



Downtown Investment Authority  
Strategic Implementation Committee

Thursday, August 10th, 2023 at 3 p.m.

# REVISED SIC AGENDA

George Saoud, Esq., Chair  
Joe Hassan

Oliver Barakat  
Carol Worsham

- I. CALL TO ORDER
- II. PUBLIC COMMENTS
- III. JUNE 15th, 2023 STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES APPROVAL
- IV. RESOLUTION 2023-08-01 GREENLEAF DPRP
- V. **RESOLUTION 2023-08-10 RFP for OPERATION OF MPS GARAGES\***
- VI. **COMPLETION GRANT INCENTIVE PROGRAM DISCUSSION\***
- VII. **CHAPTER 55 AMENDMENTS\***
- VIII. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR
- IX. ADJOURN

**\*NEW**

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## **MEETING LOCATION**

### **Physical Location**

City Hall at St. James  
117 West Duval Street  
**First Floor, Henry Cook Room**  
Jacksonville, Florida 32202

**Virtual Location**

Interested persons desiring to attend this meeting virtually can do so via Zoom (including by computer or telephone) using the following meeting access information:

**Join Zoom Meeting**

<https://us02web.zoom.us/j/82644809997?pwd=VGQ2d29qVHFoUEwrOGFIT2YxcEsz09>

**Meeting ID: 826 4480 9997**

**Passcode: 487848**

**One tap mobile**

+1 (312) 626-6799 (Chicago)

+1 (646) 558-8656 (New York)

Find your local number: <https://zoom.us/u/acSPRiVnGd>

**TAB III.**

**JUNE 15TH, 2023 STRATEGIC IMPLEMENTATION COMMITTEE  
MEETING MINUTES APPROVAL**



**Downtown Investment Authority**  
**Strategic Implementation Committee Hybrid Meeting**  
**Thursday, June 15<sup>th</sup>, 2023, 2:00 p.m.**

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

**Strategic Implementation Committee Members (CM) in Attendance:**

Braxton Gillam, Esq.

Craig Gibbs, Esq.

George Saoud

**DIA Board Members In-Person:** Jim Citrano

**DIA Board Members Participating Virtually:** Joshua Garrison (*attended virtually*)

**DIA Staff Present:** Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development (*attended virtually*); Guy Parola Chief of Operations (*attended virtually*), Jovial Harper, Administrative Assistant and Ric Anderson, Communications and Marketing Coordinator.

**Office of General Counsel:** Joelle Dillard

**Council Members Present:** None.

**I. CALL TO ORDER**

The Strategic Implementation Committee meeting of June 15<sup>th</sup>, 2023 was called to order at 2:05 a.m. by Braxton Gillam, Esq., Committee Chair.

**II. PUBLIC COMMENTS**

Committee Chair Gillam called for public comment.

*The following persons made in-person public comments, made public comments virtually through Zoom, or provided comments that were read into the record by DIA Staff. Note: the subject matter of the comment(s) indicated to the right of each person: None.*

**III. MAY 12<sup>TH</sup>, 2023 STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES APPROVAL**

**Motion:** Board Member Saoud moved to approve the Meeting Minutes.

**Seconded:** Board Member Gibbs seconded.

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

**IV. RESOLUTION 2023-06-02 LAURA STREET TRIO**

Staff Kelley explained the details of the Resolution. He provided an in-depth explanation of the specific ask from the Developer.

Board Member Gibbs inquired if DIA was comfortable with the performance schedule as it is listed in the Staff Report.

Staff Kelley confirmed the three-year timeline is reasonable to finish the project.

Further discussion was made regarding the program funding and source funding for the project.

Board Member Citrano requested to pull Trio off of the Consent Agenda for further discussion at June's Board Meeting.

**Motion:** Board Member Gibbs moved to approve the Resolution.

**Seconded:** Board Member Saoud seconded.

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

*\*Board Member Garrison attended virtually, thereby unable to vote.*

**V. RESOLUTION 2023-06-05 ONE RIVERSIDE PERFORMANCE SCHEDULE AMENDMENT**

CEO Boyer spoke to the specifics regarding this Resolution and the Adjustments to the Performance Schedule. She further explained the section 7.4 of the Resolution's Exhibit, the "Put Option on Phase II, Mixed-Use Component Parcel." In Exhibit B, she directed the Committee's attention to the adjustments made in the Performance Schedule, section (f) Outside Phase I City Completion Date and section (g) Deliver Put Option Notice.

***Zoom recording ended 1:19:28.***

**Motion:** Board Member Gibbs moved to approve the Resolution

**Seconded:** Board Member Saoud seconded.

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

*\*Board Member Garrison attended virtually, thereby unable to vote.*

**ADJOURNMENT**

Committee Chair Gillam 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 Jovial Harper at [HarperJ@coj.net](mailto:HarperJ@coj.net) to acquire a recording of the meeting.*

DRAFT

**TAB IV.**

**RESOLUTION 2023-08-01**

**GREENLEAF DOWNTOWN PRESERVATION AND REDEVELOPMENT PROGRAM**

**RESOLUTION 2023-08-01**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM FORGIVABLE LOAN PACKAGE FOR REHABILITATION OF THE BUILDING LOCATED AT 208 N LAURA STREET COMPRISED OF THIRTEEN INDIVIDUAL CONDOMINIUM UNITS (THE “PROPERTY” A/K/A THE GREENLEAF AND CROSBY BUILDING) PURSUANT TO A REDEVELOPMENT AGREEMENT WITH JWB CAPITAL, LLC OR ASSIGNS (“OWNER” OR “DEVELOPER”); FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA PLAN (“CRA PLAN”); AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE CONTRACTS AND DOCUMENTS AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, JWB Real Estate Capital, LLC, through its related entity Creekside at Timuquana, LLC, is the owner of each condominium unit comprising the Property which was awarded designation as a local historic landmark status by the City of Jacksonville, Planning and Development Department, Historic Preservation Commission, and is seeking approval by the Jacksonville City Council for final designation as a local historic landmark, and is a contributing structure located within the National Historic District of Downtown, and within the boundaries of the Downtown Northbank CRA; and

**WHEREAS**, the Developer proposes to rehabilitate the Property to provide a minimum of 50,000 square feet of leasable space as a mixed-use property within City Center, Downtown Jacksonville; and

**WHEREAS**, the private capital investment totaling not less than \$16,878,500 in real property and improvements will increase the county ad valorem tax base over the useful life of the assets, will add to the commercial office and retail tenancy options in Downtown Jacksonville; and

**WHEREAS**, the Strategic Implementation Committee of the Downtown Investment Authority (“DIA”) met on August 10, 2023, to consider the recommendation of DPRP Program Forgivable Loans in accordance with the program guidelines established by City Council in accordance with the terms contained in the term sheet attached hereto as Exhibit A and recommended that the DIA Board adopt Resolution 2023-08-01; and

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

**Section 1.** The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

**Section 2.** The DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary actions, including the filing of legislation before the City Council, to seek funding up to \$4,969,900 pursuant to the Downtown Preservation and Revitalization Program guidelines in accordance with the terms set forth on the term sheet attached hereto as Exhibit A.

