



# Downtown Investment Authority Agenda

**Hybrid Virtual In-Person Meeting  
Wednesday, March 16, 2022 at 2:00 p.m.**

**MEMBERS:**

Braxton Gillam, Esq., Chairman  
Carol Worsham, Vice Chairwoman  
Jim Citrano, Secretary  
Bill Adams, Esq., Board Member  
David Ward, Esq. Board Member

Ron Moody, Board Member  
Todd Froats, Board Member  
Craig Gibbs, Esq., Board Member  
Oliver Barakat, Esq. Board Member

**BOARD MEMBERS EXCUSED:**

**I. CALL TO ORDER**

**II. PUBLIC COMMENTS\***

**III. COMMUNITY REDEVELOPMENT AGENCY**

- A. February 23, 2022 Community Redevelopment Agency Meeting Minutes
- B. Resolution 2022-03-01: 323 E Bay Street FAB-REP (Steve Kelley, Director of Downtown Real Estate and Development)
- C. Resolution 2022-03-02: The Hardwick Term Sheet (Lori Boyer, CEO)
- D. Other Matters To Be Added At The Discretion Of The Chair

**IV. DOWNTOWN INVESTMENT AUTHORITY**

- A. February 23, 2022 Downtown Investment Authority Board Meeting Minutes
- B. Resolution 2022-03-03: DIA Staffing (Lori Boyer, CEO)
- C. Resolution 2022-03-04: Mayo Clinic Parking Agreement (Lori Boyer, CEO)
- D. Resolution 2022-03-06: Union Terminal DPRP Term Sheet Amendment (Steve Kelley, Director of Downtown Real Estate and Development)
- E. Other Matters To Be Added At The Discretion Of The Chair

**V. OLD BUSINESS**

**VI. NEW BUSINESS**

**VII. CEO INFORMATIONAL BRIEFING**

**VIII. CHAIRMAN REPORT**

**IX. ADJOURN**

Downtown Investment Authority Agenda  
Wednesday, March 16<sup>th</sup>, 2022

*\*Only individuals attending the meeting in-person will have an opportunity to provide public comments. Persons who cannot attend the meeting in-person, but who wish to submit public comments regarding any matter on the agenda for consideration at the meeting, may do so by sending their public comments via electronic mail to [DIAPublicComments@coj.net](mailto:DIAPublicComments@coj.net) prior to the start of the meeting. Public comments received prior to the meeting will not be read during the meeting but will instead be forwarded to all DIA Board members for review in advance of the meeting and will remain a part of the permanent record for the meeting itself. You are encouraged to submit public comments well in advance of the start of the meeting to provide DIA Board members with adequate time to read them in preparation for the meeting.*

**PHYSICAL LOCATION**

Jacksonville Public Library-Main Library/Downtown  
303 North Laura Street  
Multipurpose Room (located in the Conference Center)  
Jacksonville, Florida 32202

Visitors are encouraged not to enter City owned public buildings if they have: symptoms of COVID-19, a fever of 100.4 degrees Fahrenheit or higher, are currently undergoing evaluation for COVID-19 infection, a diagnosis of COVID-19 in the prior 10 days, or have had close contact with someone infected with COVID-19 during the prior 14 days. Any member of the public entering City owned public building may choose to wear a mask inside the building.

**Directions to Multipurpose Room:** Upon entering Laura Street entrance to the Library, follow directions and signage for temperature check, then proceed into the Main Library. Walk counterclockwise around the grand staircase and you will see signs for the public elevators. Take the elevator down to level C for Conference Level. Exit the elevator and follow hallway out. Turn left out of the hallway and proceed through glass doors into Conference Center. The Multipurpose Room is the first room on the left.

**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://zoom.us/j/94074017448?pwd=WklzbHNRRCT6cFBqL0M4YkNrMkxrQT09>

**Meeting ID: 940 7401 7448**

**Passcode: 642945**

**One tap mobile**

+1 (301) 715-8592 (Washington D.C)

+1 (312) 626-6799 US (Chicago)

Find your local number: <https://zoom.us/u/acIhApq5DJ>

**TAB III.A**  
**FEBRUARY 23, 2022**  
**COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES**



**Downtown Investment Authority**  
**Hybrid Meeting**  
*Wednesday, February 23, 2022 – 2:00 p.m.*

**Community Redevelopment Agency**  
**MEETING MINUTES**

**DIA Board Members:** Braxton Gillam, Esq., Chair; Carol Worsham, Vice Chair; Jim Citrano, Secretary; Oliver Barakat; Craig Gibbs, Esq.; Todd Froats; David Ward, Esq.; and Ron Moody

**DIA Board Members Excused:** Bill Adams, Esq.

**Mayor's Staff:** None

**Council Members:** None

**DIA Staff:** Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Operations Manager; Ina Mezini, Communication and Marketing Specialist (via Zoom); Lori Radcliffe-Meyers, Downtown Development Coordinator (via Zoom); John Crescimbeni, Contract and Regulatory Compliance Manager (via Zoom); and Wanda James Crowley, Financial Analyst (via Zoom)

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

**I. CALL TO ORDER**

Chairman Gillam called the CRA Board Meeting to order at 2:14 p.m.

**II. PUBLIC COMMENTS**

Chairman Gillam opened the floor to public comment. Seeing none, Chairman Gillam closed the public comments portion.

**III. COMMUNITY REDEVELOPMENT AGENCY MEETING**

Chairman Gillam stated that he would be reorganizing the agenda.

**A. JANUARY 19, 2022 COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES**

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

**Motion:** Board Member Worsham moved to approve the minutes as presented

**Seconded:** Board Member Moody seconded the motion

**Vote: Aye: 8      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 8-0-0.**

**B. RESOLUTION 2022-02-12: MPS SETTLEMENT**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AS THE COMMUNITY REDEVELOPMENT AGENCY FOR THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA, APPROVING A SETTLEMENT AGREEMENT BETWEEN METROPOLITAN PARKING SYSTEMS (“MPS”) AND THE CITY AND DIA (THE “SETTLEMENT AGREEMENT”); AUTHORIZING THE CEO TO FILE LEGISLATION SEEKING CITY COUNCIL APPROVAL OF THE SETTLEMENT AGREEMENT AND AUTHORIZING THE BORROWING OF FUNDS, ENTRY INTO A LEASE AND OTHER AGREEMENTS COMTEMPLATED BY THE SETTLEMENT AGREEMENT; ACKNOWLEDGING THE RESPONSIBILITY OF THE DIA FOR PAYMENT OF DEBT SERVICE ON THE BORROWED FUNDS AS WELL AS FOR THE OBLIGATIONS UNDER THE LEASE; RECOMMENDING THAT CITY COUNCIL CREATE A NEW SUBPART OF CHAPTERS 55 OF THE JACKSONVILLE CODE OF ORDINANCES TO SET FORTH THE AUTHORITY, RIGHTS AND RESPONSIBILITIES OF THE DIA ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY, IN MANAGEMENT OF THE GARAGES WHICH ARE THE SUBJECT OF THE SETTLEMENT AGREEMENT; AND THAT CITY COUNCIL WAIVE THE PROVISION OF CHAPTER 122 OF THE ORDINANCE CODE FOR A PERIOD OF 6 MONTHS TO FACILITATE TRANSITION OF OPERATION; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

CEO Boyer provided a report on the resolution, stating that it seeks to approve a settlement agreement between Metropolitan Parking Systems (MPS) and the City and DIA. The settlement terminates the existing Redevelopment Agreement (RDA) from 2004 and the City’s obligation to making continuing advances to MPS to cover net operating losses and provide MPS with an annual return on their original equity investment. The City will refinance the underlying bond debt and extend the term of the debt by 10 years which together will free up current cash flow. The estimated net present value savings to the City as a result of refinancing is \$13.5M. MPS retains ownership of the garages, but DIA has full operating control, receives all revenue, and has responsibility for all repairs. The term runs through 2051, however the City/DIA may elect at any time after 2041 to purchase one or more of the garages.

CEO Boyer confirmed for Chairman Gillam that City Council will also have to approve the settlement.

**Motion:** Board Member Worsham moved to approve Resolution 2022-02-12 as presented

**Second:** Board Member Froats seconded the motion

Board Member Moody asked if there are any negative points to the settle agreement. CEO Boyer responded that had the City pursued the lawsuit and won, it could have potentially taken over ownership at closing. She also noted however that the City will receive many of the benefits of ownership by virtue of gaining all of the operating control.

CEO Boyer confirmed for Board Member Barakat that the garages will not be operated by the Office of Public Parking and they will not be owned by the City. The garages will be tax increment district assets and a private management company will be hired to manage the garages. The bonds will be taxable – as opposed to tax-exempt – so the City will be able to enter into negotiated leases.

Chairman Gillam called for a vote.

**Vote: Aye: 8      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 8-0-0.**

**C. RESOLUTION 2022-02-03: FSCJ LOAN AGREEMENT**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) WAIVING A PERFORMANCE REQUIREMENT IN THE LOAN AGREEMENT (“AGREEMENT”) DATED JULY 17, 2020 BETWEEN THE DOWNTOWN INVESTMENT AUTHORITY AND THE DISTRICT BOARD OF TRUSTEES OF FLORIDA STATE COLLEGE AT JACKSONVILLE (“FSCJ”) FOR A SUBSIDIZED LOAN RELATING TO A COMPLETED PROJECT AT 20 WEST ADAMS STREET; PROVIDING AN EFFECTIVE DATE.**

CEO Boyer reported that the resolution is requesting that the Board waive a performance requirement in the loan. FSCJ maintained the retail occupancy requirement but fell short of the student housing occupancy requirement by three students in the second half of the year due to COVID. Approval of this resolution waives the minimum student housing occupancy requirement for the “Spring 2021” period.

**Motion:** Recommended for approval out of the Strategic Implementation Committee

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

**Vote: Aye: 8      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 8-0-0.**

**D. RESOLUTION 2022-02-04: ARTEA MULTI-FAMILY**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING CITY COUNCIL APPROVAL OF A MARKET RATE MULTI-FAMILY HOUSING RECAPTURE ENHANCED VALUE GRANT (“REV GRANT”), AUTHORIZING THE CHIEF EXECUTIVE OFFICER (THE “CEO”) TO NEGOTIATE A REDEVELOPMENT AGREEMENT REGARDING THE SAME BETWEEN THE CITY OF JACKSONVILLE, DOWNTOWN INVESTMENT AUTHORITY, AND CLL ARTEÁ, LLC (OR SIMILAR SINGLE PURPOSE ENTITY TO BE FORMED); AUTHORIZING THE CEO OF THE DOWNTOWN INVESTMENT TO EXECUTE SUCH AGREEMENT; PROVIDING AN EFFECTIVE DATE.**

Board Member Citrano provided the report from the Strategic Implementation Committee (SIC). The applicant is seeking a Recapture Enhanced Value Grant (REV Grant) for a 340-unit multi-family development with a structured parking facility along Broadcast Place on the Southbank.

**Motion:** Recommended for approval out of the Strategic Implementation Committee

Responding to a question from Chairman Gillam, CEO Boyer stated that project was scored according to the BID Plan as it stands today.

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

**Vote: Aye: 8      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 8-0-0.**

**E. RESOLUTION 2022-02-05: HISTORIC MARKERS**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING A TWELVE THOUSAND FIVE HUNDRED DOLLAR (\$12,500.00) CONTRIBUTION TO THE JACKSONVILLE HISTORICAL SOCIETY AS A CONTRIBUTION TO A PRIVATE ORGANIZATION IN ACCORDANCE WITH THE NORTHBANK CRA BUDGET TO SUPPORT ITS WORK TO DESIGN, COMPOSE, AND PLAN DEPLOYMENT OF APPROXIMATELY 50 MARKERS IDENTIFYING HISTORICALLY SIGNIFICANT BUILDINGS IN THE DIA JURISDICTION; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

CEO Boyer provided an overview of the resolution, stating that it provides a \$12,500 contribution to the Jacksonville Historical Society (JHS) to be used toward the design, content writing, development of a plan for sizes, materials and finishes for historic markers for 50 prioritized buildings and sites, all subject to DIA approval. The DIA has funding in the budget for this project.

**Motion:** Recommended for approval out of the Strategic Implementation Committee

Responding to a question from Committee Member Barakat, CEO Boyer stated that she believes City Council will support the effort as well.

Committee Member Froats asked if the markers will have QR codes. Alan Bliss, CEO of Jacksonville Historical Society, responded that they are exploring their options and plan on having an electronic format for the public to engage the information.

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

**Vote: Aye: 8      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 8-0-0.**

**F. RESOLUTION 2022-02-07: JHS BICENTENNIAL CONTRIBUTION**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING A TWO THOUSAND FIVE HUNDRED DOLLAR (\$2,500.00) EVENT CONTRIBUTION TO THE JACKSONVILLE HISTORICAL SOCIETY TO SUPPORT THE JACKSONVILLE HISTORICAL CONSORTIUM’S HISTORIC EXHIBIT; AUTHORIZING THESE FUNDS FROM THE DOWNTOWN NORTHBANK CRA TRUST FUND’S EVENT CONTRIBUTION BUDGET; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION, INCLUDING EXECUTION OF AN EVENT CONTRIBUTION AGREEMENT OR FUNCTIONAL EQUIVALENT THEREOF; PROVIDING FOR AN EFFECTIVE DATE.**

CEO Boyer provided an overview of the resolution, stating that it provides a \$2,500 event contribution to the JHS to be used toward the Jacksonville Historic Consortium’s historical exhibits which will be featured at City Hall.

**Motion:** Recommended for approval out of the Strategic Implementation Committee

Board Member Barakat reiterated a comment from the previous SIC meeting, stating that DIA contributions of this amount should not require DIA Board approval, and the CEO should be given the authority to use their discretion on such matters.

Board Member Ward asked when the City’s bicentennial is. Mr. Bliss responded that the actual bicentennial is June 15<sup>th</sup>, 1822, with the festivities of this year taking place on Saturday, June 11<sup>th</sup>. Adding that, the bicentennial is being observed throughout the year with a number of activities going on that are sponsored by various organizations.

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



**Vote: Aye: 8      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 8-0-0.**

**G.      RESOLUTION 2022-02-08: BID & CRA PLAN UPDATE ADOPTION**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AS THE COMMUNITY REDEVELOPMENT AGENCY FOR THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA AND THE SOUTHSIDE COMMUNITY REDEVELOPMENT AREA, APPROVING AND ADOPTING REVISIONS TO THE BUSINESS INVESTMENT AND DEVELOPMENT PLAN IN ACCORDANCE WITH EXHIBIT A AND RECOMMENDING THAT CITY COUNCIL ADOPT THESE REVISIONS BY ORDINANCE; RECOMMENDING THAT CITY COUNCIL AMEND CHAPTERS 55 AND 122 OF THE JACKSONVILLE CODE OF ORDINANCES AS PROPOSED IN EXHIBIT B; RECOMMENDING THAT CITY COUNCIL AMEND CHAPTER 656 OF THE JACKSONVILLE CODE OF ORDINANCES AS PROPOSED IN EXHIBIT C; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

CEO Boyer introduced the resolution and provided an amendment for the Board’s consideration which would authorize staff to make scrivener’s and technical corrections and other revisions to ensure internal consistency in various sections.

Mr. Kelley provided an overview of the changes and corrections made to the BID & CRA Plan from the February 17<sup>th</sup> DIA workshop.

Mr. Kelley and CEO Boyer asked for direction from the Board regarding whether to retain the COVID Recovery Renewal Lease Grant.

**Motion:**      Board Member Worsham moved to approve Resolution 2022-02-08 as presented

**Second:**      Board Member Barakat seconded the motion

Chairman Gillam called for comments from the Board.

**Motion:**      Board Member Barakat moved to amend the motion, removing the COVID Recovery Renewal Lease Grant incentive on the basis that it will not be an effective tool for retaining businesses

**Second:**      Board Member Gibbs seconded the motion

Chairman Gillam called for further comments.

*Board Member Barakat left the meeting at 3:21 p.m.*

CEO Boyer clarified for Board Member Gibbs that the LaVilla Multicultural Museum project is being removed due to it coming from a third-party source and not being coordinated with the other recommendations and initiatives moving forward in LaVilla.

