



**Downtown Investment Authority
Strategic Implementation Committee**

Thursday, August 11th, 2022 at 1:00 p.m.

SIC AGENDA

Craig Gibbs, Esq., Chair
Oliver Barakat, Committee Member
Carol Worsham, Ex-officio

Jim Citrano, Committee Member
Stephanie Burch, Esq., Committee Member

Committee Members Excused:

- I. CALL TO ORDER
 - II. PUBLIC COMMENTS
 - III. APRIL 14, 2022 STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES APPROVAL
 - IV. RESOLUTION 2022-08-04: W. A. KNIGHT BUILDING
 - V. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR
 - VI. ADJOURN
-

MEETING LOCATION

Physical Location

City Hall at St. James
117 West Duval Street
First Floor, Lynwood Roberts Room
Jacksonville, FL 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.

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://us02web.zoom.us/j/82644809997?pwd=VGQ2d29qVHFoUEwrOGFIT2YxcEszZ09>



**Downtown Investment Authority
Strategic Implementation Committee**

Thursday, August 11th, 2022 at 1:00 p.m.

Meeting ID: 826 4480 9997

Passcode: 487848

One tap mobile

+1 (312) 626-6799 (Chicago)

+1 (646) 558-8656 (New York)

Find your local number: <https://zoom.us/j/82644809997>

TAB III

**APRIL 14, 2022 STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES
APPROVAL**



Downtown Investment Authority
Strategic Implementation Committee Hybrid Meeting
Thursday, April 14, 2022 – 1:00 p.m.

Strategic Implementation Committee Hybrid Meeting
Draft – MEETING MINUTES

Strategic Implementation Committee Members (CM) in Attendance:

Craig Gibbs, Esq., Chair (via Zoom)
Braxton Gillam, Esq., Ex-officio

Jim Citrano, Committee Member, Acting Chair

Committee Members Excused: Oliver Barakat

DIA Staff Present: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Xzavier Chisholm, Administrative Assistant; Antonio Posey, Project Manager; Lori Radcliffe-Meyers, Downtown Development Coordinator (via Zoom); and Ina Mezini, Communication and Marketing Specialist (via Zoom).

Office of General Counsel: John Sawyer, Esq.

Council Members Present:

I. CALL TO ORDER

The Strategic Implementation Committee meeting of March 14, 2022 was called to order at 1:03 p.m. by Chairman Citrano.

II. PUBLIC COMMENTS

Chairman Gibbs 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:

No public comments were submitted.

III. MARCH 14, 2022 STRATEGIC IMPLEMENTATION COMMITTEE MEETING APPROVAL OF THE MINUTES

Chairman Gibbs called for corrections or other edits by his fellow committee members.

Motion: CM Gillam moved to approve the minutes as presented

Seconded: Chairman Citrano seconded the motion

Vote: Aye: 2 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 2-0-0

IV. RESOLUTION 2022-04-10: FINCANTIERI REV GRANT

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF A COJ RECAPTURE ENHANCED VALUE GRANT (“REV”) FOR FINCANTIERI MARINE REPAIR LLC; AUTHORIZING THE CHIEF EXECUTIVE OFFICER (THE “CEO”) TO NEGOTIATE A REDEVELOPMENT AGREEMENT REGARDING THE SAME BETWEEN THE CITY OF JACKSONVILLE, DOWNTOWN INVESTMENT AUTHORITY, AND FINCANTIERI MARINE REPAIR LLC; AUTHORIZING THE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO EXECUTE SUCH AGREEMENT; PROVIDING AN EFFECTIVE DATE.

DIA’s Steve Kelley introduced the resolution, stating that the applicant is seeking a Recapture Enhanced Value Grant (REV) in the amount of \$1.5M over a 10-year period. Redevelopment plans include \$30M in improvements to the leased property which will enhance the applicant’s ability to conduct repair and maintenance operations on ships and large vessels at the site.

Chairman Citrano called for comments from the committee.

Mr. Kelley confirmed for Chairman Citrano that the financial analysis establishes the Minimum Property Value to achieve a minimum return of 1.0X as \$5M, which would generate enough total Annual Project Revenue to cover both the QTI and REV payout.

Mr. Kelley confirmed for Chairman Citrano that if the DIA Board approves the request, it will then require City Council approval.

In response to a question from CM Gillam regarding quorum, OGC’s John Sawyer responded that there is indeed a quorum present for the committee to take action on agenda items.

