



**Downtown Investment Authority  
Strategic Implementation Committee**

**Friday, April 16<sup>th</sup> at 9 a.m.**

# **SIC AGENDA**

Oliver Barakat, Committee Chair  
David Ward, Esq., Committee Member

Bill Adams, Esq., Committee Member  
Craig Gibbs, Esq., Committee Member Ron Moody, DIA Board Chair

- I. CALL TO ORDER
- II. PUBLIC COMMENTS
- III. MARCH 15, 2021 STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES
- IV. RESOLUTION 2021-04-03: RELATED (Steve Kelley, Director of Downtown Real Estate and Development)
- V. RESOLUTION 2021-04-04: REGIONS (Steve Kelley, Director of Downtown Real Estate and Development)
- VI. ADJOURN

## **MEETING LOCATION**

### **Physical Location**

City of Jacksonville Edward Ball Building  
214 N Hogan St  
8<sup>th</sup> Floor (Conference Room – 851)  
Jacksonville, Florida 32202

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### **Virtual Location**

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### **Join Zoom Meeting**

<https://us02web.zoom.us/j/81037499970?pwd=Y0ZhbjhmcVhzbW5mNTBvWHJEWkFkZz09>

Meeting ID: 810 3749 9970  
Passcode: 487069



**Downtown Investment Authority  
Strategic Implementation Committee**

**Friday, April 16<sup>th</sup> at 9 a.m.**

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**MARCH 15, 2021**

**STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES**



**Downtown Investment Authority**  
**Strategic Implementation Committee Hybrid Meeting**  
***Monday, March 15, 2021 – 1:00 p.m.***

**Strategic Implementation Committee Hybrid Meeting**  
***MEETING MINUTES***

**Strategic Implementation Committee Members in Attendance:**

David Ward, Esq. (acting Chair)  
Ron Moody, DIA Chair

Craig Gibbs  
Bill Adams (non-voting; participating via Zoom)

**Committee Members Excused:** Oliver Barakat, Chair

**DIA Staff Present:** Lori Boyer, Chief Executive Officer; Ina Mezini, Marketing and Communications Specialist; Lori Radcliffe-Meyers, Development Coordinator; Jackie Mott, Financial Analyst; and Steve Kelley, Director of Downtown Real Estate and Development

**DIA Board Present:** Carol Worsham

**Office of General Counsel:** John Sawyer, Esq.

**I. CALL TO ORDER**

The Strategic Implementation Committee meeting of March 15, 2021, was called to order at 1:00 p.m. by Chairman Ward.

**II. PUBLIC COMMENTS**

Nancy Powell stated that she had someone who would like to speak but that they are not present at the time. Chairman Ward agreed to come back to it at a later time.

No further public comments were received, and the public comments portion was closed.

CEO Boyer stated for the record that a Quorum is present. Committee Member Adams will not be able to vote because he did not submit the proper forms to vote via Zoom in time.

**III. JANUARY 12, 2021 STRATEGIC IMPLEMENTATION COMMITTEE MEETING APPROVAL OF THE MINUTES**

Chairman Ward called for a motion to approve the minutes as presented.

**Motion:** DIA Chairman Moody moved to approve the minutes as presented

**Seconded:** Committee Member Gibbs seconded the motion

Seeing no comments, Chairman Ward called for a vote.

**Vote: Aye: 3      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 3-0-0**

**IV. JANUARY 14, 2021 STRATEGIC IMPLEMENTATION COMMITTEE MEETING APPROVAL OF THE MINUTES**

No comments were made.

**Motion:** DIA Chairman Moody moved to approve the minutes as presented

**Seconded:** Committee Member Gibbs seconded the motion

No comments were made.

**Vote: Aye: 3      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 3-0-0**

**V. RESOLUTION 2021-03-03: DVI DISTRICT EXPANSION (Lori Boyer, CEO)**

Chairman Ward gave the floor to CEO Boyer to introduce the Resolution.

CEO Boyer stated that the DVI Board has recommended the geographic expansion of their service boundaries as well as the classes of property that are assessed. Currently only commercial properties are assessed, the recommended expansion will include residential properties with certain exceptions. CEO Boyer added that the Resolution is a recommendation to City Council whether to support the expansion or not. Section II of the Resolution states the DIA's support of the proposed expansion. Section III states the DIA's support of including residential properties. CEO Boyer gave the floor to Jake Gordon of DVI.

Chairman Ward clarified that the vote is to recommend or not recommend, as amended.

Mr. Gordon stated the following:

- The millage rate would remain 1.1mils.
- Expansion of geographic boundaries.
- Ability to assess residential properties
  - Exemptions:
    - Homestead Exemption
    - New residential properties are exempt for 5 years to allow for stabilization
    - Products of affordable housing (received funding through the Florida Housing Finance Corporation)
    - Adaptive reuse projects (received funding through City of Jacksonville Historic Preservation Fund)
- The district would go from approx. 0.5 sq miles to 1.3 sq miles.

