



Downtown Investment Authority
Strategic Implementation Committee Hybrid Meeting
Friday, October 15, 2021 – 2:00 p.m.

Strategic Implementation Committee Hybrid Meeting
(Draft) MEETING MINUTES

Strategic Implementation Committee Members in Attendance:

Bill Adams, Esq., Chair
Craig Gibbs, Esq., Committee Member
Braxton Gillam, Esq., Ex Officio **(Via Zoom)**

Jim Citrano, Committee Member
Oliver Barakat, Committee Member

Committee Members Excused: None

DIA Staff Present: Lori Boyer, Chief Executive Officer **(Via Zoom)**; Steve Kelley, Director of Downtown Real Estate and Development; John Crescimbeni, Contract and Regulatory Compliance Manager **(Via Zoom)**; Lori Radcliffe-Meyers, Downtown Development Coordinator **(Via Zoom)**; Ina Mezini, Marketing and Communications Specialist **(Via Zoom)**; Guy Parola, Operations Manager, and Xzavier Chisholm, Administrative Assistant

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER

The Strategic Implementation Committee meeting of October 15, 2021 was called to order at 2:00 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:

Cliff Miller Spoke to lack of impressive boulevards, using Laura Street view corridor as an example; spoke to bringing brick façades back - used building in Five Points as an example and referenced the former Rosenblumes Building as an example Downtown where the original façade is covered.

Having no further public comments, this portion of the Committee Meeting was closed by the Chair.

III. AUGUST 16, 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 Barakat seconded the motion

Seeing no comments, Chairman Adams called for a vote.

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 4-0-0

IV. RESOLUTION 2021-10-03: CNB REDEVELOPMENT NEW CONSTRUCTION

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF A MARKET RATE MULTI-FAMILY HOUSING RECAPTURE ENHANCED VALUE GRANT (“REV GRANT”), AND A PARKING GARAGE COMPLETION GRANT (“COMPLETION GRANT”), AUTHORIZING THE CHIEF EXECUTIVE OFFICER (THE “CEO”) TO NEGOTIATE A REDEVELOPMENT AGREEMENT REGARDING THE SAME BETWEEN THE CITY OF JACKSONVILLE, DOWNTOWN INVESTMENT AUTHORITY, AND AXIS 404 JULIA, LLC; AUTHORIZING THE CEO OF THE DOWNTOWN INVESTMENT AUTHORITY TO EXECUTE SUCH AGREEMENT; PROVIDING AN EFFECTIVE DATE.

Chairman Adams gave the floor to Steve Kelley to introduce Resolution 2021-10-03.

Steve Kelley provided an overview of the Resolution and the Development.

The Development includes:

New

103 multi-family units

480 garage

Rehab (Ambassador Annex, CNB Redevelopment)

Will come to board once construction budget comes in for DPRP

39 units

5,769 square feet of commercial retail

Included in the parking garage are up to 120 spaces for JFRD.

Steve Kelley provided an overview of the incentive and public finance components of the redevelopment agreement.

DIA to provide a 75% Recaptured Enhanced Value Grant 15 years at a value not-to-exceed \$4,050,000, based on a minimum capital investment of \$34,370,000. JFRD to provide \$2,400,000 for 120 structure parking spaces upon completion of the garage.

Speaking to an alternative proposal for the JFRD parking spaces, Steven Kelley explains that Augustine Development proposes a 50% REV for 15yrs and \$25,000 per space for 120 spaces. The reasoning behind the alternative is that the averaged cost per space rises to \$25,000 for any spaces above 90 due to location of those spaces below grade. Conversely, Augustine Development also stated they would provide 90 spaces at \$20,000 per space with a 75%, 15-year REV Grant. **Note: The Developer clarifies later in the meeting that they are fine with a 50%, 15-year REV grant together with 90 spaces at \$20,000 per space or 120 spaces at \$25,000 per space, subject to a negotiated maintenance agreement with JFRD.**

Chairman Adams asked for Committee Member comments, and in order of being recognized by the Chair the following Committee Member comments are made:

Committee Member Barakat

- Mr. Barakat noted that we are discussing incentive packages for Ambassador and Independent Life separately, and that what is being discussed today is the incentive for the new construction, further noting that incentives for the rehab of the historic CNB Building to be discussed at a later date.
- Speaking to the JFRD parking, Mr. Barakat asked about the source of the funding.

CEO Boyer answered that JFRD has \$2.4M in their budget.

- Mr. Barakat asked if there was a change in contractor, further asking if the schedule of probable costs were authenticated by the contractor?

Steve Kelley answers “No”.

Committee Member Gibbs

- Speaking to the cost-per structure parking spaces, how does \$20K per space rank against others?

Steve Kelley answers that costs vary and that \$25K or \$30K per space is not out of line for garages with certain amenities (e.g., ground floor retail).

- Speaking to maintenance, Mr. Gibbs asks if JFRD be responsible for maintenance?

Steve Kelley replies “No”.

Committee Member Citrano

- Mr. Citrano asks if the \$25K per space really an incentive given that we get something in return?