**Section 3.** The Chief Executive Officer is hereby authorized to execute the contracts and documents and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

**Section 4.** The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.

**WITNESS:**

**DOWNTOWN INVESTMENT AUTHORITY**

\_\_\_\_\_

\_\_\_\_\_  
Jim Citrano, Chairman      Date

\_\_\_\_\_

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

**Exhibit A:**

**DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM  
TERM SHEET**

**GREENLEAF AND CROSBY BUILDING  
208 N. Laura Street, Jacksonville FL 32202**

**Project:** The project comprises the redevelopment of the historic Greenleaf and Crosby Building in City Center, Downtown Jacksonville utilizing funding through the Downtown Preservation and Revitalization Program (“DPRP”).

The building constructed in 1927-1928 located at 208 N. Laura Street, RE# 073751-1002 (with additional RE#s for the individual condominium units as shown in Exhibit B), is a historic twelve-story building with basement providing approximately 62,500 gross square feet. Upon completion of the proposed rehabilitation, the building will provide approximately 44,000 square feet of leasable commercial office and 11,000 square feet of retail/restaurant space on the first floor and within the basement combined. Rehabilitation efforts proposed include, but are not limited to, restoring interiors to their historic condition including the basement space which has not been open to the public for decades, HVAC and ventilation replacement, plumbing and electrical code compliance work, fire sprinkler modification to meet code requirements, window waterproofing, roof repairs, elevator improvements to meet ADA compliance including to the basement, restoration of storefronts to historic standards, providing for ADA accessibility as required, exterior repairs, and paint.

**Developer/ Applicant / Borrower:** JWB Real Estate Capital, LLC or Assigns (“Owner”)  
 Adam Rigel, Manager, Principal Contact  
 Alex Sifakis, Manager, Principal Contact  
 Gregory Cohen, Manager  
 Adam Eiseman, Manager

**Total Development Costs (estimate):** \$16,878,500  
**Equity (proposed):** \$2,531,800 (15.0% of Underwritten TDC)

**City Funding:** No more than \$4,969,900 (through the City of Jacksonville Downtown Investment Authority), as follows:

	Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)	Code Compliance Forgivable Loan (CCR)	DPRP Deferred Principal Loan	TOTAL
<b>TOTAL</b>	\$1,948,800	\$2,027,100	\$994,000	\$4,969,900

At this proposed funding level, the incentive structure and funding under the DPRP will be subject to further approvals by the Jacksonville City Council.

Work proposed must be reviewed and approved by the Planning and Development Department, Historic Preservation Section for consistency with the United States Secretary of Interior Standards and applicable design guidelines during application processing. Upon completion, work will be inspected and verified against plans as previously approved in conjunction with the request for funding under terms defined further in the Redevelopment Agreement.

As the project nears completion, legislation will be required to seek appropriation from City Council from the General Fund to fulfill the funding commitment previously approved.

**Budget.** The construction budget reviewed and approved by the DIA totals \$8,929,000 (the “Total Budget Amount”), which includes Construction Costs to be incurred in each of the funding categories (each, a “Funding Category”) and in the minimum amounts (each a “Funding Category Minimum”) set forth in the table below:

<b>Funding Category</b>	<b>Funding Category Minimum</b>
Interior Rehabilitation	\$ 812,000
Interior Restoration	\$ 1,114,000
Exterior	\$ 1,184,000
Code Compliance	\$ 3,103,000
General Requirements/Other	\$ 1,344,000
N/A <sup>1</sup>	\$ 1,372,000
<b>Total Budget Amount:</b>	<b>\$ 8,929,000</b>

<sup>1</sup> The category “N/A” is not required to be met as a Funding Category Minimum for reimbursement of other categories under the DPRP. For further clarity, there will be no reimbursement for expenditures categorized as “N/A” in the construction budget.

**Minimum Expenditures:** In order to be eligible for the maximum amount of the DPRP Loan, the Developer must provide evidence and documentation prior to the applicable DPRP Loan closing, sufficient to demonstrate to the DIA in its sole but reasonable discretion, the following:

- (i) a total equity capital contribution of at least TWO MILLION FIVE HUNDRED THIRTY-ONE THOUSAND EIGHT HUNDRED DOLLARS AND NO/100 (\$2,531,800.00) (the “Required Equity”);
- (ii) Total Development Costs incurred of at least SIXTEEN MILLION EIGHT HUNDRED SEVENTY-EIGHT THOUSAND FIVE HUNDRED DOLLARS AND NO/100 (\$16,878,500.00) which shall exclude holding costs, tangible personal property (IT, FF&E), tenant improvements beyond vanilla shell, marketing, third party costs for risk management, developer fees, and loan fees (the “Minimum Total Development Costs”);

- (iii) Minimum Eligible Construction Costs incurred of SEVEN MILLION FIVE HUNDRED FIFTY-SEVEN THOUSAND DOLLARS AND 00/100 (\$7,557,000.00), calculated as the Total Budget Amount less costs classified as “N/A” (the “Minimum Eligible Construction Costs”), and
- (iv) Construction Costs incurred of at least the Funding Category Minimum with respect to each respective Funding Category.

Notwithstanding the foregoing,

- 1) the required Minimum Total Development Costs of \$16,878,500 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting the Borrower’s eligibility for funding under the DPRP.
- 2) the required Minimum Eligible Construction Costs of \$7,557,000.00 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting the Borrower’s eligibility for funding under the DPRP.
- 3) any Funding Category Minimum may be reduced by a maximum of ten percent (10%) on a stand-alone basis, as determined by the DIA in its sole and absolute discretion; provided that, in such event, there shall be a pro rata reduction in any or each of the related DPRP Loans, as required. Eligibility for funding under any Funding Category shall be eliminated if the corresponding Funding Category Minimum is reduced by more than ten percent (10%).

The DIA shall have the authority, without further action by City Council, to approve reduced DPRP Loan amounts provided the Total Development Costs incurred are not less than \$15,190,200.00, including Construction Costs incurred of not less than \$6,801,300.00.

