



Downtown Investment Authority
Strategic Implementation Committee Meeting
Thursday, April 12th, 2024
2:00 PM

Strategic Implementation Committee Meeting
DRAFT MEETING MINUTES

Strategic Implementation Committee Members (CM) in Attendance:

Micah Heavener, Chair
Carol Worsham,
Melinda Powers, Esq.
Scott Wohlers

DIA Board Members Participating: Jim Citrano, Board Chair Ex Officio; Sondra Fetner, Esq.; Patrick Krechowski, Esq.

DIA Staff Present: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Director of Operations; Allan DeVault, Project Manager; Ava Hill, Administrative Assistant

Office of General Counsel: John Sawyer, Esq.

Council Members Present: None

I. CALL TO ORDER

The Strategic Implementation Committee Meeting was called to order at 2:00 p.m. by Micah Heavener, Committee Chair. This was followed by introductions.

II. PUBLIC COMMENTS

The following people made in-person public comments, made public comments virtually through Zoom, or provided comments that were read into the record by DIA Staff. Note: the subject matter of the comment(s) indicated to the right of each person:

Carnell Oliver	Trio Project
Sherry MaGill	Trio Project
Joe Porter	Trio Project

Committee Chair Heavener gave the floor to Council Member Matt Carlucci to speak.

Council Member Carlucci compared the Trio project to Moby Dick and mentioned that it's hard to harness. He expressed his desire for the Trio Project to be completed and that he wanted to make sure every avenue is considered in the meeting's discussion. He thanked the Chair for the opportunity to speak and everyone for their hard work.

III. FORM 8B: VOTING CONFLICT DISCLOSURES

Committee Chair Heavener shared that he had a voting conflict for Resolution 2024-04-10 Trio and advised that he'd file a Form 8B and abstain from voting.

IV. FEBRUARY 15TH, 2024, STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES APPROVAL

Committee Chair Heavener called for a motion to approve the February 15th, 2024, Strategic Implementation Committee Meeting Minutes.

- Motion:** Committee Member Worsham motioned to approve the meeting minutes as presented.
Second: Committee Member Wohlers seconded the motion.

Committee Chair Heavener called for a vote.

Vote: **Aye: 5** **Nay: 0** **Abstain: 0**

THE MOTION PASSED UNANIMOUSLY 5-0-0

V. RESOLUTION 2024-04-09 ST JOHNS RIVER PARK RESTAURANT

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING THE DESIGN AND CONSTRUCTION BY THE SOUTHSIDE CRA OF A STANDALONE RESTAURANT IN ST. JOHNS RIVER PARK ADJACENT TO FRIENDSHIP FOUNTAIN, IN ACCORDANCE WITH THE TERMS IDENTIFIED ON EXHIBIT A; 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 (“CRA”) PLAN; AND PROVIDING FOR AN EFFECTIVE DATE.

CEO Boyer explained that the resolution would authorize the Southbank CRA to proceed with design and construction of a restaurant in the St Johns River Park. She then reviewed the details of the resolution using the supporting exhibit and staff report.

Allan DeVault discussed the study conducted by Streetsense that included the Riverfront Plaza, Shipyards West and St Johns River Park.

Committee Chair Heavener called for a motion to approve the resolution.

- Motion:** Board Chair Citrano moved to approve the resolution.
Seconded: Committee Member Worsham seconded the motion.

Committee Chair Heavener opened the floor for discussion.

Board Chair Citrano asked if the architectural firm would be designing all the restaurants. CEO Boyer responded that the same firm would be qualified and eligible to design one or more facilities.

Committee Member Wohlers asked what the timeline would be between the Northbank and Southbank. CEO Boyer responded that the timeline for both would be similar, but the Northbank Riverfront Plaza timeline would probably be longer. Committee Member Wohlers also asked if there were any parking requirements that would need approval moving forward. CEO Boyer responded that Downtown has no parking requirements. Committee Member Wohlers asked if there was a way to include signage to identify that parking. CEO Boyer responded yes, and that DIA is already working on that.

Committee Member Worsham expressed that she was in favor of the resolution and asked CEO Boyer to explain how construction and operation for the next several years would work. CEO Boyer responded since this is a Parks property it was be operated by the Parks Department.

Committee Member Powers mentioned that she had a little bit of an issue with the concept and asked how the concept was developed. She also asked if there was any data on who was visiting the fountain. CEO Boyer responded that the concept came from Streetsense and the smaller venue with lots of outdoor seating came from the park design. Mr. DeVault explained that the initial vine and glass design was driven by the restaurant adjacent to the park. He also mentioned that he has requested demographic data pertaining to how many more people are coming to the park from DVI. Committee Member Powers clarified that she didn't have an issue with the size, but that the restaurant concept conflicts with the outdoor community feel and asked if food trucks were considered. CEO Boyer responded that the Parks Department is planning on having food trucks on an interim basis in the MOSH parking lot, but it wasn't a longer-term solution. She added that food trucks would be suggested as a longer-term solution for Shipyards West.

