

Downtown Investment Authority Regular Meeting

City Hall at St. James 117 West Duval St., Lynwood Roberts Room Wednesday, August 26, 2015 - 2:00 p.m.

<u>DIA Regular</u> MEETING MINUTES

Board Members Present: Jim Bailey, Chairman; Jack Meeks, Vice Chairman; Oliver Barakat, Robert Clements, Craig Gibbs, Kay Harper, and Doris Goldstein

Board Members Absent: None

Council Member: Council President Greg Anderson and Council Vice President Lori Boyer

Mayor's Staff: Dr. Johnny Gaffney, Board and Commissions Liaison

DIA Staff: Aundra Wallace, DIA Chief Executive Officer; Guy Parola, DIA Development Manager; Tom Daly, DIA Development Analyst; Jim Klement, DIA Development Coordinator; and Karen Underwood, DIA Executive Assistant

Attendees: Daryl Joseph, Manager of Parks and Recreation

Office of General Counsel: Susan Grandin and Lawsikia Hodges

I. CALL TO ORDER

Chairman Bailey convened the meeting at 2:00 p.m. with a quorum present.

II. PRESENTATIONS

Cowford Chophouse

Alexandria Klempf, Cowford Chophouse Project Manager, made a presentation, updated the Board about the process and answered any questions. A copy of the presentation is on file.

CEO Wallace reported that the legislation will be undergoing the MBRC process in the coming weeks.

Chairman Bailey asked the Board if they had any comments. He thanked Council President Greg Anderson and Dr. Johnny Gaffney, Board and Commissions Liaison for attending the meeting.

Chairman Bailey also welcomed the media.

III. ACTION ITEMS

A. Approval of July 29 2015 Regular Board Meeting Minutes

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Chairman Bailey recommended moving the approval of the minutes to next month's meeting to allow for possible editing.

B. RESOLUTION 2015-08-01 Allocation of Development Rights, Elements Development of Jacksonville, LLC

CEO Wallace provided an overview of the proposed Resolution to allocate certain development rights from the Downtown DRI to Elements Development of Jacksonville, LLC, for the mixed-use development of the site on the Southbank known as the JEA Southside Generating Station Site.

Chairman Bailey asked the Board if they had any comments.

Board Member Barakat suggested when a Development Agreement is negotiated between the City and the developer, that duration be discussed. The Resolution did not refer to duration issues.

Susan Grandin noted that the resolution was for an assignment of development rights, and that there would be a separate Development Agreement that would normally include a performance schedule with certain benchmarks. A developer could come back and ask for extensions.

Board Member Meeks questioned if this was the right timing. CEO Wallace replied that it was appropriate timing. The Development Agreement will come before the Board for consideration and a recommendation for approval at a later time. He pointed out that this step was within the process of getting to the Development Agreement. The request for allocation of development rights is specific to the Southbank/Southside TIF.

Board Member Meeks referenced Exhibit 1 Paragraph 4b. He also asked if the Board should have some consideration given to assignability to deal with change of ownership. Susan Grandin responded that typically that is something to be negotiated as part of the contract. CEO Wallace considered leaving the language as it is to provide flexibility for potential master developers for the site. He did not want to impact any potential financing opportunities.

Board Member Gibbs referenced Exhibit 1 Page 4a and commented about the duration past December 31, 2017. Mrs. Grandin stated if the DRI goes away, they would still have their development rights.

Board Member Goldstein expressed concern that the allocation of development rights should have an expiration date and reverts to the DIA if for some reason the project was not completed.

Board Member Harper questioned the allocation of development rights being wrapped up into the DevelopmentAgreement. Susan Grandin noted that typically the allocation of development rights are done in the same document as the Development Agreement. Board Member Harper inquired if the development rights could be redrafted in a manner that the document becomes void if conditions in the DevelopmentAgreement are not satisfied. Susan Grandin responded that certainly that can be done. The allocation of development rights goes with this document.

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Board Member Clements is in support of the project so that they can move forward.

CEO Wallace introduced M. Lynn Pappas, Gunster Law, to provide more information on behalf of the applicant.

Ms. Pappas emphasized the importance of obtaining assignment of development rights at the earliest possible stage to be able to obtain financing for the project. Ms. Goldstein expressed concern that the Assignment of Development Rights appears on its face to stand alone, without reference to the Development Agreement.

Chairman Bailey recommended moving a motion on the resolution for discussion.

