



**Downtown Investment Authority
Strategic Implementation Committee**

Monday, March 15th at 1 p.m.

SIC AGENDA

Oliver Barakat, Committee Chair
David Ward, Esq., Committee Member

Bill Adams, Esq., Committee Member
Craig Gibbs, Esq., Committee Member Ron Moody, DIA Board Chair

- I. CALL TO ORDER
- II. PUBLIC COMMENTS
- III. JANUARY 12, 2021 STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES
- IV. JANUARY 14, 2021 STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES
- V. RESOLUTION 2021-03-03: DVI DISTRICT EXPANSION (Lori Boyer, CEO)
- VI. RESOLUTION 2021-03-04: CEO AUTHORIZATION: MPS LITIGATION (John Crescimbeni, Contract and Regulatory Compliance Manager)
- VII. RESOLUTION 2021-03-01: LAURA STREET TRIO DPRP (Steve Kelley, Director of Downtown Real Estate and Development)
- VIII. RESOLUTION 2021-03-05: METER RENTING (BAGGING) RATE SCHEDULE (John Crescimbeni, Contract and Regulatory Compliance Manager)
- IX. ADJOURN

MEETING LOCATION

Physical Location

Jacksonville Public Library-Main Library/Downtown
303 North Laura Street
Multipurpose Room (located in the Conference Center)
Jacksonville, Florida 32202

At present, all visitors are subject to a COVID-19 screening upon entering a City of Jacksonville building. In addition, a mandatory face covering requirement is in place for all public buildings pursuant to Emergency Executive Proclamation 2020-005.



**Downtown Investment Authority
Strategic Implementation Committee**

Monday, March 15th at 1 p.m.

Directions to Multipurpose Room: Upon entering Laura Street entrance to the Library, follow directions and signage for temperature check, then proceed into the Main Library. Walk counterclockwise around the grand staircase and you will see signs for the public elevators. Take the elevator down to level C for Conference Level. Exit the elevator and follow hallway out. Turn left out of the hallway and proceed through glass doors into Conference Center. The Multipurpose Room is the first room on the left.

Virtual Location

Interested persons desiring to attend this meeting virtually can do so via Zoom (including by computer or telephone) using the following meeting access information:

Join Zoom Meeting

<https://zoom.us/j/94876509910?pwd=TUcvUFp6L1NWM2EvV2lrM0JlOCsrZz09>

Meeting ID: 948 7650 9910

Passcode: 367772

One tap mobile

+1 (312) 626-6799 (Chicago)

+1 (646) 558-8656 (New York)

Find your local number: <https://zoom.us/u/acSPRiVnGd>

JANUARY 12, 2021

STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES



Downtown Investment Authority
Strategic Implementation Committee Zoom Meeting

Tuesday, January 12, 2021 – 9:00 a.m.

Downtown Investment Authority
Strategic Implementation Committee Hybrid Meeting

MEETING MINUTES

Strategic Implementation Committee Members in Attendance:

Oliver Barakat, Chair

David Ward, Esq., Committee Member (Zoom)

Craig Gibbs, Esq., Committee Member

Ron Moody, DIA Chair

DIA Staff Present: Lori Boyer, Chief Executive Officer; John Crescimbeni, Contract and Regulatory Compliance Manager; Bob Carle, Public Parking Officer; Ina Mezini, Marketing and Communications Specialist; and Guy Parola, Operations Manager

I. CALL TO ORDER

The Strategic Implementation Committee meeting of January 12, 2021, was called to order at 9:00 a.m. by Committee Chairman Barakat.

II. PUBLIC COMMENTS

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:

Clifford Miller provided e-mail comments that were read into the record by Ms. Ina Mezini

III. PARKING STRATEGY IMPLEMENTATION UPDATE

a) Resolution 2021-01-01 Off Street Parking Rate Structure

RESOLUTION 2021-01-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) AND THE CITY’S PUBLIC PARKING OFFICER TO ADOPT REVISIONS TO THE OFF-STREET PARKING RATE SCHEDULE FOR EACH MUNICIPAL PARKING LOT FACILITY; PROVIDING FOR AN EFFECTIVE DATE.

Mr John Crescimbeni provided an overview of Resolution 2021-01-01. Resolution 2021-01-01 strictly deals with off street parking rates in City garages. The Tim Haas study recommended the modification of garage rates, which the DIA Board amended and became effective on November 1st 2020. This Resolution 2021-01-01 addresses issues that have been identified since implementation of the revised rates , specifically: there are reserved parking in garages, but no reserved parking rate; the voucher system intended for short-term customers of the Ed Ball Garage parking will result in cumbersome record keeping and reporting requirements; and determined that there is demand for night time parking rate, but no nighttime rates.

Note: Exhibit A to Resolution 2021-01-01 “Off-Street Parking Rate Schedule” was provided to the Committee and is part of the record.

Committee Discussion:

Ron Moody, DIA Chair: supports the recommended rates identified in Exhibit A to Resolution 2021-01-01; recommends that DIA and the Office of Public Parking continue to pay attention to the market

Craig Gibbs, Esq: recommended that we revisit the parking issue annually or biannually

Lori Boyer, CEO: stated that there will be quarterly parking SIC meetings Oliver

Oliver Barakat, S.I.C Chair: recommended post COVID parking garage analysis

David Ward, Esq: no comments

Motion: Committee Member Gibbs, Esq., moved to adopt Resolution 2021-01-01 as presented

Seconded: DIA Chair Moody

Vote: **Aye: 4** **Nay: 0** **Abstain: 0**

b) Resolution 2021-01-02 On-Street Parking Rate Structure

RESOLUTION 2021-01-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) AND THE CITY’S PUBLIC PARKING OFFICER TO ADOPT A REVISION TO THE ON-STREET PARKING RATES; PROVIDING FOR AN EFFECTIVE DATE.

