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## MEMORANDUM

TO: DIA BOARD

FROM: Lori Boyer, CEO

DATE: July 19, 2024

RE: Riverfront property disposition criteria and timelines

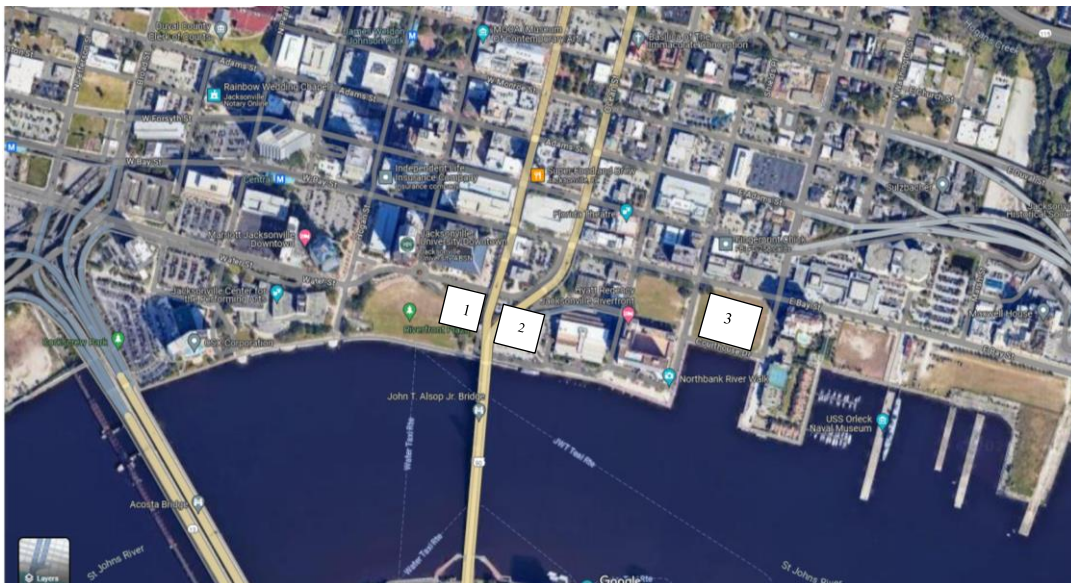
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### **THE PURPOSE OF THIS WORKSHOP**

*The purpose of the Workshop is to discuss Northbank CRA riverfront property disposition priorities, timelines and criteria.*

### **BACKGROUND**

There are three parcels in question- identified on the map below as 1, 2 and 3 respectively. 1 is Development Pad B of Riverfront Plaza, 2 is referred to as the East Landing lot and 3 is the Former Courthouse site or Ford on Bay. There is a public marina in design and funded in front of 3, and immediately to the west is another City-owned parcel that is subject to a ROFR in favor of the Hyatt and may be part of another redevelopment opportunity.



Summaries of the disposition terms previously approved by the Board for both Ford on Bay (Site #3) and Riverfront Plaza Pad B (Site #1) are attached as Exhibits 1 and 2. The Ford on Bay Disposition was advertised in November 2021, awarded in January 2022 and the award expired April 2024. The Riverfront plaza Pad B disposition was issued in March of 2022, awarded in May of 2022 and has not been terminated. No disposition has been issued on the Landing East parcel as it was initially under lease to VyStar for employee parking until completion of their new garage and became available upon completion of the garage.

**CONSIDERATIONS TO BE MADE OF ANY DISPOSITION (Not All Inclusive):**

***Form of Disposition and Financing Structure***

1. Would the Board entertain a negotiated disposition, or will an RFP be issued? Must have 30-day public notice period in any event.
2. Would incentives beyond a REV grant and land donation be considered?
3. Minimum equity requirements and form of equity.
4. What proof of financing is required, and at what point? Certainly, before transfer of title, but how long do we tie up a site while developer finalizes design, pricing and shops financing?
5. What type of performance schedule is required? Must developer start design at risk as soon as site awarded by DIA Board and prior to any Council approval? How long to deliver? Incentives for quick start and completion?

