



Downtown Investment Authority
Strategic Implementation Committee Hybrid Meeting
Monday, August 16, 2021 – 1:00 p.m.

Strategic Implementation Committee Hybrid Meeting
MEETING MINUTES

Strategic Implementation Committee Members in Attendance:

Bill Adams, Esq., Chair
Craig Gibbs, Esq., Committee Member
Braxton Gillam, Esq., Ex Officio

Jim Citrano, Committee Member
Oliver Barakat, Committee Member

Committee Members Excused: None

DIA Staff Present: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; John Crescimbeni, Contract and Regulatory Compliance Manager; Lori Radcliffe-Meyers, Downtown Development Coordinator; Ina Mezini, Marketing and Communications Specialist; Allan DeVault, Project Manager; and Xzavier Chisholm, Administrative Assistant

DIA Board Present: Carol Worsham

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER

The Strategic Implementation Committee meeting of August 16th, 2021, was called to order at 1:00 p.m. by Chairman Adams.

II. PUBLIC COMMENTS

Chairman Adams called for public comment.

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

Nancy Powell	Supports SRX Resolution; One Riverside Ave; Riverwalk
Stanley Scott	Downtown Development; Entertainment, Food and Beverage

The public comments portion was closed.

III. MAY 17, 2021 STRATEGIC IMPLEMENTATION COMMITTEE MEETING APPROVAL OF THE MINUTES

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

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

Seconded: Committee Member Citrano seconded the motion

Seeing no comments, Chairman Adams called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

IV. RESOLUTION 2021-08-01: MORRIS

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY APPROVING THE TERMS AND CONDITIONS, AS MORE FULLY IDENTIFIED IN EXHIBIT A, FOR THE REDEVELOPMENT OF DUVAL COUNTY TAX PARCEL NUMBER 088967 0000 (“PROPERTY”) BY FUQUA DEVELOPMENT, LLC (“DEVELOPER”), INCLUDING THE APPROVAL OF A MULTI-FAMILY RECAPTURED ENHANCED VALUE GRANT (“RESIDENTIAL REV GRANT”); APPROVAL OF A RETAIL RECAPTURED ENHANCED VALUE GRANT (“RETAIL REV GRANT”); APPROVAL OF A MIXED-USE RECAPTURED ENHANCED VALUE GRANT (“MIXED-USE REV GRANT”); APPROVAL OF A COMPLETION GRANT; AUTHORIZING THE CHIEF EXECUTIVE OFFICER (THE “CEO”) TO NEGOTIATE A REDEVELOPMENT AGREEMENT PURSUANT TO EXHIBIT A TERMS AND CONDITIONS; RECOMMENDING THAT CITY COUNCIL APPROVE A REDEVELOPMENT AGREEMENT PURSUANT TO EXHIBIT A, TERMS AND CONDITIONS; RECOMMENDING THAT CITY COUNCIL VACATE APPROXIMATELY 0.12 ACRE OF RIGHT-OF-WAY AND 0.12 ACRE OF DRAINAGE EASEMENT (“EASEMENT”); RECOMMENDING THAT CITY COUNCIL APPROVE THE PURCHASE OF APPROXIMATELY 4.6 ACRES OF UPLAND AND SUBMERGED LANDS FOR \$6,040,680 TO FACILITATE WIDENING AND RELOCATION OF MCCOYS CREEK AND CREATION OF A NEW CITY PARK; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING BUT NOT LIMITED TO THE FILING OF LEGISLATION AND EXECUTION OF A REDEVELOPMENT AGREEMENT, PURCHASE AND SALE AGREEMENT, OR THEIR FUNCTIONAL EQUIVALENTS; PROVIDING FOR AN EFFECTIVE DATE.

Chairman Adams gave the floor to CEO Boyer to introduce Resolution 2021-08-01.

CEO Boyer provided an overview of the Resolution.

- Illustrations were provided to depict the property and orient the committee to the general area.

- Described the City's capital improvement project to restore McCoy's Creek and the option provided to the developer to include those predated funds as cost savings, resiliency, and creek restoration benefits.

Mr. Kelley provided an overview of the Resolution's Term Sheet and Staff Report.

- The parcel has been broken up into four different sections with the eastern most portion proposed for acquisition by the City of Jacksonville and the remaining western portions being broken into three individual development pads.
- The City holds right-of-way and a drainage easement on the westerly portion of the property.
- Additional commitments include retail, residential, and structured parking in Phase 1 as well as retail, residential, and parking in Phase 2.

Chairman Adams opened the floor for comment from the committee.