Mr. John Crescimbeni provided an overview of Resolution 2021-01-02, and presented the “On-Street Parking Rates Schedule” included as Exhibit ‘A’. Mr. Crescimbeni briefly discussed the Tim Haas study’s recommendation of \$2.00 per hour on-street meter rates, noting that the rate schedule (Exhibit ‘A’) is consistent with that recommendation. Speaking to Mr. Crescimbeni discussed “high demand” and “low demand” on-street parking areas, as illustrated by a map presented to the Committee and incorporated as part of the record, as well as recommended Event Parking Rates as contained in Exhibit ‘A’.

Lori Boyer, CEO: speaking to the “high demand” and “low demand” map, noted that Resolution 2021-01-02 incorporates the entire Downtown boundaries so that DIA can establish future “high demand” and “low demand”

Committee Discussion:

Craig Gibbs, Esq: asked if the DIA will we revisit on-street parking rates quarterly; CEO Boyer responded that the DIA will revisit on a quarterly basis

Ron Moody, DIA Chair: inquired as to the timing of new technology (i.e. test kiosks, apps, license plate reader); CEO Boyer responded that we are in the procurement process

David Ward, Esq: no comments

Oliver Barakat, S.I.C Chair: inquired as to the ability of on-street parking applications’ ability to prevent meter feeding (i.e., no time limits); Bob Carle confirmed this ability and spoke to manual enforcement through tire chalking; John Crescimbeni provided an update to the procurement process

Craig Gibbs, Esq: inquired as to the advance public notification of special event rates; CEO Boyer responded that an ordinance change will be necessary to allow for night time and weekend charges, explained that the meters themselves would indicate special event parking rates, and further spoke to an enforcement phase-in period; Chair Barakat asked if special event rates were identified in the Tim Haas study, with Mr. Crescimbeni responding that they were

Motion: DIA Chair Moody moved to adopt Resolution 2021-01-02 as presented

Seconded: Craig Gibbs, Esq

Vote: **Aye: 4** **Nay: 0** **Abstain: 0**

c) Meter Bagging Policy Update

John Crescimbeni provided a brief status update and noted that DIA is working with JSO, who also has meter bagging authority

CEO Boyer expanded on Mr. Crescimbeni's update, and provided a brief explanation of the multiple facets affecting meter bagging has having multiple facets (i.e. when and why and whom bags meters)

S.I.C. Chair Barakat specifically identified the performance art center as an area of concern.

d) Payment Application / Multi-Space Pay Station

John Crescimbeni provided an update of the mobile pay applications and payment kiosks Request for Proposals, confirming that each RFP was provided to Tim Haas for review (noting that DIA has entered into an on-demand services contract with Tim Haas); Mr. Crescimbeni further discussed advancements in technology, specifically discussing the Passport application and its ability to process other application payments; S.I.C. Chair Barakat requested that Passport application information be sent to the S.I.C.

V. NEW BUSINESS

No new business presented.

VI. ADJOURNMENT

Chairman Barakat adjourned the meeting at 9:50 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 Ina Mezini at rmezini@coj.net to acquire a recording of the meeting.

JANUARY 14, 2021

STRATEGIC IMPLEMENTATION COMMITTEE MEETING MINUTES



Downtown Investment Authority
Strategic Implementation Committee Zoom Meeting

Tuesday, January 14, 2021 – 10:00 a.m.

Downtown Investment Authority
Strategic Implementation Committee Hybrid Meeting

MEETING MINUTES

Strategic Implementation Committee Members in Attendance:

Oliver Barakat, Chair

David Ward, Esq., Committee Member

Craig Gibbs, Esq., Committee Member

Ron Moody, DIA Chair

DIA Staff Present: Lori Boyer, Chief Executive Officer; John Crescimbeni, Contract and Regulatory Compliance Manager; Ina Mezini, Marketing and Communications Specialist; and Guy Parola, Operations Manager

I. CALL TO ORDER

The Strategic Implementation Committee meeting of January 14, 2021, was called to order at 10:00 a.m. by Committee Chairman Barakat.

II. PUBLIC COMMENTS

No public comments were received, and the public comments portion was closed.

III. RELATED GROUP – REVISED TERM SHEET

Mr. Kelley provided an overview of the revised Related Group Term Sheet and presented the terms that were approved as part of Resolution 2020-11-01. Mr. Kelley identified modifications and additions to the Term Sheet previously approved by Resolution 2020-11-01, including:

- Modification of the Right-of-First Refusal for that City-owned property currently housing the Museum of Science and History;
- Provisions for a Completion Guarantee with the City as a beneficiary;
- Modifications to the restaurant parcel;
- An additional City incentive of \$500,000 to offset additional costs relating to soil stabilization; and
- The addition of a 158 square foot frontage parcel within the development site.

The above modifications are not intended to be a complete identification of all changes, material or otherwise, to the term sheet approved by Resolution 2020-11-01.

SIC Chair Oliver Barakat brought the item into the Committee for discussion. In order of Committee and Board Member acknowledged by the Chair, the following discussion occurred:

Board Member Gibbs asks about rendering on Exhibit 1 and size/shape difference of parcels compared to Exhibit 3.

