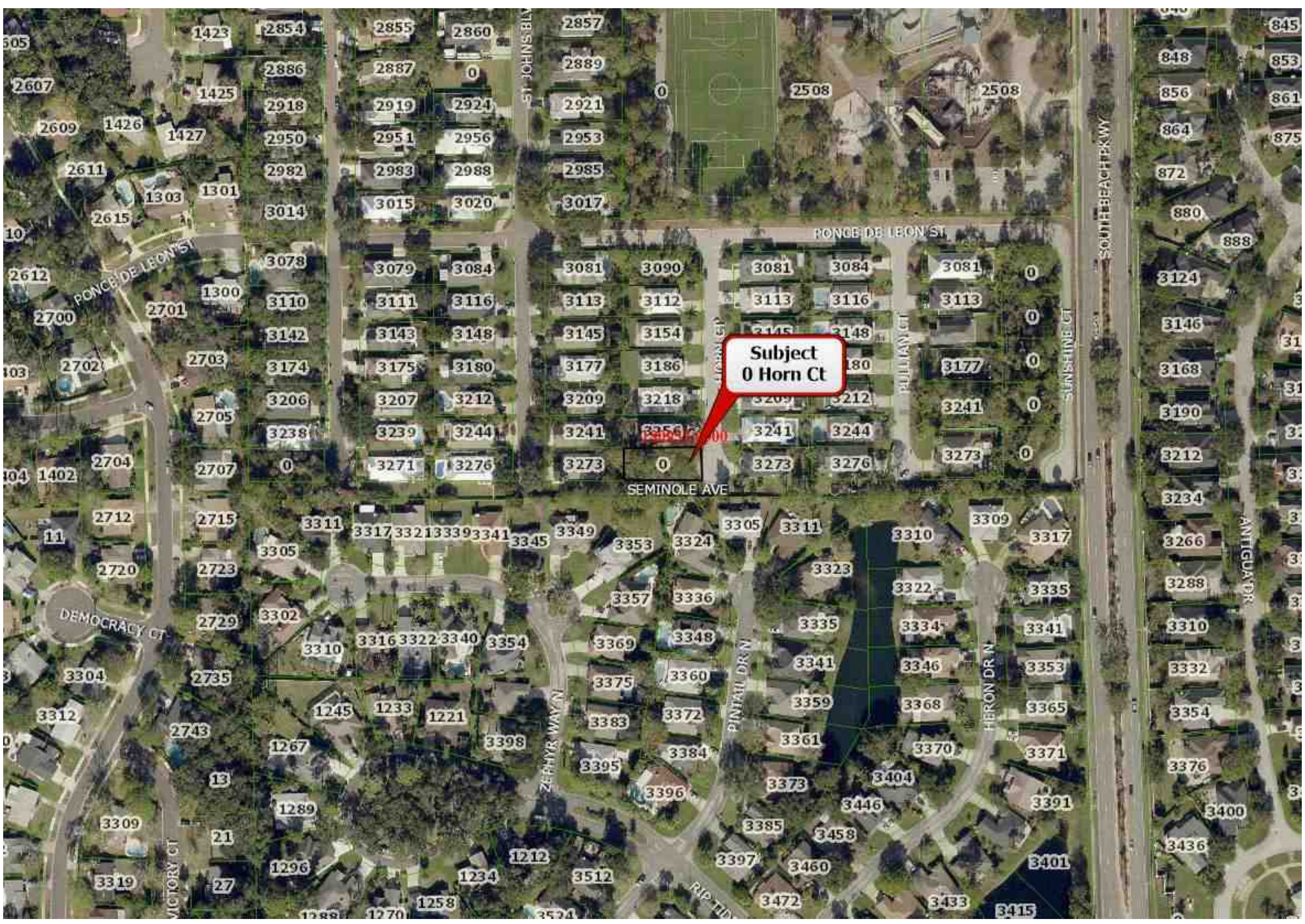
Prox. to Subject	
Sale Price	
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	
View	
Site	
Quality	
Age	

Plat Map

Borrower	Not for Lending (JB Community Redevelopment Agency)						
Property Address	0 Horn Ct						
City	Jacksonville Beach	County	Duval	State	Fl	Zip Code	32250
Lender/Client	None / Jax Beach Community Redevelopment Agency)						

Aerial Map

Borrower	Not for Lending (JB Community Redevelopment Agency)						
Property Address	0 Horn Ct						
City	Jacksonville Beach	County	Duval	State	Fl	Zip Code	32250
Lender/Client	None / Jax Beach Community Redevelopment Agency)						



Location Map

Borrower	Not for Lending (JB Community Redevelopment Agency)						
Property Address	0 Horn Ct						
City	Jacksonville Beach	County	Duval	State	Fl	Zip Code	32250
Lender/Client	None / Jax Beach Community Redevelopment Agency)						

License

Ron DeSantis, Governor

Halsey Beshears, Secretary

Florida dbpr

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

THE REGISTERED TRAINEE APPRAISER HEREIN HAS REGISTERED UNDER THE PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

ROBERTSON, ANDREW C

1984 SEVILLA BLVD W
ATLANTIC BEACH FL 32233

LICENSE NUMBER: RI24872

EXPIRATION DATE: NOVEMBER 30, 2022

Always verify licenses online at MyFloridaLicense.com

Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

License

Ron DeSantis, Governor

Halsey Beshears, Secretary

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED RESIDENTIAL APPRAISER HEREIN IS CERTIFIED UNDER THE PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

