

## **Summary of the Cost Sharing Term Sheet – MainStreet at Coconut Creek**

The Cost Sharing Term Sheet outlines the financial responsibilities and reimbursement processes between the City of Coconut Creek (“City”) and GSR RE Partners, LLC (“Developer”) and/or the MainStreet at Coconut Creek Community Development District (“CDD”) for public improvements supporting the MainStreet development. It supplements the broader Development Agreement, detailing how City contributions will be paid and what obligations the Developer and CDD must fulfill to receive them.

### **I. Purpose and Applicability**

The Term Sheet formalizes the City’s financial support for public infrastructure through reimbursement and direct contributions, aligning with the City’s strategic goals of strategic growth and economic vitality and creating public amenities. Payments are contingent upon construction progress, documentation, and compliance with applicable agreements. The Term Sheet prevails in the event of conflict with the Development Agreement.

### **II. Financial Contributions and Infrastructure Obligations**

#### **A. Infrastructure Costs (~\$3.23M):**

The City agrees to reimburse the Developer or CDD for the City’s infrastructure costs on City property located within MainStreet on a draw basis, subject to monthly verification by the City’s Engineer. Draw Requests must be supported by invoices and progress certifications. Infrastructure cost reimbursements include design, permitting, and soft costs and are subject to a true-up process once final plans are approved. Developer-borne costs for errors or benefit-specific changes are not reimbursable. Bonds must remain in effect.

#### **B. Cullum Road Construction (~\$6.37M, Surtax-Funded):**

The Developer is responsible for constructing Cullum Road, a required improvement under the Development of Regional Impact (“DRI”). The City has secured Broward County Surtax Funding to support this. Developer’s compliance with the Interlocal Agreement for Transportation Surtax Funding is required; failure of Developer to comply may result in Developer reimbursement obligations to the City. The Surtax Funding represents the City’s full obligation for the construction of Cullum Road.

#### **C. Village Green & Lake Side Plaza Park (~\$6.7M):**

Developer constructs these public amenities, with a City contribution capped at \$2.4M (which includes \$670,000. funds currently budgeted for the design of the park) and the Developer covering up to \$4.3M. The City manages design and Developer must use a \$174,805.12 design credit before seeking more funds from the City. Cost overruns above the threshold (\$6.7M) fall on the City.

**D. Parking Garage (~\$11M):**

The CDD will fund construction; the City is responsible for full repayment over up to 30 years with details to be spelled out in a separate agreement with the CDD. The Developer has no financial responsibility. The City is also responsible for maintenance and any change orders.

**E. Land Swap:**

The City waives payment for any overage of acres under the Land Exchange Agreement in recognition of the Developer's commitment to deliver significant public infrastructure improvements on the City's behalf.

**F. Re-Use Grant (\$175,000):**

The City will provide Developer with \$175,000 in reuse grant money provided to City from a Broward County grant on a draw basis after Developer has expensed at least \$350,000 as required to comply with the County's grant match obligation under the Interlocal Agreement for Integrated Water Resource Funding Plan.

**G. Overhead to Underground Conversion (\$1.2M):**

The City will provide a lump sum payment to Developer from the City's Overhead to Underground Trust Fund after commencement of conduit installation. If the project stalls or fails within 60 months, the funds must be returned to City.

**H. Environmental Remediation:**

After closing, Developer will complete remediation work on property to be acquired by City as identified in the Phase II Environmental Site Assessment.

**III. Workforce Housing Programs**

**A. Workforce Homebuyer Assistance (\$1,118,588 total):**

The City will provide up to \$1M from the City's existing Affordable Housing Trust Fund and an additional \$118,588 in linkage fees (paid by Developer to City for MainStreet) to support homebuyer down payment assistance. The Developer will administer the program, which includes income restrictions, resale controls (a 10-year forgivable loan unless sold or foreclosed on prior to 10-years of ownership), and compliance reporting.

**B. Workforce Rental Assistance (Up to \$6M total):**

Up to 60 workforce rental units are to be provided in each of Blocks 4 and 10. The City will contribute up to \$3M per block through building permit and engineering

permit fee waivers (Blocks 4 and 10 only) or reimbursements (for building permit and engineering permit fees paid to City by Developer for other blocks located within MainStreet). The Workforce Units must be rented at affordable rates at 140% AMI or below for 30 years on a floating basis. Violations trigger repayment or suspension of funding.

#### **IV. Additional Legal Terms**

##### **A. Draw Request Procedure:**

Monthly Draw Requests are reviewed and paid by City to Developer within 15 business days. Discrepancies are to be resolved in good faith. Retainage of 5% will be applied to contractors until work has been accepted by City.

##### **B. City Withholding Rights:**

Payments may be withheld for defective work, unpaid subcontractors, damage, or failure to comply with contracts. Final waivers of lien are required for payment.

##### **C. Betterments:**

The City may request “Betterments” (additional features). These must be approved by the Developer and fully paid for by the City in advance.

##### **D. Disclaimer and Risk Allocation:**

The Term Sheet is not a complete cost representation. The Developer must fund any costs not assigned to the City, except where explicitly stated otherwise. Timely completion is required, and the City is not responsible for delays unless caused by it.

#### **V. Key Legal and Factual Issues**

- A. Legal Structure:** The Term Sheet functions as a binding supplement to the Development Agreement, creating enforceable obligations and clearly allocating risk and payment responsibilities.
- B. Contingencies:** Payments are contingent on compliance with agreements (including the Project Specific Interlocal Agreement for Transportation Surtax Funding with Broward County), project milestones, and accurate documentation.
- C. Liability and Defaults:** Both parties have defined rights in the event of non-performance. The City may suspend funding or seek repayment; the Developer remains liable for project completion through bonds.

- D. **Public Funding Use:** The City leverages Surtax and Grant dollars, as well as Trust Fund monies while protecting its financial exposure through caps, bonds, and reimbursement conditions.
- E. **Equity Considerations:** The waiver of the land swap fee is justified by public infrastructure delivery, but legally conditioned on Developer performance.