- \$875,000 of newly generated revenue from expansion
- 11% of new funds to staffing/administrative; 82% to district services/experience creation; 7% to marketing/information management
- More focus on public realm and public spaces

Seeing no further presentations or speakers, Chairman Ward called for a motion.

**Motion:** DIA Chairman Moody moved to approve Resolution 2021-03-03 as presented

**Seconded:** Committee Member Gibbs seconded the motion

Chairman Ward opened the floor for discussion.

DIA Chairman Moody stated his support of the DVI and asked if a portion of a project is affordable housing, what would the criteria be for exemption. Mr. Gordon responded that that expertise lies with the Duval County Property Appraiser; DVI does not do appraisals, they use what the Duval County appraiser decides as it relates to the property.

Committee Member Gibbs asked for clarification on the services being performed by the 11 new hires [DVI Street Ambassadors]. Mr. Gordon responded that the Ambassadors will be deployed according to best value added and according to feedback from the Board as well as property owners in downtown.

Committee Member Adams asked for clarification on why the western portion of the expanded boundary does not continue all the way down Park Street; he also asked for more detail regarding the allocation of new funds. Mr. Gordon responded that the proposed expanded border fits best with the DVI's current resources in terms of quality of service provided. If they expanded further, they would not be able to maintain the quality of service that they are committed to. In response to fund allocation, Mr. Gordon stated that a majority of the \$715,00 slated for district services/experience creation would go toward increasing the size of the Ambassador Team, and added that the DVI's detailed budget would be submitted to the Board at the next meeting, as it does on an annual basis.

DIA Chairman Moody stated that there is going to be significant development along Park Street and throughout the Brooklyn District and recommended reconsidering the boundary to include more of the Brooklyn District as soon as the budget and resources can support the expansion in services.

Committee Member Worsham asked for clarification on the 5-year exemption for new residential properties. Mr. Gordon responded that 5 years was chosen after discussion with developers about what was needed to help stabilize the properties. The priority right now is more about delivering back value and collaboration with residential properties and less about adding raw dollars.

Chairman Ward asked for clarification on how the exemption works in the long-term regarding qualifying for an exemption at one point in time and then potentially falling into the non-exempt category later. Mr. Gordon responded that the incentives are there to help fulfill goals but that they have a lifetime. The property appraiser would be the one to decide what category a property falls in to. Mr. Kelley added that the Florida Housing Finance Corporation has a minimum 30-year land use restriction and generally apply a 50-year compliance land use restriction on anything subsidized through their low-income housing tax credit program.

Chairman Ward called for a vote to approve Resolution 2021-03-03, stating that it is a positive recommendation.

**Vote: Aye: 3      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 3-0-0**

**VI. RESOLUTION 2021-03-04: CEO AUTHORIZATION: MPS LITIGATION (John Crescimbeni, Contract and Regulatory Compliance Manager)**

Chairman Ward gave the floor to CEO Boyer to introduce the Resolution.

CEO Boyer provided an overview of the ongoing litigation with MPS. CEO Boyer stated that the Resolution is a request for authorization which would allow the DIA to participate in any potential upcoming mediation or settlement of the existing lawsuit as well as provide authorization to file legislation with City Council which would allow up to \$32M of borrowing so to be paid if MPS were found in Default. If MPS is in Default, the DIA could purchase the garages for the underlying industrial revenue bond balance plus \$3 million, which is \$32M. There is no agreement that the DIA will take this action, the Resolution just provides the DIA with the authority to do so if necessary.

Chairman Ward called for a motion.

**Motion:** DIA Chairman Moody moved to approve the Resolution as presented

**Seconded:** Committee Member Gibbs seconded the motion

Chairman Ward opened the floor for discussion.

DIA Chairman Moody asked how strong of a case does the DIA have regarding the lawsuit. CEO Boyer responded that Mr. Sawyer would have best judgement of that, but that the Council Auditor Report provided very helpful information concerning discrepancies in the amounts tenants were paying.

Chairman Ward called for a vote on Resolution 2021-03-04.

**Vote: Aye: 3      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 3-0-0**

**VII. RESOLUTION 2021-03-01: LAURA STREET TRIO DPRP (Steve Kelley, Director of Downtown Real Estate and Development)**

Chairman Ward gave the floor to Mr. Kelley to introduce the Resolution.

