



Downtown Investment Authority
Strategic Implementation Committee Hybrid Meeting
Monday, May 17, 2021 – 2:30 p.m.

Strategic Implementation Committee Hybrid Meeting
MEETING MINUTES

Strategic Implementation Committee Members in Attendance:

Oliver Barakat, Chair (via Zoom)
David Ward, Esq., Committee Member
Ron Moody, Ex Officio

Bill Adams, Esq., Committee Member
Craig Gibbs, Esq., Committee Member

Committee Members Excused:

DIA Staff Present: Lori Boyer, Chief Executive Officer; Guy Parola, Operations Manager; Steve Kelley, Director of Downtown Real Estate and Development; John Crescimbeni, Contract and Regulatory Compliance Manager; Lori Radcliffe-Meyers, Downtown Development Coordinator; Ina Mezini, Marketing and Communications Specialist; Jackie Mott, Financial Analyst; and Xzavier Chisholm, Administrative Assistant

DIA Board Present: Jim Citrano; and Todd Froats

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER

The Strategic Implementation Committee meeting of May 17th, 2021, was called to order at 2:33 p.m. by Chairman Barakat.

II. PUBLIC COMMENTS

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

III. APRIL 16, 2021 STRATEGIC IMPLEMENTATION COMMITTEE MEETING APPROVAL OF THE MINUTES

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

Motion: Committee Member Gibbs moved to approve the minutes as presented

Seconded: Committee Member Moody seconded the motion

Seeing no comments, Chairman Barakat called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

IV. RESOLUTION 2021-05-04: Union Terminal DPRP Term Sheet (Steve Kelley, Director of Downtown Real Estate and Development)

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

Mr. Kelley provided an overview of the resolution, briefly detailing the Downtown Preservation and Revitalization Program request for the redevelopment of Union Terminal Warehouse. Ryan Akin, of Columbia Ventures, is present for questions. The following details were provided:

- Total development costs as submitted are \$60.8M; Total development costs as underwritten are \$52.9M.
- Proposed redevelopment of a 330,000 sq ft historic Jacksonville property, featuring 228 multifamily units as well as commercial space on the 7.8-acre site located between Arlington Expressway and Union Street East.
- The underlying property tax parcel extends beyond the southern edge of Arlington Expressway and into the downtown boundary which makes it eligible for funding through the DPRP guidelines. The request as proposed would provide \$4,246,963 in the HPRR Forgivable Loan, \$2,381,671 in the CCR Forgivable Loan, and \$1,657,159 in the DPRP Deferred Principal Loan, for a total of \$8,285,793.
- The overall ROI for the redevelopment of these properties is 0.86, including a 10-year tax abatement for historic property renovation.

Chairman Barakat opened the floor for discussion.

Mr. Kelley clarified for Committee Member Adams that there is access to Hogan's Creek from the property underneath the Arlington Expressway.

CEO Boyer clarified for Committee Member Adams that the Emerald Trail goes through the property and down to the creek. There is a zoning requirement for a 25ft easement along the creek bank.

Mr. Akin spoke on the redevelopment plans, stating their collaboration with site engineers to bring the trail down through the subway site as well as with Groundworks Jax to standardize it for the Emerald Trail.

Mr. Akin agreed to bring a visual to the full board meeting and further described the redevelopment plans for the Union Terminal warehouse site for Committee Member Adams.

Mr. Kelley clarified the ROI for Committee Member Adams, stating that it is higher than most DPRP projects.

Motion: Committee Member Gibbs moved to approve Resolution 2021-05-04 as presented for recommendation to the Board

Seconded: Committee Member Ward seconded the motion

Mr. Kelley stated for Committee Member Moody that he doesn't recall the appraisal having an Upon Stabilization Value or Upon Completion Value. Mr. Akin stated that his firm has done their own analysis but have not had a third-party appraiser produce an estimate. CEO Boyer clarified that there would not be a benefit to the Tax Increment District due to the increase in property value because the property is located outside the CRA boundaries.