Committee Member Gibbs asked if the site was being taken down 3 ft below grade, in reference to demolition of the site. CEO Boyer responded that the pilings along the existing creek bed will be removed 3 ft below grade.

Committee Member Gibbs asked if the intent is to build a bulkhead at the new location. CEO Boyer responded that a portion of the bulkhead will overlap with the existing print facility, which has a basement. It has already been excavated substantially below surface soil level in that area making it easier for eventual creek installation.

CEO Boyer confirmed for Committee Member Citrano that the park area will be bought from the developer and not the current owner.

Committee Member Citrano asked what the timeline of the project is. Mr. Kelley responded that Phase 1 is expected to be completed by September 30, 2025, noting that there is a staggered commencement date between the residential and retail components. Phase 2's commencement date is triggered by the City's completion of the McCoy's Creek relocation capital improvement project. Public Works expects to have permitting complete within a year followed by construction which would take 18 months.

Committee Member Citrano stated for the record that he has filed a Form 8B.

Chairman Adams asked if the City is getting a new public park with the project. CEO Boyer confirmed.

Chairman Adams asked if the [pedestrian] ramp that crosses over the railroad and leads into corkscrew park is being removed. CEO Boyer responded that at the moment there is no design requirement to have the ramp removed.

Chairman Adams asked if the current location of McCoy's Creek will impact the construction of the grocer or residential components in Phase 1. CEO Boyer responded that the construction is far enough from the creek's current location that it will not have an impact.

Chairman Adams asked if there has been any discussion regarding budgeting for the maintenance or improvement of the park. CEO Boyer responded that there has not been any discussion on the use of the park beyond the green space and creek edge. The DuPont study envisions an integrated park system along the waterfront that will be useful if the project is approved.

Committee Member Gillam asked if the property valuation came from the appraiser's office. CEO Boyer responded that an appraisal of the entire site was performed for highest and best use which resulted in a \$60/sf valuation. Committee Member Gillam asked DIA staff if they know what the developer is paying for the property. Mr. Kelley responded that they do not know the developer's purchase price.

Committee Member Gillam expressed that the Board needs to ensure that the public has access to the Riverwalk. He also noted that it would be a good location for Launch J.

Mr. Steve Diebenow stated that the developer's purchasing price for the property is in line with other prices that have been paid in other locations around downtown. Adding that, they believe the valuation of the property is fair.

Committee Member Barakat asked if there is public parking incorporated into the project plans. CEO Boyer responded that public parking is envisioned to be on May St with the grocer and retail having additional parking.

Committee Member Barakat asked if the DIA is requiring a Use Agreement for the grocer. CEO Boyer responded that the developer has indicated that it will be a grocer and there is a minimum square footage requirement laid out in the term sheet for the developer to be eligible for the REV grant. If the developer does not construct a grocer, they will not receive the REV grant. Furthermore, the developer's Pro Forma is based on the construction costs of a grocer.

Committee Member Barakat asked what the developer's position is regarding retail [restaurant]. CEO Boyer responded that Phase 1 retail is encouraged in the term sheet on the first floor of the riverfront residential component, but that it is not required. Committee Member Barakat asked if the incentives were increased, would the developer consider a riverfront retail [restaurant] requirement. Mr. Diebenow responded that it's too early in the process for the developer to make any commitments but that they are contemplating activating the riverfront and other retail or restaurant enhancements. Committee Member Barakat asked Mr. Diebenow to consider retail restaurants along riverside avenue as well as the waterfront.

Mr. Diebenow proposed the following changes:

1. On page 6, subsection c., adding language that states "subject to verification by staff" regarding the 50 percent or less requirement.

2. On page 8, adding language stating that the “The proposed REV Grant requires adherence to all terms and conditions...” subject to the Term Sheet itself.

Chairman Adams called for a motion on Resolution 2021-08-01 as amended.

Board Member Worsham highlighted the importance of pedestrian access on both sides of Riverside Avenue.

Motion: Committee Member Gillam moved to approve Resolution 2021-08-01 as amended for recommendation to the Board

Seconded: Committee Member Citrano seconded the motion

Chairman Adams called for a vote.

Committee Member Gibbs stated that he would like to see resiliency plans for the project at the next meeting.