Mr. Kelley explains discussions had with COJ Parks Department, developer and staff and clarifies differences in site plans and parcels shown.

Board Member Gibbs asks: Access for emergency vehicles, what considerations have you made for the entire property?

Mr. Kelley explains where access for emergency vehicles will be located.

Mr. Diebenow (One Independent Drive, Suite 1200) responds on behalf of applicant and confirms Mr. Kelley is correct in his description and adds additional information on vehicle access points.

Board Member Gibbs: No further comments/questions.

DIA Chair Moody acknowledges that site is complicated. Asks if biggest change is the unsuitable soils cost to remedy it and if the \$500,000 is the major change to this document?

Mr. Kelley responds: Yes, the additional \$500,000 required because of unsuitable soil conditions is the principal new ask. In addition to the two open items that were left from Board's last vote related to the right of first refusal and what kind of back end support we might expect from the developer.

DIA Chair Moody: No further comments/questions.

Board Member Ward: Asks for clarification on the right of first refusal.

Mr. Kelley explains right of first refusal's 10-year period and the requirements that go along with it.

Board Member Ward: No further comments/questions.

SIC Chair Barakat: Acknowledges he is unfamiliar with the typical geotechnical challenges we may encounter in soils Downtown. Asks if there is something unique about this site? Are there any unique problems with the soil at this site compared to other development sites Downtown?

Mr. Kelley explains discussions staff explored with application as it pertains to boring.

Mr. Diebenow responds on behalf of applicant and confirms that the most efficient way to deal with the structural issues is something that approaches \$1.2-1.3 million to fix. Explains the site conditions and different test options available.

Jeff Robbins (4767 New Broad St. Orlando, FL 32814) with the Related Group explains the process by which their consultant identified the issues and various ways to fix said issue. Ultimately going with the third option as it is the most affordable alternative.

SIC Chair Barakat: No further comments/questions on the soil contamination.

SIC Chair Barakat: Regarding ROI, do you [Mr. Kelley] recall what the ROI was before this completion grant was as part of the analysis. What did we approve as the ROI?

Mr. Kelley: ROI dropped down to 1.02. It was 1.05 in previous versions. Notes that ROI table included in agenda packet highlighted areas represent changes from previous versions of ROI calculations.

SIC Chair Barakat: Asks if completion grant is a cap? If they determine that the cost is more than \$1 million by some increment, the City's out of pocket remains \$500,000 or is it \$500,000 period, regardless of the ultimate cost?

Mr. Kelley: Completion grant is shown at \$500,00 but the cost is expected to exceed \$1 million. Committee can impose limitations at its discretion if deemed necessary.

SIC Chair Barakat: Asks if we are at risk of getting an ROI less than 1.00.

Mr. Kelley: The \$500,000 maximum amount is a line item shown as the COJ infrastructure completion grant is included in this ROI.

SIC Chair Barakat: If we were to approve it as is, are we approving 50% of this cost or are we approving \$500,000?

Mr. Kelley: Committee is approving the \$500,000 from the City.

SIC Chair Barakat: Important distinction since we are so close to a 1.00 ROI which we've never approved.

Mr. Kelley responds: Yes. That's technically found in the PIP but it is integral to our plans as well.

SIC Chair Barakat: Asked for thoughts and consideration from other committee members on either capping the half million considering the fact the ROI is quite thin on this deal for the City.

Mr. Diebenow (One Independent Drive, Suite 1200) responds on behalf of applicant: clarifies that the amount is capped at \$500,000. It is the lesser of 50% or \$500,000 so the ROI will not go below the 1.02 under any circumstance.

SIC Chair Barakat: Asks if Mr. Kelley agrees.

Mr. Kelley: Yes. Only thing that potentially could impact the ROI further from what's shown would be the inclusion of any of the property that shown as triangle R3 for the restaurant site, but as presented here and consideration of the necessary requirements to alleviate the geotech concerns that is accurate.

SIC Chair Barakat: No further comments/questions. Asks for any further comments/questions from the committee.

DIA Chair Moody: Asks for clarification as to whether the action item is related to a certain resolution number or just the related group term sheet.

SIC Chair Barakat: Clarifies that Committee is approving this revised term sheet and recommending it to the Board for approval, which will be incorporated into a resolution at the Board level. Asks Mr. Kelley to confirm.

Mr. Kelley: Confirms that is Mr. Barakat is correct.

Board Member Gibbs: Asks for clarification as the term sheet is listed as Exhibit B to resolution 2020-11-01.

Mr. Kelley: Clarifies that the language is a carryover for when it was originally presented when Mr. Kelley was drafting it, but it is Exhibit A to the Staff Report as being presented for Committee consideration and it is the term sheet that Committee is considering for approval.

Board Member Gibbs: Makes a motion that committee approve Exhibit A to the Staff Report for Resolution 2020-11-01.

SIC Chair Barakat: Asks for a second.

DIA CEO Boyer: Clarifies that Mr. Gibbs motion was for the resolution that Board adopted in November. This will not be that same number, it will be different. Asked that the motion be modified to address the approval of the term sheet as presented and note that it will be attached to a resolution, excluding an exact resolution number as it will not be the November resolution number.

Motion: Board Member Craig Gibbs moves to approve the term sheet as presented on behalf of the former Resolution 2020-11-02.

Seconded: Board Member DIA Chair Ron Moody.