Steven Kelley replies that it is not technically an incentive, and functions more as an acquisition of an asset via perpetual easement

- Mr. Citrano asks if that is why the per-space JFRD funds are not an ROI factor?

Steve Kelley replies “Yes.”

- Mr. Citrano notes that we are considering a 75% grant based on staff’s metrics, and asks if that accounts for the Developer’s ongoing maintenance costs for the garage.

Steve Kelley replies “Yes”, and goes on to state that when we (DIA Staff) look at the plan umbrellas there are areas of our responsibilities not otherwise called out in a specific incentive, which includes coordinating and facilitating efficient use of property and parking.

Committee Member Barakat

- Mr. Barakat comments that in his perspective the cost-per-space paid by JFRD is an incentive because if the actual cost-per-space is less than the \$20K or \$25K, citing information provided to him on other garages. Mr. Barakat views the 75% an inordinate incentive amount based on what is being provided in terms of parking spaces.

CEO Boyer responds that we (DIA) wear several “hats”, noting that we (DIA) are also responsible, via the Office of Public Parking, to provide public parking for City offices as well as for the public, further noting that we (DIA through the Office of Public Parking) may either provide JFRD surface parking with their \$2.4M elsewhere or within this garage. CEO Boyer notes that surface parking probably not the preferred option.

George Bochis, Augustine Development, is recognized by the Chair and responds that when we (Augustine Development) first started talking with JFRD there were 90 spaces needed, which is now up to 120 spaces. The rise in averaged cost-per-space from 90 to 120 is due to the need to construct those additional spaces below grade.

Chairman Adams

- Mr. Adams asks of DIA staff, if the office of public parking is responsible for providing parking and if we have public parking facilities why can't we put those spaces there?

CEO Boyer responds that our parking facilities are full with waitlists, further noting that JFRD has a 24-hour accessibility need and further requires that parking is within proximity to their facility. CEO Boyer goes on to note that this garage also serves others developments (Ambassador, CNB and I Life building), consistent with our (DIA) goal is to create joint use parking facilities.

- Mr. Adams commented that we (DIA) are also using the REV Grant as a parking maintenance offset, questioning if this is an appropriate use of the REV Grant, further questioning if the maintenance expense should not be an expense born by the CRA, but born by JFRD.

Committee Member Barakat

- Mr. Barakat notes that he is in agreement with the Chair's comments and position on the JFRD parking and REV Grant.

Committee Member Citrano

- Asks if the 75%, 15-year REV Grant requires City Council approval.

CEO Boyer responds that it requires City Council approval because the Development meets the threshold for a 50%, 15-year REV Grant. Because what is proposed is a 75%, 15-year REV Grant, City Council approval is required.

CEO Boyer further notes that the developer is also engaged in the development of several other parcels, with the Developer's position being that they are worthy for consideration of an amount greater than they (the Development) would otherwise qualify for on paper.

Committee Member Barakat

- Requests that the developer validate the higher number on parking and 50% REV Grant.

George Bochis from Augustine Development notes that they are acceptable of a 50%. 15-year REV Grant, subject to successful negotiations with JFRD of a maintenance agreement; further, the Developer is willing accept 90 spaces at \$20K per space, or 120 spaces at \$25K per space.

CEO Boyer, speaking to the Committee, notes that if they want to address this (JFRD Parking) today, the Resolution may be amended to include a 50%, 15-year REV Grant with either: 90 spaces to JFRD at a cost to JFRD of \$20,000 per space, or 120 spaces to JFRD at a cost to JFRD of \$25,000 per space. The maintenance costs for those spaces to be absorbed by the Office of Public Parking. CEO Boyer stated that we would provide an estimate of maintenance and operation costs per space based on other facilities prior to the (regular) DIA Board Meeting.

Committee Member Barakat

- Requests through the DIA CEO that staff do more research and make a summary report to the full board.

DIA Chairman Gillam

- Asks if we (DIA through the Office of Public Parking) are able to charge back to JFRD maintenance and operation costs?

Chairman Adams: proposes an amendment to Resolution 2021-10-03 as follows:

A 50%, 15-year REV Grant with either: 90 spaces to JFRD at a cost to JFRD of \$20,000 per space, or 120 spaces to JFRD at a cost to JFRD of \$25,000 per space. The maintenance costs for those spaces to be absorbed by the Office Public Parking.

Committee Member Citrano

- Reiterates DIA Chairman Gillam's question regarding the charge back of maintenance and operation costs to JFRD. CEO Boyer notes that staff can look into this.

Committee Member Citrano: proposes a friendly amendment to Chairman Adam's amendment as follows:

Prior to DIA Board Meeting, the Board to be provided answers to (a) anticipated cost of maintenance and operation per space, and (b) the ability to charge back those costs to JFRD.

The above is accepted by Chairman Adams as a friendly amendment.

Motion: Committee Member Citrano moved to approve Resolution 2021-10-03 as amended

Seconded: Committee Member Barakat seconded the motion

Seeing no comments, Chairman Adams called for a vote.

Vote: Aye: 4 Nay: 0 Abstain: 0

V. ADJOURNMENT

Chairman Adams adjourned the meeting at 3:04 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.