Mr. Akin clarified for Committee Member Moody that his firm has performed a market study and are working on financing the debt through a HUD insured loan. They are working with a MAP Lender who has also contracted an independent market study and analysis and confirmed rental rates.

Mr. Akin clarified for Committee Member Moody that his firm has not yet discussed the conveyance of land with FDOT regarding the easement. CEO Boyer stated that the easement is a requirement of the City Ordinance and a commitment at no cost to the city whether it is an easement or a deed.

Mr. Kelley clarified for Committee Member Gibbs that this project does not require DDRB approval because it (the building) is not located within the DIA boundary.

Mr. Kelley clarified for Committee Member Gibbs that the building is currently occupied and has had continuing occupancy for several years, though, underutilized. Mr. Akin added that it is 76% occupied, and ranges from makers to craftworkers, but most of which is storage.

Mr. Kelley clarified for Board Member Citrano that the HUD program utilized does not have restrictions on rent levels, so it is not technically considered an affordable deal, but it will start with workforce housing pricing.

Mr. Citrano asked if Columbia Ventures has submitted their application to HUD. Mr. Akin responded that it is a 3-step process, adding that the pre application was submitted in mid-March. HUD stated they should expect a response by July 17. Columbia Ventures plans to submit their firm commitment immediately after which would lead to a rate lock in early November. 30 days after that would be the financial closing. Mr. Kelley described the performance schedule.

Mr. Kelley and CEO Boyer clarified for Chairman Barakat that a very small portion of the land is within the TIF, and it will receive a per sq ft land value number if there is an increase in land value. It would be very minor.

CEO Boyer clarified for Chairman Barakat that this project is entirely a DPRP incentive, and no DIA funds will be used. The DPRP incentive is funded by General Funds from City Council.

Mr. Akin described the terms of the HUD Loan for Chairman Barakat. It is a 40-year term, fixed interest rate. Mr. Kelley added that the DPRP guidelines require the Deferred Principal Loan interest rate to be set at the time of closing and that HUD requires the rate to be set in advance of the financial closing, and as such would be a deviation from written policy. With the Deferred Principal Loan set at the 10-year Treasury rate, due to the nature of the HUD structure there are interest rate risks associated with a rapidly rising rate environment.

Mr. Kelley clarified for Chairman Barakat that our dollars are last-dollars-in.

Mr. Kelley clarified for Committee Member Moody that there is no DDRB oversight with this project. Mr. Akin added that the project is required to comply with the Department of Interior standards as approved by the National Park Service and the state's Historic Preservation Office, and with the Jacksonville Historic Preservation Commission.

Chairman Barakat called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

V. Implementation Strategy for Mayor’s Task Force Recommendations on Downtown

Chairman Barakat gave the floor to CEO Boyer.

CEO Boyer gave a presentation, stating the following:

- Summary of the Mayor’s Task Force
- Lighting recommendations based on a study performed on the core area of the Northbank, referred to as Phase 1. These recommendations have been implemented. Phase 2 which includes the LaVilla area and areas north of City Hall toward State and Union – some of these recommendations have been implemented while others have not due to the capital improvements not being funded. This year’s Professional Service dollars will be used to update the study of the LaVilla area and \$500,000 will be requested in next year’s capital budget to proceed with the recommendations.
- Landscape and Hardscape maintenance: it was suggested that DIA take control of contract management. The challenge will be with the frequency of service associated with being in an urban environment.
- Programming and Events: Recommendation for funding of additional and larger events. DIA will work with Downtown Vision and the Parks Dept.
- A Parking App has received confirmation from Procurement and will be in PSEC next week.
- Recommendations about expenditures for downtown park improvements.

VI. ADJOURNMENT

Chairman Barakat adjourned the meeting at 3:30 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 to acquire a recording of the meeting.