Board Member Froats stated that although he is a downtown tenant who stands to benefit from the COVID Recovery Renewal Lease Grant, he is in favor of removing it and reiterated that it will not be a determining factor for keeping businesses downtown.

Board Member Froats asked how many residential units are in the pipeline. Mr. Kelley responded that 329 units are anticipated this year, 247 units in 2023, 261 units in 2024, 875 units in 2025, 421 units in 2026, and 343 units in 2027.

Board Member Worsham expressed that the goals, objectives, and benchmarks are well crafted.

Responding to a question from Board Member Citrano, Mr. Kelley stated that under the COVID Recovery Renewal Lease Grant, if a tenant is going to expand, the expansion square footage counts under the primary portion of the program.

CEO Boyer stated for Board Member Worsham that the legislation is expected to be introduced to City Council in March but that it could change.

Chairman Gillam called for a vote on the proposed amendments.

**Vote: Aye: 7      Nay: 0      Abstain: 0**

**THE AMENDMENTS PASSED UNANIMOUSLY 7-0-0.**

Chairman Gillam called for a vote on the resolution as amended.

**Vote: Aye: 7      Nay: 0      Abstain: 0**

**THE AMENDMENTS PASSED UNANIMOUSLY 7-0-0.**

**H. RESOLUTION 2022-02-09: DVI DUVAL GARAGE LEASE TERMS AMENDMENT**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AMENDING THE LEASE TERMS PREVIOUSLY AUTHORIZED IN RESOLUTION 2021-11-04 REGARDING THE LEASE OF SPACE WITHIN THE DUVAL STREET PARKING GARAGE DEPICTED ON EXHIBIT A (THE “LEASED PREMISES”) TO DOWNTOWN VISION, INC. (“DVI”) (THE “TENANT”); APPROVING THE TERMS AND CONDITIONS OF THE DISPOSITION OF THE LEASED PREMISES IN ACCORDANCE WITH THE MODIFIED LEASE TERMS SET FORTH ON REVISED EXHIBIT B; FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND**

**DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A LEASE, DISBURSEMENT AGREEMENT AND IF APPROPRIATE A REDEVELOPMENT AGREEMENT AND ASSOCIATED DOCUMENTS; AUTHORIZING THE CEO TO INITIATE THE FILING OF LEGISLATION WITH THE CITY COUNCIL AS MAY BE REQUIRED; 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, LEASE, DISBURSEMENT AGREEMENT OR FUNCTIONAL EQUIVALENTS; PROVIDING FOR AN EFFECTIVE DATE.**

CEO Boyer introduced the resolution which is recommended for approval out of SIC. She stated that it amends Exhibit B of the term sheet at the direction of the administration. Adding that, so long as the funds received by Downtown Vision, Inc. (DVI) from other downtown contributors and property owners are greater than the amount of rent attributable to the garage, and the estimated amount of operating costs, DVI will not be charged rent for the term of the lease.

**Motion:** Recommended for approval out of the Strategic Implementation Committee

Board Member Citrano added that there were comments in the SIC meeting regarding the space being vacant for quite some time and that DVI will bring much needed activation to the area.

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

**Vote: Aye: 7      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 7-0-0.**

**I. RESOLUTION 2022-02-10: CARTER ACCESS AGREEMENT**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO EXECUTE A SITE ACCESS AGREEMENT (“AGREEMENT”) WITH CARTER (“LICENSEE”), FOR THAT CERTAIN REAL PROPERTY GENERALLY DESCRIBED AS “THE FORMER COURTHOUSE SITE” AND IDENTIFIED AS THE UPLAND PORTION OF DUVAL COUNTY PROPERTY APPRAISER PARCEL NUMBER 073358 000 (“PROPERTY”); INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO OBTAIN APPROVAL FROM THE CITY’S RISK MANAGER, DIRECTOR OF PUBLIC WORKS AND THE OFFICE OF GENERAL COUNSEL PRIOR TO EXECUTION OF THE AGREEMENT; INSTRUCTING THE CEO TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

DIA’s Guy Parola introduced the resolution, stating that it would allow the developer temporary access to the site for a 3-month period to perform environmental, geotechnical, and other invasive due diligence activities. The activities will be at no cost to the City and the City will receive a copy of all reports and final work products that result from the agreement.

Board Member Worsham suggested that the Board give the CEO the authority to use their sole discretion in approving site access agreements.

**Motion:** Board Member Worsham moved to approve Resolution 2022-02-10 as presented

**Second:** Board Member Ward seconded the motion

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

**Vote: Aye: 6      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 6-0-0.**

**J. RESOLUTION 2022-02-11: 905 FORSYTH STREET ACCESS AGREEMENT**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO EXECUTE A SITE ACCESS AGREEMENT (“AGREEMENT”) WITH 905 CORPORATION, FOR THAT CERTAIN REAL PROPERTY IDENTIFIED BY DUVAL COUNTY PROPERTY APPRAISER PARCEL NUMBER 074874 0000 (“PROPERTY”); INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO OBTAIN APPROVAL FROM THE CITY’S RISK MANAGER, DIRECTOR OF PUBLIC WORKS AND THE OFFICE OF GENERAL COUNCIL PRIOR TO EXECUTION OF THE AGREEMENT; INSTRUCTING THE CEO TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

DIA’s Guy Parola introduced the resolution, stating that it would allow the developer temporary access to the site for a 3-month period to perform environmental, geotechnical, and other invasive due diligence activities. The activities will be at no cost to the City and the City will receive a copy of all reports and final work products that result from the agreement.

**Motion:** Board Member Ward moved to approve Resolution 2022-02-11 as presented

**Second:** Board Member Moody seconded the motion

Seeing no discussion, Chairman Gillam called for a vote.

**Vote: Aye: 6      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 6-0-0.**

**K. RESOLUTION 2022-01-07: ORDINANCE 2021-0821 SELF STORAGE**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) FORWARDING TO THE CITY COUNCIL ITS RECOMMENDATION REGARDING ORDINANCE 2021-0821, AN ORDINANCE SEEKING TO AMEND CERTAIN PROVISIONS OF SECTION 656.361.4.A (PERSONAL PROPERTY STORAGE) AND SECTION 656.361.5.2 (USES REGULATED BY DISTRICT); PROVIDING FOR AN EFFECTIVE DATE.**

CEO Boyer reported that the resolution was discussed at the SIC meeting but a formal recommendation was not received. The Self Storage legislation sponsored by Council Member Gaffney seeks to allow self-storage facilities as permissible uses by exception in every district in downtown subject to certain design guidelines. Currently they are only permissible in the LaVilla and Brooklyn districts. The Downtown Development Review Board (DDRB) has recommended to add further amendments to the legislation as it relates to the design standards. She then spoke to the zoning maps provided to board members that show where storage facilities are allowed outside of the overlay, where facilities could be located within 250ft and 500ft of the boundary as discussed in SIC, as well as where existing storage facilities are located.

Steve Diebenow, of Driver, McAfee, Hawthorne & Diebenow, PLLC, representing the potential applicant, The Simpson Organization, spoke to the need for self-storage facilities in the downtown area, describing the legislation as “market driven.” He also stated that he is in agreement with the recommendations provided by the Downtown Development Review Board (DDRB) and is open to the idea of permitting them along the periphery of the boundary.

Board Member Moody expressed that he is in favor of letting the market decide the highest and best use for the product type within the downtown overlay and not recommending restrictions.

CEO Boyer clarified that the Board will need to provide a recommendation; Mr. Diebenow has stated that he will ask that the legislation be deferred in City Council if no recommendation is provided by the Board today.

Mr. Diebenow added that he will also be going to the Planning Commission upon receiving the DIA’s recommendation. After receiving the Planning Commission’s recommendation, he will proceed to the Land Use and Zoning Council Committee.

**Motion:** Board Member Gibbs moved to approve Resolution 2022-01-07, recommending approval of the legislation but restricting it to within 500 ft of the overlay boundary

**Second:** Board Member Ward seconded the motion

Chairman Gillam clarified that the motion’s recommendation is that the DIA recommends no changes to the overlay, however if City Council were to approve the changes anyway, the DIA provides the recommendations as described in Exhibit A.

Chairman Gillam called for a vote.

**Vote: Aye: 6      Nay: 1      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 6-1-0. (WORSHAM)**

*Chairman Gillam temporarily closed the Community Redevelopment Agency meeting at 4:31 p.m. for purposes of taking up the action items in the Downtown Investment Authority meeting and allowing more time for staff to provide the Board with final copies of Resolution 2022-02-02: Riverfront Plaza Development Pad Disposition.*

*Chairman Gillam reopened the Community Redevelopment Agency meeting at 4:32 p.m.*

**L. RESOLUTION 2022-02-02: RIVERFRONT PLAZA DEVELOPMENT PAD DISPOSITION TERMS**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING THE FRAMEWORK FOR THE TERMS AND CONDITIONS, SCORING CRITERIA, AND TIMELINE TO BE INCLUDED IN A FUTURE NOTICE OF DISPOSITION OF THAT CERTAIN CITY-OWNED PROPERTY REFERRED TO AS THE RIVERFRONT PLAZA DEVELOPMENT PAD (THE NORTHEAST CORNER OF THE FORMER JACKSONVILLE LANDING); AUTHORIZING THE MARKETING IN ACCORDANCE WITH THE TERMS ESTABLISHED HEREIN; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; AND PROVIDING FOR AN EFFECTIVE DATE.**

CEO Boyer introduced the resolution and provided the changes that were approved at the Retail Enhancement and Property Disposition Committee (REPD) meeting that immediately preceded the Board meeting.

**Motion:** Recommended for approval out of the REPD Committee

Changes made to the Disposition Terms in REPD:

- Insert “non-restaurant retail” language
- Retain the construction language in Section 11.p.i
- Add language for the Post completion management plan
- Add language for the developers’ intentions with the restaurant (e.g., type of restaurant, operating hours, etc.)

Changes made to the Scoring Criteria REPD:

- Remove “Sky Terrace” so that it reads “...of the riverfront on Civic Stairs levels” under the Project Development and Design section.
- Provide a clear explanation of the item beginning “Failure to design...” under Project Development and Design for the evaluation committee and change the associated points to “minus 5 to 50.”

Board Member Worsham suggested correcting a scrivener’s error, removing “Sky Terrace” from Page 9, Section 11, Subsection “o.”

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

**Vote: Aye: 7      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 7-0-0.**

**IV. STAFFING REPORT REQUESTED BY BOARD**

CEO Boyer reported on DIA’s organizational structure and spoke to the various positions that DIA is seeking to fulfill in the future.

Current Positions (in no specific order):

- Chief Executive Officer
- Director of Downtown Real Estate and Development
- Communication and Marketing Specialist
- Operations Manager
- Redevelopment Coordinator
- Administrative Assistant
- Financial Analyst
- Contract and Regulatory Compliance Manager
- Public Parking Officer/Office of Public Parking Staff
- Project Manager (vacant)

Needed Positions (in order of priority):

- Parking Manager (1)
- Downtown Activation & Programs Manager (2)
- Property Disposition & Real Estate Specialist (2)
- Procurement & Research Specialist (3)
- Contract Manager (3)
- Downtown Capital Projects & Maintenance Coordinator (3)
- Grant Writer (4)

**V. NEW BUSINESS**

None.

## **VI. CEO INFORMATIONAL BRIEFING**

CEO Boyer reported the following:

- the Board has a project workflow sheet in their packet that describes all major projects currently in progress
- The DIA purchased a sponsorship of the DVI Gala
- Requested the Board to consider a consent agenda
- Suggested a summarized version of DIA incentives and illustrations of Jacksonville
- Notified the Board of a meeting with Carter this week

**ADJOURNMENT:** The Community Redevelopment Agency proceedings are adjourned at 4:49 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 III.B**

**RESOLUTION 2022-03-01: 323 E BAY STREET FAB-REP**

**RESOLUTION 2021-03-01**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMBINED NORTHBANK COMMUNITY DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM FORGIVABLE LOAN TO 323 E BAY STREET LLC AND 323 E BAY STREET RE LLC (“GRANTEES”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A LOAN AGREEMENT AND RELATED SECURITY DOCUMENTS; AUTHORIZING THE DIA CEO TO EXECUTE SUCH AGREEMENTS; AND FINDING THAT THE DEVELOPMENT PLAN IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN, INCLUDING THE NORTHBANK CRA PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Grantees submitted a Retail Enhancement Program application to the DIA under the Targeted Retail Activation: Food and Beverage Establishments Program; and

**WHEREAS**, the application, 2022-001 was reviewed by the DIA staff, found to be consistent with the BID Plan and CRA Plan for Downtown Northbank; and

**WHEREAS**, the Retail Enhancement and Property Disposition Committee, at their meeting of March 9, 2022; voted to recommended approval of the application to the DIA Board; and

**WHEREAS**, the DIA is authorized to utilize the Northbank Combined Tax Increment District funds, in accordance with the CRA Plan, to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

**WHEREAS**, to assist the Grantees in making renovations for the purposes of Decca Live (“the Project”) the DIA proposes to provide a Forgivable Loan in an amount not to exceed \$271,850 (Two hundred seventy one thousand, eight hundred fifty dollars) to the Grantees; and

**WHEREAS**, the financial assistance to the Project will be in the form of the proposed terms and incentives on the Term Sheet, attached as Exhibit A to this Resolution; 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 hereby finds that the Project is supported by the following Goal(s) and Strategic Objective(s) of the BID Plan:

- Goal 1: Reinforce Downtown as the City’s unique epicenter for business, history, culture, education, and entertainment.
  - Increase the opportunities for Downtown employment.
  - Protect and revitalize historic assets.
  - Support expansion of entertainment and restaurant facilities.
  - Increase venues, workspaces, and residential opportunities with a focus on the Target Area.
  - Create a consistent theme and image that conveys a sense of the excitement and activity Downtown.
  - Focus efforts on drawing many diverse attractions, rather than a small number of large ones.
- Goal 2: Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.
  - Leverage land contributions, infrastructure investments, incentive grants, and low interest loans.
  - Promote and attract neighborhood retail to support downtown residents.
- Goal 3: Simplify the approval process for downtown development and improve departmental and agency coordination.
  - Initiate public/private partnerships.
  - Identify cooperative property owners/developers and develop key pilot initiatives.
- Goal 4: Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors.
  - Provide increased walkability through:
    - Support and attract additional commercial, service, residential, transportation, recreation, and open space uses.
    - Redevelop the major road corridors with pedestrian-scale neighborhood retail and services.
    - Enhance the connection with neighborhoods immediately adjacent to Downtown through attractive, walkable/bikeable linkages.

**Section 3.** The DIA hereby approves the award of a Retail Enhancement Grant in the amount of \$271,850 from the Combined Northbank TID to Grantees to be provided in accordance with the term sheet attached hereto as Exhibit A.

**Section 4.** The Chief Executive Officer is hereby authorized to negotiate and execute the Loan Agreement and Security Documents and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

**Section 5.** The Effective Date of this Resolution is the date of execution of this Resolution by the Chair of the DIA Board.

WITNESS: **DOWNTOWN INVESTMENT AUTHORITY**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
W. Braxton Gillam IV, Esq., Chairman.

\_\_\_\_\_  
Date

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

DRAFT

**EXHIBIT A - TERM SHEET**

<b>Project Name:</b>	Decca Live
<b>Developer/Applicant:</b>	323 E Bay Street LLC and 323 E Bay Street RE LLC as co-applicants
<b>Total Development Costs (estimate):</b>	\$887,450
<b>Co-applicant Contribution:</b>	\$615,600 69.4% of Eligible Costs
<b>Recommended Funding:</b>	\$271,850 30.6% of Eligible Costs

**Project:** Tenant improvements to 323 E Bay Street in accordance with the application received in order to facilitate the operation of a Type 3 live music entertainment venue substantially in accordance with the site layout, equipment outfitting, and design elements found in the business plan submitted with the application.

The Business Owner also agrees to operate during expanded hours as detailed further below and is expected to remain in business in the location at these service levels for a minimum of 5 years.

**City Funding:** No more than **\$271,850**, through the Downtown Northbank Combined CRA, as follows:

Infrastructure: No City of Jacksonville or CRA infrastructure funding or support is requested.