Vote: Aye: 4 Nay: 0 Abstain: 0

IV. BAPTIST CONVENTION BUILDING & FEDERAL RESERVE BUILDING – DPRP

Mr. Kelley provided an overview of the project. The project includes redevelopment of two historic Jacksonville buildings located adjacent to one another on the block immediately to the west of City Hall and also adjacent to the Sweet Pete’s operation in the former Seminole Club building.

The properties in the redevelopment plan as presented include the former Florida Baptist Convention Building located at 218 W Church Street and the former Federal Reserve Building located at 424 N Hogan Street. These buildings, along with the Sweet Pete’s building, comprise the easter half of the block, and the western half of the block is the site of the redevelopment of the Old Independent Life building by Augustine Development, currently working its way through the City Council process.

Recommended funding under this proposal totals just over \$8.6 million on total development costs of \$18.5 million.

Mr. Kelley explains that in underwriting this application, the process for which DIA will underwrite other DPRP applications was established. He went on to describe said process.

SIC Chair Oliver Barakat brought the item into the Committee for discussion. In order of Committee and Board Member acknowledged by the Chair, the following discussion occurred:

DIA Chair Moody: Supports project. Provides synergy for the area. Question: refer to the value of the property, referencing property appraiser office, what is the relationship value wise between assessment and independent appraisal? Is it significant?

Mr. Kelley: Follow standard procedure of looking at the existing property valuation as a deduct we use the total development costs. Top line ad valorem = construction less assessed, using 10-year historic ad valorem abatement.

DIA Chair Moody: Asked that SIC Chair come back to him for further comments/questions.

Board Member Gibbs: Echoed DIA Chair Ron Moody’s comments of project support.
Question: What about rooftop dining?

Mr. Kelley: Not contemplated in current plan.

Alex Sifakis (348 street Atlantic Beach, Florida): Looked into rooftop dining on church street building, need ½ rooftops for A/C and mechanical and what is left is not enough space for economic feasibility and only has one elevator that would need to be shared between residential and rooftop; but they are doing outdoor area on 3rd floor of Sweet Petes for events.

Board Member Ward: Great project. Question: how does the proposal square with the trio and other historic efforts?

Mr. Kelley: Church building will have 24 residential units, two restaurants and two small retail spaces; the federal reserve building 2 restaurants; both properties will have access to courtyard area between federal reserve and Sweet Petes building. Talks to Independent Life Building and Ambassador project and how this all ties together for synergy. Regarding trio: primarily hospitality uses.

DIA CEO Boyer: From a financial standpoint: when trio and others in the pipeline come before committee/board, all based on new DPRP program and will be analyzed the same way by looking at relative percentages of each construction costs and the eligible caps and the limits on those. Church/Federal Reserve first of many.

Board David Ward: Helpful to view similar DPRP projects as close in time as possible for comparison and conformity.

DIA CEO Boyer: Trio DPRP coming soon. February or March. Lofts at Cathedral DPRP meetings in the works.

Board Member Ward: Requested that Mr. Kelley go over the different calculations as it relates to the developer's equity that is being placed in and towards this project.

Mr. Kelley goes over the calculations and as it relates to developer's equity.

Board Member Ward: Asked Mr. Kelley to go over performance schedule and how its tied to loan and other funding obligations.

Mr. Kelley goes over the performance schedule and explains how its tied to loan and other funding obligations.

DIA CEO Boyer elaborates on Mr. Kelley's comments as it relates to performance schedule.

Board Member Ward: No further comments/questions.

Board Member Citrano: Model project for DPRP. Question: This program was created to update and revamp a former program that was ineffective. Having modeled a real-life project, is staff satisfied with what you were creating and concept?

Mr. Kelley: Yes, this project never would have been able to have reached this stage under the trust fund program.

Board Member Citrano: Excited for the program. Big fan of projects as presented. Significant and spur moment in Downtown. Question: Are the loans funded at completion, so there is effectively a reimbursement of costs?

Mr. Kelley: Correct.

Board Member Citrano: Question: I assume somebody is on the front end doing due diligence to ensure that the total capital cost is accounted for before project commencement?

Mr. Kelley: Yes. Defers to Alex Sifakis for additional comment.

Alex Sifakis: \$3.2 million is equity from applicant only. No outside equity. All JWB cash. Working on getting a construction firm loan for the permanent financing and a bridge loan on the incentives, which will be split between LISC and Self-Help Credit Union. Couple of other lenders interested, too.

Board Member Citrano: Supports JWB. Notes that in general DIA needs to make sure that the applicant has the financial capacity to avoid getting stuck in the middle of a project that can't be completed.

Mr. Kelley: Valid point. Staff structured that into the guidelines and have underwritten that as part of this due diligence as looking for the requisite experience on the development team. Talked to JWB team's expertise.

DIA CEO Boyer: Responding to Mr. Citrano's concerns re: financial capability, stating this is a big priority for the DIA/DPRP program. Challenge with developments being announced too early in the process, and developers not having capital stack to make project happen which, to the public, reflects poorly on DIA. Trying to find sweet spot of when we consider things. Not too early not too late.

Board Member Citrano: No further comments/questions.

SIC Chair Barakat: Echoes Mr. Citrano's comments re: project importance. Great project. Adding residents, removing blight. Question: Appears that the City could contribute up to 50% and is that acceptable? Not unusual part of the request as it relates to DPRP?

Mr. Kelley: Correct. Not unusual. Talks to complexities of the program due to multiple levels of

thresholds that must be met.

