



Downtown Investment Authority
Retail Enhancement and Property Disposition Committee Hybrid Meeting
Thursday, September 15, 2022 – 10:30 a.m.

RE&PD Committee Hybrid Meeting
Draft - MEETING MINUTES

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

Oliver Barakat, Chair	Jim Citrano
Stephanie Burch, Esq.	Todd Froats
Carol Worsham, Ex Officio	

Committee Members Excused:

Board Members in Attendance: Craig Gibbs, Esq. (via Zoom) and Braxton Gillam, Esq. (via Zoom)

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 (via Zoom); Ina Mezini, Marketing and Communications Specialist (via Zoom); Guy Parola, Operations Manager; and Antonio Posey, Project Manager.

Office of General Counsel: Joelle Dillard, Esq.

I. CALL TO ORDER

The Retail Enhancement and Property Disposition Committee meeting of September 15th, 2022, was called to order at 10:34 a.m. by Chairman Barakat.

II. PUBLIC COMMENTS

Chairman Barakat opened the floor to 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:

Stanley Scott	Advocated for using city funds to inform and educate community business leaders on investing in downtown; advocated for co-ops and supporting small businesses.
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Allan DeVault	Spoke in support of the American Lions project, stating that 80 percent of the robust incentive package is self-generated, and the project will bring a long desired world-class product to downtown Jacksonville.
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III. AUGUST 10, 2022 RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE MEETING MINUTES APPROVAL

Having called for corrections or other edits by his fellow committee members and after receiving none, Chairman Barakat asked for a motion and second on the item.

Motion: CM Citrano moved to approve the minutes as presented

Seconded: CM Froats seconded the motion

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0.

IV. RESOLUTION 2022-09-01: IGUANA OFFICE PARCEL DISPOSITION

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING THE FEE SIMPLE DISPOSITION OF A 1.05 ACRE PARCEL (THE “OFFICE PARCEL”) OF CITY-OWNED REAL PROPERTY WHICH WAS THE SUBJECT OF RESOLUTION 2022-06-04 AND IS AS DEPICTED ON THE SITE PLAN ATTACHED HERETO AS EXHIBIT “A” AND COMPRISING A PORTION OF THE LAND GENERALLY KNOWN AS KIDS KAMPUS LOCATED BETWEEN GATOR BOWL BOULEVARD AND THE ST. JOHNS RIVER, AND IDENTIFIED BY DUVAL COUNTY TAX PARCEL NUMBER RE# (A PORTION OF) 130572-0110 (F/K/A 130572-0100), “THE PROPERTY”; AUTHORIZING THE DISPOSITION OF THE PROPERTY AND ITS REDEVELOPMENT BY IGUANA INVESTMENTS OF FLORIDA, LLC (THE “DEVELOPER”) ON THE TERMS SET FORTH ON EXHIBIT B; AUTHORIZING THE AMENDMENT OF THE REDEVELOPMENT AGREEMENT INTO BETWEEN THE CITY, DIA AND THE DEVELOPER DATED NOVEMBER 2021, AND ANCILLARY AGREEMENTS ASSOCIATED THEREWITH ALL IN ACCORDANCE WITH THE TERMS SET FORTH ON EXHIBIT B; FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE THE REDEVELOPMENT AGREEMENTS AND ASSOCIATED DOCUMENTS; AUTHORIZING THE CEO TO INITIATE THE FILING OF LEGISLATION WITH THE CITY COUNCIL REGARDING THE SAME; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING THE EXECUTION OF REDEVELOPMENT AGREEMENTS, A PURCHASE AND SALE AGREEMENT, OR FUNCTIONAL EQUIVALENTS; PROVIDING FOR AN EFFECTIVE DATE.

CEO Boyer presented the resolution, stating that it authorizes the fee simple acquisition of the Office Parcel and amendments to the associated Redevelopment Agreement and ancillary agreements. The vast majority of the initial transaction remains unchanged.

CEO Boyer presented the staff report.

CM Froats stated his support for the resolution and highlighted the increased interest and potential development the project will bring to the area.