***Development Plan***

1. What would be desired use or mix of uses?
2. Desired height and relationship with surrounding properties?
3. What considerations are necessary for setback for Riverwalk amenities/park/other?
4. What resiliency requirements should be incorporated?
5. What is the appropriate balance between public and private use/benefit and how does that affect the consideration of incentives?
6. What architectural considerations should be included?

***Developer Minimum Qualifications and Requirements***

1. Proposals shall be from developers with experience of a singular project with aggregate value in excess of \$\_\_\_ million and minimum square footage of \_\_\_,000. (include description and visual materials of example(s))
2. Successful completion of a project of similar product type and scale, and
3. Successful completion of a previous project a minimum of 7 stories in height and Type 1 or Type 2 construction.

4. Principal individual or company who is the controlling or managing member of the Development Team submitting the proposal shall meet this criterion and the financial capacity of lenders and partners will not replace the experience and financial capacity of the Developer who is leading the project.
5. No proposals accepted if:
  - a. Liens > \$10 million
  - b. Unpaid taxes > \$1 million
  - c. Active judgement liens > \$10 million.
  - d. Currently in Default of Redevelopment Agreement with DIA or City or if failed to perform under previously approved disposition in last X years or if failed to perform under previously approved RDA with City or DIA in last X years
7. Importance of knowing the development team to include architect, GC, civil and geotech engineer, others?

**Parcel 1: Riverfront Plaza Private Development Pad B- Independent Drive and Main Street Bridge Corner**

Considerations:

1. The entire Landing site was a CRA redevelopment parcel expected to generate taxes for Downtown and the City. Following public demand for a park, a design competition led to the selection of Perkins and Will as the design firm and they retained two private development parcels- one small development parcel (Parcel A- now a restaurant) and transferred most of the development density to Development Parcel B depicting a 12+ story building
2. American Lions response accepted by the Board met all criteria of the RFP; they remain interested in building residential on the site; economic conditions require a completion grant, in addition to donation of the land, to bridge the financial gap for the building proposed; would design a more modest building if we requested; have not commenced design so minimum 12-18 mos. For design and permitting before commencement
3. Phase 1 of Park due to be completed Dec 2025 with Phase 2 commencing immediately thereafter
4. Work cannot begin on Private development pad B or Phase 2 of the park until Electrical duct bank AND storm sewer relocated- and bridge ramp nub removed-expected to take a year. The proposal is going to the JEA Board in the next month or two for approval.
5. Perkins and Will recommended a hotel as highest and best use for this development pad- both for park benefits of use and revenue generation potential that could help maintain the park
6. Currently, any permanent development on this site could not be completed prior to or near completion of Phase 2 of the park

7. Currently, all permanent development projects proposed to staff for the site require land donation, a REV grant of some amount and a completion grant- not yielding a large ROI for the City on this prime parcel

**Recommendation: Staff recommends that we do not move forward with any RFP, or disposition, on this site in the near term; that we complete the infrastructure necessary to allow future development and Phase 2 of the park, and proceed with short term activation for commercial use that would complement the park- retaining right to develop in future when market warrants.**