Mr. Kelley provided an overview of the Resolution, stating the following:

- It is a Downtown Preservation and Revitalization Program request totaling \$24,674,300 for the redevelopment of the historic properties known as the Laura Street Trio. This includes the Florida National Bank building, the Florida Life building, and the Bisbee building.
- The redevelopment is being undertaken by the Southeast Development Group, represented by Steve Atkins.
- The redevelopment calls for the restoration of the properties in addition to construction of a new 8-story 37,000 sq ft building to be combined with the Trio and operated as a single integrated hotel property.
- In total, the redevelopment provides over 158,000 sq ft of development space.
- The marble bank would become an 18,000 sq ft restaurant, including a 7,400 sq ft private dining wine cellar space in the basement. The restaurant would be operated by the hotel management group Winegardner & Hammons.
- The Florida Life building would house the lobby and business center on the ground floor, a theater in the basement, a fitness and media center on the 2<sup>nd</sup> floor, and eight floors with 35 hotel rooms on the floors above.
- The Bisbee building would include a 4,400 sq ft retail bodega on the ground floor, a 4,000 sq ft conference center on the 2<sup>nd</sup> floor, and 56 hotel rooms on the eight floors above.
- The Laura Street addition would provide 8,800 sq ft of retail space on the ground floor and six floors above with nine hotel rooms per floor. It would also include a 4,650 sq ft rooftop bar for the 8<sup>th</sup> floor.
- An 11-story circulation core will be constructed because the buildings are not at the same height. This includes 2,000 sq ft of additional lobby space on the 1<sup>st</sup> floor and 10 floors with two elevators and stairs for circulation between the buildings.
- A motor court for arrival and departure is planned for W Adam Street.
- The remainder of the parcel [southeast corner] is reserved for future development.
- The development plan has received conditional approval from the Historic Preservation section of the Planning and Development Dept. and has also received conceptual approval from the DDRB. Each of the historic properties have received local historical landmark status and the development plan has also received approval on the Part I application from the National Park Service to be treated as a single project.
- The DPRP recommendation includes \$9,377,766 in the form of a Historic Preservation Restoration and Rehabilitation Forgivable Loan
- \$10,016,699 as a Code Compliance Renovation Forgivable Loan
- \$5,279,835 as a DPRP Deferred Principal Loan
- The structure of the HPRR and the CCR are Forgivable Loans over 5 years with a standard claw back for early sale or refinance.
- The Deferred Principal Loan has a 10-year maturity, at which point requires full repayment. Interest-only payments are required on an annual basis, established at the 10-year treasury



rate at the time of closing. Up to 50% of the principal may be repaid after the 5<sup>th</sup> year with that minimum balance remaining through the 10<sup>th</sup> anniversary.

- Development costs total more than \$70M, making the DPRP 35% of the total as proposed.
- Adjusted total development costs as underwritten equal \$66.9M, making the DPRP funding 36.8% of the adjusted total which is below the 40% maximum amount allowed based on the equity level provided. These amounts may be revised downward in proportion to cost savings or revisions to the development budget. Any changes would require adherence with DPRP guidelines.
- It is not in the Term Sheet, but Mr. Kelley proposed that downward adjustments to the adjusted total development costs greater than 10% require reapproval by the DIA Board.
- Equity is provided primarily through the \$5.3M property contributed to the project as supported by a third-party appraisal dated May of 2020. \$4M of cash equity injected into the project is largely offset by the \$3.5M of developer and management fee.
- Historic tax credits are expected to provide \$9,461,000 of additional equity to the project.
- Total equity reaches \$16.5M or 23.4% of the adjusted total development costs.
- Senior debt is proposed at \$25,760,000.
- The ROI is calculated at 0.87. It includes:
  - Annual project revenues which is the incremental ad valorem over a 20-year period of \$6.8M.
  - Local option sales tax of \$9.6M, which includes the bed tax. Based on an average daily rate of \$160 and an occupancy of 73.5%
  - Interest on the DPRP Deferred Principal Loan of \$660,000.
  - Present value of the repayment on the Deferred Principal Loan of \$3.7M
  - Total expected benefits of the City of \$21.5M
- The Trio property today is currently encumbered by a \$2M lien that must be cleared as a condition of closing.
- The architect on the project is Dasher Hurst; the general contractor is Danis Construction; Piper Sandler is the investment banker arranging debt and equity for the project.

Mr. Kelley concluded his presentation, stating that the recommendation is for the approval of the DPRP Loans as outlined, including the clearing of the lien currently held against the Trio property, and that further approval is required by the Historic Preservation section as well as the DDRB.

Chairman Ward opened the floor for public comment.

Susan Caven, President of Scenic Jacksonville, stated her support for the project.

Seeing no further public comment, Chairman Ward called for a motion.

**Motion:** DIA Chairman Moody moved to approve the Resolution as presented

**Seconded:** Committee Member Gibbs seconded the motion

Chairman Ward opened the floor for comment from the Board.

Board Member Worsham stated her support for the project and thanked the DIA staff for their hard work.

Committee Member Gibbs asked if 36 months with a 6-month extension is sufficient time for completion. Mr. Atkins responded that he believes the amount of time is sufficient, adding that they have a 24-month schedule in terms of the restoration and rehabilitation process. Closing is set for June of 2021 and they would proceed immediately thereafter.