Land: No City of Jacksonville or CRA land or building is requested.

Loans: No City of Jacksonville or CRA loans have been requested.

FAB-REP Forgivable Loan: **\$271,850 from the Downtown Northbank Combined CRA.** The grant will be structured as a forgivable, 0% interest loan that will amortize at the rate of 20% on each anniversary date of the closing so long as no event of default exists. Each co-applicant will be a party to that forgivable note and loan agreement.

The co-applicants acknowledge that these loan funds are awarded and shall be used in accordance with the Retail Enhancement Program Targeted Retail Activation: Food and Beverage Establishments guidelines.

The forgivable loan will be secured by a personal guarantee of Mr. Eric Fuller and Ms. Manjola Rajta in the event of a default under the program or funding agreement.

**Minimum Capital Contribution:**

- The minimum total capital contribution through completion to remain eligible for the FAB-REP Forgivable Loan is \$ 798,705 (Direct costs only as found in the General Contractor contract, does not include costs incurred by the Landlord in Exhibit C to the Lease addendum).

**Performance Schedule:**

1. Redevelopment Agreement or appropriate loan document to be executed no later than execution or the Redevelopment Agreement for the DPRP award.
2. Commencement of Construction: Within three (3) 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.

3. Substantial Completion: Within eighteen (18) months following Commencement of Construction as defined above.
4. 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:

1. Per FAB-REP guidelines, the award will be structured as:
  - a) Zero-interest, forgivable loan, payable upon completion of the work and receipt by DIA of invoices for goods and services rendered, and proof that recipients paid for such goods and services.
  - b) No interest shall accrue upon the principal of the total loan amount with principal forgiven over a five (5) year period.
  - c) Total principal balance will amortize 20% each year of the compliance period.
  - d) At end of five years, the loan shall be forgiven in its entirety on the condition the improvements are installed and maintained in reasonably good condition and no City Code violations are incurred during the compliance period.
  - e) If it is determined that recipient(s) is in default, interest and full payment of the grant may be demanded.
2. Amplified music from the rooftop shall be limited to hours ending at 10:00 PM and the venue must comply with noise ordinance requirements at all times.
3. Minimum Hours of Operation to be maintained as:

Rooftop Hours of operation:

Monday	Closed
Tuesday to Saturday	4pm to 12am
Sunday	4pm to 12am

Decca Live Hours of operation:

Monday & Tuesday	closed (unless private rental)
Wednesday to Sunday	7pm to 12am (contingent upon concert schedule)

DIA will have the authority to modify the required hours of operation in the event market conditions require same.

4. Minimum number of employees:
  - a) Full time: Three (3) full-time management staff members, which may include owner operators.
  - b) Hourly: Twenty five (25), which shall not include contracts with third party security or other outsourced labor.
5. Personal Guaranty of payment and performance obligations in the event of default by either Landlord or Tenant to be provided by Mr. Eric Fuller and Ms. Manjola Rajta.

RESOLUTION 2022-03-01

6. Additional terms and conditions as may be required and as found in the Redevelopment Agreement or other documentation prepared to establish the obligations for this award.

Conditions:

This Term Sheet is limited by the following conditions:

1. Downtown Investment Authority to receive copies of all necessary permits and invoices as evidence of eligible expenditures; and
2. Annual reporting required to demonstrate compliance with terms and conditions as approved; and
3. There may be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties which shall be determined in a later negotiated mutually agreeable written contract.

DRAFT

## **SUPPLEMENTAL INFORMATION**



**DIA Staff Report**  
**Retail Enhancement Program**  
**Targeted Retail Activation: Food and Beverage Establishments**  
**February 4, 2022**

**Project tracking number:** FAB-REP 2022-001

**Project name:** Decca Live

**Co-Applicants:**  
**Business Owner/Tenant** **323 E Bay Street LLC**  
Fuller Entertainment LLC (Eric Fuller), Managing Partner  
Albacore JAX LLC, (Manjola Rajta), Managing Partner

**Property Owner/Landlord** **323 E Bay Street RE LLC**  
Fuller Entertainment LLC (Eric Fuller), Managing Partner  
Albacore JAX LLC, (Manjola Rajta), Managing Partner

**Project Location:** 323 E Bay Street, Jacksonville, Florida 32202



**Project Description:**

Decca Live is a proposed two-story, 1,000 person capacity, live music venue to be located on Bay Street on the eastern end of the Elbow District. The venue will also have a rooftop bar with views of the St. Johns River and has a basement that will be finished to be used as a “green room” for artists to prepare for shows. The proposed activity meets the qualifications and requirements of the FAB-REP program in activating the Elbow District along Bay Street where other music venues already exist including Myth Nightclub, Elements Bistro and Bar, as well as Florida Theatre, Underbelly, and 1904 Music Hall in close proximity.

Both the tenant, 323 E Bay Street LLC, and the landlord, 323 E Bay Street RE LLC are owned and managed by Eric Fuller and Manjola Rajta.

The building itself was acquired by the ownership team in 2020 and was recently approved by the DIA Board for DPRP funding in an amount up to \$1,536,350. Staff has reviewed the construction budget required for bringing the building back to a safe and productive use independent of the tenant improvements costs for the build out for operations to ensure there is no duplication of costs involved in these development activities.

The property has no past due property taxes, but owes \$13,563.01 for 2021 prior to March 31, 2022.



### **Business Plan Highlights:**

#### Proprietors

Mr. Eric Fuller is a 2009 graduate of UNF where upon graduation he went on to help create a concept known as Life In Color (<https://www.youredm.com/2016/12/01/industry-spotlight-eric-fuller-coo-life-color/>). The brand went on to tour globally, selling upwards of half a million tickets annually. In 2011, Fuller co-founded Advanced Concert Productions, a firm that focused on artist touring, design, and rental of production equipment. Both Life In Color and ACP were sold to SFX Entertainment in 2015, he served as an SVP until 2019.

In December of 2016 Eric acquired Club Space, a legendary venue and Miami staple for nightlife. He played an integral role in repositioning the club as a beacon for live music and entertainment, not just to Miami, but to the world. In June of 2019, his group sold majority ownership to Live Nation / Insomniac. Eric lives in Miami where currently owns and operates his company BLNK CNVS Presents (<https://www.blknknvs.com/>). The company programs talent across the North America and produces live music events, festivals, and experiences in the Southeastern part of the United States.

A first generation immigrant, Manjola Rajta moved to the United States in 1998 and began working in the hospitality industry working for Hilton Hotels until 2001 where she was promoted into management ranks. In 2009, she opened Oasis Bar and Grille, where she owned and operated it until she sold it 2012. That same year she purchased First Street Grille which is still in business today operating as Salt Jax Beach. In addition to running Salt, Ms. Rajta owns Albacore Jax LLC, a real estate company she started in 2017 that focuses on buying distressed and stabilized assets and improving them. The company reports having 7MM+ worth of assets, mainly comprised of residential and multi-family properties.

Operations

Per Mr. Fuller, the live music programming at Decca Live would bring all genres of music to the venue with emphasis on EDM initially due to lower costs, ease of programming, and lower risk of cancellation. Over time, the venue will evolve to include EDM, country, rock, and other formats especially as more acts begin to tour as COVID-19 concerns and impacts continue to lessen.

The operators plan to hire a full time talent buyer and operate a three phase approach to booking events:

1. Direct hire where the venue and its management book the talent directly.
2. "Co-pro" involves the co-production of shows with regional and national promoters on a revenue and cost sharing arrangement.
3. "Rentals" where the venue is rented for an exclusive event by a regional or national promoter, often as part of a broader tour.

The applicant proposes the following hours of operation:

Rooftop Hours of operation:

Monday	Closed
Tuesday to Saturday	4pm to 2am
Sunday	4pm to 12am

Decca Live Hours of operation:

Monday & Tuesday	closed (unless private rental)
Wednesday to Sunday	7pm to 2am (contingent upon concert schedule)



The proposed hours for the 2,800 sf rooftop use meet the criteria of the FAB-REP Guidelines, however, the rooftop is not considered direct street front activation. Staff is also sensitive to compliance with the noise ordinance and seeks to ensure that rooftop activation does not become an issue for area residents. Accordingly, a condition of approval will limit amplified music to hours ending at 10:00 PM and that the venue must be in compliance with noise ordinance requirements at all times.

Ticketed, live shows, in the 10,000 sf performance venue are projected to occur on the average of 1.5 per week in the first year of operation, increasing to approximately 2 per week through the second year of operation and increasing further to 2.65 events per week by the fifth year. The projected draw in the first year is 54,200 paid attendances increasing steadily to just under 90,000 by year 5.

Given its visibility and direct access from the street, staff views the daily roof top use, in combination with the expected frequency of live events which are instrumental to the organization's business model, to meet the purpose of the FAB-REP program.

The business proposes to employ four full-time salaried employees including onsite management and Director of Marketing, along with as many as 37 hourly employees to include bar staff, wait staff, security, sweepers, stagehands, and door staff. Security will be maintained by bringing in off-duty JSO police officers when large crowds are expected.

### Market Analysis and Summary

- 1,000 indoor capacity (scalable) state of the art venue. Decca Live can host a 500 person event up to 1,000. Due to its size, it allows for a broad range of talent from all genres of music, comedy, and purposes such as private rentals.
- The Rooftop bar allows for weekly programming that is less reliant on entertainment. This is projected to help maintain cash flow consistent and adds value to the real estate and the customer experience.
- The owners see growth in the nightlife activity in downtown and seeks to fill a void in live music performance venues as outlined below:
  1. 1904 Music Hall - 300 person capacity
  2. Jack Rabbits Live - 300 person capacity
  3. Daily's Place - 5,500
  4. The Florida Theater - 1,900 (seated)
  5. Myth Night Club - 400 capacity
  6. Ponte Vedra Concert Hall - 900 capacity

### **Financial Operations:**

The three year operating pro-forma found in the business plan estimates first year revenue at \$2.4 million with revenue centered equally in tickets sales for live performances (\$1.2 million) and bar sales (\$1.1 million). A liquor license will be acquired to allow for full bar operations with additional \$251 thousand in revenue coming from venue rental, and lesser amounts from merchandise sales, sponsorship revenue, and other miscellaneous sources.

On a combined basis, these activities are expected to provide approximately \$24-30,000 in the City's portion of Local Option Sales Tax annually during the five year compliance period.

Principal expenses are found in talent booking fees and associated costs (34.4% of revenue), labor costs (19.2%), S,G,&A (16.6%), lease expense (9.6%), Cost of Goods Sold (7.9%), and marketing (5.4%). The business projects a first year operating loss of approximately \$12,000, improving to show profit of \$167,000 in the second year and climbing to nearly \$631,000 operating profit by year five. Total operating profit for the first five year period is projected to reach just under \$2.0 million.

### **Terms of the Lease**

The draft lease provided between the related entities 323 East Bay Street RE LLC (Landlord) and 323 Bay Street LLC (Tenant) was provided that shows the lease rate of \$17.83 per foot for the 12,900 square foot space, equating to \$19,167 per month or \$23,000 annually. Per the lease, Landlord will be responsible for property taxes and all operating costs (other than pest control) but including repairs and maintenance. Tenant shall purchase and maintain public liability and property damage insurance providing coverage of not less than \$2,000,000. All improvements made by Tenant become the property of Landlord upon installation, which also adheres to the requirements of the FAB-REP guidelines.

Although the lease does not specifically provide a stated free rent period, or a dollar commitment towards tenant improvements, the requirements of minimum 25% contribution from both Landlord and Tenant

are met through the common ownership of each entity. As noted in the Capital Expenditure section below, more than 50% of these costs are provided by the Landlord and Tenant in compliance with the requirements of the FAB-REP guidelines.

Per the FAB-REP application, the lease term shall be fifteen years, in compliance with the minimum term of five years established in the FAB-REP guidelines.

**Eligible Tenant Improvements:**

Per FAB-REP guidelines, Entertainment Venues are considered a Type 3 establishment with program funding maximums established at the lesser of 1) \$40 per square foot of activated space, or 2) 50% of eligible tenant improvement costs.

1) To determine the appropriate square footage staff views the 10,000 square feet of performance space as eligible at 60% given the anticipated usage level for live events. Further, the roof top bar space does not provide street front activation, the principal purpose of FAB-REP, and is considered supplemental space and thereby also reduced to a 60% limit. With these adjustments in place, the maximum on a per square footage basis is established as (10,000 sf + 2,800 sf) X \$40 psf X 60% = \$307,200.

2) Based on the schedule of tenant improvements provided by the applicant (shown below), only the bar buildout (\$128,000), built in booths and seating (\$96,000), and walk-in cooler/freezer (\$38,900) are considered fully eligible while concert audio/visual/lighting (\$340,000) is considered eligible at 25%, and bar equipment and appliances (\$112,500) is considered eligible at 50%. Certain costs from the general construction budget used in underwriting the DPRP commitment were not considered eligible for funding under that program but are considered eligible as tenant improvement costs under FAB-REP. Those include costs associated with a metal framed wall assembly around the performance stage, toilet compartments, bathroom accessories, utility shelving plumbing fixtures, and electrical fixtures as shown in the schedule above. These costs combined total \$543,700, as adjusted, which provides maximum eligibility by this approach \$271,850. This equates to FAB-REP providing 30.6% of the gross funding amount of \$887,450, with the remaining 69.4% covered by the Landlord and Tenant. This level of funding complies with the FAB-REP requirement that a minimum of 50% of total costs be met by the Landlord and Tenant in combination.

ITEM	AMOUNT		
Bar Build Out (4)	\$ 128,000.00	100%	\$ 128,000.00
Built In Booths & Seating	\$ 96,000.00	100%	\$ 96,000.00
Concert Audio / Visual / Lighting	\$ 340,000.00	25%	\$ 85,000.00
Walk In Cooler / Freezer	\$ 38,900.00	100%	\$ 38,900.00
Bar Equipment & Appliances	\$ 112,500.00	50%	\$ 56,250.00
Point Of Sale System	\$ 32,500.00	0%	\$ -
Metal Framed Wall Assembly	\$ 37,800.00	100%	\$ 37,800.00
Toilet Compartments	\$ 14,650.00	100%	\$ 14,650.00
Bathroom Accessories	\$ 8,650.00	100%	\$ 8,650.00
Utility Shelving	\$ 4,500.00	100%	\$ 4,500.00
Plumbing Fixtures	\$ 21,450.00	100%	\$ 21,450.00
Electrical Fixtures	\$ 52,500.00	100%	\$ 52,500.00
<b>TOTAL</b>	<b>\$ 887,450.00</b>		<b>\$ 543,700.00</b>
		<b>50%</b>	<b>\$ 271,850.00</b>

Accordingly, by the maximums established under 1) and 2) above, the FAB-REP amount proposed for approval is the lesser of the two or \$271,850.

**Project scoring:**

The Project Evaluation Criteria and allocated points are listed below:

1	Business Plan (see point breakdown below) – (up to 30 points)	
	(a) Plan shows good short-term profit potential and contains realistic financial projections (up to 5 points)	3
	(b) Plan shows how the business will target a clearly defined market and its competitive edge (up to 10 points)	5
	(c) Plan shows that the management team has the skills and experience to make the business successful (up to 5 points)	4
	(d) Plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture (up to 5 points)	3
	(e) Number of job positions created in excess of the required two (2) positions (up to 5 points) Points	4
2	(a) Expansion of the local property tax base by stimulating new investment in older, Downtown properties (up to 5 points) points	4
	(b) Expansion of the local property tax base by stimulating new investment in older, Downtown properties (If the property is a historic property – maximum of 5 additional points) points	4
3	Expansion of the state and local sales tax base by increasing sales for new or existing shops (up to 5 points)	3

Per the table above, the project scores a total of 31 points, which qualifies the development activity for funding in accordance with Retail Enhancement Program guidelines:

- Maximum of 45 points;
- Minimum score of 25 points needed to have the proposed project referred to the Retail Enhancement Review Committee for funding consideration.

**Additional FAB-REP Considerations:**

Because the Property Owner and Business Owner are commonly owned entities, the requirement found in the FAB-REP guidelines for a minimum of 25% of the tenant improvement cost to be provided by each is met automatically. However, the provision whereby the Property Owner will have a cure period of 180 days to replace the tenant with a similar operating entity should the Business Owner discontinue operations during the FAB-REP five-year compliance period shall remain in place. Failure to meet this requirement will result in a proportional clawback of the amount funded based on the remaining term of the compliance period.

