



Downtown Investment Authority
Retail Enhancement and Property Disposition Committee Meeting
Thursday, December 12th, 2024
10:00 AM

Retail Enhancement and Property Disposition Committee Meeting
MEETING MINUTES

Retail Enhancement and Property Disposition Committee Members (CM) in Attendance:

Melinda B. Powers, Esq. (Chair); Sondra Fetner, Esq.; Jim Citrano; Jill Caffey, Patrick Krechowski, Esq., (Ex Officio)

Board Members (BM) in Attendance: John Hirabayashi (via Zoom)

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

Office of General Counsel: John Sawyer, Esq.

Council Members Present: None

I. CALL TO ORDER

Melinda B. Powers called the Retail Enhancement and Property Disposition Committee Meeting to order at 10:01 a.m. and asked for introductions from the Board and Staff.

II. PUBLIC COMMENTS

There were no public comments.

III. FORM 8B: VOTING CONFLICT DISCLOSURES

There were no voting conflict disclosures.

IV. NOVEMBER 14TH, 2024, RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE MEETING MINUTES APPROVAL

Committee Chair Powers called for a motion on the meeting minutes.

Motion: Committee Member Fetner moved to approve the meeting minutes.
Seconded: Committee Member Caffey seconded the motion.

Committee Chair Powers called for a vote.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0

V. **RESOLUTION 2024-12-01 GATEWAY GROCER**

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING APPROVAL OF A RETAIL ENHANCEMENT PROGRAM GRANT (“REP”), AND A RECAPTURED ENHANCED VALUE GRANT (“REV GRANT”) TO BE FUNDED THROUGH THE DOWNTOWN NORTHBANK CRA TRUST FUND, FOR THE DEVELOPMENT OF A GROCERY STORE IN THE NORTHCORE DISTRICT IN THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA BY A PROSPECTIVE TENANT (“GROCER TENANT”) AND WITHIN A PROPERTY OWNED BY 119 BEAVER ST W LLC (“OWNER”) KNOWN AS THE N7 COMPONENT OF A LARGER MULTIPARCEL MASTER DEVELOPMENT PLAN BEING UNDERTAKEN UNDER THE DIRECTION OF GATEWAY JAX, AUTHORIZING THE CHIEF EXECUTIVE OFFICER (THE “CEO”) TO NEGOTIATE A REDEVELOPMENT AGREEMENT REGARDING THE SAME BETWEEN THE CITY OF JACKSONVILLE, DOWNTOWN INVESTMENT AUTHORITY, AND OWNER (OR A SINGLE PURPOSE ENTITY TO BE FORMED OR GROCER TENANT); AUTHORIZING THE CEO OF THE DIA TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

Mr. Steve Kelley explained that the resolution was a continuation of the Gateway Pearl Square Project and that its purpose was to bring a full-service leading grocery tenant to Downtown. Mr. Kelley reviewed the details of the term sheet and advised that he was open to any questions.

CEO Boyer explained that the BID Plan’s goal was to bring one major grocer to Downtown by 2025 and a second one by 2030. She added that staff looked for ways to fund the program with available resources and programs as a tax increment district.

Committee Chair Powers opened the floor for discussion.

Committee Member Citrano asked if the project site was referred to as N7 and if DIA had not granted incentives for this site. Mr. Kelley responded yes concerning the name of the project site and then explained that DIA is expecting future requests for incentives for the development of N7.

Committee Member Citrano also asked if DIA would allow sales tax to be included. Mr. Kelley explained that DIA did approve a methodology where sales tax for prospective unleased spaces could be considered, but that was not the case for this project. As a follow up question, Committee Member Citrano asked if the applicant could use the sales tax off this lease to gain an incentive. Mr. Kelley responded no and explained.

Board Chair Krechowski asked if the grocer would be on the ground floor of a 16-story building or a stand-alone building. Mr. Kelley responded that it would be a 16-story building with the garage and retail on the ground level.

Board Chair Krechowski asked if the grocer was smaller because of the limitations of the building or a particular vendor. Mr. Kelley explained that urban grocers are typically smaller and then provided examples of similar grocers in Jacksonville.

Committee Member Fetner mentioned because DIA was being more flexible with applying incentives for the grocer, she wanted to make sure the resolution was clear that the Board was not

opening the door for every project that followed under the same umbrella. CEO Boyer responded that it could be added by the following Board Meeting.

Committee Member Fetner also mentioned the strict deadlines and wanted to make sure the Board was being realistic and not creating additional work. CEO Boyer responded that the timeframe mentioned was from the delivery of the shell to the grocer and then explained. Mr. Kelley added that the CEO has the authority to approve a six-month extension.

CEO Boyer clarified that DIA needed to be explicit that in no event, or in all events, would the REV Grant terminate in the year 2045.

Committee Chair Powers pointed out a couple of scrivener's errors on page two of the resolution and in the second to last whereas clause.

Committee Member Citrano asked if it would be accurate to say that the DIA's ability to offer the incentive is the result of the return made on prior incentives. CEO Boyer responded that he was correct.

Board Chair Krechowski mentioned that the resolution makes it clear that the reason for the specific incentive was to meet specific redevelopment goals listed in the Bid Plan and that the program's approval would be based on that. Mr. Kelley pointed out that the specific objectives being met are outlined in the resolution.

Committee Member Fetner mentioned if the last whereas clause was moved up to where it says whereas section 5.1 of the DIA CRA Plan, it would answer the question concerning the CRA umbrellas.

Mr. Sawyer clarified that moving the whereas clause would be a scrivener's change and no amendment was needed.

Committee Chair Powers called for a motion on the resolution.

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

Committee Chair Powers called for a vote on the resolution.

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANOMOUSLY 5-0-0

VI. BROKER RFP UPDATE – DISCUSSION ONLY

Mr. Steve Berry provided an update on the Broker RFP stating that there were three alternatives available.

1. To piggyback on the current City contract for real estate consulting and transactional services, which expires in 4 months.
2. To expand the search to include firms who have contracts with the State of Florida. He mentioned that there were 6 qualified firms in Jacksonville.

3. To advertise a request for proposals to the commercial brokerage market where multiple-qualified firms would be able to respond. He mentioned that the procurement time would be extended to 4 to 6 months instead of 2 months.

Steve Kelley added that DIA staff were investigating other CRAs within the State of Florida because there would be much gained if DIA could piggyback on the relationship and contracts they'd have in place.

Committee Chair Powers asked how long it would take to get something to the Board. CEO Boyer responded by the January Board Meeting.

Board Chair Krechowski asked if staff would have OGC's input and if they'd be ready for the Board to take action or to continue discussion. CEO Boyer advised that she'd try to have OGC's input.

VII. ADJOURNMENT

Seeing no further discussion, Committee Chair Powers adjourned the meeting at 10:40 am.

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.