



Downtown Investment Authority
Strategic Implementation Committee Hybrid Meeting
Thursday, August 11, 2022 – 1:00 p.m.

Strategic Implementation Committee Hybrid Meeting
Draft – MEETING MINUTES

Strategic Implementation Committee Members (CM) in Attendance:

Craig Gibbs, Esq., Chair	Oliver Barakat (via Zoom; voting)
Stephanie Burch, Esq.	Jim Citrano
Carol Worsham, Ex Officio (via Zoom; non-voting)	

Committee Members Excused:

Board Members in Attendance:

DIA Staff Present: Lori Boyer, Chief Executive Officer; Xzavier Chisholm, Administrative Assistant; Wanda James Crowley, Financial Analyst (via Zoom); Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Operations Manager; Antonio Posey, Project Manager; and Ina Mezini, Communication and Marketing Specialist (via Zoom).

Office of General Counsel: Joelle Dillard, Esq.

Council Members Present:

I. CALL TO ORDER

The Strategic Implementation Committee meeting of August 11, 2022 was called to order at 1:00 p.m. by Chairman Gibbs.

Chairman Gibbs began the meeting with the citing of the Pledge of Allegiance followed by each committee member and DIA staff introducing themselves.

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. APRIL 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 Citrano moved to approve the minutes as presented

Seconded: CM Burch seconded the motion

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 4-0-0

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

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THAT CITY COUNCIL APPROVE A DISCOUNTED LOAN PAYOFF FROM W.A. KNIGHT BUILDING DEVELOPMENT, L.L.C. (“BORROWER”) ON DEBT ORIGINALLY ISSUED BY THE CITY OF JACKSONVILLE THROUGH THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION (“LENDER”) OCTOBER 5, 2001 WITH A DUE DATE OF OCTOBER 31, 2031 IN THE ORIGINAL AMOUNT OF \$300,000 AND SECURED BY A THIRD MORTGAGE ON THE COLLATERAL PROPERTY LOCATED AT 113 W ADAMS STREET (“PROPERTY”), JACKSONVILLE, FLORIDA; FINDING THAT PROPOSED DISCOUNTED LOAN PAYOFF 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.

DIA’s Steve Kelley introduced the resolution, stating that it contemplates a discounted loan payoff (DPO) from the borrower on a loan extended for the acquisition and redevelopment of the property located at 113 W Adams Street. The owner of the property borrowed \$300,000 from the City of Jacksonville (COJ) in October 2001 via the Jacksonville Economic Development Commission (JEDC) in its capacity as the Northbank CRA for the acquisition and rehabilitation of the property. The COJ/JEDC loan continues to accrue interest at 2 percent per annum with principal and interest due at maturity, October 2031. The loan payoff amount at maturity, estimated at \$543,408 has been discounted to September 2022, using a 6 percent discount rate, to provide an approximate present value of \$319, 952. Initial negotiations with the borrower indicate a willingness to pay the discounted loan payoff amount in order to settle the obligation early and allow COJ, through the DIA, to redeploy that amount in the Northbank CRA. Upon approval by the board, the agreement would then go before City Council for approval.

Motion: CM Citrano moved to approve the resolution as presented

Seconded: CM Burch seconded the motion

CM Burch asked how this proposal came about. CEO Boyer responded that DIA was approached by Councilman Carlucci who was approached by the owner of the building, Mike Langton. The initial request was to convert it to a DPRP Forgivable Loan. DIA's response to this initial request was no, and that it wasn't feasible. The only thing DIA considered feasible was to offer a discount off the future payments since nothing is being paid for another 10 years.

CM Burch asked is it clear where the payoff funds will be going once received and will they be readily available for DIA to redeploy. CEO Boyer stated that their research indicates that the funds originated from the General Fund and it is likely the payoff will be received by the General Fund which City Council would then be in charge of appropriating. CEO Boyer added that there is ongoing research regarding Notes Receivable which was brought about by Carling and Lynch in this year's budget process.

CM Citrano asked if Mr. Langton would be eligible for an economic incentive from DIA later down the road. Mr. Kelley responded that he has been getting this question frequently in regard to other projects and the answer is that it would depend on the situation. Generally speaking, if financing has been provided by the City in some form or another in previous years, then it's not eligible for further financing to "redo" what has effectively been done previously. CEO Boyer added that a developer who previously received financing for historic renovation and rehabilitation could be considered eligible for FAB-REP program incentives if they are now adding a restaurant or entertainment venue.

CM Barkat asked why this agreement isn't going straight to City Council. CEO Boyer responded that JEDC is the payee on the loan and DIA is the successor to JEDC.

Mike Langton, owner of the property in question, spoke to the building's condition, market conditions, and state of downtown when he first sought to renovate the building roughly 17 years ago, and thanked the City for assisting in making it the success that it is today.

CM Burch suggested that OGC include the appropriation of the funds in the drafting of the legislation so that it's already taken care of and there's no questions as to where the funds go when they return to the City. CEO Boyer agreed and suggested that it be appropriated to downtown economic development fund.

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 4-0-0

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

None.

VI. ADJOURNMENT

Chairman Gibbs adjourned the meeting at 1:21 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.