



Downtown Investment Authority
Strategic Implementation Committee Meeting
Friday, May 10th, 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. (via Zoom)

DIA Staff Present: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Director of Operations; Todd Higginbotham, Parking Strategy Coordinator; Ava Hill, Administrative Assistant

Office of General Counsel: Joelle Dillard, Esq.

Council Members Present: None

I. CALL TO ORDER

The Strategic Implementation Committee Meeting was called to order at 2:01 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 Resolution 2024-05-06 One Riverside

III. FORM 8B: VOTING CONFLICT DISCLOSURES

There were no voting conflict disclosures

IV. APRIL 12TH, 2024, STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES APPROVAL

Committee Chair Heavener called for a motion to approve the April 12th, 2024, Strategic Implementation Committee Meeting Minutes.

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

V. RESOLUTION 2024-05-04 30 YEAR ROI

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) TO MODIFY UNDERWRITING STANDARDS AND PROCEDURES BY INCREASING THE NUMBER OF YEARS INCORPORATED INTO THE PROJECTED CITY OF JACKSONVILLE AD VALOREM TAX COLLECTION IN THE CALCULATION OF RETURN ON INVESTMENT (“ROI”) FOR HIGH RISE RESIDENTIAL AND/OR HOTEL BUILDINGS IN DEFINED CIRCUMSTANCES THE SPECIFICS OF WHICH ARE INCLUDED HERETO AS EXHIBIT ‘A’; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

CEO Boyer explained, for the public, that this resolution took three months to develop based on Board member comments and different perspectives. She then gave the floor to Steve Kelley.

Steven Kelly explained that the resolution speaks to the background and authority associated with making changes to DIA’s underwriting methodology when considering a REV ROI calculation to go out for 30 years. Using Exhibit A of the handout, he explained the details.

Committee Chair Heavener opened the floor for discussion.

Committee Member Worsham asked if this needed to go back to City Council for approval. CEO Boyer responded that the methodology concept was never adopted and was used internally.

Board Chair Citrano asked if there was a minimum number of years for the REV. Steve Kelley answered that there is a requirement for a 15 year minimum REV Grant on the payout side. Board Chair Citrano continued that a lot of thought went into crafting the resolution and that he was in favor of it.

Committee Chair Heavener echoed Board Chair Citrano’s comments and added that the resolution is a game changer.

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

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

Committee Chair Heavener called for a vote on the resolution.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

VI. RESOLUTION 2024-05-05 RELATED

A RESOLUTION AUTHORIZING A REDEVELOPMENT AGREEMENT BETWEEN THE CITY, THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AND RD RIVER CITY BREWERY, LLC (“DEVELOPER”); RECOMMENDING CITY COUNCIL APPROVAL OF A REV GRANT AND COMPLETION GRANT WITH A TOTAL MAXIMUM INDEBTEDNESS OF FIFTY-EIGHT MILLION, SEVEN HUNDRED NINETY-EIGHT THOUSAND DOLLARS AND NO/100 CENTS (\$58,798,000.00); 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, PURCHASE AND SALE AGREEMENT, OR FUNCTIONAL EQUIVALENTS; PROVIDING FOR AN EFFECTIVE DATE.

CEO Boyer explained the events and approvals leading to the resolution. She added that the development is submitted on a tiers analysis and also the 30-year ROI analysis. CEO Boyer then explained the complexity and challenges of the project and advised that using the 30-year ROI approach makes a lot of sense. Shen explained the details of the resolution. She then gave the floor to Steve Kelly who reviewed the details of the staff report and term sheet accompanying the resolution.

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

Motion: Committee Member Worsham moved to approve the resolution as presented.
Seconded: Committee Member Powers seconded the motion.

Committee Chair Heavener opened the floor for discussion.

Committee Member Wohlers asked if all the units are rental units. Steve Kelley’s response was yes. He asked the developer if there was any consideration for luxury units for sale and why, if not. Steve Diebenow responded that they never considered a condo product at that location because they don’t believe the comparable exist for it.

Committee Member Worsham complimented DDRB and the developer on the work done for the project. She mentioned the marina and asked for an update on the MOSH project. CEO Boyer described contract negotiations that were approved in 2021. She then explained that the intent was if the property was sold for another commercial use, they want the first offer. Also, that it does not preclude the city from using it for municipal purposes, museums, etc.

Committee Member Powers thanked CEO Boyer and Mr. Kelley for their explanation and mentioned that it helps.

Board Chair Citrano asked if the developer would be bringing \$60 million or more to the deal. Mr. Kelley responded that he was correct. He also asked, concerning the escrowing of the completion grant funds, if it would get dispersed on a schedule of every six months. Mr. Kelley responded yes and then explained how that schedule was negotiated.