SIC Chair Barakat: Reiterates applicant vs City contribution – unusual amount of private capital. Haven't seen pro forma and relying on Staff to validate the developer's return. Question: Do you believe that this is a reasonable return compared to other projects DIA has incentivized, is that correct?

Mr. Kelley: Yes. Part of underwriting process.

Alex Sifakis: Applicant agrees with the ROI calculations. While the developer's ROI is lower than other projects (10% vs 30%) they are okay with this because they are invested in Downtown and believe in its future.

DIA CEO Boyer: Notes Staff has extensive workbook in excel including all proformas and calculations and can distribute it all to committee/Board. Selective in number of tables and calculations included in staff report but information is available for review if desired, especially since this is a new program.

SIC Chair Barakat: No further comments/questions. Any other questions?

Board Members Gibbs: If I were to live or visit a restaurant here, where would I park?

SIC Chair Barakat: Defers to developer. Question: are you relying on valet parking or third party lots nearby?

Alex Sifakis: Valet as well as utilizing the whole city block applicant owns which is catty corner to the Porterhouse mansion and has over 140 spaces.

SIC Chair Barakat: Asked for a motion.

Motion: DIA Chair Ron Moody moves to approve the term sheet as presented.

Seconded: Craig Gibbs, Esq.

Vote: Aye: 4 Nay: 0 Abstain: 0

MOTION PASSES UNANIMOUSLY 4-0-0

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V. REGIONS JACKSONVILLE HEADQUARTERS – DPRP

Mr. Kelley provided an overview of the Regions Bank Headquarters Project. Project includes a request for an Economic Development Grant for the Regions Headquarters located in the historic Old Bisbee Building at 51 W. Bay Street. Term sheet includes: \$900,000 in DPRP forgivable loans, and a \$200,000 Economic Development Grant structured as matching funds relating to the sale of adjacent property.

SIC Chair Barakat brought the item into the Committee for discussion. In order of Committee and Board Member acknowledged by the Chair, the following discussion occurred:

Board Member Gibbs: Exciting project. Question: The spaces available to the City of the 250-space parking garage, are those available to the City 24/7?

Mr. Kelley: Yes. Can be used at the City's discretion.

Board Member Gibbs: No further comments/questions.

DIA Chair Moody: Great project. References the following statement in the term sheet: *"Each such request will be presented to the DIA Board for further approval and will be limited to no more than five draws over a five-year period from the Execution Date of the Redevelopment Agreement. Each forgivable loan approved will be documented as a standalone note with a unique amortization period of five years."* Question: Are there any challenges to this and is this unusual?

Mr. Kelley: Yes, it is unusual. Explains structure as it relates to approving commitment and what this means for Council, DIA and applicant.

DIA Chair Moody: Question: When we consider a real estate assessment or current appraisal, what effect does this have, if any, on the ROI?

Mr. Kelley: explains effect it has on ROI and considering of current tax assessed value.

DIA CEO Boyer adds to Mr. Kelley's explanation.

DIA Chair Moody: No further comments/questions.

Board Member Ward: No comments/questions.

SIC Chair Barakat: Items listed for repair look like maintenance and does not believe DIA should help building owners maintain property. Question: What is the justification of the \$900,000 and where is this money going?

Mr. Kelley: Explains some of the potential improvements that could occur down the line. Funding is only for improvements that meet historical standards and adheres to the National Park Standards of historic properties.

SIC Chair Barakat: Would be more supportive of funds if the building was going to be landmarked. General feeling is some items in scope nebulous.

Mr. Diebenow responds on behalf of applicant/VyStar: Regions is being inconvenienced by VyStar garage and because they are cooperating and being good corporate citizens, they consider this DPRP funding a cost neutral.

SIC Chair Barakat asks if DIA is providing more of a subsidy than we typically would for this scope based on the VyStar project and Regions' subsequent need for repairs as a result of VyStar's project as well as Regions' willingness to cooperate.

Mr. Diebenow responds on behalf of applicant/VyStar: Agrees and explains the challenges Regions will face during construction of the VyStar garage.

Lori Boyer, DIA CEO: Added points for clarification.

SIC Chair Barakat: Will vote in favor but requests more details on scope when it comes to the DIA Board to clarify merit.

Mr. Kelley: Clarifies that landmark status is a requirement of the DPRP program itself and if DIA were to waive it would need to come back to the committee for approval. Unsure of how funding will be allocated but explains funding tranches and underwriting and all must be approved by committee and Board prior to distribution.

Mr. Diebenow: Adds on that Regions has been working on this for years with the overall team to make sure they were good corporate citizens, and no overreach is happening.

Board Member Citrano: Question for staff: from an objective standpoint Regions either is eligible or not and currently, it seems subjective. Are they eligible?

DIA CEO Boyer: Explains structure of grant and staff's reasoning behind said structure.

Mr. Diebenow: Adds that reason it is structured as such is because there's a gap in timing. VyStar and the City want garage now, but Regions does not have the renovation of their building at top of their list right now.

SIC Chair Barakat: Asks Keith Presley to speak.

Keith Presley (Regions): Addresses points already made regarding process, timeline, impact, improvement needs and coordination with VyStar and City.

Mr. Kelley: Adds additional points on DPRP requirements and how it pertains to Regions request.

SIC Chair Barakat: Ask to ensure that staff define what proper expense for various tranches that will come to Board to provide boundaries for what is an acceptable expense.

Board Member Gibbs: Any additional jobs created as related to improvements?

Mr. Diebenow: No information on that topic yet. Too early to tell.

SIC Chair Barakat: Asks for motion.