HILEMAN, LYNN LEE

1713 PENMAN RD
JACKSONVILLE BEACH FL 32250

LICENSE NUMBER: RD996

EXPIRATION DATE: NOVEMBER 30, 2022

Always verify licenses online at MyFloridaLicense.com

Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

Location Map

Borrower	Not for Lending (JB Community Redevelopment Agency)						
Property Address	0 Horn Ct						
City	Jacksonville Beach	County	Duval	State	Fl	Zip Code	32250
Lender/Client	None / Jax Beach Community Redevelopment Agency)						

MEMORANDUM OF UNDERSTANDING/INTRA-LOCAL AGREEMENT
between
JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY
and
CITY OF JACKSONVILLE BEACH, FLORIDA

THIS AGREEMENT is made this ______ day of _________________, 2022 by and between the Jacksonville Beach Community Redevelopment Agency, a political subdivision of the State of Florida, and City of Jacksonville Beach, Florida, a municipal government formed under the State of Florida for the primary purpose of increasing residential development in the City's Southend Community Redevelopment Agency District through the sale and transfer of surplus public real property, namely, those certain parcels of land commonly referred to as the Sunshine Court Lots and the Horn Court Lot.

RECITALS

WHEREAS, pursuant to §163.370 of the Florida Statutes, the Jacksonville Beach Community Redevelopment Agency ("CRA") is authorized to make and enter into agreements it deems necessary and convenient to exercise the powers statutorily conferred upon it; and

WHEREAS, pursuant to Art. VII, Section 2(b) of the Florida Constitution, and §166.021 of the Florida Statutes, the City of Jacksonville Beach, Florida ("City") is authorized to enter into contracts to perform any municipal purpose, including to conduct, perform, and render municipal functions and services; and

WHEREAS, the Florida Interlocal Cooperation Act of 1969 authorizes local government units to make the most efficient use of their powers and cooperate with other governmental units to provide services and facilities in the manner that will accord best with geographic, economic, and other factors influencing the needs and development of local communities; and

WHEREAS, this Agreement is entered into pursuant to the powers conferred by the Florida Constitution and Florida Statutes, including the Florida Interlocal Cooperation Act of 1969, for purpose of increasing residential development in the City's Southend CRA District through the sale and transfer of surplus public real property, and for such other and further acts of cooperation as the parties may subsequently agree to by the execution of a separate and specific agreement approved by the governing bodies of each contracting party, namely the Board Members of the CRA and the City Council of the City of Jacksonville Beach;

NOW THEREFORE in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

I. Description of the Project

To offer for sale and single-family residential development certain parcels of surplus land currently owned, or previously acquired through eminent domain, by the CRA to [re]develop as public property or for a public purpose. Pursuant to this Agreement, the following parcels shall be offered for sale on the condition that purchaser enters into a Real Estate Purchase and Development Agreement committing to the construction and development of a single-family residence within a prescribed period of time.

Parcels commonly referred to as the "Sunshine Court Lots"

RE#	Description	Size	Market Value (Property Appraiser)
181417 0005	South Beach Replat – Sunshine Court, Jacksonville Beach	0.15 acre	$225,000 (2022 In Progress)
181417 0020	South Beach Replat – Sunshine Court, Jacksonville Beach	0.15 acre	$225,000 (2022 In Progress)
181417 0015	South Beach Replat – Sunshine Court, Jacksonville Beach	0.15 acre	$225,000 (2022 In Progress)
181417 0025	South Beach Replat – Sunshine Court, Jacksonville Beach	0.14 acre	$225,000 (2022 In Progress)
181417 0010	South Beach Replat – Sunshine Court, Jacksonville Beach	0.15 acre	$225,000 (2022 In Progress)

(It should be noted that the City was designated as the owner of record for each of the Sunshine Court Lots when they were re-platted in about 2006. Notwithstanding the foregoing, the division of the sales proceeds shall also compensate the CRA in full for any expenditures of public funds for utility infrastructure, etc.)

Parcel commonly referred to as the "Horn Court Lot"

RE#	Description	Size	Market Value (2020 Appraisal)
180932 0000	Jacksonville Beach Heights – Horn Court, Jacksonville Beach	0.14 acre	$239,000.00

To ensure the full return of the public funds utilized to acquire these parcels, the sale shall be through auction with rights reserved to the CRA/Owner of record to reject all bids.

II. CRA's Investment

The CRA utilized Southend Tax Increment funds to acquire these parcels and make public infrastructure improvements including clearing, roadway, curbing, drainage, engineering, and associated work. The City's Finance Department reviewed historical documents and quantified the CRA's investment per parcel as shown in the following chart. A total of $354,529 must be returned to the CRA upon the sale of all six (6) parcels.

RE#	Description	Size	CRA Investment
181417 0005	South Beach Replat – Sunshine Court, Jacksonville Beach	0.15 acre	$ 61,051
181417 0020	South Beach Replat – Sunshine Court, Jacksonville Beach	0.15 acre	$ 61,051
181417 0015	South Beach Replat – Sunshine Court, Jacksonville Beach	0.15 acre	$ 61,051
181417 0025	South Beach Replat – Sunshine Court, Jacksonville Beach	0.14 acre	$ 61,051
181417 0010	South Beach Replat – Sunshine Court, Jacksonville Beach	0.15 acre	$ 61,051
180932 0000	Jacksonville Beach Heights – Horn Court, Jacksonville Beach	0.14 acre	$ 49,274

III. City's Performance

Made whole for investments.