**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated.

**Land:** No City of Jacksonville land is committed to the project.

**Loans/Other Funding:** The Applicant, JWB Real Estate Capital, is also seeking \$660,000 under the Commercial Revitalization Program (presented in resolution 2023-08-02), and future tenants are expected to present application for funding under the FAB-REP program, although information has not yet been provided for that request.

No costs may be submitted for duplicative funding under more than one DIA incentive program. However, costs incurred by the DPRP Applicant may count towards their required contribution under the Retail Enhancement Program to the extent such costs are directly attributable to space that would be occupied by the REP Grant Applicant.

**Performance Schedule:**

- A) Redevelopment Agreement to be approved for filing with City Council within thirty (30) days following presentation and negotiation.
- B) Redevelopment Agreement to be executed within thirty (30) days of the Bill Effective Date which shall establish the Redevelopment Agreement Effective Date.

- C) Commencement of Construction: Within six (6) months following the Redevelopment Agreement Effective Date, Applicant commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities and has actually broken ground to begin work.
- D) Substantial Completion: Within eighteen (18) months following Commencement of Construction as defined above.
- E) The DIA CEO will have authority to extend this Performance Schedule, in the CEO's discretion, for up to six (6) months for good cause shown by the Developer / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

**Additional Commitments:**

- A) The Developer commits to the development of 49,500 leasable square feet in a combination of office and retail space, or other permissible uses which create taxable value for the property as may be further approved by the DIA.
- B) Recommendation as to the eligibility of the approved scope of work on the Properties by the Planning and Development Department shall be required prior to DIA Board approval of any program funding. Such recommendation by the Planning and Development Department may be conditional on further review and approvals by the State Historic Preservation Office ("SHPO") and/or the National Park Service ("NPS") as may be required.
- C) Upon completion and request for funding, all work on the Properties must be inspected by the Planning and Development Department or designee for compliance with the approved application prior to funding under any DPRP loan component.
- D) Funding under the DPRP will be secured by a stand-alone, subordinate lien position on the Property behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing, as long as such subordination does not alter the DIA approved maturity date of any DPRP Loan.
- E) The COJ/DIA mortgage must be senior to any liens that may be placed on individual condominium units by the Condominium Association.
- F) Each DPRP loan will be cross defaulted with one another.
- G) Payment defaults, or other defaults that trigger legal actions against the Applicant that endanger the lien position of the City, shall also be a default on the subject facilities.
- H) As the Borrower will be utilizing a combination of HPRR Forgivable Loans, and CCR Forgivable Loans, the maturity of each of these Forgivable Loan will be five (5) years. Principal outstanding under each note will be forgiven at the rate of 20% annually, on the anniversary date of each such funding, so long as each Forgivable Loan is not in default per DPRP Guidelines.
- I) Standard claw back provisions will apply such that:
  - a) In the event the Borrower sells, including without limitation a capital lease transaction, or otherwise transfers the Historic Building during the first five (5) years

after the disbursement of the Forgivable Loans, the following shall be due and payable at closing of the Sale:

- i. 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
  - ii. 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;
  - iii. 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
  - iv. 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
  - v. 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.
- b) Changes in the proposed intended use of the property must continue to contribute towards the relevant Redevelopment Goals and Performance Measures of the DIA and shall be presented to the DIA for further approval not less than 90 days in advance of such changes, and such approval shall not be unreasonably withheld. In the event Borrower or any lessee or assignee of the Borrower uses the Project or the Historic Property or Properties for any use not contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan or Loan without such approval, the full amount of the amounts awarded, together with all accrued but unpaid interest thereon, may be declared by the DIA to become due and payable by the Borrower.
- c) As the development anticipates the use of Historic Tax Credits in its capitalization, DIA acknowledges that a tax credit investor may enter the ownership structure in an amount up to 99.99% ownership for structural purposes without a reduction in equity contributed by the Developer. In such arrangements, an entity controlled by the Developer must remain the General Partner with a minority ownership interest if utilizing a traditional HTC structure. Otherwise, in a master lease structure, an entity controlled by the Developer must have majority ownership and controlling interest in the landlord entity. Under either structure, the Developer, or its related entity, must be the surviving entity and majority owner following exercise of the put option of the tax credit investor at the end of the five-year HTC compliance period or other exit of the tax credit investor from the ownership structure.
- J) Funding in the amount of the DPRP Deferred Principal Loan component will have a stated maturity date of ten years from the Funding Date. The loan balance is due in full upon maturity, sale, or refinancing of the property prior to maturity subject to terms of the disposition and value of the property at the time of such event.
- K) The DPRP Deferred Principal Loan component requires fixed annual interest payments equal to the total principal outstanding multiplied by the prevailing yield on the Ten-Year Treasury Note at the time of closing.
- L) Partial Principal reductions on the DPRP Deferred Principal Loan may be made after the fifth anniversary with no prepayment penalty; however, a minimum of 50% of the initial

loan balance must remain outstanding through the loan maturity date unless the Property or Properties are sold or refinanced during that period, subject to DIA approval.

- M) DIA reserves the right to approve any sale, disposition of all or any portion of collateral property, or the refinance of senior debt prior to the forgiveness or repayment of any DPRP Loan.
- N) All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the DPRP loan period.
- O) Payment defaults, bankruptcy filings, or other material defaults during the DPRP loan period will trigger the right for the City of Jacksonville to accelerate all amounts funded and outstanding under any or all programs at such time, plus a 20% penalty of any amounts amortized or prepaid prior to that date.

There will be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties which shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).