A lengthy conversation ensued regarding an amendment adding conditions.

Chairman Bailey asked Ms. Pappas if the assignment of this agreement gives her any concern. She replied if the conditions are based upon the Development Agreement, then all of the complexities need to be addressed for both parties.

Board Member Meeks stated that an amendment should reflect the length of time needed to enter into the Development Agreement. Ms. Pappas said there should be at least 24 months permitted to enter into the Development Agreement.

Chairman Bailey called for comments from the public and noted one (1) speaker, John Nooney, was received.

A MOTION WAS MADE BY BOARD MEMBER BARAKAT AND SECONDED BY BOARD MEMBER MEEKS AMENDING RESOLUTION 2015-08-01 SO THAT THE ALLOCATION OF DEVELOPMENT RIGHTS REQUESTED BY ELEMENTS DEVELOPMENT OF JACKSONVILLE, LLC IS CONTINGENT ON ELEMENTS, OR ITS ASSIGNS, ENTERING INTO A DEVELOPMENT AGREEMENT WITH THE DIA BY AUGUST 26, 2017.

THE MOTION PASSED UNANIMOUSLY 7-0.

A MOTION WAS MADE BY BOARD MEMBER MEEKS AND SECONDED BY BOARD MEMBER BARAKAT APPROVING RESOLUTION 2015-08-01 AS AMENDED. THE MOTION PASSED UNANIMOUSLY 7-0.

C. REP APPLICATION 2015-006 BURRITO GALLERY RESTAURANT.

Tom Daly reported to the Board that the REP Committee recommended approval for Application 2015-006 at the meeting of August 20, 2015.

Referencing the staff evaluation criteria, Chairman Bailey reported the Burrito Gallery scored 29 points and will be open seven days a week.

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Paul Shockey, Burrito Gallery General Manager was present to answer any questions.

Chairman called for comments from the public and noted that no comments from the public had been received.

A MOTION WAS MADE BY BOARD MEMBER MEEKS AND SECONDED BY BOARD MEMBER GIBBS APPROVING REP APPLICATION 2015-006 BURRITO GALLERY.

A FORGIVABLE LOAN IN THE AMOUNT OF \$73,000; SUBJECT TO:

- 1. Applicant to obtain appropriate permits within 6 months of final program document approval and executed agreements with DIA
- 2. Applicant to have all work completed within a 6 month period from final program document approval and executed agreements with DIA
- 3. Applicant may receive up to a 6 month period extension to comply with final program document approval and DIA executed agreements
- 4. The forgivable loan will be secured by personal guarantee of the applicant.

THE MOTION PASSED UNANIMOUSLY 7-0

Chairman Bailey reported that over this period of time since January 1, 2015 \$750,000 was approved for Retail Enhancement programs.

As of today, there are Eight (8) Applications, Seven (7) approved and One (1) pending.

Total Square feet: 20,206

Total Improvement Costs: \$1,273,058

Total Equity and Private Investment: \$2,121,536

Total Jobs Created 64 (FTE's),

Total DIA Funds Committed: \$352,345.

Remaining Program Funds Available: \$397,655.

D. Resolution 2015-08-02 Downtown Lighting Scope of Services

CEO Wallace brought forward Resolution 2015-08-02 Approving a scope of services for the procurement of professional services relating to Downtown Lighting Improvements.

A copy of the overview, map and Downtown Lighting Evaluation are on file. CEO Wallace stated that the LED lighting does illuminate much better that the current lighting.

Chairman Bailey called for comments and noted that no requests to speak had been received.

A MOTION WAS MADE BY BOARD MEMBER GIBBS AND SECONDED BY BOARD MEMBER MEEKS APPROVING RESOLUTION 2015-08-02. THE MOTION PASSED UNANIMOUSLY 7-0.

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E. Resolution 2015-08-03 45 W. Bay Street DevelopmentAgreement

CEO Wallace presented the Board Members with Resolution 2015-08-03 supporting the execution of a Developmentand incentive agreement between the Downtown Investment and 45 West Bay Street, LLC; to authorize CEO of the Downtown Investment Authority to negotiate the DevelopmentAgreement. Copies of the supporting documents are on file.

Kevin Gay, Building Owner was present to answer any questions.

Chairman Bailey stated that this building is located on the East of Regions Bank across from Wells Fargo. The (3) three retail tenants are Daniel James Salon, Global Digital Community and Urban Grind Coffee Company.

Lawsikia Hodges, Deputy General Counsel suggested an amendment to the Resolution.