DIA Chairman Moody asked Mr. Atkins what kind of tenants he foresees being interested in the product. Mr. Atkins responded that the bar and restaurant has a proven hotel management firm overseeing its operation, and that they will be working with a retiree of the Winn Dixie Corporation for the small grocery store. The additional 4,000 sq ft of retail space has not been leased yet; it will be leased in the next 22 to 24 months.

DIA Chairman Moody asked Mr. Atkins what work he has done as it relates to ensuring the success of this project. Mr. Atkins responded that a lot of the work is done through the process review with Marriott International. Several third-party multi-faceted studies have been done to ensure the project will be unique and successful.

Seeing no further discussion, Chairman Ward called for a vote.

**Vote:            Aye: 3            Nay: 0            Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 3-0-0**

**VIII. RESOLUTION 2021-03-05: METER RENTING (BAGGING) RATE SCHEDULE  
(John Crescimbeni, Contract and Regulatory Compliance Manager)**

Chairman Ward gave the floor to CEO Boyer to introduce the item.

CEO Boyer provided an overview of the Resolution, stating that it authorizes the DIA to pursue legislation with City Council to change the meter bagging rates. The recommended changes would increase the cost of bagging a meter and provide reimbursement for labor and storage costs with the goal of allowing people to bag meters as needed but also discourage meter bagging unless it is necessary. It would also help recover lost revenue when a meter is taken out of service.

Chairman Ward called for a motion.

**Motion:** Committee Member Gibbs moved to approve the Resolution as presented

**Seconded:** DIA Chairman Moody seconded the motion

Chairman Ward opened the floor for discussion.

Committee Member Adams asked if there are deviations from the Haas recommendation. CEO Boyer responded that there are no deviations, the recommendations came directly from Haas.

Seeing no further discussion, Chairman Ward called for a vote.

**Vote:            Aye: 3            Nay: 0            Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 3-0-0**

## **IX.    ADJOURNMENT**

SIC Chairman Ward adjourned the meeting at 2:02 p.m.

*The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a recording is available upon request. Please contact Xzavier Chisholm at [xchisholm@coj.net](mailto:xchisholm@coj.net) to acquire a recording of the meeting.*

**TAB IV**  
**RESOLUTION 2021-04-03: RELATED**

**RESOLUTION 2021-04-03**

**A RESOLUTION AMENDING THE TERMS OF RESOLUTION 2021-01-03 WITH RESPECT TO A DISPOSITION AND REDEVELOPEMENT AGREEMENT BETWEEN THE CITY, THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AND RELATED DEVELOPMENT, LLC (“DEVELOPER”); AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING THE EXECUTION OF A REDEVELOPMENT AGREEMENT, PURCHASE AND SALE AGREEMENT, OR FUNCTIONAL EQUIVALENTS; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, via Ordinance 2012-0364-E, the City Council created the Downtown Investment Authority, designating the DIA as the City’s Community Redevelopment Agency for the Southside Community Redevelopment Area and authorizing it to approve and negotiate economic development agreements and dispose of City-Owned property; and

**WHEREAS**, Pursuant to Resolution 2021-01-03, the DIA authorized the negotiation of a Redevelopment Agreement with developer upon the terms and conditions contained in the term sheet attached and the filing of legislation; and

**WHEREAS**, in the course of negotiation of the Redevelopment Agreement and associated documents, several issues arose that are a sufficient departure from the term sheet to require further Board approval; and

**WHEREAS**, the Developer has requested an increase in the maximum indebtedness payable on the REV grant due to an increase in construction costs related to design modifications and market conditions; and

**WHEREAS**, the Developer has requested that disbursement of the Infrastructure grant be made upon completion of the pad construction for the multifamily building; and

**WHEREAS**, the Developer has determined that at this time it will not reconstruct the second marina dock; and

**WHEREAS**, upon staff review and recommendation that the amendments are warranted, this resolution was presented to the Strategic implementation Committee (“SIC”) on April 16, 2021; and

**WHEREAS**, SIC has recommended approval of this Resolution;

**NOW THEREFORE BE IT RESOLVED**, by the Downtown Investment Authority:

**Section 1.** The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

**Section 2.** The DIA Board hereby approves an amendment to Resolution 2021-01-03 that increases the maximum indebtedness payable on the REV grant to \$12,996,885. The applicable percentage and term of the REV grant remain unchanged. The minimum capital contribution will be increased to \$85,000,000 (including acquisition), with a minimum of hard and soft construction costs totaling \$75,000,000, below which the REV shall be forfeited.

**Section 3.** The DIA Board hereby approves an amendment to Resolution 2021-01-03 to reflect that only one dock will be reconstructed at this time pursuant to the RDA. The City contribution for that dock and the obligation for fuel service and transient slips remains unchanged.

**Section 4.** The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to negotiate the terms of a Redevelopment Agreement, Purchase and Sale Agreement, or functional equivalents, with Developer for the redevelopment of the Property, subject to the minimum terms and conditions contained in Exhibit 'B' to Resolution 2021-01-03 as amended hereby.