IV. Approval Authority

This Agreement shall be approved by the governing body of each of the parties. Approval shall be constituted by the majority vote of the members present and voting. Each party may designate an individual to whom it gives its authority to execute a document on its behalf, if it is deemed necessary to effectuate the purpose of this Agreement, including the Real Estate Purchase and Development Agreement. Said designated authority shall not be construed to extend to any amendment to or modifications of this Agreement.

V. Compensation/Revenue Share

The sales proceeds of each parcel of land or, alternatively, from each sales transaction shall be divided between the parties as follows:

1. Full reimbursement to the CRA of its costs to acquire and improve the parcel(s).

2. The City shall receive the balance of all proceeds, which the City agrees shall fully compensate it for any contribution from the CRA toward the payment of any costs associated with the sale of the parcel(s), including the cost of auctioneering, as well as future administrative and legal costs necessitated by the possible reclamation of the subject property, including those which were unanticipated and unforeseen at the time of this Agreement. The City further agrees its receipt of the balance of the sales proceeds shall constitute full repayment by the CRA to the City for all of the costs the City has incurred to physically maintained the subject property since its acquisition by the CRA.

3. The parties agree that any amount hereunder due to the City shall be paid over and made available to it through its General Fund.

VI. Duration of Agreement

Unless mutually cancelled or terminated earlier, this Agreement shall commence on ______________ and expire at midnight on ___________________________. This contract shall renew for one year for up to _________ successive years. Either party may cancel or terminate this agreement upon 30 days written notice to the other party.

VII. Notices

Any notices given hereunder by either party to the other shall be in writing and may be affected by personal delivery in writing or by certified mail, return receipt requested.

Notice to the City shall be sufficient if made or addressed to:
City Manager
11 North Third Street
Jacksonville Beach, FL 32250

Notice to the CRA shall be sufficient if made or addressed to:

CRA Coordinator
11 North Third Street
Jacksonville Beach, FL 32250.

VIII. <u>Prior Agreements; Merger</u>.

This Agreement supersedes any and all prior understandings and agreements between the parties and constitutes the entire agreement between them. No representations, warranties, conditions or statements, oral or written, not contained herein shall be considered a part hereof. This Agreement may not be amended, altered, or modified except by an instrument in writing signed by the party sought to be charged therewith.

IX. <u>Governing Law</u>.

Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all terms and provisions hereof shall be construed and enforced in accordance with the laws of the State of Florida.

X. <u>Severability</u>.

In the event any provision of this Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

City of Jacksonville Beach ● 11 North Third Street ●Jacksonville Beach FL 32250

CRA AGENDA ITEM	
TO:	CRA Board
FROM:	Taylor Mobbs, CRA Coordinator
DATE:	03/10/2022
SUBJECT:	Art Committee Update

BACKGROUND

At this time, staff continues to receive and review applications. Per CRA Resolution No. 2022-01, staff will interview potential candidates for this committee and bring the recommendations back to the board for final approval. Staff plans to begin the interview process in April 2022, and plans to bring the recommended candidates to the April 25, 2022 CRA board meeting for approval.

FINANCIAL IMPACT

None at this time.

REQUESTED ACTION

No formal action requested at this time.

ATTACHMENTS

City of Jacksonville Beach ● 11 North Third Street ●Jacksonville Beach FL 32250

CRA AGENDA ITEM	
TO:	CRA Board
FROM:	Taylor Mobbs, CRA Coordinator
DATE:	03/10/2022
SUBJECT:	GAI Consultants' Community Solutions Group Market Analysis (Lot Adjacent to Latham Plaza)

BACKGROUND

The CRA board has expressed an interest in pursuing a public private partnership with respect to the lot adjacent to Latham Plaza. Staff was able to utilize the Public Works department's 'continuing services' contracts to vet candidates immediately, and selected the firm GAI Consultants' Community Solutions Group ("GAI"). With the scope recommendations given by the CRA board at the January 24, 2022 regular meeting, staff has attached the final draft of the proposal submitted by GAI.

At this time, staff can begin moving forward after the meeting on March 28, 2022 with the market analysis process. Staff will regularly update the board at each meeting on the status of the analysis. It is anticipated to take approximately four months to complete the market analysis.

FINANCIAL IMPACT

No budget amendment is necessary as the funds to cover the market analysis were budgeted in the FY22 budget. The total cost of the market analysis is $40,000.00

REQUESTED ACTION

No formal action is requested. This analysis is in the budget for the fiscal year, and staff can proceed with GAI to begin the market analysis.