Board Member Krechowski expressed that he supports the next step in the process.

Board Member Fetner asked CEO Boyer to explain how properties are transferred between the City and DIA. CEO Boyer explained that a property that is acquired within the CRA boundaries, and is not acquired for municipal use, is added to the City's inventory. That it then must go through the required disposition process if its going to be leased or sold to someone else. Board Member Fetner asked if DIA could own the property. CEO Boyer responded that there is an ordinance that prohibits the removal of park property without the replacement of an equal amount of park property.

Committee Chair Heavener asked if there was a way to require that revenue go back into the maintenance of the park. CEO Boyer advised that it would be added to the term sheet and suggested amending the term sheet.

Committee Chair Heavener called for a motion and second to approve the resolution.

Motion: Committee Member Wohlers moved to amend the term sheet.

Seconded: Committee Member Worsham seconded the motion.

Committee Chair Heavener asked CEO Boyer to share how the amendment would be rephrased. CEO Boyer responded that the amendment to the term sheet's Exhibit A to provide that any revenue received by the Parks Department for the operation of the restaurant on site would be used to fund maintenance programming or other improvements within the park.

Committee Chair Heavener called for a vote on the amendment.

Vote: Aye: 5 Nay: 0 Abstain: 0

Committee Chair Heavener called for a vote on the amended resolution.

Vote: Aye: 4 Nay: 1 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

VI. RESOLUTION 2024-04-10 TRIO

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) REGARDING RESTORATION OF THE THREE BUILDINGS COLLECTIVELY REFERRED TO AS THE “LAURA TRIO” (AND INDIVIDUALLY KNOWN AS THE FLORIDA NATIONAL BANK BUILDING, THE BISBEE BUILDING AND THE FLORIDA LIFE INSURANCE BUILDING), AND ASSOCIATED NEW CONSTRUCTION MULTIFAMILY AND HOTEL; FINDING THAT THE PROPOSAL SUBMITTED BY THE DEVELOPER ON MARCH 30, 2024 IS UNTENABLE AND RECOMMENDING THAT NO FURTHER ACTION BE TAKEN ON SAID PROPOSAL; ENCOURAGING THE CEO TO INVESTIGATE FURTHER ALL POSSIBLE OPPORTUNITIES TO SAVE AND RESTORE THE LAURA TRIO; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO FORWARD THIS RESOLUTION TO THE MAYOR AND CITY COUNCIL AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

CEO Boyer provided an overview of the resolution, its purpose and impetus, further explaining that direction was given by City Council and the Administration to DIA to report the terms of a potential deal structure. Ms. Boyer reiterated the Office of General Counsel's determination that previous proposals were in conflict with Florida's Constitution.

The developer, Mr. Atkins, speaking to the Committee advised that they were in the process of proposing other financing options that were amenable to the City of Jacksonville. Mr.

Atkins stated that there are ongoing meetings and conversations with lenders and requested that the DIA to allow the process to continue.

Chair Citrano expressed that he is open to hearing other options, but suggests that this Resolution, regardless of the vote of the Committee, not be placed on the DIA Board Consent Agenda.

Speaking to the Committee, Councilmember Matt Carlucci advised that if the resolution passes, it needs to be clearly caveated that there are further opportunities to explore and that the Board. In response to Councilmember Carlucci, CEO Boyer suggested friendly amendments to the resolution, including the addition of specific language stating that the DIA remains willing to continue to discuss alternative financing structures that exclude the unconditional guarantee of the city and are otherwise legally permissible.

Committee Chair Heavener called for a motion and second to approve the resolution.

Motion: Committee Member Worsham moved to defer the resolution to the April Board meeting with amended language.

Seconded: Board Chair Citrano seconded the motion.

Committee Chair Heavener called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

VII. RESOLUTION 2024-04-11 500 N OCEAN STREET

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMBINED NORTHBANK COMMUNITY DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF DIA STOREFRONT FAÇADE GRANT AGREEMENT TO KASPER LAND, LLC (“APPLICANT OR GRANTEE”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A GRANT AGREEMENT; AUTHORIZING THE DIA CEO TO EXECUTE SUCH AGREEMENT; AND FINDING THAT THE DEVELOPMENT PLAN IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.

Steve Kelley explained that the resolution was a request under the Façade Grant Program by Casper Land LLC. He then shared the details of the request including the project location, its funding eligibility and eligible cost, and its performance schedule.

Motion: Committee Member Worsham moved to approve the resolution.

Seconded: Committee Member Wohlers seconded the motion.

Committee Chair Heavener opened the floor for discussion.

Board Chair Citrano asked where the firm was moving from and if it was from outside of Jacksonville. Mr. Kelley responded that they'd be maintaining their location across from the Avenues and this would be a downtown design studio and office.