**Section 5.** The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to initiate legislation for approval by City Council of a Redevelopment Agreement, Purchase and Sale Agreements, or functional equivalents in accordance with the purposes of this Resolution.

**Section 6.** The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to take all action necessary to effectuate the purposes of this Resolution, including the execution of a Redevelopment Agreement, Purchase and Sale Agreement, or functional equivalents, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit 'B' to Resolution 2021-01-03 as amended hereby.

**Section 7.** This Resolution, 2021-04-03, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

\_\_\_\_\_

Ron Moody, Chairman

\_\_\_\_\_ Date

VOTE: In Favor: \_\_\_ Opposed: \_\_\_ Abstained: \_\_\_

**SUPPLEMENTAL INFORMATION**  
**RELATED – STAFF REPORT**

**Downtown Investment Authority  
Redevelopment Staff Report - Modification  
Related Group  
April 16, 2021**

**Applicant:** RD River City Brewery, LLC (The Related Group)  
**Project:** Disposition and Redevelopment of the River City Brewing Company Site  
**Program Request:** Recapture Enhanced Value ("REV") Grant

	<u>As Approved</u>	<u>As Proposed</u>
<b>Total Development Costs (as presented):</b>	<b>\$92,320,000</b>	<b>\$99,156,000</b>
<b>Total Development Costs (as underwritten):</b>	<b>\$76,015,000</b>	<b>\$82,499,841</b>
<b>REV Structure:</b>	<b>75% / 20 Years</b>	<b>75% / 20 Years</b>
<b>REV Amount Proposed (not to exceed):</b>	<b>\$11,902,028</b>	<b>\$12,996,885</b>

**Modification Request:**

Resolution 2021-01-03, for the benefit of The Related Group, was approved by the DIA Board at its meeting held January 20, 2021. The approval authorized a REV Grant in the maximum amount of \$11,902,028, structured as 75% for 20 years, for the development of a 335-unit, multi-family property with multiple amenities and mixed-use components including a restaurant and a ship's store to serve the boat ramp and marina. There were a number of other land swaps and concessions agreed to by the passing of Resolution 2021-01-03 that are not impacted by the subject request for modification.

This modification is presented for an increase in the maximum REV Grant amount to \$12,996,885 as a result of increased costs to the project driven by design changes and increased construction costs found in the market. Amenities to the property have increased to include two roof top lounges for residents to improve design elements as discussed further below. The unit count proposed has dropped from 335 to 327, still above the minimum requirement of 325 established in the previous approval.

The applicant has provided documentation from its prospective general contractor, Balfour Beatty, and project architect, MSA Architects, that indicates that design changes coupled with substantive cost increases for materials have driven total development costs from \$92.3 million to more than \$99.1 million. As communicated in the letter from MSA Architects, principal design changes that followed feedback shared in a DDRB workshop led to the following:

1. *Created additional movements in the building by creating an additional courtyard on the park side of the project. This increased the building skin and reduced the efficiency of the building.*
2. *Stepping the building at the 8th level creating rooftop amenity lounges.*
3. *Increase glass area provided to compliment the contemporary aesthetics the brand requested.*
4. *Garage elevation enhancements.*
5. *Ground level enhancement for building entrances, residential stoops, and amenities to provide additional pedestrian integration between the proposed building and the pedestrian activity associated with the park and Riverwalk.*
6. *Created a variety of architectural elements to accent all building elevations.*



The results of these modifications were welcomed by the DDRB Board during its conceptual approval of the project at its March 24, 2021 meeting and are seen nearly universally as offering better interaction with St. John’s River Park, the river, and other perspectives. The result of these design changes can be found on “Exhibit A – As Originally Proposed” and “Exhibit B - As Currently Proposed.” The project is scheduled to be presented for final approval at the May meeting of the DDRB Board.

**Marina:**

The original approval outlines that following Related’s buyout of the Maritime lease and transfer of property interest from the City, the City will enter into a new submerged land lease and take ownership of the existing docks and fuel pumps that comprise the marina. Related is exercising its option to not repair one of the docks. The City remains committed to providing \$1,143,807 for the reconstruction of the remaining dock, which will continue to provide fuel services and an estimated 29 marine slips to be managed by the Developer under a separate operating agreement. As called for in Resolution 2021-01-03, twenty of those slips will be made available for public transient use, with ten limited to four-hour use and ten made available for 48-hour use. The nine remaining slips will be used at the discretion of marina management, and the option to rebuild additional dockage will remain open. This is not a deviation from terms of the original approval but is provided as an update on the status of this part of the project. Future additions to the marina can only be made with approval by the DIA Board.

**Development Budget:**

As shown in the tables below, the total development costs have been revised to an estimated total of \$99.2 million, representing an increase of \$6.8 million. The 7.4% increase is centered in Hard Costs, \$7.0 million above the original amount, offset somewhat by decreased acquisition costs, down \$238 thousand, and Interest and Finance Costs, down \$411 thousand. Sources of additional capital are split between a \$3.0 million increase in the Construction Loan and a \$3.8 million increase in Equity.