Although the building is a landmarked historic structure, it is not eligible for the Historic Preservation/Adaptive Reuse boost found in the FAB-REP guidelines as the property has been previously approved for funding under the Downtown Preservation and Revitalization program (DPRP).

**Goals and Strategic Objectives of the BID Plan Supported by this Proposal:**

- A. Goal 1: Reinforce Downtown as the City’s unique epicenter for business, history, culture, education, and entertainment.
  - Increase the opportunities for Downtown employment.

- Protect and revitalize historic assets.
  - Support expansion of entertainment and restaurant facilities.
  - Increase venues, workspaces, and residential opportunities with a focus on the Target Area.
  - Create a consistent theme and image that conveys a sense of the excitement and activity Downtown.
  - Focus efforts on drawing many diverse attractions, rather than a small number of large ones.
- B. Goal 2: Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.
- Leverage land contributions, infrastructure investments, incentive grants, and low interest loans.
  - Promote and attract neighborhood retail to support downtown residents.
- C. Goal 3: Simplify the approval process for downtown development and improve departmental and agency coordination.
- Initiate public/private partnerships.
  - Identify cooperative property owners/developers and develop key pilot initiatives.
- D. Goal 4: Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors.
- Provide increased walkability through:
    - Support and attract additional commercial, service, residential, transportation, recreation, and open space uses.
    - Redevelop the major road corridors with pedestrian-scale neighborhood retail and services.
    - Enhance the connection with neighborhoods immediately adjacent to Downtown through attractive, walkable/bikeable linkages.

**Terms and Conditions:**

1. Per FAB-REP guidelines, the award will be structured as:
  - a) Zero-interest, forgivable loan, payable upon completion of the work and receipt by DIA of invoices for goods and services rendered, and proof that recipients paid for such goods and services.
  - b) No interest shall accrue upon the principal of the total loan amount with principal forgiven over a five (5) year period.
  - c) Total principal balance will amortize 20% each year of the compliance period.
  - d) At end of five years, the loan shall be forgiven in its entirety on the condition the improvements are installed and maintained in reasonably good condition and no City Code violations are incurred during the compliance period.
  - e) If it is determined that recipient(s) is in default, interest and full payment of the grant may be demanded.
2. As noted elsewhere, amplified music from the rooftop shall be limited to hours ending at 10:00 PM and the venue must comply with noise ordinance requirements at all times.
3. Minimum Hours of Operation to be maintained as:

Rooftop Hours of operation:

Monday	Closed
Tuesday to Saturday	4pm to 12am
Sunday	4pm to 12am

Decca Live Hours of operation:

Monday & Tuesday closed (unless private rental)  
Wednesday to Sunday 7pm to 12am (contingent upon concert schedule)

4. Minimum number of employees:
  - a) Full time: Three (3) full-time management staff members, which may include owner operators.
  - b) Hourly: Twenty five (25), which shall not include contracts with third party security or other outsourced labor.
5. Personal Guaranty of payment and performance obligations in the event of default by either Landlord or Tenant to be provided by Mr. Eric Fuller and Ms. Manjola Rajta.
6. Property taxes for 2021 to be paid prior to March 31, 2022. All property taxes, sales taxes, and other property and business related taxes to be maintained current throughout the compliance period.
7. Additional terms and conditions as may be required and as found in the Redevelopment Agreement or other documentation prepared to establish the obligations for this award.

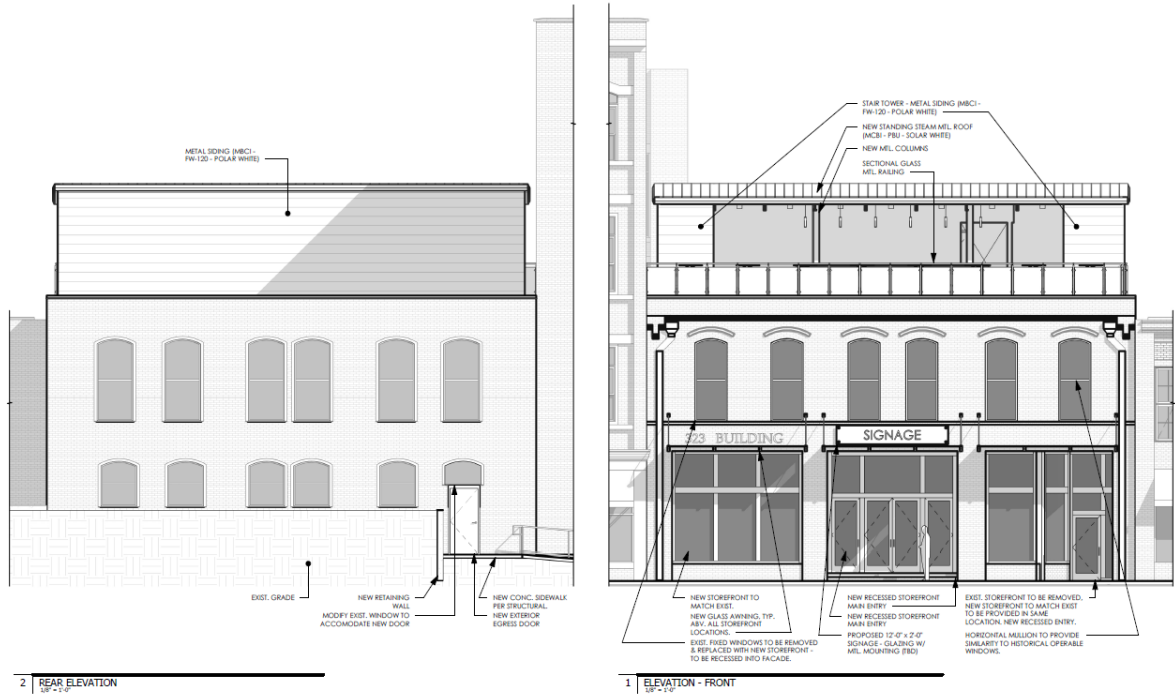
**Recommendation:**

Approval of a FAB-REP Retail Enhancement Grant in the amount of \$271,850 as outlined above.

DRAFT



Figure 1. North and south elevations



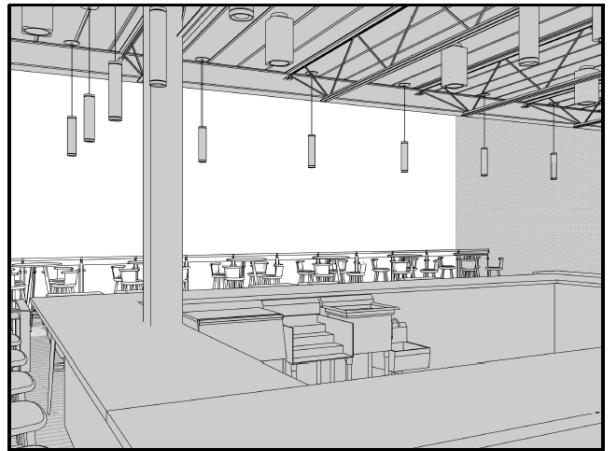
JAA ARCHITECTURE INC.  
 3716 ST. JOHNS AVE  
 JACKSONVILLE, FL 32206  
 P: 904.379.8108  
 E: JOHN@JAAARCHITECTURE.COM  
 ARCHITECTURE LIC. AR92748

**PROJECT 323**  
(IMP. - NAME TBD)

**DDRB - FINAL APPROVAL**  
 323 E BAY ST  
 JACKSONVILLE, FL 32202

11  
 0 4'-0" 8'-0" 12'-0"  
 SCALE: 1/8" = 1'-0"  
 DATE: 7.22.2021  
 SHEET: ELEVATIONS

Figure 2. Renderings of rooftop bar configuration



2 | PERSP. AT ROOFTOP (2)

1 | PERSP. AT ROOFTOP (1)

JAA ARCHITECTURE INC.  
 3716 ST. JOHNS AVE  
 JACKSONVILLE, FL 32206  
 P: 904.379.8108  
 E: JOHN@JAAARCHITECTURE.COM  
 ARCHITECTURE LIC. AR92748

**PROJECT 323**  
(IMP. - NAME TBD)

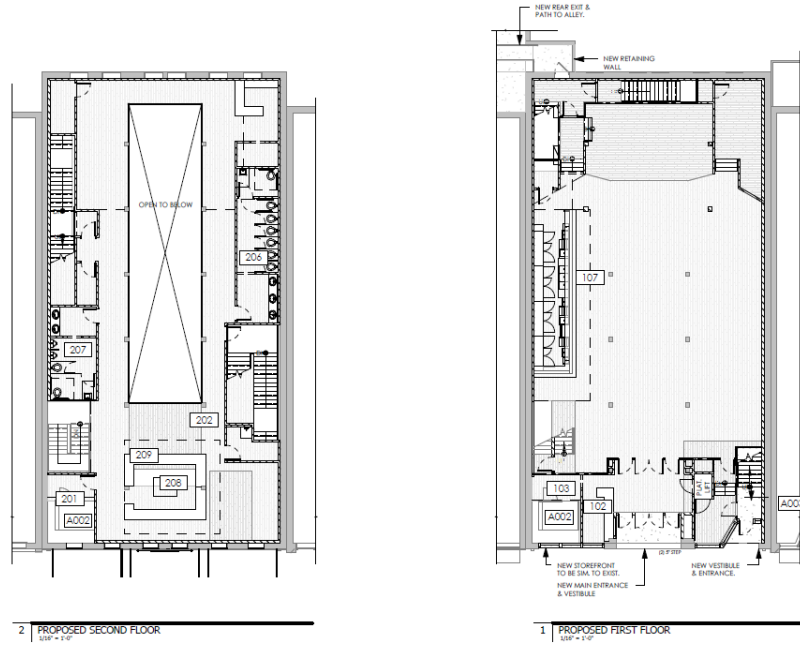
**DDRB - FINAL APPROVAL**  
 323 E BAY ST  
 JACKSONVILLE, FL 32202

15  
 DATE: 7.22.2021  
 SHEET: ROOFTOP PERSP.

Figure 3. Floorplan of the live music venue

**PROJECT SUMMARY:**

- PROPOSED A-1 & A-2 ASSEMBLY USE (CONCERT VENUE & BARI) AT EXIST. BUILDING LOCATED AT 323 E BAY ST. IN THE CENTRAL CORE (BLOWN DISTRICT).
- APPROXIMATELY 15,000 SF EXIST. FLOOR AREA (5,000 SF PER FLOOR).
- PROPOSED NEW (2,800 SF) ROOFTOP BAR & LOUNGE.
- NEW AWNING AT FRONT FACADE.
- NEW EXIT AT REAR. PER PH. 1 DOCUMENTS.
- PROPOSED 12'0" x 2'0" OVERHANG ARI. MAIN ENTRANCE FOR CONCERT VENUE.
- NEW STOREFRONT AT LEFT SIDE OF FACADE.
- NEW EGRESS VESTIBULE AT RIGHT SIDE OF EXIST. STOREFRONT.
- NEW MAIN ENTRANCE AT CENTER OF FACADE.
- NEW REAR EXIT TO ALLEY.
- COA-21-0442. APPROVED WITH CONDITIONS.




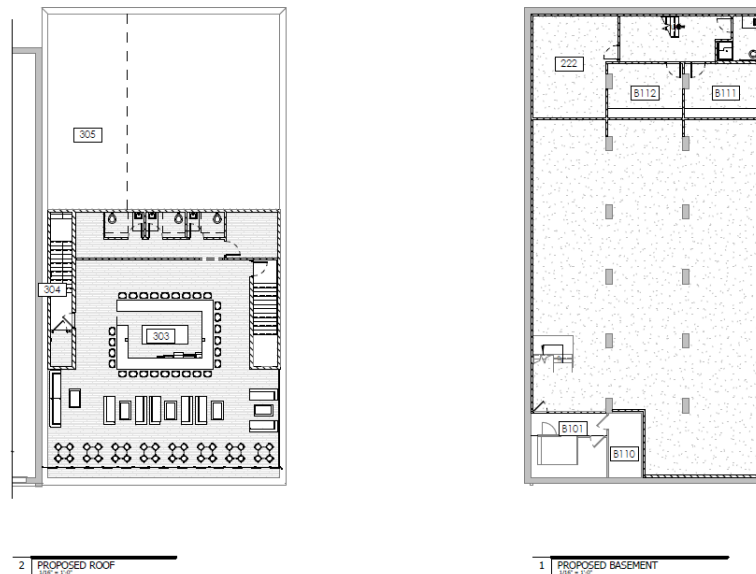
 <p>JAA ARCHITECTURE INC. 3716 ST. JOHNS AVE. JACKSONVILLE, FL 32206 P: 904.379.8108 E: JOHN@JAAARCHITECTURE.COM ARCHITECTURE INC. LIC. AR92748</p>	<p><b>PROJECT 323</b></p> <p>(TEMP - NAME 182)</p>	<p><b>DDRB - FINAL APPROVAL</b></p> <p>323 E BAY ST JACKSONVILLE, FL 32202</p>	<p>0 8'-0" 14'-0" 32'-0"</p> <p>SCALE: 1/16" = 1'-0"</p>
			<p>DATE: 7.22.2021</p> <p>SHEET: FIRST &amp; SECOND FLOOR</p>

Figure 4. Floorplan of the rooftop bar and the basement




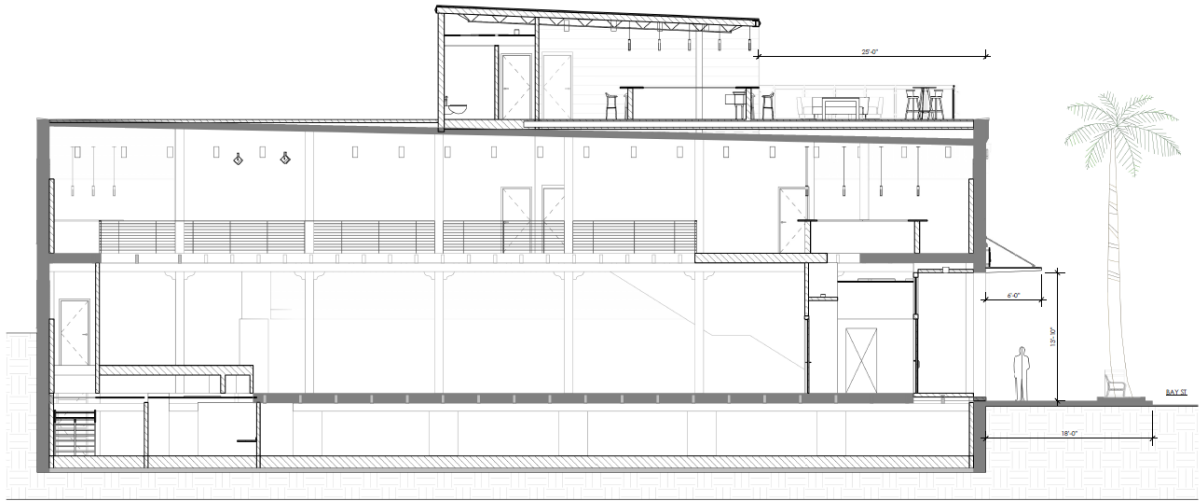

 <p>JAA ARCHITECTURE INC. 3716 ST. JOHNS AVE. JACKSONVILLE, FL 32206 P: 904.379.8108 E: JOHN@JAAARCHITECTURE.COM ARCHITECTURE INC. LIC. AR92748</p>	<p><b>PROJECT 323</b></p> <p>(TEMP - NAME 182)</p>	<p><b>DDRB - FINAL APPROVAL</b></p> <p>323 E BAY ST JACKSONVILLE, FL 32202</p>	<p>0 8'-0" 14'-0" 32'-0"</p> <p>SCALE: 1/16" = 1'-0"</p>
			<p>DATE: 7.22.2021</p> <p>SHEET: ROOF &amp; BASEMENT</p>