Motion: Board Member Craig Gibbs moves to approve the term sheet as presented.

Seconded: Board Chair Ron Moody

Vote: Aye: 4 Nay: 0 Abstain: 0

VI. VISTA BROOKLYN – ADDITIONAL REV GRANT

Mr. Kelley provided: a summary of the operative change from the previously approved REV Grant by allowing for both ground-floor retail and Class A office space; and a summary of terms. The terms include: a term of 10-years with a maximum REV Grant value of \$1,556,000, which is in addition to the current \$9,000,000 REV Grant.

SIC Chair Oliver Barakat brought the item into the Committee for discussion. In order of Committee and Board Member acknowledged by the Chair, the following discussion occurred:

DIA Chair Moody: Logical request. Question: when you look at the next 10 years, will they have the ability to establish a lease with a retail tenant and do it at a below market rate, just to get someone in there and turn it from into unoccupied unit?

Mr. Kelley: Yes. Structured in a way that our additional funding goes into the property for the benefit of the retail tenant and their built out and operating expenses, through lower rent abatement or what they might have to incur to entice tenancy in this environment.

DIA Chair Moody: Hallmark good corporate citizen and he supports this. Question: by approving this do we set unintended precedent for future applications?

DIA CEO Boyer: Explains that DIA is in process of doing BID/CRA update plan (done every five years) and likely retail incentives will be restructured as it relates to the current market and future projections. Staff aware that if we want to bridge this time period and keep these spaces in operation or encourage others to locate downtown, DIA will have to incentivize that.

DIA Chair Moody: No further comments/questions.

Board Member Gibbs: Supports the grant. No further comments/questions.

Board Member Ward: In favor. Understands the ask. Concerned about informal precedent and wants to avoid repeating occurrences.

SIC Chair Barakat: Sympathetic to developers timing of delivering class A retail in midst of pandemic. Will approve. Can't reconcile if ask is too much or too little but in support of ask.

DIA Chair Moody: Adds comment that area along Riverside Ave, retail wise, has not performed that well so in support of helping improve it by aiding via incentives.

SIC Chair Barakat: Opens for motion.

Motion: Board Chair Ron Moody moves to approve the term sheet as presented

Seconded: Board Member Craig Gibbs

Vote: Aye: 4 Nay: 0 Abstain: 0

Chairman Barakat: Opens the floor to a member of the public who waited to speak but was unable to do so earlier.

Carnell Oliver provided public comment.

VII. ADJOURNMENT

SIC Chair Barakat adjourned the meeting at 12:24 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 Ina Mezini at rmezini@coj.net to acquire a recording of the meeting.

TAB III

RESOLUTION 2021-03-03 DVI DISTRICT EXPANSION

RESOLUTION 2021-03-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY SUPPORTING THE EXPANSION OF THE DISTRICT BOUNDARIES OF THE BUSINESS IMPROVEMENT DISTRICT AND THE EXPANSION OF PROPERTY CLASSES ASSESSED BY DOWNTOWN VISION, INC. WITHIN THE BUSINESS IMPROVEMENT DISTRICT; SUPPORTING THE ADOPTION BY THE CITY COUNCIL OF THE PROPOSED EXPANSION; AUTHORIZING THE DOWNTOWN INVESTMENT AUTHORITY CHIEF EXECUTIVE OFFICER TO EXECUTE ALL DOCUMENTS AND OTHERWISE TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Council, pursuant to Ordinance 1999-1175-E authorized the creation of a downtown business improvement district (“BID”) in the City of Jacksonville; authorized the imposition of Special Assessments within the BID; made certain findings of fact as to the benefit to be derived by property owners within the BID; and authorized the execution by the City of an Enhanced Municipal Services Agreement (“Original Agreement”) between the City and Downtown Vision, Inc., a Florida not-for-profit corporation (“DVI”); and

WHEREAS, the City, pursuant to Ordinances 2005-785, 2012-422 and 2019-97 has renewed and extended the term of the Original Agreement, now running until September 30, 2026; and

WHEREAS, the Downtown Investment Authority (“DIA”) was designated the Community Redevelopment Agency and the City’s economic development agency for Downtown by Ordinance 2014-0560-E; and

WHEREAS, the DIA finds that the services provided by DVI advance the Redevelopment Goals adopted as part of the North Bank Downtown and Southside Community Redevelopment Area Plans; and provide direct and indirect benefits to the assessed property owners within the BID; and

WHEREAS, on Jan 27th, 2021, the board of directors of Downtown Vision, Inc. approved a resolution to seek amendments to the current ordinance and enhanced municipal services agreement with the City of Jacksonville to better reflect the growth of downtown, and allow DVI to serve downtown and its property owners even better; and

WHEREAS, the DIA recognizes that in order to respond to residential growth within Downtown as well continuing expansion of business and employment opportunities within Downtown, Downtown would benefit from the expansion of the geographic boundaries of the Business Improvement District as well as the expansion of assessments and services to residential properties with appropriate exemptions for owner occupied residences and to allow for stabilization of rental income in multifamily developments;

NOW THEREFORE, BE IT RESOLVED, by the Downtown Investment Authority

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA supports the expansion of the geographic boundaries of the Business Improvement District as depicted on Exhibit A attached hereto.

Section 3. The DIA supports the expansion of assessments within the Business Improvement District to include residential properties subject to the exceptions and terms identified in Exhibit B.

Section 3. The DIA authorizes its Chief Executive Officer to execute all documents and otherwise take all action necessary to effectuate the purposes of this Resolution.