**Original Model**

	Sources	Percentage of TDC	317,000 Rentable SF
<b>Anticipated Sources</b>			
Construction Loan	\$57,700,000	62.5%	
Equity	\$34,620,000	37.5%	335 Units
<b>Total Anticipated Sources</b>	<b>\$92,320,000</b>	<b>100.0%</b>	

  

	Total Development Cost	Total Development Cost Per Unit	Total Development Cost Per Square Foot
<b>Anticipated Uses</b>			
Acquisition - Land	\$10,000,000	\$29,850.75	\$31.55
Hard Cost	\$66,500,000	\$198,507.46	\$209.78
Architect / Engineering / Consultants	\$2,600,000	\$7,761.19	\$8.20
Soft Costs	\$2,665,000	\$7,955.22	\$8.41
Financing Costs	\$4,755,000	\$14,194.03	\$15.00
Interest Expense	\$2,550,000	\$7,611.94	\$8.04
Project Management	\$3,250,000	\$9,701.49	\$10.25
<b>Total Anticipated Uses</b>	<b>\$92,320,000</b>	<b>\$275,582.09</b>	<b>\$291.23</b>

**As Modified**

	Sources	Percentage of TDC	315,000 Rentable SF
<b>Anticipated Sources</b>			
Construction Loan	\$60,722,500	61.2%	
Equity	\$38,433,500	38.8%	327 Units
<b>Total Anticipated Sources</b>	<b>\$99,156,000</b>	<b>100.0%</b>	

  

	Total Development Cost	Total Development Cost Per Unit	Total Development Cost Per Square Foot
<b>Anticipated Uses</b>			
Acquisition - Land	\$9,762,000	\$29,853.21	\$30.99
Hard Cost	\$73,549,841	\$224,923.06	\$233.49
Architect / Engineering / Consultants	\$2,750,000	\$8,409.79	\$8.73
Soft Costs	\$2,950,000	\$9,021.41	\$9.37
Financing Costs	\$4,705,000	\$14,388.38	\$14.94
Interest Expense	\$2,189,159	\$6,694.68	\$6.95
Project Management	\$3,250,000	\$9,938.84	\$10.32
<b>Total Anticipated Uses</b>	<b>\$99,156,000</b>	<b>\$303,229.36</b>	<b>\$314.78</b>

As a result of these changes, along with a drop in unit count from 335 to 327, the average cost per unit is shown to rise from \$275,582 to \$303,229. The change in number of units remains above the earlier agreed upon minimum of 325 units, for which the minimum has been left unchanged.

**Valuations and ROI Calculation**

- With these changes, the Duval County portion of the incremental ad valorem tax revenue over twenty years is projected to increase from \$15.9 million to \$17.4 million net of the 4% annual early payment discount. This represents an increase of 9.4% by these changes.

- Total benefits to the City of Jacksonville are estimated to increase from \$17.5 million to \$19.1 million, and increase of 9.1%.
- With the increase in the REV Grant as proposed, from \$11.9 million to \$13.0 million, along with other costs related to forgone lease revenue, land swaps, infrastructure and restaurant grants, moving the underground storage tanks, and refurbishing the dock, City incentives total \$18.3 million.

**ROI:**

As shown by the analysis captured below, the ROI for the development drops slightly from 1.05X to 1.04X maintaining the assumptions and methodology found in previous calculations.

**\$85 Million in Capital Expenditures (04/05/21)**

Ad Valorem Taxes Generated  
Incremental County Operating Millage

Local Option Sales Tax

Payroll

Add'l Benefits Provided (Parcels B/D, Riverwalk improvements)

**Total City Expected Benefits**

Total City Investment

Return on Investment Ratio

(1)	\$	17,373,934	
(2)	\$	-	
(3)	\$	-	
(4)	\$	1,683,978	\$ 19,057,911
(5)			\$ 18,274,679
			\$ 783,232
			<b>1.04</b>

- (1) - The investment from the Company is estimated to be \$75,015,000 in eligible Capital Contribution for development and \$0 in taxable Tangible Personal Property
- (2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.
- (3) - Job estimates are calculated at # of jobs \* avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.
- (4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive
- (5) - City Incentives as follows:

REV	\$	12,996,858
Land (Parcel E), lost lease revenue, boat ramp improvements, completion grant	\$	5,277,821
<b>Total Direct Incentives</b>	\$	<b>18,274,679</b>

**NOTE:**

COJ to receive Parcel B from REL (Modified by the release of property to the restaurant site)

COJ to receive Parcel I from REL (as revised from Parcel G for clarification)

COJ to receive a portion of Parcel D from REL (Modified by add'l property granted to the south)

REL to receive a portion of Parcel E from COJ (Estimated)