ATTACHMENTS

1. GAI Proposal for Professional Services - Market Analysis and Feasibility Evaluation

AGENDA ITEM:	A.
MEETING DATE:	March 28, 2022

COMMUNITY SOLUTIONS GROUP

Planning | Urban Design
Landscape Architecture
Economics | Real Estate

March 2, 2022

GAI Project R220131.00

Ms. Heather Ireland, AICP
Jacksonville Beach Community Redevelopment Agency (CRA)
11 N Third Street
Jacksonville Beach, Florida 32250

Proposal for Professional Services
Market Analysis and Feasibility Evaluation
City of Jacksonville Beach, Florida

Dear Ms. Ireland:

Per your request, GAI Consultants' Community Solutions Group ("GAI" or "CSG") is submitting this proposal to the Jacksonville Beach CRA ("Client") to provide professional services of a Market Analysis and Feasibility Evaluation as described below in the Scope of Services.

Project Understanding

The Client owns or controls parcel located at 55 2nd St N, Jacksonville Beach, FL 32250 ("Site"), which is approximately 2-acres in size. The Site, which is the adjacent to Latham Plaza, contains a public parking lot and was identified in the CRA Vision Plan for redevelopment. The Client seeks to identify the market potential for a retail/commercial mixed-use project ("Project") with structured parking on the Site. The Client hopes to use the information prepared by CSG to engage with a developer though a solicitation process yet to be determined. While the specific details of any project would likely be defined by that developer and process, it is assumed that decisions or focus would be guided, at least in part, by the analysis outlined.

The scope of services detailed below is comprised of two individual tasks, (1) Market Opportunity Scan and (2) Market Demand Analysis and Estimates, to determine the general suitability of the Site, influencing market conditions, and possible market demand for the Project. The Client's objective is to utilize this information when engaging real estate developers with mixed-use experience interested in entering a Public Private Partnership with the Client.

Scope of Services

In the conduct of the work outlined in the scope of services below, we believe that there is necessity for a degree of flexibility. However, based on our understanding of the project requirements/criteria provided to date by the Client, CSG will perform the following:

GAI Consultants, Inc.
618 E. South Street
Suite 700
Orlando, Florida 32801

T 407.423.8398
gaiconsultants.com

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Task 1 – Market Opportunity Scan

Market analysis reflects existing supply and demand for defined trade area. Our approach can broadly be organized between (1) site due diligence, and (2) market due diligence. The primary purposes of the Market Opportunity Scan would be to test development concepts, identify the range of activities suited to its intended orientation, and test its relationship with other market area components.

1.1 – Site Due Diligence

This task is generally described as the necessary tasks to fully understand the parameters of the Site and potential development. This effort would be focused on obtaining data for the following:

- Physical characteristics of the Site (parcels sizes, adjacent existing land uses, present use of the property, and physical constraints);
- Permissible structures or activities under existing zoning implications and currently designated future land uses;
- Features of surrounding properties, along with any proposed and planned development, generally reflecting indicators such as: size, population, quality, and other to be determined;
- Existing traffic counts and parking ratios as they may relate to the Site;
- If found in the course of the above identified efforts, identify service provision challenges associated with the Site;
- Determine general suitability and scale for potential mixed-use scenarios;
- Meet with client to discuss findings of above efforts and identify parameters for focusing subsequent task efforts.

1.2 – General Market Due Diligence

This task is generally described as the necessary task to fully understand the overall market supporting demand for the Jacksonville Beach CRA and the Project, as well as the broader economic forces that are influencing the market area. This effort would be focused on the following:

- A profile of market area demographics and economic characteristics that may influence development, including market size and growth trends (i.e., total population, seasonal population, and employment) within the defined market areas: Jacksonville Beach CRA, City of Jacksonville Beach, Duval County, and the Jacksonville MSA;
- Inventory of primary uses within geographies identified above. Any additional geographies and/or locations of concentrations of uses which may be similar in nature or relevant will be identified if applicable.
  - Primary uses include: office, retail, industrial, rental apartments, and hotel/motel. The following metrics, if applicable, will be collected:
    - Total square footage / units

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    - Occupancy rates
    - Rental rates / average daily rate (ADR)
- Location and types of public and private support facilities, to be determined, as they relate to their impact on market demand for the Site; and
- Identify major stimuli or disruptions to the economy, as they may relate to potential uses within the Project.
- Meet with client to discuss findings of above efforts and identify parameters for focusing subsequent task efforts.

Task 2 – Market Demand Analysis and Estimates

Based on the data and analysis performed within Task 1, CSG would analyze demand for up to three (3) primary uses within the Project, as well as an estimate of possible market demand for the above referenced uses within the Project that might reasonably be anticipated over the near-term (1-5 year) and mid-term (6-10 year) time horizons. These estimates would rely upon commercial real estate data, and be reported in the form of rents, occupancy rates, absorption, or other suitable measures as applicable.

- Meet with client to discuss findings of above efforts; and
- Prepare appropriate documentation in the form of a final report and summary tables detailing the efforts outlined in Task 1 and Task 2.

Task 3 – Financial Feasibility Implication (Optional)

To help the Client properly understand the potential positioning of the Project amongst current and emerging supply of similar uses, this analysis will test the general feasibility of introducing each of the identified potential uses or potential mixes of uses onto the Site.

The consultant will test the feasibility of the identified potential use(s) using the following determinants, if applicable:

- Capital requirement range
- Operating cost range
- Residual land value

Schedule, Meetings, and Deliverables

GAI CSG will endeavor to complete its Scope of Services and deliver a final report and summary tables detailing efforts of Task 1 and Task 2 within 6-8 weeks, subject to excused delay occasioned by factors beyond CSG's reasonable control.