EXHIBIT B:

Tax IDs for the Property

Owner	RE #
GREENLEAF BUILDING CONDOMINIUM ASSOCIATION INC	073751-1002
GREENLEAF BUILDING CONDOMINIUM ASSOCIATION INC	073751-1004
CREEKSIDE AT TIMUQUANA LLC	073751-1006
CREEKSIDE AT TIMUQUANA LLC	073751-1008
CREEKSIDE AT TIMUQUANA LLC	073751-1010
CREEKSIDE AT TIMUQUANA LLC	073751-1012
CREEKSIDE AT TIMUQUANA LLC	073751-1014
CREEKSIDE AT TIMUQUANA LLC	073751-1016
CREEKSIDE AT TIMUQUANA LLC	073751-1018
CREEKSIDE AT TIMUQUANA LLC	073751-1020
CREEKSIDE AT TIMUQUANA LLC	073751-1022
CREEKSIDE AT TIMUQUANA LLC	073751-1024
CREEKSIDE AT TIMUQUANA LLC	073751-1026
CREEKSIDE AT TIMUQUANA LLC	073751-1028
CREEKSIDE AT TIMUQUANA LLC	073751-1030

**SUPPLEMENTAL INFORMATION**  
**GREENLEAF DOWNTOWN PRESERVATION AND REDEVELOPMENT PROGRAM**  
**(STAFF REPORT)**

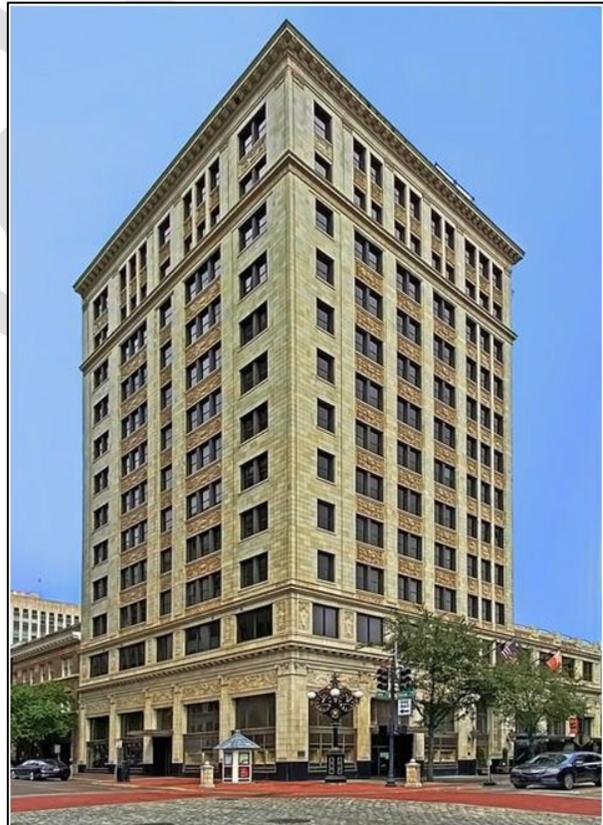
**GREENLEAF and CROSBY BUILDING  
MIXED-USE HISTORIC REHABILITATION**

**Downtown Preservation and Revitalization Program  
Staff Report for DIA SIC  
August 10, 2023**

<b>Applicant:</b>	<b>JWB Real Estate Capital (Alex Sifakis)</b>
<b>Project:</b>	<b>Greenleaf and Crosby Building</b>
<b>Program Request:</b>	<b>DPRP</b>
<b>Total Development Cost:</b>	<b>\$16,878,500</b>
<b>DPRP Recommended:</b>	
<b>1) Historic Preservation Restoration and Rehabilitation Forgivable Loan (HPRR)</b>	<b>\$ 1,948,800</b>
<b>2) Code Compliance Renovations Forgivable Loan (CCR)</b>	<b>\$ 2,027,100</b>
<b>3) DPRP Deferred Principal Loan</b>	<b>\$ 994,000</b>
	<b><u>\$ 4,969,900</u></b>

**Property Description:**

Located at 208 N. Laura Street, at the northwest corner of the intersection of Laura Street and Adams Street, the twelve story Greenleaf and Crosby Building (“Greenleaf”) was designed by noted architects Marsh & Saxelbye and built in 1927-1928. The property was originally constructed and owned by jewelers, Damon Greenleaf and J.H. Crosby, following the loss of their Bay Street store to Jacksonville’s Great Fire in 1901 and temporary relocation to their second site also on Bay Street. The National Park Service Part 1 application prepared by consulting firm Ray, Ellis & LaBrie of Atlanta, Georgia provides the following architectural description, *“This Chicago style building has three sections: a base, tower, and capital. The base is comprised of a ground level capped with decorative modillions and second floor capped with a dentiled cornice that is the full depth of the lot. The tower and capital floors are only half the depth of the lot. This gave the building a commanding presence at the intersection of Laura and Adams streets across from the recently finished Barnett National Bank Building of 18 floors. Floors three through ten comprise the tower portion of the building. The capitol of the building is made up of the 11th and 12th floors which are defined by a linear banded cornice between the 10th and 11th floors, and a modillion linear band on at the cornice level.”*



As reported in the UNF Digital Commons, *“The Laura and Adams Street facades are extensively decorated with terra-cotta panels depicting griffins, eagles, urns, and floral motifs. The lower facade is highlighted by engaged pilasters and a grand two-story vaulted entrance.”*

Prior to its recent closure, the property was the home of Jacob’s Jewelers in Downtown Jacksonville since taking over that corner location in 1930. The site is also the location of the unique and well-known Seth Thomas Clock originally commissioned by Greenleaf and Crosby when they were located on Bay Street but was relocated to the current site along with the construction of the building in 1927-1928. After being removed from service for long periods following multiple mishaps and repairs over ensuing years, the clock was donated to the City of Jacksonville by Jacob’s Jewelers in the mid-1990s and remains an icon of the city.

From the July 26, 2023, approval for local landmark status by the COJ Planning and Development Department, Historic Preservation Commission, *“the application was found to meet four of seven criteria including:*

- 1. Its value as a significant reminder of the cultural, historical, architectural, or archaeological heritage of the city, state, or nation.*
- 2. It is identified as the work of a master builder, designer, or architect whose individual work has influenced the development of the city, state, or nation.*
- 3. Its value as a building is recognized for the quality of its architecture, and it retains sufficient elements showing its architectural significance.*
- 4. Its suitability for preservation or restoration.”*

Final approval of landmark status will now move to the City Council for consideration.

The project is also seeking approval from the National Park Service for the work being performed to be eligible for historic tax credits as a component of the capital stack as discussed further in this report. The Part 1 application was received by the NPS June 22, 2023, and approved July 12, 2023. The Part 2 application is not showing as having been received by NPS at this time but will require approval to be eligible for Historic Rehabilitation Tax Credits.

**Project Summary:**

The proposed redevelopment by JWB Capital (“JWB”) will provide for mixed-use including a proposed retail space proposed to be utilized by a single food and beverage operator on the ground level and basement of the tower and office users in the ten occupiable floors above and the adjacent low portion of the property. JWB reports strong interest and imminent LOI from a high-quality restaurant and bar operator for the first floor and basement space under the tower portion of the property. Access to the basement portion of the operation will be achieved by a subway style stair entrance on the Adams Street side of the property (costs are excluded from the DPRP budget) along with renovations to elevator to restore access to that space. JWB proposes to occupy floors eight through twelve of the tower, with the related entity, Gateway Jax proposed to occupy the fifth floor.