Figure 5. Cutaway view of the property



1 N/S BUILDING SECTION  
20'-1'-0"

 <p>JAA ARCHITECTURE INC. 2718 ST JOHNS AVE JACKSONVILLE FL 32208 P: 904.379.5108 E: JOHN@JAAARCHITECTURE.COM ARCHITECTURE INC. LIC. AR92748</p>	<p><b>PROJECT 323</b></p> <p><small>(REV. - NAME TAG)</small></p>	<p><b>DDRB - FINAL APPROVAL</b></p> <p>323 E BAY ST JACKSONVILLE, FL 32202</p>	<p>0 4'-0" 8'-0" 16'-0" <span style="float: right;">9</span></p> <p>SCALE: 1/8" = 1'-0"</p>
			<p>DATE: 7.22.2021</p> <p>SHEET: BUILDING SECTION</p>

DRAFT

**TAB III.C**

**RESOLUTION 2022-03-02: THE HARDWICK TERM SHEET**

## RESOLUTION 2022-03-02

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) EXTENDING THE TIME FOR NEGOTIATION OF A TERM SHEET WITH CARTER (“DEVELOPER”) AUTHORIZED PURSUANT TO RESOLUTION 2022-01-02 THROUGH MAY 18, 2022; AUTHORIZING THE CEO OF THE DIA TO CONTINUE NEGOTIATIONS WITH THE DEVELOPER AND PRESENT TO THE DIA BOARD IN MAY A TERM SHEET FOR DISPOSITION AND DEVELOPMENT OF THE PROPERTY (“COURTHOUSE SITE”) IN ACCORDANCE WITH THE PROPOSAL SUBMITTED BY DEVELOPER; AUTHORIZING THE RELEASE OF ALL PREFORMANCE BONDS PROVIDED BY OTHER BIDDERS ON ISP-0287-22; AND OTHERWISE AUTHORIZING THE CEO TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to Resolution 2022-01-02 adopted by the DIA on January 19, 2022, Carter, the top scoring respondent, and the unanimous selection of the REPD Committee, was unanimously selected by the Board as the respondent to ISP-0287-22 whose proposal was deemed in the public interest, furthered the North Bank Community Redevelopment Area Plan, and furthered Sec. 163.380 Florida Statutes, and

**WHEREAS**, DIA staff was directed to enter into negotiations for a Term Sheet with Carter for the sale and redevelopment of the Courthouse Site; and

**WHEREAS**, Resolution 2022-01-02 contemplated that the award would terminate in 75 days unless a term sheet were negotiated within that time frame; and

**WHEREAS**, DIA staff has been unable to devote the time necessary to completion of the term sheet due to competing demands and priority projects.

**NOW THEREFORE, BE IT RESOLVED** by the Board of 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 time frame for negotiation of a term sheet is hereby extended until May 18, 2022, to allow the staff time to negotiate and deliver a term sheet to the Board by the DIA May meeting.

**Section 3.** This award of the disposition to Carter shall terminate as of May 18, 2022 unless a term sheet has been successfully negotiated and approved by the Board or the time for

approval further extended by the Board. In the event this award is terminated, the Board may enter into negotiations with the second ranked respondent or terminate the disposition.

**Section 4.** The CEO is directed to advise procurement that all bid bonds, other than the bond provided by Carter, shall be released, and returned to the bidders.

**Section 5.** This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

\_\_\_\_\_

\_\_\_\_\_  
W Braxton Gillam, IV, Esq., Chair

\_\_\_\_\_  
Date

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

**TAB IV.A**  
**FEBRUARY 23, 2022**  
**DOWNTOWN INVESTMENT AUTHORITY BOARD MEETING MINUTES**



**Downtown Investment Authority**  
**Hybrid Meeting**  
*Wednesday, February 23, 2022 – 4:31 p.m.*

**Downtown Investment Authority**  
**MEETING MINUTES**

**DIA Board Members:** Braxton Gillam, Esq., Chair; Carol Worsham, Vice Chair; Jim Citrano, Secretary; Craig Gibbs, Esq.; Todd Froats; David Ward, Esq.; and Ron Moody

**DIA Board Members Excused:** Bill Adams, Esq.; Oliver Barakat

**Mayor’s Staff:** None

**Council Members:** None

**DIA Staff:** Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Operations Manager; Ina Mezini, Communication and Marketing Specialist (via Zoom); Lori Radcliffe-Meyers, Downtown Development Coordinator (via Zoom); John Crescimbeni, Contract and Regulatory Compliance Manager (via Zoom); and Wanda James Crowley, Financial Analyst (via Zoom)

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

**CALL TO ORDER:** Chairman Gillam called to order the Downtown Investment Authority Board Meeting at 4:31 p.m.

**IV. DOWNTOWN INVESTMENT AUTHORITY MEETING**

**A. JANUARY 19, 2022 DOWNTOWN INVESTMENT AUTHORITY BOARD MEETING APPROVAL OF THE MINUTES.**

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

**Motion:** Board Member Gibbs moved to approve the minutes as presented

**Seconded:** Board Member Froats seconded the motion

Chairman Gillam called for a vote.

**Vote: Aye: 7      Nay: 0      Abstain: 0**

**THE MOTION PASSED UNANIMOUSLY 7-0-0**

**B. RESOLUTION 2022-02-06: JAX RIVER JAMS CONTRIBUTION**



**A RESOLUTION A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING A FIFTY THOUSAND DOLLAR (\$50,000.00) EVENT CONTRIBUTION TO THE DOWNTOWN VISION, INC. TO SUPPORT THE JACKSONVILLE RIVER JAMS EVENT; AUTHORIZING THESE FUNDS FROM THE DIA FISCAL YEAR 2021-2022 ADMINISTRATIVE BUDGET’S EVENT CONTRIBUTION FUNDS; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESARRY ACTIONS TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION, INCLUDING EXECUTION OF AN EVENT CONTRIBUTION AGREEMENT OR FUNCTIONAL EQUIVALENT THEREOF; PROVIDING FOR AN EFFECTIVE DATE.**

CEO Boyer introduced the resolution, stating that it provides a \$50,000 event contribution to DVI for the Jax River Jams concert series.

Chairman Gillam called for a motion.

**Motion:** Board Member Ward moved to approve Resolution 2022-02-06 as presented  
**Second:** Board Member Citrano seconded the motion

Seeing no discussion, Chairman Gillam called for a vote.

**Vote: Aye: 7      Nay: 0      Abstain: 0**

**THE MOTION PASSED 7-0-0.**

**V. NEW BUSINESS**

None.

**VI. CEO INFORMATIONAL BRIEFING**

None.

**VII. CHAIRMAN REPORT**

None.

**VIII. ADJOURN**

**ADJOURNMENT:** There being no further business, Chairman Gillam adjourned the meeting at 4:32 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.B**

**RESOLUTION 2022-03-03: DIA STAFFING**

**RESOLUTION 2022-03-03**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) URGING THE MAYOR AND CITY COUNCIL TO SUPPORT AN INCREASE IN STAFFING OF THE DOWNTOWN INVESTMENT AUTHORITY WITH THE ADDITION OF AT LEAST \_\_\_ ADDITIONAL POSITIONS; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO PURSUE LEGISLATION AND/OR SUBMIT BUDGET REQUESTS NECESSARY TO EFFECTUATE THIS DIRECTION; RECOGNIZING THE URGENCY OF THE REAL ESTATE MARKET CYCLE AND THE CURRENT OPPORTUNITIES FOR REDEVELOPEMENT THAT CANNOT BE ADEQUATELY ADDRESSED BY CURRENT STAFF DESPITE THEIR COMMITMENT OF TIME WELL BEYOND JOB REQUIREMENTS; AUTHORIZING THE CEO TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Downtown Investment Authority (“DIA”) is the Community Redevelopment Agency within Downtown Jacksonville; and

**WHEREAS**, the DIA staff have been challenged in recent months to keep up with the extremely active Downtown market, increasing interest in Downtown property acquisitions, numerous incentive applications, and contract coordination and management responsibilities for recently approved projects now preparing for closing or in construction; and

**WHEREAS**, recognizing the cyclical nature of real estate, it is critical to be responsive to the market demand without sacrificing the quality of work or professionalism that has characterized the DIA; and

**WHEREAS**, at the request of the Board, the CEO prepared an organizational chart and identified various additional positions that would facilitate more efficient and effective operation of the agency and allow staff to complete the assignments given to it by the Board; and

**WHEREAS**, as the result of several recent developments, the DIA has sufficient resources in its current year’s budget, as well as recurring funds in future years, to fund this increase in staffing without impact to the General Fund and without adversely impacting the DIA’s ability to carry out other projects consistent with its mission.

**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.** DIA hereby recommends the addition of at least \_\_\_\_ additional positions to the currently authorized 8 FTE’s for the DIA.

**Section 3.** Specifically, the DIA recommends the addition of the following positions:

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**Section 4.** The CEO is directed to work with COJ Employee Services to create position titles, job descriptions, minimum qualifications, assign pay grades, and otherwise prepare to seek approval of the requested positions from the Mayor and City Council.

**Section 5.** The CEO is authorized to utilize up to \$500,000.00 of budgetary capacity in the NB and SS CRA's to effectuate this Resolution.

**Section 6.** The DIA instructs its Chief Executive Officer to pursue legislation and/or submit budget requests as necessary to effectuate this Resolution.

**Section 7.** The DIA instructs its Chief Executive Officer to take all necessary action to effectuate the purpose of this Resolution.

**Section 8.** This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

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W. Braxton Gillam IV, Esq., Chair

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Date

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

**TAB IV.C**

**RESOLUTION 2022-03-04: MAYO CLINIC PARKING AGREEMENT**

**RESOLUTION 2022-03-04**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (DIA) RECOMMENDING CITY COUNCIL APPROVAL OF A PARKING AGREEMENT BETWEEN THE DIA AND MAYO CLINIC JACKSONVILLE (MAYO) FOR MONTHLY AND HOURLY PARKING AT THE ED BALL GARAGE; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Mayo has negotiated a Lease with the City of Jacksonville for the occupancy of 3,072 square feet located on the first floor of the Ed Ball Building for general office use, administrative and clinical research purposes; and

**WHEREAS**, Mayo will require monthly and hourly parking for its employees and patients working at or visiting their downtown location; and

**WHEREAS**, the Office of General Counsel has drafted a Parking Agreement for Mayo to run for a term concurrent with the Lease for both monthly parking and hourly parking in the Ed Ball Garage, using prevailing non-discounted rates throughout the duration of the Agreement; and

**WHEREAS**, like the Lease, the Parking Agreement requires approval by the Jacksonville City Council.

**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 recommends that the City Council approve the Parking Agreement between the DIA and Mayo.

**Section 3.** The Effective Date of this Resolution is the date upon execution of the Resolution by the Chairman of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

\_\_\_\_\_

W. Braxton Gillam IV, Esq., Chairman

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

**TAB IV.D**

**RESOLUTION 2022-03-06: UNION TERMINAL DPRP TERM SHEET AMENDMENT**



**RESOLUTION 2022-03-06**

**RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM (“DPRP”) CONSISTING OF AN HISTORIC PRESERVATION, RESTORATION, AND REHABILITATION FORGIVABLE LOAN; A CODE COMPLIANCE FORGIVABLE LOAN; AND A DPRP DEFERRED PRINCIPAL LOAN WITH EAST UNION HOLDINGS, LLC (“OWNER”) FOR REDEVELOPMENT AND REHABILITATION OF THAT PROPERTY COMMONLY REFERRED TO AS THE “UNION TERMINAL WAREHOUSE”; THE AMOUNTS AND TERMS OF THE FORGIVABLE LOANS AND DEFERRED PRINCIPAL LOAN ARE ATTACHED HERETO AS EXHIBIT ‘A’ (“TERM SHEET”); AUTHORIZING THE DIA CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL ACTIONS, INCLUDING THE FILING OF LEGISLATION, AND THE EXECUTION OF CONTRACTS, AGREEMENTS AND OTHER DOCUMENTS AS ARE NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the DIA is the Community Redevelopment Agency and Economic Development entity for Downtown Jacksonville; and

**WHEREAS**, in its role as the Community Redevelopment Agency and Economic Development entity for Downtown, the DIA is responsible for administering the Downtown Preservation and Revitalization Program; and

**WHEREAS**, the DPRP was created by Ordinance 2020-0527-E for purpose of fostering the preservation and revitalization of unoccupied, underutilized, and/or deteriorating historic buildings; and

**WHEREAS**, via Ordinance 2021-0139-E, the Union Terminal Warehouse (“Property”) was designated as a local historic landmark; and

**WHEREAS**, the Owner is redeveloping the Property as a mixed-use residential development, which will include a minimum of 220 residential units, and 38,000 square feet of commercial space and maker/artist studios, collectively referred herein as the “Project”; and

**WHEREAS**, the Project requires City participation in accordance with those amounts and subject to those requirements articulated in the attached Exhibit ‘A’, Term Sheet,

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

Section 1. The DIA finds that the abovementioned recitals are true and correct.

Section 2. The DIA hereby approves the attached Exhibit ‘A’, Term Sheet

Section 3. The DIA authorizes its CEO to take all necessary action, including the filing of legislation and the execution of contracts, agreements and other documents as may be necessary to effectuate the purposes of this Resolution 2022-03-06.

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

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

\_\_\_\_\_

W. Braxton Gillam IV, Esq., Chairman

Date

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

**Exhibit A:**

**DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM  
TERM SHEET**

**Union Terminal Warehouse**

**Project:** The project comprises the redevelopment of a historic property where the underlying tax parcel ID 122092-0000 is shown to extend into the DIA Boundary and the Cathedral District at the time the Downtown Preservation and Revitalization Program (“DPRP”) was approved by the Jacksonville City Council. As such, the redevelopment of this property is eligible for incentive funding under the DPRP.

The redevelopment of this building (“Property”) is conditioned upon terms found in this Exhibit A to the Resolution. Forgivable loan documentation will be prepared and entered into with the Applicant for the Property as approved by the DIA Board and the City Council of Jacksonville, Florida.

<b>Owner / Applicant / Borrower:</b>	East Union Holdings, LLC
<b>Developer:</b>	Columbia Ventures, LLC
<b>Total Development Costs (estimate):</b>	\$64,370,008
<b>Underwritten Development Costs Used for DPRP Calculations:</b>	\$57,118,172
<b>Equity (proposed and including HTC equity):</b>	\$16,386,211 (25.4% of TDC unadjusted)
<b>Equity (proposed exclusive of HTC equity):</b>	\$8,344,661 (15.1% of TDC as underwritten) (12.7% of TDC unadjusted)

**City Funding:** An amount determined to be **\$8,285,793** through the City of Jacksonville, 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>	\$4,246,963	\$2,381,671	\$1,657,159	<b>\$8,285,793</b>

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

To be eligible for funding, all work must be reviewed and approved by the Planning and Development Department for consistency with the United States Secretary of Interior Standards and applicable design guidelines during application processing and for verification upon completion and request for funding under terms defined further herein.

**Budget.** The construction budget reviewed and approved by the DIA in the total amount of **FORTY MILLION TWENTY SIX THOUSAND FOUR HUNDRED NINETY EIGHT**

DOLLARS AND ZERO CENTS (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	\$ 20,453,469
Interior Restoration	102,000
Exterior	2,742,201
Code Compliance	6,871,932
General Requirements/Other	4,606,300
N/A <sup>1</sup>	5,250,596
<b>Total Budget Amount:</b>	<b>\$ 40,026,498</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 Owner 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 EIGHT MILLION THREE HUNDRED FORTY FOUR THOUSAND DOLLARS SIX HUNDRED SIXTY ONE AND ZERO CENTS (\$8,344,661) (the “Required Equity”);
- (ii) Total Development Costs incurred of FIFTY FIVE MILLION TWO HUNDRED FIFTY TWO THOUSAND THREE HUNDRED FIFTY SIX DOLLARS AND ZERO CENTS (\$55,252,356) which shall exclude Developer/Program Management Fee, FF&E, tenant improvements, and operating or finance reserves (the “Minimum Total Development Costs”);
- (iii) Total Construction Costs incurred of at least the Total Budget Amount (the “Minimum Total Construction Costs”), and
- (iv) Construction Costs incurred of at least the Funding Category Minimum with respect to each respective Funding Category.