We have planned for up to three specific meetings based on the scope as outlined but of course more could arranged. For purposes of this proposal, meetings include time allocated to the use of TEAMS, ZOOM, WEBEX or similar virtual software. If more meetings, detailed conversations, or presentations are requested or necessary, they would be subject to GAI Standard Hourly Billing Rates.

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Compensation

The lump sum fee for the Task 1 and Task 2 related work, three meetings, and the described deliverable(s) is $ 40,000 as reflected in the fee detail table below. Task 3 is provided in the scope of services and fee detail below as optional, and therefore would be in addition to the total shown. CSG will begin its work upon authorization in the form of receipt of the returned proposal.

Fee Detail

Task 1: Market Opportunity Scan	$25,000
Task 2: Market Demand Analysis and Estimates	$15,000
Total	**$40,000**
**Optional Task 3: Financial Feasibility Implication*	*$5,000*

Payment

Unless otherwise specified in the GAI Standard Terms and Conditions for Professional Services, attached hereto as Exhibit A, GAI will prepare invoices monthly and payment will be due within thirty (30) days of the date of the invoice. All other payment terms will be in accordance with Exhibit A.

Assumptions and Understandings

GAI's Scope of Services, Schedule and Compensation as set forth above have been prepared on the basis of the following assumptions and understandings:

1. Client acknowledges and understands that Community Solutions Group is a GAI Consultants, Inc. Services Group. Any reference to Community Solutions Group or CSG in the Proposal for Professional Services and the Standard Terms and Conditions also refers to GAI Consultants, Inc. It is further acknowledged and understood that this agreement is between the CLIENT and GAI Consultants, Inc.
2. Access to the project site(s) or other land upon which GAI is to conduct any field work will be available to GAI personnel in a timely manner.
3. Client has provided all its requirements for GAI's scope of services and all criteria and/or specifications that GAI should utilize at the time this Proposal is authorized. This includes any requirement for any statement of professional opinion or certification.
4. Client has provided all available information pertinent to GAI's scope of services, including previous reports/drawings; utility information; topo information, etc. at the time this Proposal is authorized. Unless otherwise noted, GAI may rely upon such information.
5. Client will give GAI prompt notice whenever it observes or otherwise becomes aware of any development that affects the scope or timing of GAI's performance.

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Landscape Architecture
Economics | Real Estate

6. Client will examine and provide comments and/or decisions with respect to any GAI interim or final deliverables within a period mutually agreed upon.
7. Any of Client's other consultant(s)/contractor(s) will cooperate and coordinate with GAI in a timely and efficient manner.
8. GAI's proposed compensation and schedule are based on receipt of authorization to proceed within thirty (30) calendar days of the date of this Proposal. GAI reserves the right to adjust its compensation if authorization to proceed is not received within thirty (30) calendar days.

Please do not hesitate to contact us at (321) 319-3088 if you have any questions or wish to discuss this Proposal. If this Proposal is acceptable, please sign where indicated below and return one copy for our file. This also will serve as authorization for GAI to proceed. GAI's performance of the Scope of Services will be governed by the GAI Standard Terms and Conditions for Professional Services, attached hereto as Exhibit A and incorporated herein by reference.

Sincerely,

Community Solutions Group, a GAI Consultants, Inc. Service Group

Laura J. Smith
Digitally signed by Laura J. Smith
DN: E=L.Smith@gaiconsultants.com, CN=Laura J. Smith
Date: 2022.03.02 15:41:33-05'00'

Laura Smith
Project Manager

Owen M. Beitsch
Digitally signed by Owen M. Beitsch
DN: E=o.beitsch@gaiconsultants.com, CN=Owen M. Beitsch
Reason: I am approving this document
Date: 2022.03.02 15:20:02-05'00'

Owen M. Beitsch, PhD, AICP, CRE
Senior Director, Economics

REQUESTED AND AUTHORIZED BY:

Jacksonville Beach CRA

BY: ______________________

PRINTED NAME: ______________________

TITLE: ______________________

DATE: ______________________

LS/OMB/bna

Attachment:

Exhibit A – 2022 GAI Standard Rate Schedule

March 2, 2022
GAI Project R220131.00

Planning | Urban Design
Landscape Architecture
Economics | Real Estate

EXHIBIT A
2022 GAI Standard Rate Schedule

EXHIBIT A
GAI Consultants, Inc.
Standard Terms and Conditions
For Professional Services

1. Scope of Services and Extent of Agreement - GAI shall perform the Services as described in GAI's Proposal to which these Terms and Conditions are attached for the specified Project, incorporated herein by reference.

   No modification or changes to these Terms and Conditions may be made except by written instrument signed by the parties. CLIENT acknowledges that he/she/it has read these Terms and Conditions, understands them, agrees to be bound by them, and further agrees that they are the complete and exclusive statement of the AGREEMENT between the parties, superseding all proposals, oral or written understandings, or other prior agreements other than those above referred to and all other communications between the parties relating to the subject matter thereof.

2. Compensation – GAI hereby agrees to accept and CLIENT agrees to pay the compensation on either a time (hourly) and expense basis in accordance with GAI's rates in effect at the time of performance, or lump sum basis as set forth in GAI's Proposal to perform the Services.