The low portion of the building on the north side of the property includes a ground floor space used as reception and conference room space with storage, restrooms, and mechanical rooms, with a mezzanine floor above used primarily to provide high ceilings for the first-floor conference rooms, but also provides two offices and one restroom. The designated second floor space of the low portion of the building provides numerous offices with all the low portion of the building, and two floors within the tower, currently under lease and occupied by the Phillips and Hunt law firm. Additional tenants in the property include Southern and Kirsten, occupying floors six and seven of the tower.

Renovations proposed include, but are not limited to (as summarized by the COJ Historic Preservation Section):

#### **Interior scopes**

1. Remove sheetrock in lobbies and stairs to reveal, repair and clean original marble wainscoting.
2. Restore original plaster walls and ceilings in areas of construction such as basement, lobbies, stairwells and select areas of upper floors.
3. Restore original base and trim moldings in basement, lobbies and stairwells.
4. Remove all non-historic materials, systems and altered spaces to restore original materials and features (including plaster ceiling) in first floor north unit (Folio Weekly).
5. Remove all non-historic materials, systems and altered spaces on the first floor in corner unit (Jacobs ) (already complete)
6. Restoration of the decorative plaster ceiling in corner unit (Jacobs).
7. Remove existing breakrooms, cabinetry and interior partition walls on floors 1, 2, 8, 9, 10, 11 and 12 for future tenant buildout.
8. Remove non-historic flooring to restore terrazzo/original flooring in basement, first floor, elevator lobbies and main corridors of each floor.
9. Deteriorated areas of concrete beams, columns and walls in basement to be structurally repaired and restored.
10. Remove asbestos/hazardous material on all floors with construction activities.
11. Upgrade elevators with current safety components and rework to provide access from the first floor to the Jacob's side of the basement for ADA access.
12. Upgrade plumbing, HVAC, Fire Safety (Sprinkler, Alarm, BDA) and Electrical infrastructure.
13. Upgrade fire and water pump systems
14. Demolition and replacement of bathrooms on each floor to meet ADA code and occupancy needs.
15. Add an Area of Refuge system to each floor of the building for ADA.
16. Modify interior steel stairs between basement to second floor.

#### **Exterior scopes**

1. Remove exterior sidewalk to waterproof and caulk basement that extends past the building footprint beneath the sidewalk.
2. Restore second floor window/openings(s) above the main entrance to original condition.
3. Remove exterior inserts and restore upper windows above corner/ Jacob's unit
4. Re-caulk all exterior windows.
5. Masonry repair & repointing of exterior as necessary.
6. Cast stone repair work of the exterior as necessary.
7. Clean and paint (previously painted portions) of exterior.
8. Restore the exterior canopies
9. Restore the exterior fabric awnings
10. Restore the exterior brass storefront systems.
11. Modify sidewalk to accommodate a secondary means of egress from the basement, by adding a new stairway in the sidewalk along Adams Street.
12. Replace all roofs with new TPO roof system and fix HVAC stands.
13. Re-caulk all exterior caulk joints between the building and the sidewalk.
14. Replace Jacob's storefront on Adams St. & Laura St. with "historical accurate storefront door systems" based on original plans and existing examples on building.

**The Development Team:**

***JWB Real Estate Capital, LLC (Developer)***

JWB has been active in the acquisition and redevelopment of numerous properties in Downtown Jacksonville in recent years including the historic Porter House Mansion, the Florida Baptist Convention building, the Federal Reserve building, and others under consideration. They also are a partner in the development of Johnson Commons a/k/a the LaVilla townhome project and have proposed development of an innovative project in the Cathedral District that will provide cottage style rental housing in keeping with the neighborhood architecture and feel.

Led by Alex Sifakis, Andy Eisman, Adam Rigel, and Gregg Cohen, the firm has demonstrated experience in both the development and redevelopment of projects, but also arranging capital and the resources necessary to start and finish projects on time.

**Avant Construction, General Contractor** - Alan Cottrell, CEO; Barry Underwood, VP of Project Management; Derek Cece, Director of Construction; Angela Lawton, Director of Strategic Planning

**Studio 9, Architect** – Craig Davisson, architect, principal, partner; Jason Faulkner, architect, interior designer, principal, partner; Jim Frey, LEED AP, partner

**Historic Preservations Section Considerations:**

From the COJ Planning and Development Department, Historic Preservation Section:

*The structure is significant as a reminder of the cultural, historical, and architectural heritage from the Florida Land Boom of the 1920s, as a design by the prominent architectural firm of Marsh & Saxelbye, as an example of the Chicago commercial architectural style, and for its suitability for preservation/restoration.*

*As a local landmark, all exterior work must be reviewed under a Certificate of Appropriateness (COA) for consistency with the Secretary of the Interior Standards for Rehabilitation (Standards). While exterior alterations generally require review and approval by the Jacksonville Historic Preservation Commission, approval of the same work scope by the National Park Service (NPS) can be used as a basis for an administrative COA review by the Historic Preservation Section (HPS). In addition to seeking assistance through the DPRP, the owner has indicated that they plan to apply for Federal Historic Tax Credits (HTC), under which the exterior and interior of the project will be reviewed by the NPS for consistency with the same Standards used for review under the local DPRP program. At the time of this memorandum, the project has not completed or submitted a HTC Description of Rehabilitation part 2 for review. The review provided in this memorandum contemplates that the plans and any conditions outlined may need to be revised based on the NPS review/approval once received so that the work requirements between the federal and local programs do not conflict.*

*Select and exploratory demolition on the inside has uncovered significant interior materials and architectural details that will be exposed and restored under this rehabilitation. These include the original terrazzo flooring, decorative coffered ceilings on the first floor, plaster walls and marble wainscoting. The upper floors have been altered to varying degrees by renovations in the 1980s and 1990s, allowing for more flexibility in the configuration of tenant spaces beyond the elevator lobbies and main historic corridors.*

*This proposed adaptive-use project would uncover, restore and replicate many of the significant architectural details on both the interior and exterior, correct water infiltration issues that have damaged the basement, and restore the public use of the basement which has not been actively used for many years.*

## **RECOMMENDATION**

*At the time of this review, a set of existing and proposed plans were not available. An architectural set of plans with details on how the two entrances, canopies and floor plan will be changed need to be reviewed by the HPS (and the NPS for the HTC) to make an official determination on the project meeting the Standards; therefore, only a **conceptual approval with conditions** can be provided at this time. Conditions are as follows:*