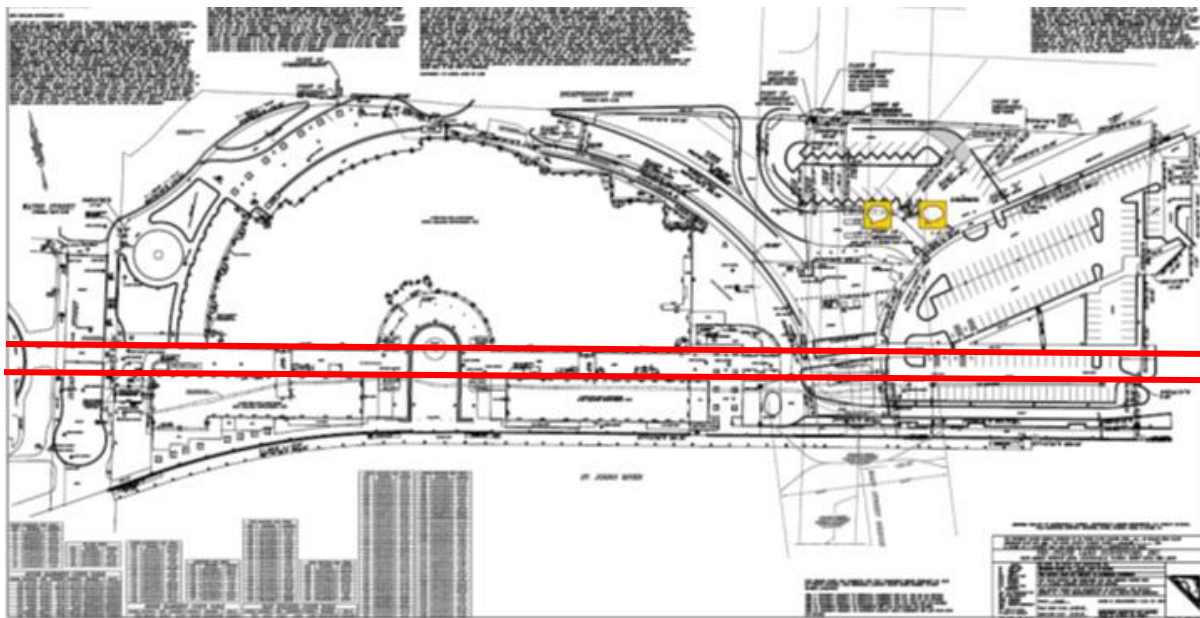
- a. Suggested use- artist kiosks/shops (see Streetsense example attached as Exhibit 3)

### **Parcel 2: Landing East Parking Lot Site**

Considerations:

1. Main Street Bridge East Ramp would need to be removed - design, permit and demo 12 mos. minimum; FDOT will require 50-foot setback; 2020 cost estimate of \$3.2 million obtained by JTA; likely \$5 plus now; who pays? Additional value created of approximately \$1 million.
2. Large functioning sanitary Sewer line parallel to river - do we require any project to be set back behind sewer line (Approximately 100' from River); Consulting with JEA about whether it can be moved, how long that would take and ballpark cost estimate. Was not relocated for Landing. See survey of location below:

### **Survey Prior to Landing Demolition Showing Easement**



**Recommendation: It is worthwhile to establish criteria and position this parcel for disposition as interest rates ease or sooner if development proposals that meet desired criteria are presented.**

**Parcel 3: Ford on Bay- Former Courthouse site**

Considerations:

1. Award to Carter has expired and is no longer active- however Carter actively pursued financing and redesign over last two years to make the development financially feasible.
2. RFP in 2022 yielded multiple respondents- Carter selected for unique design, high-rise, resiliency, Developer experience.
3. Desire to leave entire right of way of Courthouse Drive undeveloped but closed to traffic and added to Riverwalk
4. Same economic conditions that require large completion grants for high-rise developments (interest rates/construction costs/rents) would suggest we delay disposition until catalytic impact of Related project on rents has been realized, but this parcel could be put back into the market.
5. Consider impact and interest in Berkman II foreclosure, and site availability, to test market
6. Is this close enough to “core” to be a priority?

**Recommendation: It is worthwhile to revisit criteria and position this parcel for disposition as interest rates ease**

### **Exhibit 1: Ford on Bay NOD Criteria - Sale**

- Phasing:
  - The primary-use structures per bid accepted must commence within 120 days of closing. Closing to occur upon receipt of DDRB approvals and proof of financial capacity to complete construction-which shall be completed within nine months of City Council approval of disposition.
  