CEO Boyer confirmed for CM Citrano that the revised total project cost for the Hotel and Condominium development has increased by about \$50M.

CM Citrano asked what percentage design plans the construction cost estimates are based on. CEO Boyer responded that the developer has received both Conceptual and Final DDRB Approval, and Drew Frick, with the Jacksonville Jaguars, added that they are through 100 percent schematic design and going through full design and construction documents now. The numbers will continue to be in flux until they get to the Guaranteed Maximum Price (GMP) point early next year but feel confident in the estimates so far.

Responding to a question from CM Burch regarding the timeline of the construction and the Maintenance of Traffic (MOT), Steve Diebenow, representing the developer, stated that the construction for the hotel and office will be constructed at generally the same time with the office lagging a little. The two developments are expected to be completed at the same time. The primary concern with the MOT is preserving access to the marina, and the development agreement is pretty detailed in terms of how long the marina can be closed, when it can be open, when access can be shutdown, etc.

CM Worsham asked if the marina must go through permitting. Mr. Diebenow confirmed that it does, along with the pier and the bulkheads. Adding that, he does not anticipate any delays but is cautiously optimistic. There is currently a Request for Qualifications (RFQ) to perform the work.

CM Worsham asked if the CEO is authorized to permit an extension in the case of a delay. CEO Boyer confirmed that she has been authorized to provide a 6-month extension at her discretion.

BM Gibbs asked if the construction on Gator Bowl Boulevard will impact traffic as it pertains to nearby events (e.g., Florida/Georgia). Mr. Diebenow responded that he does not have details on that, but they certainly do not intend to interrupt the flow of traffic for games and events at TIAA Bank Field.

Chairman Barakat asked when did the contemplation of the easement agreements occur. CEO Boyer responded that 90 percent of the easement agreements existed in the original transaction. There are additional easements provided in this agreement that are the result of getting further along in the design and construction.

Motion: CM Citrano moved to approve the resolution as presented

Seconded: CM Froats seconded the motion

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0.

V. RESOLUTION 2022-09-02: AMERICAN LIONS RIVERFRONT PLAZA

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING THE TERM SHEET ATTACHED HERETO AS EXHIBIT ‘A’; AUTHORIZING THE DISPOSITION AND REDEVELOPMENT OF A CITY-OWNED PROPERTY OF APPROXIMATELY ONE ACRE COMPRISED OF A PORTION OF DUVAL COUNTY TAX PARCELS RE#: 074457-1100 AND 074445-0700 (THE “PROPERTY”) IN ACCORDANCE WITH THE AWARD OF ISP-0362-22 TO AMERICAN LIONS (“DEVELOPER”) AND RESOLUTION 2022-05-02; FINDING THE AMERICAN LIONS PROJECT PROPOSAL ATTACHED HERETO AS EXHIBIT ‘B,’ IN FURTHERANCE OF THE DOWNTOWN NORTHBANK CRA PLAN AND IN THE PUBLIC INTEREST; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A PURCHASE AND SALE AGREEMENT, AND A REDEVELOPMENT AGREEMENT AND OTHERWISE TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION INCLUDING THE FILING OF LEGISLATION; PROVIDING AN EFFECTIVE DATE.

CEO Boyer presented the resolution, stating that it contemplates the approval of the American Lions proposal for the Riverfront Plaza development pad. The developer was the sole respondent to the Notice of Disposition (ISP-0362-22) but presented a proposal that complied with all requested criteria and was highly scored by each reviewer. The board previously approved DIA staff to move forward with negotiations of a term sheet with the developer which is presented to the board today.

CEO Boyer presented the staff report.

CM Worsham commented that she is in favor of the term sheet and is thrilled at the design concepts and iconic features of the project. Additionally, she feels that the term sheet offers adequate protection for the City and captures the desired architecture and integration with the park site plan.

Responding to a question from CM Burch regarding the resiliency and potential for flooding of the site, Hal Fetner, with American Lions, stated that the designs are still very preliminary, but they are concerned with the parking and resiliency. Furthermore, they are looking at different types of mechanical systems to address those issues and BIG (lead architect) has a significant amount of experience with resiliency planning.