### *Conditions:*

- 1. Removal of drywall in lobbies/stairs shall be done with care to eliminate further damage to original marble walls.*
- 2. All cleaning of interior historic materials shall be tested first.*
- 3. Ceilings heights shall be maintained at the historic height above windows with limited use of any drop ceiling/acoustical tiles if at all.*
- 4. HVAC ductwork shall be recessed at least 4 feet from the exterior walls with windows and finished in materials to match the ceiling (not left exposed).*
- 5. Interior finishes shall be consistent with the existing, historic or as approved by the NPS.*
- 6. Tenant improvements to the upper floors shall maintain the main historical corridor as defined by the terrazzo floor as it turns the corner from the elevator lobbies, preferable the full length of the feature.*
- 7. Mail chute and box shall be preserved.*
- 8. No interior walls shall be left as exposed brick or in an aged/unfinished state. Plaster shall be restored were present allowing for replacement with drywall if completely missing.*
- 9. The new floorplan for the basement area below the corner unit shall maintain an open concept.*
- 10. Exterior cleaning, repairs and repointing shall follow the guidance in the NPS Preservation Briefs 1 and 2, utilizing the gentlest means for cleaning and matching the color texture, strength, and joint profile of the existing historic masonry for repointing with use of water-repellant coating being strongly discouraged.*
- 11. Exterior painting shall be limited to areas that were historically painted.*
- 12. The approach to the storefronts and canopies of the corner unit shall be compatible in design or based on historic and physical documentation.*
- 13. Any window replacement shall match the appearance, size, design, proportions, profiles and glazing details of the existing historic windows.*
- 14. Any new roof equipment shall be sized and placed to limit visibility.*
- 15. The new sidewalk staircase to the basement shall be installed at the far side of the sidewalk on West Adams Street, setback from the face of the building by the width of the remaining accessible sidewalk or relocated to the rear of building to avoid placement in front of street elevations.*
- 16. Project shall be done as conditioned above or as otherwise approved, amended or conditioned by the NPS under the HTC review.*
- 17. Copies of all HTC submittal packages, amendments and approvals by the NPS must be provided to the Historic Preservation Section (HPS) as completed so that the HPS can verify that the work has been approved, permit plans are revised as needed, COA amended and any conditions are addressed.*

*Further recommendations:*

- 1. Restore and leave exposed all areas where terrazzo or marble floors exists.*
- 2. Provide finished plaster wall treatment to interior walls in both*

The conditional approval provided by HPS is consistent with the DPRP program guidelines, and as finalization of the COA by HPS consistent with those requirements is also made a condition of approval of the subject request. A copy of the HPS report has been provided to the Developer.

**DPRP Request and Structure:**

To facilitate redevelopment of the property, JWB requests approval of funding under the DPRP due to a funding gap in meeting cost of construction and development. The funding gap is confirmed by analysis of pro forma cash flow, supportable debt, and return on equity investment by the developers and related investors.

**Pro Forma Operations**

- With gross square footage of more than 62,400 square feet including the basement, and leasable space as shown in the pro forma rent roll of approximately 55,400 square feet, the buildings efficiency ratio of 88.9% is maximized for the mixed-use, retail and office building.
- The pro forma rent roll indicates the property will provide approximately 44,400 square feet of leasable commercial office space, and 11,000 square feet of retail space on the first floor and within the basement.
- As reflected in the Developer's pro forma, the property provides Potential Gross Income (PGI) from the office component of approximately \$1,019,400 (\$16.00-\$22.00 psf), increasing to \$1,253,800 thousand by year ten. The pro forma retail square footage provides an estimated PGI of \$184,300 (\$15.00-\$20.00 pf) escalating to \$233,500 by year ten.
- Vacancy is modeled at 30% in year 1 dropping to 10% in subsequent years providing stabilized Effective Gross Income (EGI) of \$1,088,400. Rent growth is modeled at 3.0% providing EGI of \$1,338,500 at year ten.
- Total operating expenses, also modeled at 3% growth, are estimated at approximately 27.5% of PGI and 30.6% of EGI at stabilization in year 3, decreasing to 27.8% and 30.2%, respectively, by year ten.
- Management fee is modeled at 5% of Potential Gross Income.
- CAM is shown to offset only 14% of operating expenses throughout the ten-year pro forma as it is applied to only 20% of square footage. As the CAM income is shown to apply against taxes and insurance in the model, in addition to other operating costs, it is assumed that only 20% of the leases are structured as triple net, while the remainder utilize a gross lease structure. If CAM were collected at 100%, additional revenue of
- Net Operating Income is estimated to be \$789,800 in the first year of stabilized operations (year 3) providing debt service coverage of 1.6X and Yield on Cost of 4.7%. Over ten years, NOI improves to \$989,900 providing debt service coverage of 2.0X and Yield on Cost of 5.86%.

**Capital Considerations**

- Total development costs as presented equals \$16,878,500, or \$312.50 psf for the acquisition costs and rehabilitation of the 62,400 square foot building.
- The building is currently configured as a condominium with the related entity Creekside at Timuquana, LLC owning 100% of the 13 units. The properties were acquired for a total of \$6,950,000 (\$128.34 psf) in May 2022.
- The aggregate tax assessed value of the property in 2022 is \$4,521,786, increasing to \$5,074,400 for 2023. According to the Duval County Tax Collector website, all property taxes are current on the property.
- Total equity proposed to be injected is \$2,531,800 (15.0% of TDC), as underwritten and does not include funding provided through the Historic Tax Credit program.
- Senior debt on the development is projected to be \$6,900,000, or 40.9% of TDC. Modeled over 20 years at 6.5%, annual debt service is projected to equal an estimated \$555 thousand, providing DSC of 1.25X.
- Historic Tax Credits, estimated at 12% of the construction budget, are projected to provide an additional \$1,070,000 to the capital stack. This is considered a conservative estimate, and additional funding from this source may equal as much as \$350,000.
- In total, the capital as shown including the debt and equity as proposed, the estimated HTC funding, and the subject DPRP funding levels leaves a funding shortfall of \$1,406,800. That shortfall may be met through any combination of additional debt, equity, or funding from Historic Tax Credits investors.

**DPRP Recommended**

Based upon the analysis of projected cash flows and development costs, the recommended DPRP is as follows:

	<b>Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)</b>	<b>Code Compliance Forgivable Loan (CCR)</b>	<b>DPRP Deferred Principal Loan</b>	<b>TOTAL</b>
<b>TOTAL</b>	<b>\$1,948,800</b>	<b>\$2,027,100</b>	<b>\$994,000</b>	<b>\$4,969,900</b>

At this level, the incentive structure and funding under the DPRP will be subject to further approvals by the Jacksonville City Council.