Section 4. The Effective Date of this Resolution is the date upon execution of the Resolution by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Ron Moody, Chairman

_____ Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

Exhibit A to Resolution 2021-03-03

Proposed Service Area Geographic Boundaries:

The “Service Area” has the following boundaries:

- a On the Northbank of the St. Johns River North of McCoy’s Creek, the Service Area is bounded on the West by Lee Street, on the North by State Street, on the East by Hogan’s Creek, and on the South by McCoy’s Creek and the St. Johns River.
- b On the Southbank of the St. Johns River, the Service Area is bounded on the West and North by the St. Johns River, on the East by Alamo Street, and on the South by Interstate 95.
- c On the Northbank of the St. John’s River south of McCoy’s Creek, the Service Area is bounded on the West by Interstate 95, on the North by Riverside Avenue, on the East by the Acosta Bridge, and on the South by the St. John’s River.

The Service Area includes all of those properties within the contiguous zone created by the above described boundaries. The Service Area further includes those properties on both sides of Lee Street and Riverside Avenue, where they constitute Service Area boundaries.

Approximate Graphical Depiction of Proposed Service Area Geographic Boundaries:



**Exhibit B to Resolution 2021-03-03
Add Residential and Exemption**

Proposed Classes of Assessed Properties:

Commercial properties and non-exempt residential properties within the geographic service area described above. Exempt residential properties not subject to the assessment include:

- a Residential properties receiving a homestead property tax exemption for the year prior to the year of the assessment in question; and
- b Newly constructed or substantially renovated residential properties during the first five years following the issuance of a valid certificate of occupancy by the City of Jacksonville.

TAB IV

RESOLUTION 2021-03-04 CEO AUTHORIZATION: MPS LITIGATION

RESOLUTION 2021-03-04

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL ACTIONS NECESSARY TO ADEQUATELY REPRESENT THE CITY AND DIA IN PENDING LITIGATION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Jacksonville (“City”) and the Jacksonville Economic Development Commission entered into a Redevelopment Agreement (“Agreement”) dated March 5, 2004 with Metropolitan Parking Solutions, LLC. (“MPS”) for the purposes of constructing and operating three (3) parking garages in Downtown Jacksonville; and

WHEREAS, in the event MPS sustains expenses in excess of revenues for any semi-annual period, the Agreement requires the City to make a Development Loan to MPS in the total amount of those expenses; and

WHEREAS, the accumulated principal amount of the Development Loans and interest thereon now exceeds \$71 million; and

WHEREAS, the DIA currently administers the Agreement on behalf of the City and such administration includes the verification of monthly revenues and expenses reported by MPS; and

WHEREAS, documentation provided by MPS to the DIA was not in a format consistent with what was required by the Agreement, making it impossible for DIA to accurately verify monthly revenue and expenditure amounts as submitted by MPS; and,

WHEREAS, despite repeated requests of MPS by DIA to provide such information in a format necessary to accurately verify monthly revenue and expenditure amounts, which MPS did not provide, the DIA made a deduction from the 2020A Development Loan request in an amount equal to estimated underreported revenues and estimated overreported expenses; and,

WHEREAS, on September 4, 2020, MPS filed a complaint against the City and the DIA in the Circuit Court, Fourth Judicial Circuit in and for Duval County, Florida (“Court”); and

WHEREAS, on October 12, 2020, the City and the DIA filed with the Court both an answer to the complaint and counterclaim; and,

WHEREAS, MPS has recently requested the City and the DIA participate in mediation in an attempt to resolve such litigation; and,

NOW THEREFORE BE IT RESOLVED by the Downtown Investment Authority:

Section 1. The Downtown Investment Authority finds the above recitals true and correct and they are incorporated herein by reference.

Section 2. The Downtown Investment Authority hereby authorizes the CEO to take all actions necessary to adequately represent the interest of the DIA, the City and taxpayers in the pending litigation, including, but not limited to, participating in mediation, and filing of legislation with the Jacksonville City Council to purchase the MPS garages in the event the Court finds MPS to be in default of the Agreement.

Section 3. The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Witness

Ron Moody, Chairman

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

TAB V

RESOLUTION 2021-03-01 LAURA STREET TRIO

RESOLUTION 2021-03-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM TERM SHEET AND RECOMMENDING THAT CITY COUNCIL APPROVE A DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM FORGIVABLE AND DEFERRED PRINCIPAL LOAN PACKAGE WITH LAURA TRIO, LLC, FOR RENOVATIONS TO THOSE THREE BUILDINGS COLLECTIVELY REFERRED TO AS THE “LAURA TRIO” AND INDIVIDUALLY KNOWN AS THE FLORIDA NATIONAL BANK BUILDING, THE BISBEE BUILDING AND THE FLORIDA LIFE INSURANCE BUILDING; FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE NORTH BANK DOWNTOWN AND SOUTHSIDE 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.

WHEREAS, Laura Trio, LLC, is the owner of three (3) historic buildings collectively referred to as the “Laura Street Trio” and individually known as the Florida National Bank Building, the Bisbee Building and the Florida Life Insurance Building”; and

WHEREAS, Laura Trio, LLC proposes to renovate and restore these historic landmarks for repurposing as a mixed-use hotel and retail development; and

WHEREAS, per section 55.301, Jacksonville Code of Ordinances, the Downtown Preservation and Revitalization Program (“DPRP”), this program is intended “to foster the preservation and revitalization of unoccupied, underutilized, and/or deteriorating historic, and qualified non-historic, buildings located in downtown Jacksonville. The DPRP is designed to serve historic projects applying for in excess of \$100,000, and non-historic code compliance projects”; and

WHEREAS, the DIA is authorized by section 55.302, Jacksonville Code of Ordinances, to develop and administer the DPRP pursuant to Chapter 55, Part 3, Jacksonville Code of Ordinances; and

WHEREAS, the “Laura Trio” is located within the DIA boundaries; and

WHEREAS, the DIA finds that this resolution is in furtherance of Redevelopment Goals and Strategic Objectives as adopted as part of the North Bank Downtown and Southside Community Redevelopment Area Plans,

Redevelopment Goal No. 1 - Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment.