DIA’s Steve Kelley confirmed for CM Citrano that he is comfortable with the rent estimates provided by the developer in their pro forma despite them being higher than what downtown is currently seeing. Adding that, it is speculation at this point, but the property is very unique and unlike anything currently in downtown.

CEO Boyer confirmed for CM Citrano that the loan is included in the overall incentive package amount, but its repayment at a future date is also included in the project’s ROI. CM Citrano noted that almost half of the incentive package will be repaid.

CEO Boyer commented that disposition of the property does not close until the developer has met certain criteria – e.g., gone through the design process, obtained DDRB approvals, obtained permits, and is ready to close on the construction loan.

CM Froats noted that looking at the incentive amount can be misleading, especially as it pertains to the REV Grant which is a positive return for the City because right now the City is receiving zero (in generated taxes).

CEO Boyer confirmed for Chairman Barakat that the retail requirements in the term sheet remain the same as they were in the Notice of Disposition.

Agreeing with Chairman Barakat, CEO Boyer spoke to the need for a diverse offering of unit types (e.g., studios, one-bedrooms, two-bedrooms, three-bedrooms).

CEO Boyer confirmed for Chairman Barakat that the developer has agreed to maintain the Sky Garden Terrace but that does not include a park maintenance contribution. Adding that, the board has been setting aside money for enhanced downtown maintenance.

Responding to Chairman Barakat, CEO Boyer stated that they will know of any substantive changes to the design no later than December, 2023, as described in the term sheet.

CEO Boyer clarified for Chairman Barakat that the site plan for the park does not need to come before the board, as it is City-owned property. Though, DDRB will take it up.

CM Burch asked if there will be any other community meetings regarding the site plan and the design of the park. CEO Boyer responded that she would have to check with the Parks Department, and agreed that it would be good idea to have a presentation to update the public.

Motion: CM Worsham moved to approve the resolution as presented

Seconded: CM Burch seconded the motion

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0.

VI. RESOLUTION 2022-09-03: MOSH DISPOSITION AMENDED TERMS

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) MODIFYING THE TERM SHEET FOR DISPOSTION OF THE PROPERTY PREVIOUSLY APPROVED BY THE DIA PURSUANT TO RESOLUTION 2022-01-03; FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

CEO Boyer presented the resolution, stating that it contemplates the modification of the term sheet for the disposition of the property previously approved by the DIA pursuant to Resolution 2022-01-03. The amendments to the term sheet primarily involve changes to the completion date and interim performance deadlines, and the respective party's responsibilities for construction of the park, Riverwalk, and infrastructure improvements funded by a City CIP project.

CEO Boyer presented the staff report.

Responding to a question from CM Worsham regarding the park partnership property, CEO Boyer stated that the language regarding the park partnership property and public use has been removed and deferred to the workshop where MOSH will receive further guidance from both the DIA and DDRB.

CM Citrano asked what is the DIA's plan in case MOSH can't meet their fundraising goals to move forward with the project. CEO Boyer stated that is part of the reason that she suggested the board not change the commencement of construction or fundraising date. The deadlines are set so that the City will know whether MOSH is proceeding with their project in a manner that allows the City to proceed with its CIP projects on the park space and riverwalk in coordination with the adjacent projects (e.g., Four Seasons Hotel and marina).

CEO Boyer confirmed for BM Gibbs that the completion date has been moved to 2027.

Motion: CM Worsham moved to approve the resolution as presented

Seconded: CM Burch seconded the motion

Vote: Aye: 5 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 5-0-0.

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

None.

VIII. OLD BUSINESS

None.

IX. NEW BUSINESS

None.

X. ADJOURNMENT

Chairman Barakat stated that he will be filing a Form 8B regarding Resolution 2022-09-02.

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CEO Boyer stated that there will be a projection demo of the light show at 8:30 p.m. at Friendship Fountain.

Seeing no further matters for discussion, Chairman Froats adjourned the meeting at 12:15 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.