Notwithstanding the foregoing, the required Minimum Total Development Costs of \$55,252,356.00 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting Owner’s eligibility for the approved DPRP Loans. Further, 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.

DIA staff shall present to the DIA Board a request for approval of the reduced DPRP Loans consistent with the DPRP Guidelines. The DIA Board 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 \$49,727,120, including Construction Costs incurred of not less than \$36,023,848.

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

**Land:** No City of Jacksonville land is committed to the project; however, the Owner commits to provide a minimum twenty-five (25) foot wide easement to the City as required by CH. 656.361.2.I and/or conveyance of property necessary for development of the Hogan's Creek greenway. Any property conveyance shall be subject to customary agreements to be negotiated with reasonable discretion by all parties and subject to the zoning, code, or other requirements placed upon the site as reviewed and approved by the City of Jacksonville Planning and Development department, FDOT, and any other municipal, governmental, or regulatory body.

**Loans:** No other loans, grants, or other funding are requested from the City of Jacksonville.

**Performance Schedule:**

- A) Execution of Redevelopment Agreement by Owner within (30) days of delivery of final contract to Owner following City Council Approval and Bill Effective Date.
- B) Application for Building Permit from the COJ Building Inspection Division within sixty (60) days following final approval of Redevelopment Agreement by City Council.
- C) Upon receipt of Building Permit, application for lender approval must be promptly filed and Owner must make best efforts to receive final approval from lender within six (6) months from application filing.
- D) Commencement of Construction within six (6) months of final lender approval as indicated by a financial closing. Commencement of Construction means:
  1. As reasonably can be considered necessary so that physical construction of the eligible Project (or any applicable phase thereof) may begin and proceed to completion without foreseeable interruption:
    - a) Completion of all pre-construction engineering and design,
    - b) All necessary licenses, permits, and governmental approvals,
    - c) Engagement of all contractors,
    - d) Ordered essential equipment and supplies; and,
  2. Financial commitments and resources to complete the construction of the project; and,
  3. Evidence of having "broken ground" and begun physical, material renovation and construction of such improvements on an ongoing basis without any Impermissible Delays. Physical, material renovation and construction shall include, but not be limited to, environmental remediation, structural repairs, and selective demolition activities.

- E) Substantial Completion: Within twenty-four (24) months following Commencement of Construction as defined above.
- F) 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 Owner / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

**Additional Commitments:**

- A) The Owner commits to the development of:
  - 1. A minimum of 220 dwelling units.
  - 2. Commercial space, including maker/artist's studios, and similar uses: Minimum of 38,000 square feet.
  - 3. Rooftop terrace and community garden with existing water tower retained as an iconic architectural feature.
  - 4. Other amenities include a fitness studio, individual teleconference rooms, an arcade room, a Do-It-Yourself shop space, and electric vehicle charging stations. Specific uses for amenity spaces are subject to change over time in keeping with market standards.
  - 5. Coordination with Groundwork Jacksonville and the City of Jacksonville to allow for improvements adjacent to Hogan's Creek and through the property for the Emerald Trail subject to the easement as required by CH. 656.361.2.I and other customary easements and license agreements to be diligently negotiated with reasonable discretion by all parties. It is contemplated that the subway drive-aisle on the east side of the building will be paved, striped, and secured with bollards according to the design standards provided by Groundwork Jacksonville for the Emerald Trail as of the time of the execution of the Redevelopment Agreement.
- B) Recommendation as to the eligibility of the approved scope of work on the Property 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").
- C) Upon completion and request for funding, all work on the Property 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 subordinate lien position on the Property behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing in accordance with the requirements of the senior lender.
- E) 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.
- F) 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. **Owner/Applicant may request deferral of the maturity and the principal forgiveness for tax purposes, with authority for such modification vested in the DIA CEO.**

G) Standard claw back provisions will apply such that:

1. In the event the Borrower sells, leases or otherwise transfers the Historic Building during the first five (5) years after the disbursement of the Forgivable Loan, the following shall be due and payable at closing of the Sale:

- a) 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
- b) 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;
- c) 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
- d) 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
- e) 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.

2. In the event Borrower or any lessee or assignee of the Borrower uses the Project or the Historic Property or Properties for uses that represent material adverse deviation as contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan, the full amount of the Grant, together with all accrued but unpaid interest thereon, shall immediately become due and payable to the City by the Borrower.

- H) 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.
- I) The DPRP Deferred Principal Loan component requires an annual interest payment equal to the total principal outstanding multiplied by the prevailing Ten-Year Treasury Note Rate at the time of funding or such other date as may be negotiated to accommodate senior lender requirements.
- J) 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.
- K) DIA reserves the right to approve any sale, disposition of collateral property, or refinance of senior debt during the full DPRP Compliance Period.

- L) 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.
- M) 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) and which will include review and comment by the other financial partners involved in the transaction.

DRAFT



## **SUPPLEMENTAL INFORMATION**

**DIA Board Staff Report**

**UNION TERMINAL WAREHOUSE**

**Downtown Preservation and Revitalization Program (As Modified)**

**March 16, 2022**

**Owner / Applicant:** East Union Holdings, LLC  
**Developer:** Columbia Ventures, LLC (Manager)  
Mr. Dillon Baynes (Member)  
Mr. Jakob von Trapp (Member)  
Mr. Ryan Akin (Development Manager)

**Project:** Union Terminal Warehouse  
**Address:** 700 Union Street E  
Jacksonville, FL 32206

**Program Request:** Downtown Preservation and Rehabilitation Program ("DPRP")

**Total Development Costs (as submitted):** \$64,370,008

**Total Development Costs (as underwritten):** \$57,118,172

**DPRP Loans Recommended:**

- |  |                    |
|--|--------------------|
| 1) Historic Preservation Restoration and Rehabilitation Forgivable Loan (HPRR) | \$4,246,963        |
| 2) Code Compliance Renovations Forgivable Loan (CCR)                           | \$2,381,671        |
| 3) DPRP Deferred Principal Loan  | <u>\$1,657,159</u> |
|  | <u>\$8,285,793</u> |

Columbia Ventures, the developer for the Union Terminal Warehouse (UTW) project with East Union Holdings, LLC, as Owner, and Columbia Ventures, LLC as developer was approved for DPRP funding by the DIA Board at its May 2021 Board meeting under Resolution 2021-05-04. As proposed and presented, the capital stack was reliant on financing through the HUD 220 program for construction and permanent debt on the development, where the project had been approved for an invitation to enter into underwriting with a HUD approved DUS (Delegated Underwriting and Servicing) lender. Negotiations with that DUS lender eventually broke down and Columbia ventures is now proposing the same development with minor modifications spelled out here and financed in a more traditional debt and equity structure, although still incorporating the use of Historic Tax Credits. As would be expected, construction costs have increased significantly since the time of original approval as well, although the DPRP request for funding is presented at the same level as approved previously.

This memo seeks to summarize these changes and is submitted for reapproval by the DIA Board. The Ex. A Term Sheet as previously approved and the Staff Report provided in the original approval is attached for reference.

### Mr. Noel Khalil

An unfortunate event since the time of the DIA Board approval was the loss of the principal founding member of the firm, Mr. Noel Khalil who died Oct. 25 after a four-year battle with chronic lymphocytic leukemia. Although Mr. Khalil was instrumental in developing the vision and mission of Columbia Ventures, his role in the UTW project was at a very high level and the succession plan within the firm is strong with three other co-founders still active in the firm. Among them is Mr. Dillon Baynes who contacted DIA staff with this information proactively upon Mr. Khalil's passing to provide reassurance that there would be no impact on disruption to the plans for UTW as a result.

### Request and Structure

As noted previously, the DPRP funding amounts remain unchanged although the approach to funding limits has evolved since the original approval and the sub-limits for funding under each of the funding categories are now incorporated into the Ex. A Term Sheet for approval.

**Table 1: DPRP Funding Recommended (Unchanged from Resolution 2021-05-04 as originally approved)**

DPRP Program Funding	Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)	Code Compliance Forgivable Loan (CCR)	DPRP Deferred Principal Loan	TOTAL
Recommended	\$4,246,963	\$2,381,671	\$1,657,159	\$8,285,793

### Capital Structure

As noted, the change from HUD financing to a traditional debt structure along with increases to the total development costs are the principal components requiring review and reapproval. Table 2(a) below provides the Sources and Uses Proposed and as Adjusted from the original approval, whereas Table 2(b) below provides the same information for reapproval.

**Table 2(a): Sources and Uses as Proposed and as Adjusted (Original approval)**

Uses	As Proposed		As Adjusted	
Acquisition Costs	\$ 5,946,853	9.8%	\$ 5,946,853	11.2%
Hard Costs	\$ 41,952,140	68.9%	\$ 41,152,140	77.8%
Financing Costs	\$ 2,699,937	4.4%	\$ 2,403,196	4.5%
Soft Costs	\$ 5,110,866	8.4%	\$ 3,419,791	6.5%
Other	\$ 5,136,180	8.4%	\$ -	0.0%
<b>Total Development Cost</b>	<b>\$ 60,845,975</b>	<b>100.0%</b>	<b>\$ 52,921,980</b>	<b>100.0%</b>

Sources	As Proposed		As Adjusted	
General Partner (Equity)	\$ 8,228,897	13.5%	\$ 5,292,198	10.0%
HTC Equity	\$ 1,813,970	3.0%	\$ -	0.0%
Deferred Dev Fee	\$ 405,650	0.7%	\$ -	0.0%
Gap Financing - DPRP Funds	\$ 9,179,676	15.1%	\$ 8,285,793	15.7%
HUD 220 Construction Loan	\$ 41,217,782	67.7%	\$ 39,343,989	74.3%
<b>Total Development Sources</b>	<b>\$ 60,845,975</b>	<b>100.0%</b>	<b>\$ 52,921,980</b>	<b>100.0%</b>

**Table 2(b): Sources and Uses as Proposed and as Adjusted (As revised)**

Uses	As Proposed		As Adjusted	
Acquisition Costs	\$ 6,665,816	10.4%	\$ 4,800,000	8.7%
Hard Costs	\$ 43,635,623	67.8%	\$ 42,835,623	77.5%
Financing Costs	\$ 4,669,822	7.3%	\$ 4,544,822	8.2%
Soft Costs	\$ 4,698,964	7.3%	\$ 3,071,911	5.6%
Developer Fee	\$ 4,323,011	6.7%	\$ -	
Other	\$ 376,772	0.6%	\$ -	0.0%
<b>Total Development Cost</b>	<b>\$ 64,370,008</b>	<b>100.0%</b>	<b>\$ 55,252,356</b>	<b>100.0%</b>

Sources	As Proposed		As Adjusted	
General Partner (Equity)	\$ 3,185,949	4.9%	\$ 3,185,949	5.8%
Limited Partner (Equity)	\$ 5,158,710	8.0%	\$ 5,158,710	9.3%
HTC Equity	\$ 2,010,388	3.1%		0.0%
Deferred Dev Fee	\$ 432,301	0.7%	\$ -	0.0%
Gap Financing - DPRP Funds	\$ 8,285,793	12.9%	\$ 8,285,793	15.0%
Bridge Loan	\$ 6,031,164	9.4%		0.0%
Construction Loan	\$ 39,265,703	61.0%	\$ 38,621,904	69.9%
<b>Total Development Sources</b>	<b>\$ 64,370,008</b>	<b>100.0%</b>	<b>\$ 55,252,356</b>	<b>100.0%</b>

Notably from above, TDC as Proposed increased \$3.5 million (5.8%) over the interceding period centered in Hard Costs (\$1.7 million, 4.0%) and Financing Costs (\$2.0 million, 73.0%) offset by declines in HUD required lease-up reserves and other soft costs. After adjustments to Uses consistent with the prior approval to exclude Developer/Program Management Fee, FF&E, tenant improvements, and certain soft costs, TDC as Adjusted is found to have increased by a lesser amount of \$2.3 million (4.4%) as acquisition costs are reduced to the appraisal amount for the property (19.3% reduction).

Among Sources, the capital stack now includes a Limited Partner with proposed equity increasing by \$3.2 million, the addition of a Bridge Loan that will be repaid by the Historic Tax Credit Equity as it is injected during the construction phase, and the construction loan is reduced by \$1.9 million (4.7%).

### **Project Parameters**

The proposed use of the property remains the same with no change to the unit counts for residential units or the square footage or use of the commercial retail space. Some of the unit sizes have changed slightly to become a bit larger. Although HUD maximum rents are no longer imposed due to the change in funding structure, the developer intends to develop the property as a mixed-income property with eleven units proposed to have rents established as affordable for tenants earning less than 80% of the Area Median Income (AMI). Another 165 units are proposed to be affordable for tenants making between 80-100% AMI, 39 units affordable for tenants making between 100-120% AMI, and rents for 8 units will be targeted for tenants making above 120% AMI. Although integral to the firm's mission, the requirements for affordability are proposed to be eliminated from the Term Sheet to allow the developer the flexibility needed to ensure operating costs are covered without additional restrictions imposed on rent limits that are not an integral component of the DPRP.

Further, the square footage dedicated to commercial/retail space is unchanged at a minimum of 38,000 square feet, although the requirement for “44 tenant spaces” is proposed to be eliminated so that the developer may have flexibility to commit to larger space and meet the needs of a broader range of prospective tenants.

**Table 3(a): DPRP Guidelines Summary: (Original approval)**

Measurement	DPRP Guidelines			As Calculated
	% of TDC		Net of Developer Fee	Project
Developer Equity	10%	Min	of TDC	10.0%
3rd Party Loan			No min or max	74.3%
Subsidy or Tax Credit			No min or max	
<b>Developer Combined</b>	60%	Min	of TDC	84.3%
DPRP				
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	8.0%
CCR Forgivable Loan	30%	Max	of TDC	4.5%
DPRP Def Prin Loan	20%	Max	of TDC	3.1%
DPRP Def Prin Loan		Min	Must be ≥ 20% of Gap	20.0%
Other COJ Funding				0.0%
<b>COJ Combined</b>	40%	Max	of TDC	13.6%

**Table 3(b): DPRP Guidelines Summary: (As revised)**

Measurement	DPRP Guidelines			As Calculated
	% of TDC		Net of Developer Fee	Project
Developer Equity	10%	Min	of TDC	15.1%
3rd Party Loan			No min or max	69.9%
Subsidy or Tax Credit			No min or max	
<b>Developer Combined</b>	50%	Min	of TDC	85.0%
DPRP				
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	7.7%
CCR Forgivable Loan	30%	Max	of TDC	4.3%
DPRP Def Prin Loan	20%	Max	of TDC	3.0%
DPRP Def Prin Loan		Min	Must be ≥ 20% of Gap	20.0%
Other COJ Funding				0.0%
<b>COJ Combined</b>	40%	Max	of TDC	13.6%

**Table 4(a): ROI Estimates for Union Terminal Warehouse DPRP Funding (Original approval)**

<b>\$47.3 Million in Capital Expenditures</b>		
Ad Valorem Taxes Generated		
County Operating Millage	(1) \$	5,605,141
Local Option Sales Tax	(2) \$	-
Payroll	(3) \$	-
Add'l Benefits Provided	(4) \$	1,265,925
<b>Total City Expected Benefits</b>		\$ 7,119,640
Total City Investment	(5)	\$ 8,285,793
<b>Return on Investment Ratio</b>		<b>0.86</b>
(1) - The investment from the Company is estimated to be \$47,098,000 in Capital Contribution for development		
(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	\$	248,574
PV of Deferred Principal Loan Payoff	\$	1,017,352
Other		
<b>Total Add'l Benefits Provided</b>	\$	1,265,925
(5) - City Incentives as follows:		
DPRP	\$	8,285,793
Land	\$	-
Other		
<b>Total Direct Incentives</b>	\$	8,285,793