Motion: CM Gillam moved to approve Resolution 2022-04-10

Seconded: Chairman Citrano seconded the motion

Vote: Aye: 2 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 2-0-0

V. RESOLUTION 2022-04-11: 1001 KINGS AVENUE DPRP

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT THE CITY COUNCIL APPROVE A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM FORGIVABLE LOAN PACKAGE FOR REHABILITATION OF THE BUILDING LOCATED AT 1001 KINGS AVENUE (THE “PROPERTY”) PURSUANT TO A REDEVELOPMENT AGREEMENT WITH ALE KINGS HOLDINGS, LLC OR ASSIGNS (“OWNER” OR “DEVELOPER”); FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE DOWNTOWN NORTHBANK 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.

Mr. Kelley introduced the resolution, stating that the applicant is seeking a Downtown Preservation and Revitalization Program Forgivable Loan package for the redevelopment of a three-story, 13,500 sq ft historic property. The project contemplates two tenants, with one tenant operating a retail furniture store and doing business as “Industry West” and the second tenant using their space as corporate offices.

CM Gibbs commented that the property has been vacant for a number of years and he is excited to see the property redeveloped.

Responding to a question from CM Gillam, Mr. Kelley confirmed that the forgivable loan is forgiven over time, adding that it amortizes at 20 percent per year with total forgiveness by the 5th anniversary. He also confirmed that the deferred principal loan is a 10-year interest only must pay obligation.

CM Gillam suggested that the financial analysis take into account how much the property will be worth after the rehabilitation in order to ensure that incentives are only being provided where necessary. Mr. Kelley responded with a brief explanation of the mechanisms within the financial analysis that help address CM Gillam’s concerns.

Motion: CM Gillam moved to approve Resolution 2022-04-11

Seconded: Chairman Citrano seconded the motion

Vote: Aye: 2 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 2-0-0

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

None.

CEO INFORMATIONAL BRIEFING

CEO Boyer provided the following updates:

- *Resolution 2022-04-13 BID and CRA Ratification* will be on the April regular Board meeting agenda
- Projected tax revenue for the NB and Southbank tax increment district

VII. ADJOURNMENT

Chairman Barakat adjourned the meeting at 1:46 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.

TAB IV

RESOLUTION 2022-08-04: W. A. KNIGHT BUILDING

SUPPLEMENTAL INFORMATION



Downtown Investment Authority

TO: DIA Strategic Implementation Committee / DIA Board

FROM: DIA Staff

SUBJECT: Resolution 2022-08-04, W.A. Knight Building Discounted Loan Payoff Request

DATE: August 11, 2022

Summary:

The DIA seeks approval to file legislation to accept a discounted loan payoff (DPO) from Borrower, W.A. Knight Building Development, L.L.C. on a loan extended for the acquisition and redevelopment of a property in Downtown Jacksonville as further described below.

Relevant Facts:

- The W.A. Knight building is located at 114 W. Adams Street, Jacksonville, Florida.
- The property, originally built in 1920, provides approximately 19,000 square feet of which 5,400 is ground floor retail space (Kazu Sushi Burrito, Volstead as tenants) and the remainder provides twelve dwelling units on the second and third floors.
- The owners of the property, led by Mr. Michael E. Langton, borrowed \$300,000 from the City of Jacksonville in October 2001 via the Jacksonville Economic Development Commission in its capacity as the Northbank CRA for the acquisition and rehabilitation of the property.
- Simultaneously, First Union National Bank and the Duval County Housing Finance Authority provided loans in the amount of \$1,000,000, and \$300,000, respectively, also for the acquisition and rehabilitation of the property. The current status of these loans is not known but both are senior in the priority of collateral to the COJ loan.
- The purpose of these loans has long been fulfilled and the COJ/JEDC loan continues to accrue interest at 2% per annum with principal and interest due at maturity, October 31, 2031.
- The current Just Market Value provided by the Duval County property appraiser is \$1,400,800.
- The current amount outstanding on the note, plus accrued interest, is estimated at \$453,210.
- The loan payoff amount at maturity, estimated at \$543,408, has been discounted to September 31, 2022, using a 6% discount rate, to provide an approximate present value of \$319,952. The actual DPO amount will be calculated using a 6% discount rate as of the date of payoff as may be agreed to with the Borrower but must be made prior to December 31, 2022.
- The loan is secured by a third position lien, and it is the position of the DIA that acceptance of the discounted loan payoff eliminates the continuing risk of repayment at maturity, or collection through the exercise of rights and remedies, and allows for the use of proceeds for the benefit of the City of Jacksonville and the DIA in the fiscal year 2022-2023.
- Initial negotiations with the borrower indicate a willingness to pay this discounted loan payoff amount in order to settle the obligation early and allow the City of Jacksonville, through the DIA, to redeploy that amount in the Northbank Downtown CRA.