Committee Member Wohlers thanked Mr. Casper for doing what he's doing and expressed that he looks forward to the completed project.

Committee Member Powers expressed her excitement for the project.

Board Member Krechowski also mentioned that he looks forward to the project.

Board Member Fetner mentioned that she is a fan of Mr. Casper and that she is excited about the project.

Committee Chair Heavener called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

VIII. RESOLUTION 2024-04-12 GATEWAY MODIFICATIONS

A MODIFICATION AND RESTATEMENT OF FOUR RESOLUTIONS OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF MARKET RATE MULTI-FAMILY HOUSING RECAPTURE ENHANCED VALUE GRANTS ("MF REV GRANT(S)"), AND COMPLETION GRANTS FOR THE DEVELOPMENT OF THREE MIXED-USE PROPERTIES AND A RECAPTURE ENHANCED VALUE GRANT ("REV GRANT") AND A COMPLETION GRANT FOR THE REDEVELOPMENT OF A PARKING GARAGE TO PROVIDE RETAIL SPACE ALL AS PART OF AN OVERALL MULTIPARCEL MASTER DEVELOPMENT PLAN IN THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA, AUTHORIZING THE CHIEF EXECUTIVE OFFICER (THE "CEO") TO NEGOTIATE A REDEVELOPMENT AGREEMENT REGARDING THE SAME BETWEEN THE CITY OF JACKSONVILLE, DOWNTOWN INVESTMENT AUTHORITY, AND GATEWAY COMPANIES LLC (OR RELATED SINGLE PURPOSE ENTITY (ENTITIES) EITHER FORMED OR TO BE FORMED); AUTHORIZING THE CEO OF THE DIA TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION INCLUDING THE FILING OF LEGISLATION; PROVIDING AN EFFECTIVE DATE.

Steve Kelly explained that additional engineering and survey work was done that revealed some conflicts with the original Gateway development agreement that was approved by the Board in November. Using the staff report he provided a summary of those changes including square footage of easement and offsite improvements, survey square footage, restructuring of financial commitment, retail frontages, shade calculations, the timing of completion of restaurant improvements, and the commencement of construction definitions.

Motion: Committee Member Citrano moved to approve the resolution.
Seconded: Committee Member Worsham seconded the motion.

Committee Chair Heavener opened the floor for discussion.

Board Chair Citrano asked about making the process more flexible to eliminate numerous tweaks and changes. CEO Boyer explained that it's hard to be accurate in the early stages of development and things come up. She explained that the commitments presented are right up to the edge to make the threshold of the tiers analysis and concluded that if we left some room there would be more flexibility. Mr. Kelly added that DIA is trying to balance the interest of the city protections and all commitments made are what seen in the end.

Committee Member Worsham mentioned that the hard work and fluidity of the process is evident.

Committee Member Powers thanked DIA staff for the summary.

Committee Chair Heavener called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

IX. DISCUSSION OF FUTURE REVENUE PROJECTIONS AND COMMERCIAL VALUES

Mr. Kelley provided an overview of the overall office market and those specifically in Jacksonville explaining that the office market is suffering. He cited the findings of Trepp CMBS Research, Moody Analytics, PWC, Integra Realty Resources, and CoStar and concluded the findings are not as dire and the original fitch projects.

CEO Boyer explained that the purpose of her portion of the presentation was to answer questions such as what downtown's strategy is, what can downtown afford to do over the next 10 years, what are the challenges, and then what the impact is specifically to the tax increment districts.

Committee Chair Heavener asked if there was data to show the loans that would need to be refinanced in the future. Mr. Kelley responded that Trepp CMBS Research looks at

CMBS maturities and advised that one of the graphs in the handouts shows the expected disposition of those properties.

Committee Member Powers asked CEO Boyer what her comments about the initial calculation being worse were based on. CEO Boyer responded that it wasn't that DIA's calculations were based on actual values and that it was simply what they were hearing.

X. DISCUSSION OF HIGHRISE INCENTIVE ROI CALCULATIONS

CEO Boyer explained that the idea of the discussion is to try to have a resolution drafted for May's board meeting and she shared a couple of items that DIA was able to determine including cost of construction differentials, qualification materials, qualification criteria, total project ROI, and developers' equity. Steve Kelley explained the various types of equity.

Committee Chair Heavener opened the floor for discussion.

Board Chair Citrano asked if this was going to come to a vote at some point. CEO Boyer responded that the intent was to draft a formal resolution for the May meeting.

Committee Chair Heavener mentioned that the last discussion was about how many of the high-rise projects can be consumed at a time given the size of the investment. CEO Boyer responded that the developer equity requirement is the limiter and would weed out some of the projects.

Committee Chair Heavener thanked everyone for their hard work.

XI. ADJOURNMENT

Seeing no further discussion, Committee Chair Heavener adjourned the meeting at 4:32 pm.

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 Ava Hill at avah@coj.net to acquire a recording of the meeting.