   If GAI's services are performed on an HOURLY BASIS, GAI will be paid for all time rendered to the project, including project scoping by professional, technical, and clerical personnel in accordance with the attached Hourly Rate Schedule. Time required for personnel of GAI to travel between GAI's office and the Site (or any other destination applicable to the project) is charged in accordance with the rates shown in the attached Hourly Rate Schedule. If overtime for non-exempt personnel (as defined by statute) is required, the overtime rate charged will be 1.50 times the invoice rate shown on the attached Hourly Rate Schedule.

3. Invoicing/Payment

   A. GAI will submit invoices periodically, but not more frequently than every two weeks, for Project services performed during the period or upon completion of the Project, whichever is earlier.

   B. Invoices are due and payable in U.S. dollars within 30 days from date of invoice. All charges not paid within 30 days are subject to a service charge of 1-1/2 percent per month or a fraction thereof, plus all costs and expenses of collection, including without limitation, attorneys' fees. In addition to the foregoing, should CLIENT fail to pay any invoice within 45 days of the invoice date, GAI may, in its sole discretion, upon 3 days written notice to CLIENT, stop work and recover from CLIENT payment for all services performed prior to the work stoppage, plus all amounts for interest, penalties and attorney's fees that may be recoverable under applicable law, including without limitation, prompt payment and/or lien laws. GAI will resume performance once CLIENT pays all outstanding amounts due plus any advance payment(s) or other security in GAI's sole discretion deemed necessary by GAI.

   C. CLIENT will be invoiced for external expenses, such as travel, lodging, sub-contracted services, etc., at direct cost plus a 10% handling and administrative fee.

   D. Payments shall include the GAI invoice number and be mailed to 385 East Waterfront Drive, Homestead, PA, 15120, to the attention of Accounts Receivable.

4. Changes – CLIENT and GAI may make additions to the scope of work by written Change Order. CLIENT may omit work previously ordered by written instructions to GAI. The provisions of these Terms and Conditions, with appropriate changes in GAI's Compensation and Project Schedule, shall apply to all additions and omissions.

5. CLIENT Responsibilities – CLIENT represents, with the intent that GAI rely thereon, that it has sufficient financial resources to pay GAI as agreed to in these Terms and Conditions and, as applicable and necessary for GAI to perform its services, CLIENT will:

   A. Provide all criteria and full information as to its requirements for GAI's services, including design or study objectives, constraints, third party certification requirement(s), standards or budget limitation(s).

   B. Assist GAI by placing at its disposal all available information pertinent to the Project and/or GAI's services including the actual or suspected presence of hazardous waste, materials or conditions at or beneath the Project site, record ("As-Built") drawings, surveys, previous reports, exploration logs of adjacent structures and any other data relative to the Project. Unless otherwise noted, GAI may rely upon such information.

   C. Upon identification by GAI and approval by CLIENT of the necessity and scope of information required, furnish GAI with data, reports, surveys, and other materials and information required for this Project, all of which GAI may rely upon in performing its services, except those included in GAI's scope of services.

   D. Guarantee access to the property and make all provisions for GAI to enter upon public and private lands and clear all exploration location(s) for buried utilities/piping/structures as required for GAI to perform its services under these Terms and Conditions.

   E. Examine all studies, reports, sketches, opinions of the construction costs, specifications, drawings, proposals and other documents presented by GAI to CLIENT and promptly render in writing the decisions pertaining thereto within a period mutually agreed upon.

   F. Designate in writing a person to act as CLIENT'S representative with respect to the services to be rendered under these Terms and Conditions. Such person shall have complete authority to transmit instructions, receive information, interpret and define CLIENT's policies and decisions with respect to materials, equipment, elements and systems pertinent to GAI's services.

   G. Give prompt written notice to GAI whenever CLIENT observes or otherwise becomes aware of any development that affects the scope or timing of GAI'S services, or any defect in the Project or work of Contractor(s).

   H. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

   I. Furnish such legal and insurance counseling services as CLIENT may require for the Project.

6. Schedule/Delays – GAI shall commence performance upon receipt of the CLIENT's written authorization to proceed and shall perform its professional services in accordance with the schedule set forth in its Proposal, provided however, the performance of these Terms and Conditions, except for the CLIENT's payment of money for services already rendered, shall be excused in the event performance of these Terms and Conditions is prevented or delays are occasioned by factors beyond GAI's control, or by factors which could not reasonably have been foreseen at the time this Exhibit A was prepared and executed. The delayed party's performance shall be extended by the period of delay plus a reasonable period to restart operations.

7. Document Ownership, and Reuse

   A. All reports, drawings, specifications, manuals, learning and audio/visual materials, boring logs, field data, laboratory test data, calculations, estimates, and other documents (collectively "Work Product") prepared by GAI are instruments of service shall remain the property of GAI. Unless otherwise notified by CLIENT, GAI will retain all pertinent records relating to the Services performed for a period of two (2) years following submission of the report , design documents or other project deliverables, during which period the records will be made available at GAI's office to the CLIENT at reasonable times.

B. Any reuse of the Work Product described above without written verification or adaptation by GAI, as appropriate, for the specific purpose intended, will be at CLIENT's sole risk and without liability or legal exposure to GAI. CLIENT shall indemnify and hold harmless GAI from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting there from. Any future verification or adaptation of such Work Product will entitle GAI to further compensation at rates to be agreed upon by CLIENT and GAI.