Underwriting this application established the need for financial support from the City based on the extensive redevelopment costs for the buildings, deemed important to the preservation of Jacksonville’s historic building stock and consistent with the goals of the BID and CRA plan as well as the stated purpose of the Downtown Preservation and Revitalization Program.

DPRP funding limits based on equity contribution in relationship to Total Development Cost (“TDC”), and requirements for the DPRP Deferred Principal Loan are considered for each property individually and on a combined basis. Total equity of \$2,531,800 (15.0% of TDC) meets the minimum requirement of 10% and allows DPRP funding up to 50% of TDC but is below the 25% equity level required to eliminate the requirement for a Deferred Principal Loan. As such the DPRP Deferred Principal Loan is established at a 20% of total DPRP funding, \$994,000 and is a must-pay obligation with interest payments established at the yield on the Ten-Year Treasury Note at the time of funding (modeled at 3.75%), and principal due at the ten year maturity.

### DPRP Modeling Parameters – Greenleaf and Crosby Building

Sources			DPRP Guidelines				As Calculated
Federal Historic Tax Credit	\$	1,070,000	6.3%				
<b>HPRR Forgivable Loan</b>	<b>\$</b>	<b>1,948,800</b>	<b>11.5%</b>	<b>% of TDC</b>	<b>Min</b>	<b>Net of Developer Fee</b>	<b>Project</b>
<b>CCR Forgivable Loan</b>	<b>\$</b>	<b>2,027,100</b>	<b>12.0%</b>	Developer Equity	10%	of TDC	15.0%
<b>DPRP Def Prin Loan</b>	<b>\$</b>	<b>994,000</b>	<b>5.9%</b>	3rd Party Loan		No min or max	40.9%
1st Position Debt	\$	6,900,000	40.9%	Subsidy or Tax Credit		No min or max	6.3%
Owner Equity	\$	2,531,800	15.0%	<b>Developer Combined</b>	50%	Min of TDC	<b>62.2%</b>
Add'l Capital Needed	\$	1,406,800	8.3%	DPRP			
<b>TOTAL SOURCES</b>	<b>\$</b>	<b>16,878,500</b>	<b>91.7%</b>	Exterior	75%	Max of eligible costs	
				Restoration Int	75%	Max of eligible costs	
				Rehabilitation Int	30%	Max of eligible costs	
				Code Compliance	75%	Max of eligible costs	
				Other	20%	Max of eligible costs	
				HPRR Forgivable Loan	30%	Max of TDC	11.5%
				CCR Forgivable Loan	30%	Max of TDC	12.0%
				DPRP Def Prin Loan	20%	Max of TDC	5.9%
				DPRP Def Prin Loan	Min	Must be ≥ 20% of Gap	20.0%
				Other COJ Funding			3.9%
				<b>COJ Combined</b>	50%	Max of TDC	<b>33.4%</b>

Uses		
Value "As Is"	\$	6,950,000
Predevelopment Costs	\$	500,000
Construction Costs	\$	8,928,500
Soft Costs	\$	500,000
Developer Fee		0.0%
<b>TOTAL USES</b>	<b>\$</b>	<b>16,878,500</b>
<b>Other COJ Funding</b>	<b>\$</b>	<b>660,000</b>

As shown above, developer equity in the Greenleaf and Crosby Building equals 15.0% of TDC, whereas equity plus third-party debt exceeds the minimum requirement of 50% of TDC, at 62.2%. Redevelopment of the property is proposed to be supported by a HPRR Forgivable Loan of \$1,948,800, a CCR Forgivable Loan of \$2,027,100, and a DPRP Deferred Principal Loan of \$994,000. Program guidelines allow for the HPRR and CCR Forgivable Loans to amortize concurrently with principal forgiven at the rate of 20% annually over a five-year period in the absence of default.

The DPRP Deferred Principal Loan is an interest only loan with the rate established at the level of the Ten-Year Treasury Note at the time of funding. For modeling purposes, a rate of 3.75% is used providing interest payments of \$41,781 to the City annually.

### Project ROI:

As shown by the model below, the project ROI on the City investment is 0.52X, which exceeds program requirements of 0.50X. The calculations are based on City benefits totaling \$2,888,528, based on estimated incremental ad valorem over 20 years, \$456,787 (including 10 years of tax abatement for the estimated increase in property value resulting from the improvements), Local Option Sales Tax drawn from projected retail sales and lease payments of \$514,450 (restaurant sales modeled at \$400 psf), and payroll related sales tax considerations estimated at \$467,125 (LOST and payroll considerations are both then reduced to 50% for the speculative nature per DPRP Guidelines), and the interest income (10 years) and Present Value of the repayment on the Deferred Principal Loan, \$1,077,415.

Note:

1. City outflows includes the DPRP funding plus an additional \$660,000 applied for by JWB Capital for the relocation of its employees to the property. Without that additional City funding, the ROI improves to 0.58%
2. The projected increase in City ad valorem property taxes was estimated with input from the Duval County Property Appraisers office which provided a range of \$2,800,000 to \$3,500,000 after the 15% adjustment for market conditions and selling expenses. A midpoint of \$3,150,000 was used in these ROI model for incremental ad valorem to be provided by the improved operating metrics of the property following rehabilitation.

<b>\$16.9 Million in Capital Expenditures</b>	
Ad Valorem Taxes Generated	
County Operating Millage	(1) \$ 456,787
Local Option Sales Tax	(2) \$ 514,450
Payroll	(3) \$ 467,125
Add'l Benefits Provided	(4) \$ 1,077,415
<b>Total City Expected Benefits</b>	\$ 2,888,528
Total City Investment	(5) \$ 5,629,900
<b>Return on Investment Ratio</b>	<b>0.51</b>
(1) - The investment from the Company is estimated to be \$16,878,500 in 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	
Interest on the DPRP Deferred Principal Loan	\$ 372,750
PV of DPRP Deferred Principal Repayment	\$ 704,665
Other	
Total Add'l Benefits Provided	\$ 1,077,415
(5) - City Incentives as follows:	
DPRP	\$ 4,969,900
Land	\$ -
Other	\$ 660,000
Total Direct Incentives	\$ 5,629,900

**Recommendation:**

All requirements outlined within the HPS conditional approval or as may be established by the NPS in its conditional approval must be incorporated into the redevelopment project and inspected for adherence upon completion and prior to funding.

Final review by the DDRB and adherence to findings within its conceptual approval and others as may be set into place are concurrent requirements of this recommendation for approval.