- Uses:
  - Proposals shall include a mix of uses such as, but not limited to, multifamily, retail, office, open space and/or hospitality.
  - Unless a stand-alone entertainment venue or restaurant and open /public space is proposed for the site, buildings directly fronting Bay Street shall have a vertical mix of uses.
  - Ground floor retail/restaurant open to Bay is strongly encouraged and will be rewarded in scoring.
  - No responses will be accepted that do not activate Bay Street with entrances, and elements such as common areas, leasing offices, etc.
  - If residential units are proposed, only market rate units should be proposed for this location and a preference for higher density will be communicated to prospective developers.
  - Retail density, whether located on Bay Street, or on the riverfront in excess of the minimum required, will be scored. Bay Street retail provided at the time of project opening is eligible for bonus points.
  
- Bay Street Activation:
  - Proposals for developments other than a free-standing restaurant or entertainment venue shall include ground floor retail uses (e.g., restaurants, retail, etc.) directly fronting on and accessible from Bay Street at a minimum ratio of 30% percent of its ground floor Bay Street building frontage.
  - Both the quantity and quality of retail on Bay will be rewarded in scoring as well as known tenants, if any.
  - At a minimum, the proposal shall include at least one semi-public use such as a sidewalk cafe or patio seating along Bay Street.
  - No more than 10% of the Bay Street frontage may be a directly visible parking garage.
  - Ground floor uses other than retail or restaurant shall meet all transparency requirements.
  - Activated tenant spaces such as gyms and community rooms or work/live units or office could comprise the remainder of the frontage, but bonus points will be awarded for additional retail or restaurants on Bay Street and additional incentive consideration will be available
  
- St. Johns River
  - Standard setbacks discussed, including Coastline Drive
  - Waterfront restaurant could be a deviation
  - Bonus points for more public space

- Riverfront Activation
  - Activity Node required (Great Fire of 1901)
  - Minimum 10,000 sq ft of restaurant/bar space on riverfront w/ 7,500 on ground floor
  - Bonus for rooftop/upper story
- Marina Parking
  - Should be contemplated
- Resiliency
  - Considered and evaluated
- Design and Materials
  - Taken into consideration; high quality encouraged
  - Bonus for unique architectural features
- Construction and Maintenance Contribution
  - “Proposals should include Developer's proposed monetary or in-kind contribution to the construction and ongoing maintenance of the Riverwalk and adjacent plaza/park space at this location, if any.”
- Development Team
  - Bid Bond \$25k
  - “Proposals shall be from developers with experience of a singular project with aggregate value in excess of \$50 million and minimum square footage of 300,000. (include description and visual materials of example(s)) The principal individual or company submitting the proposal shall meet this criterion and the financial capacity of lenders and partners will not replace the experience and financial capacity of the Developer who is leading the project.”
  - No proposals if:
    - Liens > \$10M
    - Unpaid taxes > \$1M
    - Active judgement liens > \$10M
- Financial Offer and Incentives
  - REV grant may be considered for projects that meet criteria and goals