Committee Chair Heavener asked if the restaurant was no longer happening. CEO Boyer response was no and explained that the facility on this resolution was an entirely different facility. He also asked if DIA was doing project level readouts on returns associated with investments. CEO Boyer explained that when looking at the city's tax revenue, yielding the same return is easy when you're returning a proportion of the tax revenue that comes in.

Committee Member Fetner expressed her excitement for the project.

Committee Chair Heavener called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

VII. RESOLUTION 2024-05-06 ONE RIVERSIDE

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING REVISIONS TO, AND RECOMMENDING CITY COUNCIL APPROVAL OF AMENDMENTS TO THE RESTAURANT IMPROVEMENTS DEFINITION, THE PERFORMANCE SCHEDULE AND THE DURATION OF THE PHASE 1 RETAIL REV GRANT AND OTHER ASSOCIATED TERMS OF THE REDEVELOPMENT AGREEMENT BETWEEN THE CITY, DIA, AND FUQUA ACQUISITIONS, LLC, DATED DECEMBER 20, 2021 (THE “RDA”) AS ASSIGNED TO FUQUA BCDC ONE RIVERSIDE PROJECT OWNER, LLC, (THE “DEVELOPER”) AND AS MODIFIED BY AMENDMENT ONE THERETO DATED OCTOBER, 2022; THE TERMS OF THE SECOND AMENDMENT SHALL INCLUDE, AMONG SUCH OTHER ITEMS AS MAY BE APPROVED BY CITY COUNCIL, THE MODIFICATIONS IDENTIFIED IN THE TERM SHEET

ATTACHED HERETO AS EXHIBIT A, WITH ALL OTHER TERMS AND CONDITIONS OF THE RDA AS AMENDED REMAINING UNCHANGED EXCEPT AS MAY BE MODIFIED BY ANY SETTLEMENT AGREEMENT BETWEEN THE CITY AND DEVELOPER; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

CEO Boyer explained that the resolution consisted of relatively minor tweaks to the performance schedule of the original RDA. She gave a brief overview and update of Phase 1 of the project and then reviewed the amendments to the resolution's term sheet.

Motion: Committee Member Wohlers moved to approve the resolution.

Seconded: Board Chair Citrano seconded the motion.

Committee Chair Heavener opened the floor for discussion.

Committee Member Worsham asked if the retail mentioned the grocery store on Riverside. CEO Boyer's response was yes as well as additional retail space. Committee Member Worsham also asked if there was a timeline. CEO Boyer deferred to Public Works but mentioned that they have been working intensely with the developer concerning completion dates.

Motion: Committee Member Worsham moved to amend the term sheet to delete item number five and renamed item number six.

Seconded: Committee Member Power seconded the motion.

Committee Chair Heavener called for a vote on the amendment.

Vote: Aye: 5 Nay: 0 Abstain: 0

Board Chair Citrano asked if the completion dates for McCoy's Creek had a little cushion. CEO Boyer responded that she believed so and advised that DIA is totally dependent on the dates given by the developer.

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

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

VIII. RESOLUTION 2024-05-07 FLORIDA THEATRE VOLUNTEER PARKING

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY ("DIA") RECOMMENDING THAT THE MAYOR, ON BEHALF OF THE CITY OF JACKSONVILLE, PROVIDE TO THE FLORIDA THEATRE PERFORMING

ARTS CENTER, INC. UP TO TWENTY-FIVE (25) PARKING SPACES WITHIN THE YATES GARAGE AT NO CHARGE FOR THE BENEFIT OF FLORIDA THEATRE VOLUNTEERS AS A SPONSORSHIP TO EVENTS AT THE FLORIDA THEATRE, SUBJECT TO THE TERMS AND CONDITIONS ATTACHED HERETO AS EXHIBIT 'A'; RECOMMENDING THAT THE MAYOR MEMORIALIZE THIS SPONSORSHIP THROUGH ENTERING INTO A PARKING RIGHTS AGREEMENT AS AUTHORIZED BY ORDINANCE 2018-421-E; FINDING THAT THIS RESOLUTION AND ITS PURPOSES ARE CONSISTENT WITH DIA'S BUSINESS INVESTMENT AND DEVELOPMENT PLAN ("BID PLAN"); AUTHORIZING THE DIA CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

Todd Higginbotham 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 Worsham moved to approve the resolution.
Seconded: Committee Member Wohlers seconded the motion.

Seeing no discussion, Committee Chair Heavener called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

Board Chair Citrano mentioned the Special Committee Meeting and said that it would be a good show if the Board members were in attendance.

IX. ADJOURNMENT

Committee Chair Heavener adjourned the meeting at 3:08 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.