Minimum funding requirements and other terms and conditions approval and administration of the subject facilities are captured in the Exhibit A Term Sheet.

**TAB V**  
**R 2023-08-10**  
**RFP FOR MPS PARKING GARAGES AND JTA**



# DOWNTOWN INVESTMENT AUTHORITY

117 West Duval Street #310, Jacksonville, Florida 32202  
(904) 255-5302 | <https://dia.coj.net/>

August 10, 2023

## **MEMORANDUM**

**To:** Strategic Implementation Committee

**Via:** George Saoud, Committee Chair, Strategic Implementation Committee

**From:** Lori Boyer  
Chief Executive Officer  
Downtown Investment Authority

**RE:** Resolution 2023-08-10 RFP for MPS Garages

## **Parking Management Services Agreement**

On September 23<sup>rd</sup>, 2020, Metropolitan Parking Solutions, LLC (MPS) and LPS of America, Inc (LPS), now Reef Platform U.S. Operations, LLC (Reef) entered into a Parking Management Service Agreement for three (3) parking garages located at 116 Pearl Street North, 500 A. Philip Randolph Boulevard, and 999 East Adams Street (the garages). In this agreement MPS agreed to reimburse LPS for all operating expenses of the garages. This agreement has a term of sixty (60) months, starting on November 1<sup>st</sup>, 2020, and ending on December 31<sup>st</sup>, 2025, with an automatic monthly renewal.

Per an amendment agreed to by MPS and LPS, Section 2.7 Termination for Convenience was added to the Parking Management Service Agreement. This can be done with ninety (90) days' notice from either party. This amendment also amended Section 2.2 Automatic Extensions to state that the automatic monthly extensions shall not extend past December 31<sup>st</sup>, 2030.

On April 21<sup>st</sup>, 2022, the City of Jacksonville and the Downtown Investment Authority (DIA) entered into a Mediated Settlement Agreement with MPS and the Parking Management Service Agreement was assigned to the DIA.

## **City Council Resolution**

On June 27<sup>th</sup>, 2023, the Jacksonville City Council voted to approve Resolution 2023-355 “encouraging and requesting the DIA to explore opportunities to competitively procure services for operation of the Courthouse Garage, Arena Garage and Sports Complex Garage, or to partner with the Jacksonville Transportation Authority to provide these services and, if an alternative in the best interest of the city is identified, to terminate for convenience the Parking Management

Services Agreement between the DIA and Reef Platform U.S. Operations, LLC (successor to LPS America, Inc.)”.

### **Revenues**

Before entering into an agreement with MPS on April 21<sup>st</sup>, 2022, DIA was providing semi-annual subsidies to MPS to operate the garages at a loss. According to the Council Auditor, there was an average loss of \$170,579.71 prior to bond payments in the final seven (7) years before the Mediated Settlement Agreement. Prior to the commencement of litigation, the operating expenses were even higher. In the first twelve (12) months following the settlement (May 2022 to April 2023), the garages achieved an annual surplus (prior to debt payments) of \$1,140,948.00.

The Council Auditor further notes that there were significant annual savings due to refinancing of outstanding bonds at a lower interest rate and extending the payback period. This has created more available funds in the Northbank CRA.

DIA is overall satisfied with the operation of the garages provided by Reef and the revenues that are being used to offset the debt service on the garages. This offset has had an overall positive impact on the Northbank CRA Budget.

### **Resolution 2023-08-10**

In City Council committees last week on another DIA sponsored bill, the subject of this Resolution was raised, and we were asked why we had not followed up on the council Resolution asking us to issue an RFP. This Resolution initiates that process, however the first step will be development of a scope of services reflective of the unique character of these garages and the services required as well as the financial accounting documentation required by the City. We will look to our expert parking consultant, THA Consulting, to ensure we are incorporating best practices consistent with operating and management contracts across the state and beyond and evaluate piggybacking opportunities as well.

In addition, we will be meeting again with JTA to discuss their interest in operation of these three garages and potential partnership arrangements.

## RESOLUTION 2023-08-10

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO PREPARE A REQUEST FOR PROPOSALS FOR THE PURPOSE OF SOLICITING COMPETITIVE RESPONSES FROM QUALIFIED PARKING GARAGE OPERATORS FOR THE MANAGEMENT OF THE METROPOLITAN PARKING, LLC GARAGES (COURTHOUSE GARAGE, SPORTS COMPLEX GARAGE AND ARENA GARGAGE); AUTHORIZING FURTHER NEGOTIATIONS WITH JTA REGARDING A POTENTIAL OPERATING PARTNERSHIP; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, on April 21, 2022, the City of Jacksonville and the Downtown Investment Authority entered into a Mediated Settlement Agreement to litigation with Metropolitan Parking Solutions, LLC (hereinafter “MPS”), owner of the Courthouse Garage located at 116 Pearl Street North, the Sports Complex Garage located at 500 A. Philip Randolph Boulevard and the Arena Garage located at 999 East Adams Street, collectively “the Garages”; and

**WHEREAS**, the Mediated Settlement Agreement included a Lease Agreement for the Garages between MPS and the Downtown Investment Authority (hereinafter “DIA”) for a term that expires on September 30, 2051; and

**WHEREAS**, the Mediated Settlement Agreement also included the assignment of a Parking Management Services Agreement with LPS of America, Inc., dated September 23, 2020, and for a term that expires on December 31, 2025, from MPS to the DIA; and

**WHEREAS**, at their meeting of June 27, 2023, the Jacksonville City Council voted to approve Resolution 2023-355 “encouraging and requesting the DIA to explore opportunities to competitively procure services for operation of the Courthouse Garage, Arena Garage and Sports Complex Garage, or to partner with the Jacksonville Transportation Authority to provide these services and, if an alternative in the best interest of the city is identified, to terminate for convenience the Parking Management Services Agreement between the DIA and Reef Platform U.S. Operations, LLC (successor to LPS America, Inc.)”.

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

**Section 1.** The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

**Section 2.** The DIA Board hereby expressly authorizes the DIA Chief Executive Officer to prepare a Request for Proposals for the purpose of soliciting competitive responses from qualified parking garage operators for the operation of the Courthouse Garage, Sports Complex Garage and Arena Garage.

**Section 3.** The DIA Board further authorizes the DIA Chief Executive Officer to continue discussions with JTA regarding a potential partnership for operation of the Courthouse, Arena and Sports Complex garages, if in the best interest of the City and DIA, in lieu of an RFP for private management services.

**Section 4.** This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Jim Citrano, Chair

Date

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