Board Member Goldstein commented that there is lot of opportunity for creating quasi-public spaces. She recommended staff to include parameters in the agreement of how the space will be used and its accessibility to the public.

CEO Wallace responded that he would negotiate the agreement based on the terms and take Board Member Goldstein's suggestion into consideration.

Chairman Bailey called for comments and noted that no requests to speak had been received.

A MOTION WAS MADE BY BOARD MEMBER BARAKAT AND SECONDED BY BOARD MEMBER MEEKS APPROVING RESOLUTION 2015-08-03. THE MOTION PASSED UNANIMOUSLY 7-0.

Board Member Meeks questioned if there should be a discussion about assigning this project to the Retail Enhancement Committee; that the committee would come up with scoring system for these applications before they coming before the Board. CEO Wallace responded that the creation of new quasi-public space is slightly different from the Retail Enhancement program and requires a creative approach, but that there were some advantages to adapting an existing program. Chairman Bailey moved agenda to CITIZENS INSURANCE

J. Resolution 2015-08-08 Amkin West Bay, LLC Parking Agreement

CEO Wallace presented the Board Members with Resolution 2015-08-08 "DIA" supporting legislation authorizing the Mayor and Corporation Secretary to execute a contract between the City of Jacksonville and Amkin West Bay, LLC (Owner of Everbank Center Building) regarding the use of city owned parking within the Water Street Building garage.

Council President Anderson inquired if this has been coordinated with Everbank.

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Jack Shad, Office of Public Parking, was present to answer questions. He stated that the issue may have been discussed with the owner of the building and Everbank. Chairman Bailey said that it is a separate agreement. The spaces provided can be disbursed to other locations.

The Board Members discussed the proposed deal terms summarizing the lease agreement.

Board Member Barakat considered adding language in Section 2 letter e. and will wrap it up into a motion after discussion.

CEO Wallace asked Board Member Barakat if the 850 spaces was for all existing tenants at the site or for the 850 spaces being provided as an incentive to the building owner to attract Citizens to the location.

Board Member Barakat responded that the incentive package as described herein shall inure only to the existing tenants located at 301 W. Bay Street.

Chairman Bailey called for comments and noted that no requests to speak had been received.

A MOTION WAS MADE BY BOARD MEMBER BARAKAT AND SECONDED BOARD MEMBER MEEKS APPROVING RESOLUTION 2015-08-08 ADDING LETTER E IN SECTION 2, THAT THE INCENTIVE PACKAGE AS PROVIDED HEREIN SHALL INURE ONLY TO THE EXISTING TENANTS LOCATED AT 301 W BAY STREET.

THE MOTION PASSED 6-0-1 Board Member Clement abstained

RESOLUTION 2015-08-06 - RECOGNITION OF MS. KAY HARPER SERVICE TO DIA

RESOLUTION 2015-08-04— RECOGNITION OF MR. ANTHONY "TONY" ALLEGRETTI'S SERVICE TO DIA

RESOLUTION 2015-08-05 – RECOGNITION OF MS. MELODY BISHOP SERVICE TO DIA

RESOLUTION 2015-08-07 – RECOGNITION OF MR OLIVER BARAKAT'S SERVICE AS DIA CHAIR

Chairman Bailey called for comments

Bruce Fouraker commented over the past 10 years there were a lot of issues with downtown. Three (3) years ago the DIA was formed and those four (4) members worked over the past 3 years in making downtown it a better place for people to live, play and work.

A MOTION WAS MADE BY BOARD MEMBER GOLDSTIEN AND SECONDED BY BOARD MEMBER GIBBS APPROVING ALL RESOLUTIONS COMMMENDING THREE (3) MEMBERS OF THE DOWNTOWN INVESTMENT AUTHORITY FOR THEIR

SERVICE AND (1) FOR HIS CONTINUED SERVICE WITH THE DOWNTOWN INVESTMENT AUTHORITY. THE MOTION PASSED UNANIMOUSLY 7-0

Chairman Bailey requested bringing in someone from a City department to educate the Board at each meeting about the things that are happening downtown. He reiterated that trash pick-up was a critical issue.

IV. CHIEF EXECUTIVE OFFICER REPORT

A. WATER TAXI UPDATE

Chairman Bailey has met with Procurement and other departments earlier this week regarding the Water Taxi. He stated that there were some issues that started from the beginning that needed to be worked out. Great feedback and comments were received from everyone that thought that everything was coming together. They were in hopes of having six – eight thousand riders a month. Both parties are in a better place today. A marketing agreement will be presented to the Board within 90-days from the July 21st Council Meeting.