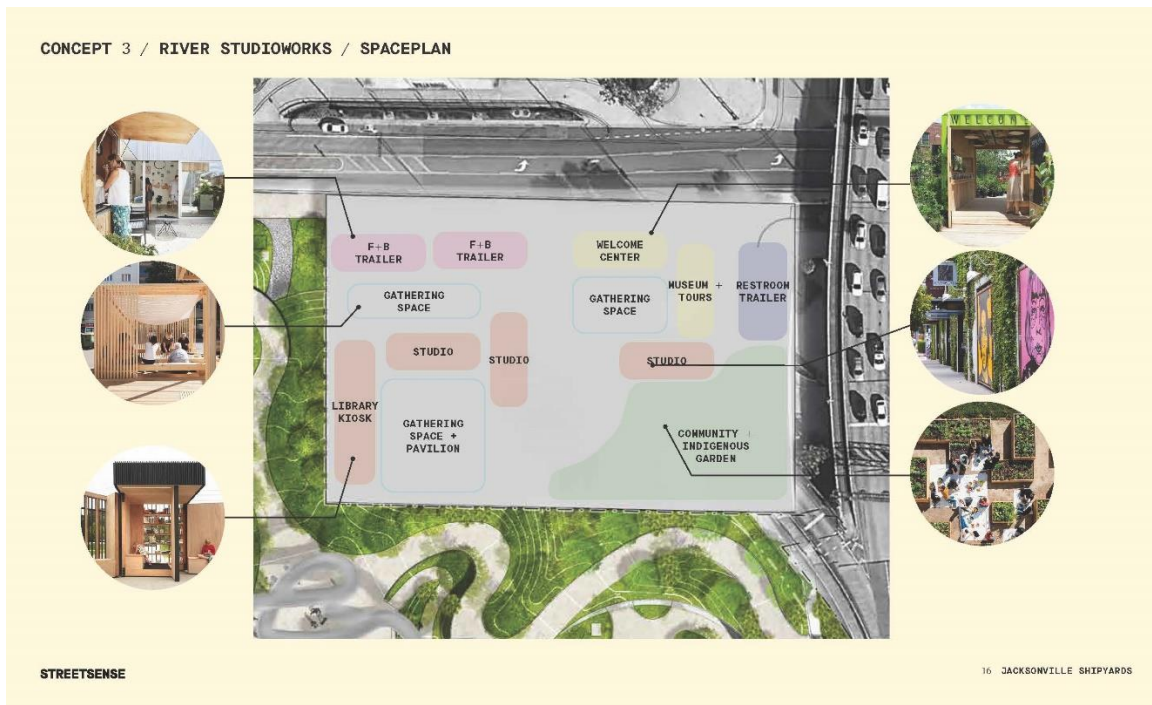
## **Exhibit 2: Riverfront Plaza NOD Criteria – Sale or Lease**

- Special Site Consideration
  - Slope to or connect to pedestrian ramp
  - Service entrance in garage for Beer garden
  - Elevations (Sky Garden Terrace)
  - Bonus for additional restaurant with outdoor
  - Building orientation required – perpendicular to river
- Building requirements
  - Mid to high rise (minimum 7; preferably 15+)
    - Open Plaza at least 2 stories above grade (+20BFE)
    - Protect view corridors
  - Parking Structure
    - At least 3 wrapped levels
    - At grade level to provide BOH services for park retail
    - Rooftop of garage to accommodate open plaza for public accessible from park
    - Extensive screening requirements
- Mixed Use Requirements
  - Vertical mix required
  - Riverfront Plaza activation
    - Sky Garden Terrace (plaza on garage roof)
    - Minimum of 7500 square feet of conditioned “destination restaurant & bar space” with minimum park frontages
    - At least one riverfront/park front full-service with 100+ seats
  - Independent Drive activation
    - Retail w/ sidewalk, storefront entrances required
    - Minimum 30% of ground floor building façade to include retail w/ entrances accessible from sidewalk
    - Minimum 100 linear feet of retail
  - Bonus scoring for excess of minimums
- Optional Uses
  - Residential
  - Hotel – must be 4 star or higher
  - Office – only class A or better
- Optional Considerations
  - Destination Retail call out
  - Ground floor retail and sidewalk activation
  - Rooftop or upper story dining
  - Any additional F&B is bonus
- Phasing



