



Downtown Investment Authority
Retail Enhancement and Property Disposition Committee Hybrid Meeting
Monday, May 16, 2022 – 2:00 p.m.

RE&PD Committee Hybrid Meeting
Draft - MEETING MINUTES

Retail Enhancement and Property Disposition Committee Members (CMs) in Attendance:

Oliver Barakat, Chair
Jim Citrano
Carol Worsham

Todd Froats
David Ward, Esq.
Braxton Gillam, Esq.

Committee Members Excused:

Board Members in Attendance:

DIA Staff Present: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Ina Mezini, Marketing and Communications Specialist (via Zoom); Lori Radcliffe-Meyers, Downtown Development Coordinator (via Zoom); Xzavier Chisholm, Administrative Assistant; Antonio Posey, Project Manager; Wanda James Crowley, Financial Analyst (via Zoom); and John Crescimbeni, Contract and Regulatory Compliance Manager (via Zoom).

Office of General Counsel: Joelle Dillard, Esq.

I. CALL TO ORDER

The Retail Enhancement and Property Disposition Committee meeting of May 16th, 2022, was called to order at 2:00 p.m. by Chairman Barakat.

II. PUBLIC COMMENTS

Chairman Barakat opened the floor to 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:

Clifford Miller Urged the City to focus on restoring and maintaining existing structures before diverting resources to newer, low-quality developments.

Carnell Oliver Advocated for supporting black businesses

III. APRIL 13, 2022 RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE MEETING MINUTES APPROVAL

Having called for corrections or other edits by his fellow committee members and after receiving none, Chairman Barakat asked for a motion and second on the item.

Motion: CM Ward moved to approve the minutes as presented

Seconded: CM Citrano seconded the motion

Vote: Aye: 6 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 6-0-0.

IV. RESOLUTION 2022-05-01: FORD ON BAY – CARTER TERM SHEET

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING THE TERM SHEET ATTACHED HERETO AS EXHIBIT “1”; AUTHORIZING THE DISPOSITION AND REDEVELOPMENT OF A CITY OWNED RIVERFRONT PROPERTY COMPRISED OF A PORTION OF DUVAL COUNTY TAX PARCEL 073358-0000 (THE “PROPERTY”) IN ACCORDANCE WITH THE AWARD OF ISP-0287-22 TO CARTER (“DEVELOPER”) AND RESOLUTION 2022-01-02; FINDING THE CARTER PROPOSAL ATTACHED HERETO AS EXHIBIT ‘A’, AS MODIFIED BY THE REVISED SITE PLAN AND PROJECT ILLUSTRATIONS ATTACHED HERETO AS EXHIBIT ‘B’ IN FURTHERANCE OF THE NORTHBANK CRA PLAN AND IN THE PUBLIC INTEREST ; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A PURCHASE AND SALE AGREEMENT, REDEVELOPMENT AGREEMENT AND OTHERWISE TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION INCLUDING THE FILING OF LEGISLATION; PROVIDING AN EFFECTIVE DATE.

Responding to a comment made by Mr. Oliver during public comment, DIA CEO Lori Boyer stated for the record that she has no investment in any developer or any property within the boundaries of downtown.

CEO Boyer introduced the resolution, stating that all the terms in the original Carter term sheet remain the same. Architectural changes have been made that pair back the podium area. The building façade has been pulled back. No change in the architectural style. CEO Boyer noted that the additional pages that included renderings have not been included. DIA would retain ownership of the property until the developer is ready to commence construction.

Mr. David Nelson, representing Carter, spoke to the project and proposed design changes.

Mr. Nelson confirmed for CM Froats that the amount of retail (sq ft) remains the same.

Chairman Barakat requested that the developer provide before-and-after illustrations of the project for the board meeting.

CM Gillam asked the developer where they are in the process in terms of construction, permitting, etc. Mr. Nelson responded that they are in the conceptual phase. They don't have a survey yet and still need to perform due diligence (geotechnical, environmental, survey, etc.) on the site. They plan to submit to DDRB for conceptual this year and be in permitting by Summer of next year (2023).

CEO Boyer spoke to the performance schedule and overall timeline. She suggested extending the time for submitting permitting from 30 days following Final Design Approval to 90 days, with a new date of September 31, 2023.

CM Ward suggested clarifying the language under Performance Schedule on page 5, specifically "Developer shall apply for all permits necessary to commence construction **and proceed without interruption to completion of the Project...**" CEO Boyer explained that Joelle Dillard, with the Office of General Counsel, will ultimately clean up any language when crafting the Redevelopment Agreement (RDA), but agreed to review it before the board meeting and making changes as necessary.

CEO Boyer noted that the developer has opted to allow Public Works to handle the construction of the marina.

DIA's Steve Kelley confirmed for CM Worsham that the developer commits to not less than \$1.6M of tenant improvements. It is likely that there will also be other tenant improvements outside of this paid for by the tenants themselves.

CM Gillam asked the developer where they are with financing. Mr. Nelson responded that they have hired Patterson Real Estate Advisors who has just begun working on it. They have not gone to the market yet, and do not anticipate bringing in an equity partner until they are in the schematic phase – once they are further along with due diligence, design, and gathering construction estimates from the contractor.

CM Worsham thanked the developer and staff for laying out the details of the term sheet, and stated that she feels there are good protections within it and the original proposal and concept remains intact.