C. Unless specified otherwise in GAI's Proposal, GAI will dispose of all materials and samples obtained in the investigation portion of the project 90 days after completion of the report. Further storage or transfer of samples will be made at CLIENT's expense.

D. CLIENT recognizes that site conditions where samples and data are gathered do vary with time and that particularly subsurface conditions may differ from those encountered at the time and location where explorations or investigations are made and, therefore, the data, interpretations, and recommendations of GAI are based solely on the information available at the time of the investigation. GAI shall not be responsible for the interpretation by others of the information it develops.

8. Standard of Performance – GAI will perform its Services with that level of care and skill ordinarily exercised by other professionals practicing in the same discipline(s), under similar circumstances and at the time and place where the Services are performed, and makes no warranty, express or implied, including the implied by law warranties of MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

9. Insurance

A. GAI shall procure and maintain such insurance as is required by law as of the date first written above and during the performance of the Agreement, and subject to the terms and conditions of the policies, keep in force the following insurance:

Worker's Compensation Insurance with other State's endorsement, including Employer's Liability Insurance for its employees in the amount of $500,000; Comprehensive General Liability Insurance, including Protective and Completed Operations, covering bodily injuries with limits of $1,000,000 per occurrence, and property damage with limits of $1,000,000 per occurrence; Comprehensive Automobile Liability Insurance, including operation of owned, non-owned and hired automobiles, with combined single limits for bodily injury and property damage of $1,000,000 per occurrence; Excess Umbrella Liability Insurance with limits of $1,000,000 in the aggregate.

B. If CLIENT requires additional types or amounts of insurance coverage, GAI, if specifically directed by CLIENT, will purchase additional insurance (if procurable) at CLIENT's expense; but GAI shall not be responsible for property damage from any cause, including fire and explosion, beyond the amounts and coverage of GAI's insurance specified above.

C. CLIENT will require that any Contractor(s) performing work in connection with GAI's Services will name GAI as an additional insured on their insurance policies. In addition, in any hold-harmless agreements between CLIENT or Owner and any contractor who may perform work in connection with any professional services rendered by GAI, CLIENT will require such contractor(s) to defend and indemnify GAI against third party suits.

D. It is agreed that GAI shall have no responsibility: 1) To supervise, manage, direct, or control CLIENT or its Contractors', subcontractors' or their employees; 2) For any of CLIENT's or its contractors, subcontractors or agents or any of their employees' safety practices, policies, or compliance with applicable Federal, State and/or local safety and health laws, rules or regulations; 3) For the adequacy of their means, methods, techniques, sequencing or procedures of performing their services or work; or 4) For defects in their work.

10. Indemnity – Subject to the Limitation(s) of Liability provision(s) below in Articles 11 and 12, GAI agrees to indemnify and hold harmless CLIENT, and its officers, directors, and employees from and against any and all claims, suits, liability, damages, injunctive or equitable relief, expenses including reasonable attorneys' fees, or other loss (collectively "Losses") to the extent caused by GAI's negligent performance of Services under these Terms and Conditions.

11. Limitation of Liability – In the event of any loss, damage, claim or expense to CLIENT resulting from GAI's performance or non-performance of the professional services authorized under these Terms and Conditions, GAI's liability whether based on any legal theory of contract, tort including negligence, strict liability or otherwise under these Terms and Conditions for professional acts, errors, or omissions shall be limited to the extent any such claims, damages, losses or expenses result from the negligent act, errors or omissions of GAI or its employees occurring during performance under these Terms and Conditions. The total cumulative liability of GAI arising out of professional acts, errors, or omissions shall not exceed the greater of $50,000 or two times the total compensation GAI receives from CLIENT under these Terms and Conditions. GAI's aggregate liability for all other acts, errors, or omissions shall be limited to the coverage and amounts of insurance specified in Article 9, above. The limitations stated above shall not apply to the extent any damages are proximately caused by the willful misconduct of GAI and its employees.

12. Disclaimer of Consequential Damages – Notwithstanding anything to the contrary in these Terms and Conditions, neither party shall have any liability to the other party for indirect, consequential or special damages including, but not limited to, liability or damages for delays of any nature, loss of anticipated revenues or profits, increased cost of operations or costs of shutdown or startup whether such damages are based on contract, tort including negligence, strict liability or otherwise.

13. Probable Construction Cost Estimates – Where applicable, statements concerning probable construction cost and detailed cost estimates prepared by GAI represent its judgment as a professional familiar with the construction industry. It is recognized, however, that neither GAI nor CLIENT has any control over the cost of labor, materials or equipment, over the contractors' methods of determining bid prices, or over competitive bidding or market conditions. Accordingly, GAI cannot and does not guarantee that bids, proposals, or actual costs will not vary from any statement of probable construction cost or other cost estimate prepared by it.