REL to receive a Parcel for a sign placement

COJ lost RCBC lease revenue (\$40k @ X% for 77 yrs) 6.0%

COJ restaurant completion grant

**COJ infrastructure completion grant**

REL to pay for improved Riverwalk

COJ to improve boat ramp hammerhead, relocation of fuel tank

COJ lost Residual Value Parcel C

FV of \$9.75M Parcel C purchase compounded @ Y% for 77 yrs 2.5% \$65,274,304

NPV of FV of Parcel C discounted @ Z% for 77 yrs 6.0%

Marina

Square Feet (SF)	\$/SF	TOTAL to REL	TOTAL to COJ	Acres:
10,148	\$75.00		\$ 761,070	0.233
4,389	\$75.00		\$ 329,175	0.101
4,583	\$75.00		\$ 343,733	0.105
2,830	\$30.00	\$ 84,900		
158	\$30.00	\$ 4,734		
		\$ 659,000		
		\$ 500,000		
		\$ 500,000		
			\$ 250,000	
		\$ 1,650,380		
		\$ 735,000		
		\$ 1,143,807	\$ -	
<b>TOTAL</b>		\$ 5,277,821	\$ 1,683,978	

Within this table, there are no changes from the previous approval to the values found under the Note.

**Exhibit A - As Originally Proposed:**



**1 NORTH ELEVATION  
ALONG ST. JOHNS RIVER WATERFRONT**  
SCALE: 1/16" = 1'-0"



**2 EAST ELEVATION:  
ALONG ENTRANCE DRIVE**  
SCALE: 1/16" = 1'-0"



**3 SOUTH ELEVATION:  
ALONG MUSEUM CIR.**



**4 WEST ELEVATION:  
ALONG ACOSTA WATERFRONT**  
SCALE: 1/16" = 1'-0"

**Exhibit A - As Originally Proposed (Cont.):**

**LEGEND**

- 1 Feature palms
- 2 Landscape median w/ specimen palms
- 3 Entry court
- 4 Valet drop-off
- 5 Riverwalk waterfront promenade
- 6 Overlook w/ shade sail canopies
- 7 Active pool terrace
- 8 Fire pit
- 9 Tables and umbrellas
- 10 Summer kitchen
- 11 Pool amenity area
- 12 Florida friendly riverwalk landscape
- 13 Passive courtyard
- 14 4' aluminum picket fence
- 15 Loading zone
- 16 Reconfigured boat ramp access
- 17 Streetscape (Riverplace Blvd. Design Palette)
- 18 Project Signage
- 19 Seatwall



**Exhibit B - As Currently Proposed:**



**Exhibit B - As Currently Proposed (Cont.):**

- 1 Feature palms
- 2 Landscape median w/ specimen palms
- 3 Entry court
- 4 Valet drop-off
- 5 Riverwalk waterfront promenade with seating
- 6 Overlook w/ shade sail canopies
- 7 Active pool terrace
- 8 Fire pit
- 9 Tables and umbrellas
- 10 Summer kitchen
- 11 Pool amenity deck
- 12 Florida-Friendly Riverwalk landscape
- 13 4' aluminum picket fence
- 14 Reconfigured boat ramp access
- 15 Streetscape (Riverplace Blvd. Design Palette)
- 16 Project Signage
- 17 Riverwalk connection
- 18 Boat ramp
- 19 Lobby
- 20 Friendship Fountain



**TAB V**

**RESOLUTION 2021-04-04: REGIONS**

**RESOLUTION 2021-04-04**

**A RESOLUTION AMENDING THE TERMS OF RESOLUTION 2021-01-05 WITH RESPECT TO AN ECONOMIC DEVELOPEMENT AGREEMENT BETWEEN THE CITY, THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AND REGIONS BANK, AN ALABAMA STATE BANKING CORPORATION (“REGIONS”); AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING THE EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT, OR FUNCTIONAL EQUIVALENT; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, via Ordinance 2012-0364-E, the City Council created the Downtown Investment Authority, designating the DIA as the City’s Community Redevelopment Agency for the Southside Community Redevelopment Area and authorizing it to approve and negotiate economic development agreements and dispose of City-Owned property; and

**WHEREAS**, Pursuant to Resolution 2021-01-05, the DIA authorized the negotiation of an Economic Development Agreement with Regions upon the terms and conditions contained in the term sheet attached and the filing of legislation; and

**WHEREAS**, in the course of negotiation of the Economic Development Agreement and associated documents, several issues arose that are departures from the term sheet although there is no increase in the City’s financial obligation; and

**WHEREAS**, in order to confirm and ratify the negotiated terms, as contained in the legislation currently filed before City Council, DIA staff are requesting confirmation from the Board of the changes from the term sheet approved in Resolution 2021-01-05; and

**WHEREAS**, Regions requested that their matching contribution to the transition expense be allowed to include HVAC replacement; and

**WHEREAS**, Regions requested that a pro rata reduction in the grant be allowed in the event the total expenditure is less than \$400,000; and

**WHEREAS**, Regions requested an extension of the time within which the economic development grant for transition expenses could be drawn and staff agreed to a term of 2 years from the Effective Date of the EDA; and

**WHEREAS**, the closing date with VyStar has been extended to May 2021 and may be further extended as permitted in the EDA

**WHEREAS**, SIC has recommended approval of this Resolution;

**NOW THEREFORE BE IT RESOLVED**, by the Downtown Investment Authority:



**Section 1.** The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

**Section 2.** The DIA Board hereby confirms that the expenses incurred by Regions for capital HVAC repairs may be included in their matching expenditure required for the transition expense grant authorized in Resolution 2021-01-05. There is no change in the City grant amount nor to the requirement that the grant is a 50/50 match to verified expenditures by Regions.