- Coordination with the park construction and Main Street ramp required
- Must commence within 120 days of closing. Closing to occur upon receipt of DDRB approvals and proof of financial capacity to complete construction-which shall be completed within nine months of City Council approval of disposition
- St. Johns River
  - Setbacks automatically satisfied and no height limits
- Resiliency
  - Resilient materials considered
  - Storm water drainage needs to integrate into development
  - Pervious surface materials and resilient landscaping
- Design and Material
  - Summary - we encourage high quality product with architectural details and exterior finish worthy of the site
  - Conform with Zoning Overlay and DT Design Guidelines
    - Dual orientation of building frontage
    - Enhance skyline
- Construction and Maintenance Contribution
  - Proposals should include Developer's proposed monetary or in-kind contribution to the construction and ongoing maintenance and or programming of the adjacent plaza/park space at this location, if any
  - Ongoing maintenance or programming contribution anticipated
- Development Team
  - A bid bond of \$25,000.00
  - Proposals shall be from developers with
    - experience of a singular project with aggregate value in excess of \$75 million,
    - successful completion of a project of similar product type and scale, and
    - successful completion of a previous project a minimum of 7 stories in height and Type 1 construction.
  - Principal individual or company who is the controlling or managing member of the Development Team submitting the proposal shall meet this criterion and the financial capacity of lenders and partners will not replace the experience and financial capacity of the Developer who is leading the project.
  - Proposals shall include descriptions and visual materials related to the qualifying projects detailed above.
  - No proposals if:
    - Liens > \$10 million
    - Unpaid taxes > \$1 million
    - Active judgement liens > \$10 million.

Exhibit 3: Streetsense Presentation



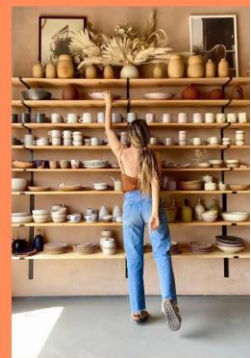
CONCEPT 3 / RIVER STUDIOWORKS

Community Garden /  
Artisan Workshops /  
Jacksonville Front Porch

River Studioworks is a distinctive destination on Jacksonville's riverfront, where artistry and commerce come together. The heart of this space is a series of creatively repurposed shipping containers, each serving as a hybrid workshop and retail storefront for local artisans. Thoughtful design might also allow the artisan production process to be put on display. These vibrant studios offer affordable space to support artisans, one-of-a-kind shopping experience and contribute significantly to the waterfront's identity, reflecting the city's rich creative spirit.

The integrated garden space at River Studioworks is both an artistic sanctuary and a celebration of local ecology, seamlessly blending sculptures with diverse flora and fauna. This area offers visitors a tranquil yet engaging experience, surrounded by the natural beauty of the region. The lively market pavilion, featuring space for food trucks, enhances the community atmosphere. Alongside city-sponsored initiatives like a library kiosk and local souvenir offerings, River Studioworks provides a calm yet dynamic riverside venue for locals and visitors to explore and enjoy.

STREETSENSE



STREETSENSE

17 JACKSONVILLE SHIPYARDS

**CONCEPT 3 / RIVER STUDIOWORKS / OPERATIONS**

Implementing River Studioworks requires thoughtful placement and configuration of the shipping container studios to create a cohesive yet diverse artisan marketplace. Adequate spacing for pedestrian flow, communal seating, and the integration of the sculpture and community garden are key. The garden should be designed to not only showcase local flora and fauna but also to serve as a tranquil gathering space.

Partnerships with local artisans, retailers, and food truck operators are essential for a vibrant and varied retail and culinary experience.

Operational considerations include regular maintenance of the garden, managing waste and recycling, and ensuring sufficient utilities for the retail spaces and food trucks.

Creating a strong, locally-inspired brand identity for River Studioworks will help in establishing it as a destination for culture, art, and community engagement, enhancing its role in the waterfront park development.



**COMPONENTS**

- Artisan Studios
- Library or City Studio
- Food Truck Pavilion
- Community Garden
- Common Seating Areas

**RETAIL & F+B OFFERINGS**

- Artisan Goods
- Food Trucks
- Library Kiosk
- Jacksonville Souvenirs

**POTENTIAL ACTIVATIONS**

- Artisan Markets
- Festival Hosting
- Sculpture Exhibitions
- Community Gardening
- Cultural and Art Workshops
- Maker Workshops
- Community Park Dinners