14. Confidentiality/Non-Disclosure – GAI shall not disclose, or permit disclosure of any information developed in connection with its performance under these Terms and Conditions or received from CLIENT or the PROJECT OWNER, or their affiliates, subcontractors, or agents designated by CLIENT as confidential, except to GAI's employees and subcontractors who need such information in order to properly execute the services of these Terms and Conditions, and shall require any such of its employees and subcontractors and their employees not to disclose or permit disclosure of any of such information, without the prior written consent of CLIENT. The foregoing shall not prohibit GAI from disclosing information in response to any Federal, State or local government directive or judicial order, but in the event GAI receives or is threatened with such an order or has actual knowledge that such an order may be sought or be forthcoming, GAI shall immediately notify CLIENT and assist CLIENT in CLIENT's undertaking such lawful measures as it may desire to resist the issuance, enforcement and effect of such an order. GAI's obligation to resist such an order and assist CLIENT and the PROJECT OWNER is contingent upon GAI receiving further compensation for such assistance plus all costs and expenses, including without limitation reasonable attorney's fees, incurred by GAI.

15. Certifications – GAI shall not be required to execute any certification with regard to work performed, tested, and/or observed under these Terms and Conditions unless:

    A. GAI concludes that it has performed, tested and/or observed sufficient work to provide a sufficient basis for it to issue the certification; and

    B. GAI believes that the work performed, tested or observed meets the certification criteria; and

    C. GAI gave its written approval of the certification's exact form before executing these Terms and Conditions.

    Any certification by GAI shall be interpreted and construed as an expression of professional opinion based upon the Services performed by GAI, and does not constitute a warranty or guaranty, either expressed or implied.

16. Miscellaneous Terms of Agreement

    A. These Terms and Conditions shall be subject to, interpreted, and enforced according to the laws of the Commonwealth of Pennsylvania without giving effect to its conflict of law principles. If any part of these Terms and Conditions shall be held illegal, unenforceable, void, or voidable by any court of competent jurisdiction, each of the remainder of the provisions shall nevertheless remain in full force and effect and shall in no way be affected, impaired, or invalidated.

    B. Neither the CLIENT nor GAI may delegate, assign, sublet, or transfer their duties or interest as described in these Terms and Conditions and GAI's Proposal without the written consent of the other party. Both parties relinquish the power to assign and any attempted assignment by either party or by operation of law shall be null and void.

    C. These Terms and Conditions shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assignees. In the event that a dispute should arise relating to the performance of the Services to be provided under these Terms and Conditions and GAI's Proposal, and should that dispute result in litigation, it is agreed that each party shall bear its own litigation expenses, including staff time, court costs, attorneys' fees, and other claim-related expenses.

    D. CLIENT shall not assert any claim or suit against GAI after expiration of a Limitation Period, defined as the shorter of (a) three (3) years from substantial completion of the particular GAI service(s) out of which the claim, damage or suit arose, or (b) the time period of any statute of limitation or repose provided by law.

    In the event of any claim, suit or dispute between CLIENT and GAI, CLIENT agrees to only pursue recovery from GAI and will not to seek recovery from, pursue or file any claim or suit, whether based on contract, tort including negligence, strict liability or otherwise against any director, officer, or employee of GAI.

    E. No modification or changes in the terms of this Agreement may be made except by written instrument signed by the parties. CLIENT acknowledges that they have read this AGREEMENT, understands it, agrees to be bound by its terms, and further agrees that it is the complete and exclusive statement of the AGREEMENT between the parties superseding all work orders, oral or written understandings, or other prior agreements other than those above referred to and all other communications between the parties relating to the subject matter thereof.

    F. Either the CLIENT or GAI may terminate or suspend performance of these Terms and Conditions without cause upon thirty (30) days written notice delivered or mailed to the other party.

    (1) In the event of material breach of these Terms and Conditions, the party not breaching the AGREEMENT may terminate it upon ten (10) days written notice delivered or mailed to the other party, which termination notice shall state the basis for the termination. The AGREEMENT shall not be terminated for cause if the breaching party cures or commences to cure the breach within the ten day period.

    (2) In the event of the termination, other than caused by a material breach of these Terms and Conditions by GAI, CLIENT shall pay GAI for the Services performed prior to the termination notice date, and for any necessary services and expenses incurred in connection with termination of the project, including but not limited to, the costs of completing analysis, records and reports necessary to document job status at the time of termination and costs associated with termination or subcontractor and/or subconsultant contracts. Such compensation shall be based upon the schedule of fees used by GAI.

    (3) In the event CLIENT delays providing written authorization to proceed within 45 days of the date of GAI's Proposal or suspends GAI's performance for 45 days or more after authorization has been given, GAI reserves the right, in its sole discretion, to revise its cost, compensation and/or hourly rates to its then current rates prior to resuming performance under these Terms and Conditions.

    G. All notices required to be sent hereunder shall be either hand delivered, with signed receipt of such hand delivery, or sent by certified mail, return receipt requested.

    H. The paragraph headings in these Terms and Conditions are for convenience of reference only and shall not be deemed to alter or affect the provisions hereof.

    I. Unless expressly stated to the contrary, the professional services to be provided by GAI do not include meetings and consultations in anticipation of litigation or arbitration or attendance as an expert witness in any deposition, hearing, or arbitration. If requested, these services will be provided by an amendment to these Terms and Conditions, setting forth the terms and rates of compensation to be received by GAI.

    J. Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than CLIENT, the PROJECT OWNER if different than CLIENT and GAI.

    K. GAI is an Equal Opportunity Employer. GAI complies with the Office of Federal Contract Compliance Programs Affirmative Action Programs as outlined in 41 CFR 60-1.4(a)(b), 41 CFR 60-250.5(a)(b), and 41 CFR 60-741.5(a)(b).

END OF TERMS AND CONDITIONS