Chairman Barakat suggested changing the language under Due Diligence to provide the developer 120 days following the execution of the RDA to inspect and perform tests on the Property. Mr. Nelson agreed.

CEO Boyer confirmed for Chairman Barakat that the 20 ft encroachment was part of the original proposal.

CM Froats stressed the importance of not losing any of the retail or architectural elements from the original proposal. Chairman Barakat expressed a similar sentiment and both committee members asked if these components are protected within the modified term sheet. CEO Boyer confirmed that they are, stating that the term sheet requires that the designs are substantially similar to those in the original proposal.

Summary of modifications:

- Pg 1 of term sheet, end of subparagraph 2 – "the outdoor plaza/public space adjacent to Market Street will be activated and designed for programmed use"
- Pg 4 of Term Sheet, under Due Diligence – the date will change from May 31, 2023 to "within 120 days from the execution of the RDA"
- Pg 4 of Term Sheet, under Design, subparagraph c. – add Exhibit "A"

- Pg 5, under INITIAL PERMITTING – “no later than 90 days following Final Design Approval or September 30, 2023”

Motion: CM Worsham moved to approve Resolution 2022-05-01 as amended

Seconded: CM Ward seconded the motion

Vote: Aye: 6 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 6-0-0.

V. RESOLUTION 2022-05-02: RIVER VIEW PLAZA AMERICAN LIONS AWARD

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ADOPTING THE RECOMMENDATION OF THE RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE SELECTING AMERICAN LIONS, LLC (“DEVELOPER”) AS THE MOST RESPONSIVE BIDDER TO NOTICE OF DISPOSITION ISP-0362-22 FOR THE DEVELOPMENT/REDEVELOPMENT OF CITY OWNED RIVERFRONT PROPERTY COMPRISED OF DUVAL COUNTY TAX PARCELS 074457-1100 AND 074445-0700 (THE “SOLICITATION”); FINDING THE AMERICAN LIONS, LLC PROPOSAL, ATTACHED HERETO AS EXHIBIT ‘A’, IN FURTHERANCE OF THE NORTHBANK DOWNTOWN CRA PLAN AND IN THE PUBLIC INTEREST; AUTHORIZING THE CEO OF THE DIA TO COMMENCE NEGOTIATIONS WITH THE DEVELOPER AND PRESENT TO THE DIA BOARD A TERM SHEET FOR DISPOSITION AND DEVELOPMENT OF THE PROPERTY (“RIVERVIEW PLAZA SITE”) IN ACCORDANCE WITH THE PROPOSAL SUBMITTED BY DEVELOPER AS MODIFIED BY FURTHER NEGOTIATIONS, AND OTHERWISE TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

CEO Boyer introduced the resolution, stating that it recommends an award of the Notice of Disposition (NOD) to American Lions, LLC. They were the sole bid respondent to the NOD. According to CEO Boyer, it is CBRE’s opinion that only one bid was received primarily because of the short response period, as well as rising costs and rising interest rates; these reasons in conjunction with the current room rates for downtown Jacksonville made it a riskier decision for hotel developers. The American Lions proposal received high scores from the Scoring Committee and received significant praise for the architectural designs. The developer’s proposed financial terms received a slightly lower score and contemplates a \$100,000 initial tax rebate with a 3 percent increase over time. The overall proposal satisfied all the requirements established in the NOD.

Chairman Barakat stated for the record that he will be filling out a Form 8B of Voting Conflict for both the current resolution and the previous one. He is employed by CBRE and CBRE provided the real estate services for both NODs.

CM Froats who served on the Scoring Committee spoke to his initial disappointment when learning there was only one bid respondent, but then described how impressed he was with the one proposal and presentation by the development team. He spoke highly of the architecture and said his sentiment was shared by a colleague of his who is an experienced architect. He expressed support for the project, stating that the importance of the project site along with the high-quality design and desirable public amenities warrants higher project costs.

CM Citrano who also served on the Scoring Committee spoke highly of the development team and their proposal, particularly the project's architecture and development team's experience. He added that although he would not have voted in favor of their financial proposal, he is confident that CEO Boyer and the development team can negotiate a more palatable deal for the City.

CM Froats complimented the light show that is incorporated with the architectural design and encouraged staff to come up with a plan to keep it while negotiating. CEO Boyer responded that the developer has stated that the City would have to fund the light show.

CMs Worsham, Ward, and Gillam shared the comments made by their fellow committee members.

Chairman Barakat asked CEO Boyer for her thoughts regarding the market's response to the construction of two residential projects so close to one another. CEO Boyer responded that the market continues to absorb residential with no issues and that there is a very high demand for two- and three-bedroom units because of all the construction of studios and one-bedroom units; interest in Jacksonville has not slowed with businesses and individuals continuing to migrate to the area. She also stated that DDRB recently approved approx. 900 units which illustrates developer interest.

CM Gillam left the meeting at 3:40 p.m.

Motion: CM Ward moved to approve Resolution 2022-05-01 with an amendment to the negotiation period, extended it to 105 days.

Seconded: CM Froats seconded the motion

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0.

VI. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR

None.

VII. OLD BUSINESS

CEO Boyer reminded the committee that the consent agenda will be in place for the May board meeting.

VIII. NEW BUSINESS

None.

IX. ADJOURNMENT

Seeing no further matters for discussion, Chairman Barakat adjourned the meeting at 3:48 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.