Committee Member Gillam stated his concern for the liquidated damages provision.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

V. RESOLUTION 2021-08-03: SRX 50 SEATS

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY URGING THE CITY COUNCIL TO ADOPT A RESOLUTION IN SUPPORT OF A J-BILL TO BE CONSIDERED BY THE DUVAL DELEGATION, WHICH WOULD AMEND CHAPTER 87-471, LAWS OF FLORIDA, AS AMENDED BY CHAPTER 2011-255, 2016-248 AND 2017- 213, LAWS OF FLORIDA, TO ADD SPECIAL ZONES TO JACKSONVILLE, FLORIDA, SO AS TO PROVIDE AN EXCEPTION TO §561.20(1), *FLORIDA STATUTES*, FOR SPACE AND SEATING REQUIREMENTS FOR LIQUOR LICENSES FOR RESTAURANTS IN THE COMBINED NORTHBANK CRA; PROVIDING AN EFFECTIVE DATE; AUTHORIZING THE DOWNTOWN INVESTMENT AUTHORITY CHIEF EXECUTIVE OFFICER TO EXECUTE ALL DOCUMENTS AND OTHERWISE TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

Chairman Adams gave the floor to Mr. Allan DeVault to introduce Resolution 2021-08-03.

Mr. DeVault provided an overview of the Resolution, stating that it urges City Council to adopt a resolution in support of a J-Bill to be considered by the Duval delegation to reduce minimum space

and seating requirements for restaurants in the CRA. The legislation would encourage and support small businesses and their ability to work in the especially constricted confines of historic properties and also help to activate downtown.

Chairman Adams called for discussion from the committee.

Seeing no discussion, Chairman Adams called for a motion.

Motion: Committee Member Citrano moved to approve Resolution 2021-08-03 as presented for recommendation to the Board

Seconded: Committee Member Barakat seconded the motion

Chairman Adams called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

VI. RESOLUTION 2021-08-12: PORTER HOUSE MANSION

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM FORGIVABLE LOAN PACKAGE FOR RENOVATIONS TO THE THOMAS V. PORTER HOUSE BUILDING LOCATED AT 510 N JULIA ST (THE “PROPERTY”) PURSUANT TO A REDEVELOPMENT AGREEMENT WITH JWB REAL ESTATE CAPITAL (“JWB”) OR ASSIGNS (“DEVELOPER”); FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE NORTH BANK DOWNTOWN AND SOUTHSIDE COMMUNITY REDEVELOPMENT AREA PLAN (“CRA PLAN”); AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE CONTRACTS AND DOCUMENTS AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

Chairman Adams gave the floor to Mr. Kelley to introduce Resolution 2021-08-12.

Mr. Kelley provide an overview of the Resolution, stating that it is a Downtown Preservation and Revitalization Program Forgivable Loan request from JWB Capital for renovations to the Thomas V. Porter House Building located at 510 N Julia St. Upon completion, the project will feature office space and a basement restaurant among other renovations.

Chairman Adams called for a motion.

Committee Member Barakat stated for the record that he will need to file a Form 8B.

Motion: Committee Member Gibbs moved to approve Resolution 2021-08-12 as presented for recommendation to the Board

Seconded: Committee Member Citrano seconded the motion

Chairman Adams called for discussion from the committee.

Committee Member Barakat asked if the total development cost includes the acquisition price. Mr. Kelley confirmed that it does.

Committee Member Gibbs asked what the developer's plans for parking are. Mr. Alex Sifakis responded that there are 100 parking spaces directly to the west of the building and additional parking to the north of the building.

Committee Member Gillam stated that he loves the activation that the project provides to the area. Adding that, he continues to have concerns regarding developers and 3rd parties benefitting from City funds.

Mr. Kelley brought to the attention of the committee that the Staff Report is a previous draft and incorrect, in that it does not incorporate the deferred principal loan. Adding that the Term Sheet is correct, and the committee will receive the correct Staff Report immediately following the conclusion of the meeting.

Chairman Adams called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

Committee Member Barakat stated that he shares Committee Member Gillam's concerns of the City incentivizing owners to sit on their properties under the belief that developers will overpay, and the City will subsidize it. Both committee members urged for a clear method of preventing such a scenario.

Committee Member Citrano asked if the DIA requires an appraisal with the program application. Mr. Kelley responded that an appraisal was provided as prepared by JLL. The appraised value was then used to calculate the amount of City funding.

CEO Boyer added that the existence of a REV grant distorts the appraised price of the sale of land, in that, the land value is appraised higher if you assume there is potential for a REV grant. DIA Staff and Committee Members agreed that the distortion needs to be addressed.

VII. ADJOURNMENT

Chairman Adams adjourned the meeting at 2:31 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a recording is available upon request. Please contact Xzavier Chisholm at xchisholm@coj.net to acquire a recording of the meeting.