**Section 3.** The DIA Board hereby confirms that in the event the total eligible expenditures for the economic development grant are less than \$400,000, the grant amount may be reduced pro rata so long as only Transition Expenses are reimbursed.

**Section 4.** The DIA Board hereby confirms that the economic development grant must be drawn within two (2) years of the Effective Date of the EDA. This change does not impact the performance schedule and applicable deadlines for the DPRP portions of the Agreement.

**Section 5.** The DIA Board hereby confirms that the closing date for the sale of the surface lot to VyStar has been extended to May 2021 and may be further extended within the Performance Schedules contained in the development agreements provided for each project.

**Section 6.** The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to negotiate the terms of an Economic Development Agreement, or functional equivalent, with Developer for the redevelopment of the Property, subject to the minimum terms and conditions contained in Exhibit 'B' to Resolution 2021-01-03 as amended hereby.

**Section 7.** The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to initiate legislation for approval by City Council of an Economic Development Agreement, or functional equivalent in accordance with the purposes of this Resolution.

**Section 8.** The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to take all action necessary to effectuate the purposes of this Resolution, including the execution of an Economic Development Agreement, or functional equivalent, providing that such actions incorporate, at a minimum, the terms and conditions contained in Exhibit 'B' to Resolution 2021-01-03 as amended hereby.

**Section 9.** This Resolution, 2021-04-03, shall become effective on the date it is signed by the Chair of the DIA Board.

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WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

\_\_\_\_\_

\_\_\_\_\_  
Ron Moody, Chairman

\_\_\_\_\_  
Date

VOTE: In Favor: \_\_\_ Opposed: \_\_\_ Abstained: \_\_\_

DRAFT

**SUPPLEMENTAL INFORMATION**  
**REGIONS – STAFF REPORT**

**Regions Bank Headquarters**  
**Downtown Preservation and Rehabilitation Program and Economic Development Grant**  
**Ratification of Changes - Staff Report**  
**April 8, 2021**

**Applicant:** Regions Bank or a related real estate holding company  
**Project:** Regions Jacksonville Headquarters Redevelopment

**Program Request:** Downtown Preservation and Rehabilitation Program (“DPRP”)  
Economic Development Grant (“EDG”)

<b>Total Development Costs:</b>	<b>Estimated at \$2,633,000</b>
<b>DPRP Request:</b>	<b>\$900,000</b>
<b>EDG Request:</b>	<b>\$200,000</b>

**Modification Ratification:**

Resolution 2021-01-05 for the benefit of Regions Bank was approved by the DIA Board at its meeting held January 20, 2021. The approval provided a commitment for up to \$900,000 funding under the Downtown Preservation and Rehabilitation Program (“DPRP”) and up to \$200,000 funding as an Economic Development Grant “EDG.”

In negotiation of the Redevelopment Agreement with the applicant, the following terms were approved and are presented here for ratification by the DIA Board prior to presentation to City Council for final approval.

1. The definition of eligible expenditures and costs incurred by Regions for funding under the Economic Development Grant was expanded to include up to \$200,000 of costs for replacement of the HVAC system at the subject property, with such costs incurred within the two-year period following the effective date of the Redevelopment Agreement.

This change does not preclude the requirement that 100% of the City funding through the DIA will be for reimbursement of transition costs related to the sale of the parcel owned by Regions for the benefit of the development of the adjacent VyStar garage. To achieve full utilization of this Economic Development Grant, Regions is required to expend a minimum of \$200,000 for signage relocation costs following sale of the property to VyStar, soft costs associated with the sale of the surface lot, construction of backdoor access to the garage, and temporary parking needs for employees and customers.

2. The term sheet as approved required a minimum expenditure of \$400,000. Modification is made such that reimbursement of lesser amounts may be made, so long as 100% of the City funding is made for expenses incurred related to the sale of the surface lot as outlined above.
3. Usage of the Economic Development grant was originally limited to the end of Fiscal year 2021/2022 and has been modified to within two years of the Effective Date of the Redevelopment Agreement. Funding requests remain limited to two requests during that period.
4. The closing date for the sale of the surface lot to VyStar is similarly extended to May 2021 and may be further extended by the DIA CEO as provided within the performance schedules of each project.