**Table 4(b): ROI Estimates for Union Terminal Warehouse DPRP Funding (As revised)**

<b>\$46.1 Million in Capital Expenditures</b>		
Ad Valorem Taxes Generated		
County Operating Millage	(1) \$	5,432,294
Local Option Sales Tax	(2) \$	-
Payroll	(3) \$	-
Add'l Benefits Provided	(4) \$	1,265,925
<b>Total City Expected Benefits</b>		\$ 6,946,793
Total City Investment	(5)	\$ 8,285,793
<b>Return on Investment Ratio</b>		<b>0.84</b>
(1) - The investment from the Company is estimated to be \$46.1 million in Capital Contribution for development		
(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	\$	248,574
PV of Deferred Principal Loan Payoff	\$	1,017,352
Other		
<b>Total Add'l Benefits Provided</b>	\$	1,265,925
(5) - City Incentives as follows:		
DPRP	\$	8,285,793
Land	\$	-
Other		
<b>Total Direct Incentives</b>	\$	8,285,793

**RESOLUTION 2021-05-04**

**RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM (“DPRP”) CONSISTING OF AN HISTORIC PRESERVATION, RESTORATION, AND REHABILITATION FORGIVABLE LOAN; A CODE COMPLIANCE FORGIVABLE LOAN; AND A DPRP DEFERRED PRINCIPAL LOAN WITH EAST UNION HOLDINGS, LLC (“DEVELOPER”) FOR REDEVELOPMENT AND REHABILITATION OF THAT PROPERTY COMMONLY REFERRED TO AS THE “UNION TERMINAL WAREHOUSE”; THE AMOUNTS AND TERMS OF THE FORGIVABLE LOANS AND DEFERRED PRINCIPAL LOAN ARE ATTACHED HERETO AS EXHIBIT ‘A’ (“TERM SHEET”); AUTHORIZING THE DIA CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL ACTIONS, INCLUDING THE FILING OF LEGISLATION, AND THE EXECUTION OF CONTRACTS, AGREEMENTS AND OTHER DOCUMENTS AS ARE NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the DIA is the Community Redevelopment Agency and Economic Development entity for Downtown Jacksonville; and

**WHEREAS**, in its role as the Community Redevelopment Agency and Economic Development entity for Downtown, the DIA is responsible for administering the Downtown Preservation and Revitalization Program; and

**WHEREAS**, the DPRP was created by Ordinance 2020-0527-E for purpose of fostering the preservation and revitalization of unoccupied, underutilized, and/or deteriorating historic buildings; and

**WHEREAS**, via Ordinance 2021-0139-E, the Union Terminal Warehouse (“Property”) was designated as a local historic landmark; and

**WHEREAS**, the Developer is redeveloping the Property as a mixed-use residential development, which will include a minimum of 220 workforce residential units, and 38,000 square feet of commercial space and maker/artist studios, collectively referred herein as the “Project”; and

**WHEREAS**, the Project requires City participation in accordance with those amounts and subject to those requirements articulated in the attached Exhibit ‘A’, Term Sheet,

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

Section 1. The DIA finds that the abovementioned recitals are true and correct.

Section 2. The DIA hereby approves the attached Exhibit 'A', Term Sheet

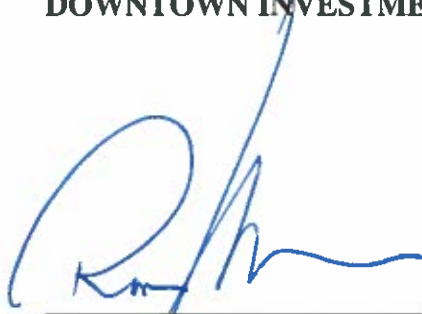
Section 3. The DIA authorizes its CEO to take all necessary action, including the filing of legislation and the execution of contracts, agreements and other documents as may be necessary to effectuate the purposes of this Resolution 2021-05-04.

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

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

Xavier Chico

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

5/19/2021  
\_\_\_\_\_  
Date

VOTE: In Favor: 6 Opposed: 0 Abstained: 1



**Exhibit A:**

**DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM  
TERM SHEET**

**Union Terminal Warehouse**

**Project:** The project comprises the redevelopment of a historic property where the underlying tax parcel ID 122092-0000 is shown to extend into the DIA Boundary and the Cathedral District at the time the Downtown Preservation and Revitalization Program (“DPRP”) was approved by the Jacksonville City Council. As such, the redevelopment of this property is eligible for incentive funding under the DPRP.

The redevelopment of this building (“Property”) is conditioned upon terms found in this Exhibit A to the Resolution. Forgivable loan documentation will be prepared and entered into with the Applicant for the Property as approved by the DIA Board and the City Council of Jacksonville, Florida.

<b>Developer/ Applicant / Borrower:</b>	East Union Holdings, LLC
<b>Total Development Costs (estimate):</b>	\$60,845,975
<b>Underwritten Development Costs Used for DPRP Calculations:</b>	\$52,921,980
<b>Equity (proposed and including HTC equity):</b>	\$10,042,867 (19.0% of TDC as underwritten) (16.5% of TDC unadjusted)
<b>Equity (proposed exclusive of HTC equity):</b>	\$5,292,198 ( 10.0% of TDC as underwritten) (8.7% of TDC unadjusted)

**City Funding:** An amount determined to be **\$8,285,793** through the City of Jacksonville, 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>	\$4,246,963	\$2,381,671	\$1,657,159	<b>\$8,285,793</b>

Changes in Total Development Cost prior to final approval, not to exceed 10%, may result in modification of this City Funding amount in proportion to such changes.

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

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

**Land:** No City of Jacksonville land is committed to the project; however, the Developer commits to provide a minimum twenty-five (25) foot wide easement to the City as required by CH. 656.361.2.I and/or conveyance of property necessary for development of the Hogan’s Creek greenway. Any property conveyance shall be subject to customary agreements to be negotiated with reasonable discretion by all

parties and subject to the zoning, code, or other requirements placed upon the site as reviewed and approved by the City of Jacksonville Planning and Development department, FDOT, and any other municipal, governmental, or regulatory body.

**Loans:** No other loans, grants, or other funding from the City of Jacksonville.

**Minimum Capital Contribution:**

- A) The minimum total equity capital contribution through completion to remain eligible for the maximum DPRP Funding as outlined is \$5,292,198. Changes to Total Development Cost will require recalculation of the minimum equity requirement with consideration to eligibility of such cost modifications.
- B) The minimum Underwritten Development Costs Used for DPRP Calculations for maximum funding as applied for and underwritten \$52,921,980. The Project may be eligible for funding at lower levels subject to maintaining compliance with DPRP Guidelines.
- C) Percent of COJ investment to overall project cost:  $\$8,285,793 / \$60,845,975 = 13.6\%$
- D) Percent of COJ investment to underwritten project cost:  $\$8,285,793 / \$52,921,980 = 15.7\%$

**Performance Schedule:**

- A) Execution of Redevelopment Agreement by Developer within thirty (30) days of delivery of final contract to Developer following City Council Approval and Bill Effective Date.
- B) Application for Building Permit from the COJ Building Inspection Division within sixty (60) days following final approval of Redevelopment Agreement by City Council.
- C) Upon receipt of Building Permit, application for lender approval must be promptly filed and Developer must make best efforts to receive final approval from lender within six (6) months from application filing.
- D) Commencement of Construction within six (6) months of final lender approval as indicated by a financial closing. Commencement of Construction means:
  - 1. As reasonably can be considered necessary so that physical construction of the eligible Project (or any applicable phase thereof) may begin and proceed to completion without foreseeable interruption:
    - a) Completion of all pre-construction engineering and design,
    - b) All necessary licenses, permits, and governmental approvals,
    - c) Engagement of all contractors,
    - d) Ordered essential equipment and supplies; and,
  - 2. Financial commitments and resources to complete the construction of the project; and,
  - 3. Evidence of having “broken ground” and begun physical, material renovation and construction of such improvements on an ongoing basis without any Impermissible Delays.

Physical, material renovation and construction shall include, but not be limited to, environmental remediation, structural repairs, and selective demolition activities.

- E) Substantial Completion: Within twenty-four (24) months following Commencement of Construction as defined above.
- F) 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.

**Additional Commitments:**

- A) The Developer commits to the development of:
  - 1. A minimum of 220 dwelling units with initial rents established at or below the HUD maximum for 120% AMI. Not less than one half of the units will have initial rents established at or below the HUD maximum for 80% AMI.
  - 2. Commercial space, including maker/artist's studios, and similar uses: Minimum of 38,000 square feet and 44 tenant spaces.
  - 3. Rooftop terrace and community garden with existing water tower retained as an iconic architectural feature.
  - 4. Other amenities include a fitness studio, individual teleconference rooms, an arcade room, a Do-It-Yourself shop space, and electric vehicle charging stations. Specific uses for amenity spaces are subject to change over time in keeping with market standards.
  - 5. Coordination with Groundwork Jacksonville and the City of Jacksonville to allow for improvements adjacent to Hogan's Creek and through the property for the Emerald Trail subject to the easement as required by CH. 656.361.2.I and other customary easements and license agreements to be diligently negotiated with reasonable discretion by all parties. It is contemplated that the subway drive-aisle on the east side of the building will be paved, striped, and secured with bollards according to the design standards provided by Groundwork Jacksonville for the Emerald Trail as of the time of the execution of the Redevelopment Agreement.
- B) Recommendation as to the eligibility of the approved scope of work on the Property 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").
- C) Upon completion and request for funding, all work on the Property 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 subordinate lien position on the Property behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing in accordance with the requirements of the senior lender.

- E) 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.
- F) 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.
- G) Standard claw back provisions will apply such that:
  - 1. In the event the Borrower sells, leases or otherwise transfers the Historic Building during the first five (5) years after the disbursement of the Forgivable Loan, the following shall be due and payable at closing of the Sale:
    - a) 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
    - b) 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;
    - c) 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
    - d) 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
    - e) 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.
  - 2. In the event Borrower or any lessee or assignee of the Borrower uses the Project or the Historic Property or Properties for uses that represent material adverse deviation as contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan, the full amount of the Grant, together with all accrued but unpaid interest thereon, shall immediately become due and payable to the City by the Borrower.
- H) 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.
- I) The DPRP Deferred Principal Loan component requires an annual interest payment equal to the total principal outstanding multiplied by the prevailing Ten-Year Treasury Note Rate at the time of funding or such other date as may be negotiated to accommodate senior lender requirements.
- J) 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.
- K) DIA reserves the right to approve any sale, disposition of collateral property, or refinance of senior debt during the full DPRP Compliance Period.

- L) 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.
- M) 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) and which will include review and comment by the other financial partners involved in the transaction.

DIA Strategic Implementation Committee Staff Report

UNION TERMINAL WAREHOUSE

Downtown Preservation and Revitalization Program

May 13, 2021

**Applicant:** East Union Holdings, LLC  
Columbia Ventures, LLC (Manager)  
Mr. Dillon Baynes (Member)  
Mr. Jakob von Trapp (Member)  
Mr. Ryan Akin (Development Manager)

**Project:** Union Terminal Warehouse  
**Address:** 700 Union Street E  
Jacksonville, FL 32206

**Program Request:** Downtown Preservation and Rehabilitation Program (“DPRP”)

**Total Development Costs (as submitted):** \$60,845,975  
**Total Development Costs (as underwritten):** \$52,921,980

**DPRP Loans Requested:**

1) Historic Preservation Restoration and Rehabilitation Forgivable Loan (HPRR)	\$4,705,132
2) Code Compliance Renovations Forgivable Loan (CCR)	\$2,638,609
3) DPRP Deferred Principal Loan	<u>\$1,835,935</u>
	<u>\$9,179,676</u>

**DPRP Loans Recommended:**

1) Historic Preservation Restoration and Rehabilitation Forgivable Loan (HPRR)	\$4,246,963
2) Code Compliance Renovations Forgivable Loan (CCR)	\$2,381,671
3) DPRP Deferred Principal Loan	<u>\$1,657,159</u>
	<u>\$8,285,793</u>

**Project Background and Description:**

The subject property, the Union Terminal Warehouse, is a proposed redevelopment of a 330,000 square foot historic Jacksonville property that will provide a 228-unit apartment complex with associated commercial space situated on a 7.8-acre site. It is located along the south side of East Union Street and the north side of Arlington Expressway between Ionia Street to the east and Palmetto Street to the west, within an opportunity zone of Jacksonville, Florida.

The units will be contained in a single four-story building serviced by elevators with more than 35,000 square feet of commercial space in the basement and on the ground floor. The commercial space will be made up of ground floor restaurant space, office/coworking areas, and maker/industrial space in the basement. The property will offer studio, one-, two-, and three-bedroom floor plans ranging in size from 510 to 1,425 gross square feet with an average unit size of 804 square feet.

Unit features proposed include 9' ceilings with open and contemporary layouts, historic concrete structure with sealed floors, walk-out porches on the first floor, large historic double-pane windows providing generous natural light, fully equipped kitchen with range/oven, microwave, dishwasher, and stainless-steel sink with disposal, and washer/dryer connections with access to commercial washer and dryers onsite.

Exterior property amenities proposed include the Emerald Trail running through the site, rooftop terrace with shade structure and restrooms, large fitness studio, Hogan's Creek access along the southern edge of the property, six teleconference rooms, electric vehicle charging stations, and leasing office. According to the project description provided by the developer there will be a total of 292 parking spaces including 56 covered spaces (parking area under building).

**Figure 1. Rendering of the Union Terminal Warehouse Upon Completion**



**Status:**

Although the Union Terminal Warehouse building is on the north side of the Arlington Expressway, the underlying property (tax parcel 122092-0000), extends beyond the southern edge of Arlington Expressway and into the DIA boundary. Per the DPRP Guidelines, *“Project must be located within the DIA boundary. For this program, a project will be considered within the DIA boundary if, as of the effective date of this program, any portion of the tax parcel on which the building or buildings to be restored or renovated are located, is within the boundary of DIA.”*

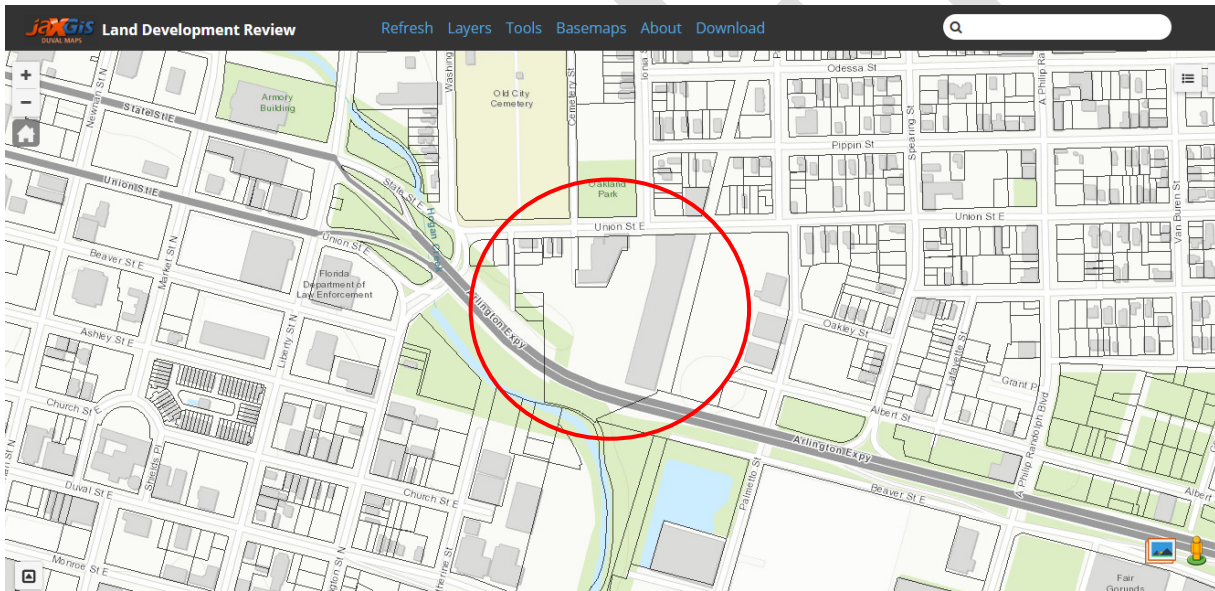
This southern edge of the property is also integral to the goals of the City and DIA as it borders Hogan's Creek and is the site of the Emerald Trail, of which a branch of that important project will extend directly

through the property and the Union Terminal Warehouse building itself as an access point to and from Union Street. This relationship with the Emerald Trail is considered an important element of this redevelopment and is incorporated as a requirement in the term sheet.