B. FY 15/16 BUDGET UPDATE

CEO Wallace stated that the budget was heard at the Finance committee meeting on August 21, 2015 and was approved as recommended by the Mayor. The meeting will conclude with the full City Council in September.

C. SHIPYARDS

CEO Wallace reported that a continued assessment of engineering was received. There were a number of contaminants. The remediation cost will be determined and based upon what the use will be on the actual site. It is currently being worked through with developers. He noted that there will not be a fast turnaround as the staff will continue with their due diligence. He will continue to update the board.

V. DOWNTOWN BRIEFING

Jim Klement provided the DDRB update. The regular meeting will be held on Thursday, August 27, 2015 at 2pm. Ameris Bank is on the agenda. Chairman Bailey recognized that DDRB Chairman Raphael Caldera was in attendance earlier. He recommended for him to be a part of the DIA discussions. DDRB can be a tremendous asset to the DIA.

Council President Anderson provided a positive announcement to the Board. He stated that the City Council amended the Capital Improvement budget to include \$37M to provide replacement and repairs to Coastline Drive and Liberty Street. He reiterated that this part of downtown should attract joggers, mothers pushing strollers, and tourist taking pictures of the beautiful St. Johns River. The Finance committee unanimously approved the legislation. This would take a blighted part of

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downtown and turn it into a special area. Chairman Bailey stated that Council President Anderson was proactive and wants to see these things happen.

Chairman Bailey reported that a letter was received from Alan Bliss commenting on the Landing and provided to staff to file for the record.

VI. OLD BUSINESS

Board Member Meeks stated that he and his wife closed on the purchase of Elena Flats. Chairman Bailey stated that is going to be a beautiful building.

VII. NEW BUSINESS

Board Member Meeks suggested having a strategic planning committee to take a more proactive approach. There are four major properties that developers will come to the DIA requesting for funding. He referenced the TIF workshop and stated that there were opportunities to explore some of those numbers.

Chairman Bailey concurred and commented that the Board needs to be more proactive and not reactive about the projects coming forward.

Board Member Goldstein added to the list Historic Preservation Funds. However, she questioned whether it should be a committee, or whether a proactive viewpoint should be part of all activities of the Board.

Chairman Bailey stated that the advice will be taken into consideration and will figure out the best way to make an approach.

Chairman Bailey recognized and thanked Council Vice President Lori Boyer for attending. Council Vice President Boyer referenced the TIF Workshop. She has offered a motion for the Carling Revenue to show in the DIA Tax Increment District as well as the expense side. The revenue from that property already goes into downtown development fund. In the process of downtown relations CM Crescimbeni expressed concern about the general fund having to supplement the budget. He asked a motion to approve that there be an IOU in the downtown investment authority tax increment district to the downtown funds for the amount of contribution. The motion passed. Friday there will be a discussion about both sides of those amendments and research will be done on the MPS garage initial legislation as to whether tax increment revenue was actually pledged as a part of the original council action.

CEO Wallace reported that there is a lot of ambiguity and will get back with the Board after further research and conversation with Council Auditors. He mentioned in the Northeast TIF there are garages that are affiliated with Sport Complex. The Northwest TIF has a garage that services the Courthouse.

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Council Vice President Boyer commented on the TIF Funds. Paying the debt service that she thinks is a least arguable whether it's a citywide activity or whether it is actually an economic development activity the increment district incurs with the plan. Leave them both in or take them both out.

Board Member Barakat stated it is imperative that the second part of the idea goes through. The Board needs to give staff strong direction for this idea to be discussed at Finance committee. Vice President Boyer suggested the Board to discuss individually with the Finance committee members may be best.

Vice President Boyer said that the two amendments passed in to the CIP that took the two-way streets and wayfaring signage out of the CIP because they were not funding. The motion was made for flexibility to include them in any given year.

VIII. PUBLIC COMMENTS

Public speaker cards on file with the Downtown Investment Authority.

ADJOURNMENT

There being no further business, Chairman Bailey adjourned the meeting at approximately 4:46p.m.

The next DIA meeting is scheduled for Wednesday, September 30, 2015 at 2:00 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, an audio CD is available upon request. Please contact Karen Underwood, at (904) 630-3492, or by email at karenu@coj.net.