No City of Jacksonville land is committed to the project and the Developer commits to provide a minimum twenty-five (25) foot wide easement to the City as required by CH. 656.361.2.1 and/or conveyance of property necessary for development of the Hogan’s Creek greenway. Any property conveyance shall be subject to customary agreements to be negotiated with reasonable discretion by all parties and subject to the zoning, code, or other requirements placed upon the site as reviewed and approved by the City of Jacksonville Planning and Development department, FDOT, and any other municipal, governmental, or regulatory body. This easement will be provided at no cost to the City.

Figure 2. below shows the location of the property in relationship with the DIA boundary and Hogan’s Creek.

**Figure 2. GIS Map of the Union Terminal Warehouse Parcel**



The property was acquired December 3, 2018 in the name of East Union Property Owner, LLC for \$4,600,000. A third-party appraisal prepared by Everson, Huber, and Associates, LC, dated August 25, 2020, provides an estimated Market Value of the Fee Simple Interest in the Subject Property “As Is,” as of July 30, 2020 of \$4,800,000. East Union Holdings, LLC is the sole member of East Union Property Owner, LLC, and Columbia Ventures, LLC is its managing member.

Redevelopment of the Union Terminal Warehouse is not required to undergo approvals from the DDRB.

**Principal Development and Operation Team Members:**

***Columbia Ventures LLC – Atlanta, Ga (Developer)***



Columbia Ventures LLC was formed in 2013 to focus on residentially anchored mixed-use development in urban locations in the southeastern United States. Created in collaboration with the principals of the award-winning affordable housing development and property management firm Columbia Residential, the company leverages the platform founded in 1991 by Noel Khalil to create a market-rate development and investment company with a unique skill set and dynamic approach to urban development.

Columbia Ventures' founders have developed over \$2.5 billion of commercial real estate including over 30,000 residential units, comprising market-rate, senior, affordable, and condominium units with extensive regional and national experience. Columbia Ventures is administratively supported by Columbia Residential, and its support staff headquartered in Atlanta.

**Noel Khalil** founded what is now the Columbia brand in 1991, and today oversees the company in its mission in his role as Chairman and CEO of the Columbia group of companies. During his extensive career in the industry, Noel has been responsible for the award-winning development of more than 13,000 multifamily and single-family housing units throughout the United States. He holds a Bachelor of Science degree with distinction from the University of Rochester and a Juris Doctor from Florida State University.

**Jim Grauley** serves as President, Chief Operating Officer and Principal of the Columbia group of companies, managing operations of development, finance, asset management and corporate business operations. Since joining Columbia in 2008, Jim has led the successful development of over 4,000 housing units.

**Dillon Baynes** is the Managing Partner of Columbia Ventures and has primary operational and managerial responsibilities for the company. His experience varies from multifamily (both for rent and for sale) to single family and land lot/subdivisions, to retail and office and mixed-use, and land conservation.

**Jake von Trapp** is a Partner in Columbia Ventures and is primarily responsible for underwriting development and acquisition opportunities as well as overseeing development management and project execution. Prior to forming Columbia Ventures with Baynes, Grauley, and Khalil, von Trapp worked at Columbia Residential as a development manager where he was responsible for managing the real estate development process, completing more than 700 units across five communities totaling \$168 million during his tenure.

**Ryan Akin** has been with Columbia Ventures since May 2017 and serves as development manager on the Union Terminal Warehouse project. Mr. Akin brings more than thirteen years' experience in development, project management, analysis, and mechanical engineering and is a 2011 graduate of Georgia Institute of Technology with a Master of Science in Mechanical Engineering (M.S.M.E.) and a minor in Business.

***Dasher Hurst – Jacksonville , FL (Architect, MEP, and Civil)***

Dasher Hurst is an award-winning, Jacksonville-based architecture firm with decades of experience in a broad array of complex commercial and residential projects. Their portfolio includes a number of high-profile adaptive reuse projects, including several in Downtown Jacksonville such as the Barnett Building, Independent Life Building, Union Terminal Warehouse, and Farah & Farah Office. Their regional work is

also demonstrated in other sectors such as higher education with nationally recognized projects including the UNF Student Union as well as Jacksonville University Marine Science Institute and UF Whitney Center.

**Winter Park Construction - Maitland, FL (General Contractor)**

WPC was established with a focus on construction activities in Central Florida in 1974 and has completed over 300 million square feet of construction since that time. With principal focus in the complex affordable housing segment of the industry, WPC has been an active participant in the planning and construction of more than 30 low-income and affordable redevelopment and new construction projects. WPC employs green energy compliance in its construction standards and since 2008 has delivered more than 1,000 USGBC, FGBC and NGBS certified units.

**Request and Structure:**

To facilitate redevelopment of this property, Columbia Ventures requested approval of funding under the DPRP totaling \$9,179,676. As will be outlined in more detail below, DIA Staff recommends DPRP funding in the amount of \$8,285,793 (a difference of \$893,883) to be structured as follows:

**Table 1: DPRP Funding as Requested and as Recommended**

<b>DPRP Program Funding</b>	<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>Requested</b>	\$4,705,132	\$2,638,609	\$1,835,935	<b>\$9,179,676</b>
<b>Recommended</b>	\$4,246,963	\$2,381,671	\$1,657,159	<b>\$8,285,793</b>

Per DPRP parameters and funding limits, the developer’s total budget of more than \$60.8 million provides eligible costs of more than \$40 million, with potential DPRP funding as high as \$14.3 million. However, that proposed budget includes more than \$7.9 million in costs not considered as eligible under the DPRP centered in Developer/Program Management Fee (\$4 million), FF&E (\$1.3 million), and tenant improvements, soft costs, and reserves comprising the remainder. Elimination of these costs provides the Total Development Cost figure of \$52,921,980 used for underwriting as shown in Table 2 on the following page.

**Table 2: Sources and Uses as Proposed and as Adjusted**

Uses	As Proposed		As Adjusted	
Acquisition Costs	\$ 5,946,853	9.8%	\$ 5,946,853	11.2%
Hard Costs	\$ 41,952,140	68.9%	\$41,152,140	77.8%
Financing Costs	\$ 2,699,937	4.4%	\$ 2,403,196	4.5%
Soft Costs	\$ 5,110,866	8.4%	\$ 3,419,791	6.5%
Other	\$ 5,136,180	8.4%	\$ -	0.0%
<b>Total Development Cost</b>	<b>\$ 60,845,975</b>	<b>100.0%</b>	<b>\$52,921,980</b>	<b>100.0%</b>

Sources				
General Partner (Equity)	\$ 8,228,897	13.5%	\$ 5,292,198	10.0%
HTC Equity	\$ 1,813,970	3.0%	\$ -	0.0%
Deferred Dev Fee	\$ 405,650	0.7%	\$ -	0.0%
Gap Financing - DPRP Funds	\$ 9,179,676	15.1%	\$ 8,285,793	15.7%
HUD 220 Construction Loan	\$ 41,217,782	67.7%	\$39,343,989	74.3%
<b>Total Development Sources</b>	<b>\$ 60,845,975</b>	<b>100.0%</b>	<b>\$52,921,980</b>	<b>100.0%</b>

As shown, the reduction to development costs is partially offset by HUD 220 funding for costs eligible under that program, elimination of the deferred developer fee, and the Historic Tax Credit investment. At the requested DPRP funding amount of \$9,179,676, direct developer equity would equal only \$4,398,316 of the adjusted Sources, which is below the 10% requirement of the DPRP Guidelines. As such, that amount is adjusted to 10% of adjusted Uses which requires an additional \$893,882 in equity, and a reduction to the DPRP funding by the same amount. This provides the recommended amount of \$8,285,793 which meets all other DPRP parameters as shown in Table 3 below:

**Table 3: DPRP Guidelines Summary:**

Measurement	DPRP Guidelines			As Calculated
	% of TDC		Net of Developer Fee	Project
Developer Equity	10%	Min	of TDC	10.0%
3rd Party Loan			No min or max	74.3%
Subsidy or Tax Credit			No min or max	
<b>Developer Combined</b>	<b>60%</b>	<b>Min</b>	<b>of TDC</b>	<b>84.3%</b>
DPRP				
<i>Exterior</i>	<i>75%</i>	<i>Max</i>	<i>of eligible costs</i>	
<i>Restoration Int</i>	<i>75%</i>	<i>Max</i>	<i>of eligible costs</i>	
<i>Rehabilitation Int</i>	<i>30%</i>	<i>Max</i>	<i>of eligible costs</i>	
<i>Code Compliance</i>	<i>75%</i>	<i>Max</i>	<i>of eligible costs</i>	
<i>Other</i>	<i>20%</i>	<i>Max</i>	<i>of eligible costs</i>	
HPRR Forgivable Loan	30%	Max	of TDC	8.0%
CCR Forgivable Loan	30%	Max	of TDC	4.5%
DPRP Def Prin Loan	20%	Max	of TDC	3.1%
DPRP Def Prin Loan		Min	Must be ≥ 20% of Gap	20.0%
Other COJ Funding				0.0%
<b>COJ Combined</b>	<b>40%</b>	<b>Max</b>	<b>of TDC</b>	<b>13.6%</b>

At this level, the incentive structure and funding under the DPRP will be subject to further approval and appropriation by the Jacksonville City Council. Appropriation will not be requested prior to the fiscal year that completion of construction may be reasonably projected.

**Project Parameters:**

Residential units as proposed would break down as follows: 7 units-Studio, 144 units-1 BR, 58 units-2 BR, and 19 units-3 BR for a proposed total of 228 multifamily dwelling units ranging in size from 582 square feet for the smallest studio unit to 1,473 square feet for the largest three-bedroom unit. Rents will be established at below the HUD maximum for 120% Area Median Income (AMI) for all apartments while not less than 50% of units will have rent set at the HUD maximum for 80% AMI. Average rent is established at \$1.67 in the pro forma providing Potential Gross Income of \$3.7 million annually from the multifamily component upon stabilization. Potential Gross Income from commercial space adds \$707 thousand annually.

After vacancy factored in at 7.5%, management fee of 3%, and other operating expenses, the NOI of the property as stabilized is estimated to be \$2.5 million, sufficient to provide Debt Service Coverage of 1.25 times.

Total direct hard and soft costs as provided by the developer total \$52,116,251 which equals \$157.93 per square foot for the project, exclusive of land, finance costs, reserves, and other costs.

Underwriting this application established the need for financial support from the City based on the extensive redevelopment costs for the building, deemed important to the preservation of Jacksonville's historic building stock and the stated purpose of the Downtown Preservation and Revitalization Program, "to foster the preservation and revitalization of unoccupied, underutilized, and/or deteriorating historic, and qualified non-historic, buildings located in downtown Jacksonville."

Redevelopment of the properties is proposed to be supported by a HPRR Forgivable Loan of \$4,246,963, a CCR Forgivable Loan of \$2,381,671, and a DPRP Deferred Principal Loan of \$1,657,159 as noted previously. 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. 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 conservative modeling purposes, a rate of 1.25% is used; however, this rate of the 10-year T has been rising in recent weeks and is expected to be 25-50 basis points higher, at minimum, by the point of funding, which will be accretive to the ROI. The Deferred Principal Loan has a balloon maturity at the tenth year and may be paid down by not more than 50% without penalty following the fifth anniversary.

As shown by Table 4 on the following page, the overall ROI for the redevelopment of these properties is calculated at 0.86X including a ten-year tax abatement for historic property renovation, which exceeds the minimum requirement of 0.50X as found in the DPRP Guidelines:

**Table 4: ROI Estimates for Union Terminal Warehouse DPRP Funding**

<b>\$47.3 Million in Capital Expenditures</b>		
Ad Valorem Taxes Generated		
County Operating Millage	(1) \$	5,605,141
Local Option Sales Tax	(2) \$	-
Payroll	(3) \$	-
Add'l Benefits Provided	(4) \$	1,265,925
<b>Total City Expected Benefits</b>		\$ 7,119,640
Total City Investment	(5)	\$ 8,285,793
<b>Return on Investment Ratio</b>		<b>0.86</b>

(1) - The investment from the Company is estimated to be \$47,098,000 in Capital Contribution for development  
(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	\$	248,574
PV of Deferred Principal Loan Payoff	\$	1,017,352
Other		
<b>Total Add'l Benefits Provided</b>	\$	1,265,925

(5) - City Incentives as follows:

DPRP	\$	8,285,793
Land	\$	-
Other		
<b>Total Direct Incentives</b>	\$	8,285,793

Included in the amounts shown above is incremental ad valorem tax benefit to the City over a twenty-year period of \$5.6 million, interest on the DPRP Deferred Principal loan of \$249 thousand, and the present value of the DPRP Deferred Principal Loan payoff of \$1.02 million. Total expected benefits for the City by these calculations is \$7.1 million.

**Review and Approvals:**

The historic status of the Union Terminal Warehouse is provided from the landmark report for the property:

*The Union Terminal Company Warehouse is significant for its role in regional commerce and architecture during the period from 1913 through 1934 (Criteria A). It is a well-preserved and rare example of an early twentieth century reinforced concrete industrial loft warehouse designed and constructed by the Turner Construction Company in Jacksonville, Florida (Criteria D). At 333,000 square feet, it is an extremely large building with a significant presence in the built environment of the surrounding area just east of downtown Jacksonville. It was completed in 1913 by Turner Construction Company who, at the time, was the industry leader in reinforced concrete design-build projects in the United States. The four-story industrial loft was advertised as the largest reinforced concrete building ever erected at the time of its construction. Its fireproof components and monumental size were meant to fulfill the aspirations of grocery trade within Jacksonville (Criteria E and F). It was advertised as the first wholesale bonded warehouse in Jacksonville providing economic security for items transported to and from the facility via rail, water, and automobile and thus fueling a rise in the local grocery supply industry from the time of its completion in 1913 through the first sale of the property in 1934 when its influence as an industry leader began to decline.*

Per the conditional approval memo from the Historic Preservation Section of the COJ Planning and Development Department (“HPS”), *“The application for locally designating the Union Terminal Warehouse Building was recently reviewed by the Historic Preservation Commission for landmark status on February 24, 2021 and has been forwarded to City Council for final approval under 2021-139. Based on this pending landmark designation status, the structure can be considered for funding under the DPRP.”*

Further, in terms of status related to process and third-party approvals, *“A pre-application Zoom meeting to cover expectations and the projected timeline were conducted on January 26, 2021 with a follow-up meeting on March 23, 2021. Copies of the HTC Part 2 submittal by Ward Architecture and Preservation that includes a detailed description of the proposed work scope with plans and photographs was received by March 2, 2021 along with the HTC Part 2 NPS approval.”*

City Council approval of 2021-139 providing local landmark status for the property was provided April 13, 2021. As such redevelopment of the Union Terminal Building has achieved all historic requirements associated with the DPRP Guidelines, subject to final inspection prior to funding in coordination with HPS.

**Recommendation:**

DIA Staff recommends approval of a the DPRP loans as outlined herein including:

1. Adherence with all Downtown Preservation and Revitalization Program requirements.
2. The additional equity requirement to achieve the DPRP Guideline minimum of 10%.
3. Compliance with a minimum twenty-five (25) foot wide easement to the City as required by CH. 656.361.2.1 and/or conveyance of property necessary for development of the Hogan’s Creek greenway. Any property conveyance shall be subject to customary agreements to be negotiated with reasonable discretion by all parties and subject to the zoning, code, or other requirements placed upon the site as reviewed and approved by the City of Jacksonville Planning and Development department, FDOT, and any other municipal, governmental, or regulatory body.
4. Coordination with Groundwork Jacksonville and the City of Jacksonville to allow for improvements adjacent to Hogan’s Creek and through the property for the Emerald Trail subject to additional easements and license agreements to be diligently negotiated with reasonable discretion by all parties. It is contemplated that the subway drive-aisle on the east side of the building will be paved, striped, and secured with bollards according to the design standards provided by Groundwork Jacksonville for the Emerald Trail as of the time of the execution of the Redevelopment Agreement.
5. 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.
6. Other conditions and requirements of approval and administration of the subject facilities is captured in the Exhibit A Term Sheet.

Staff report prepared by:

Steven T. Kelley, DBA  
Director of Downtown Real Estate and Development

DRAFT