- Increase the opportunities for Downtown employment.
- Protect and revitalize historic assets.
- Support expansion of entertainment and restaurant facilities.
- Increase venues, workspaces, and residential opportunities with a focus on the Target Area.
- Create a consistent theme and image that conveys a sense of the excitement and activity Downtown.

Redevelopment Goal No. 4 - Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.

- Create a mixture of uses so that housing, activities, retail and other businesses are within useful walking distance.
- Plant street trees, using varieties that will provide shade.
- Identify potential neighborhood nodes where housing can be built in close proximity to residential amenities such as groceries and neighborhood services; focus on improvements that will foster walkability in these areas.
- Throughout Downtown and particularly in neighborhood nodes, require all buildings to have active facades at street level. Encourage active street life through a mixture of restaurants (including cafes with outdoor seating), retail, services and connection to the street. Minimize blank walls and surface parking.

NOW THEREFORE, BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA approves the Term Sheet attached hereto as Exhibit 'A'.

Section 3. The DIA recommends that City Council authorize through adoption by ordinance an Historic Preservation, Restoration and Rehabilitation Forgivable Loan of \$9,377,766; a Code Compliance Forgivable Loan of \$10,016,699; and a Downtown Preservation and a Revitalization Deferred Principal Loan of \$5,279,835 to Laura Trio, LLC, for renovation and rehabilitation of the "Laura Trio."

Section 4. The Chief Executive Officer is hereby authorized to execute the contracts and documents and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

Section 5. The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Ron Moody, Chairman

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

DRAFT

Exhibit A:

**DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM
TERM SHEET**

**THE LAURA TRIO
SOUTHEAST DEVELOPMENT GROUP, LLC**

Historic Florida National Bank Building (1902) - 51 W. Forsyth Street

Historic Bisbee Building (1909/1910) - 47 W. Forsyth Street

Historic Florida Life Insurance Building (1912) - 117 N. Laura Street

Vacant Land Parcels: RE # 073687-0000, RE # 073688-0000

Total Area: 1.02 Acres / 44,431 SF

Project: The project comprises the redevelopment of three historic properties in the Central Core District of Downtown Jacksonville utilizing funding through the Downtown Preservation and Revitalization Program (“DPRP”). Additional development activity calls for the construction of a new building that is integral to the proposed combined use as a Marriott Autograph Hotel, and a second structure, the “circulation core” that will tie each of these buildings together to function as a single operating venture.

1. Historic Florida National Bank Building (Constructed in 1902) - 51 W. Forsyth Street: 2 stories plus a basement, 18,216 square feet total. Plans call for redevelopment with a 7,442 square foot private dining/wine cellar space in the basement, a 7,069 square foot restaurant on the first floor with additional 3,615 square feet of restaurant operating space on the mezzanine level.
2. Historic Bisbee Building (Constructed in 1909/1910) - 47 W. Forsyth Street: 10 stories, 42,333 square feet total. To be redeveloped with mechanical operations in the basement, a 4,401 square foot retail bodega on the ground floor, 4,401 square foot conference center on the second floor, and 8 floors of 4,401 square feet each to provide 7 hotel rooms on each floor (56 rooms total).
3. Historic Florida Life Insurance Building (Constructed in 1912) - 117 N. Laura Street: 11 stories plus a basement, 26,803 square feet total. To be redeveloped with a 2,548 media theater in the basement, 2,205 square foot lobby/business center on the ground floor, 2,205 square foot fitness/media center on the second floor, and eight floors of 2,205 square feet each to provide 4 hotel rooms on each floor, and the 11th floor, 2,205 square feet to provide 3 hotel rooms (35 rooms total).
4. Laura St. Addition (New Construction) – Seven occupied stories with 8,843 square feet of retail space on the ground floor, and six floors of 4,650 square feet providing 9 hotel rooms per floor. A 4,650 square foot roof top bar will be constructed on the eighth floor.
5. Circulation core (New Construction) – Eleven floors with 2,012 of additional lobby space on the first floor, and ten floors of 1,675 square feet for circulation between each building.

Developer/ Applicant / Borrower: Laura Trio, LLC
 Southeast Development Group, LLC
 Mr. Steve Atkins, Managing member

Total Development Costs (estimate): \$70,482,434
Net TDC Used for DPRP Calculations: \$61,685,749
Equity (Net of Developer/Management fee): \$6,802,635
 (10.2% of Net TDC)

City Funding: No more than **\$24,674,300** (through the City of Jacksonville Downtown Investment Authority), as follows:

| | Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR) | Code Compliance Forgivable Loan (CCR) | DPRP Deferred Principal Loan | TOTAL |
|--------------|--|--|-------------------------------------|---------------------|
| TOTAL | \$9,377,766 | \$10,016,699 | \$5,279,835 | \$24,674,300 |

At this level, the incentive structure and funding under the DPRP will be subject to further approval and appropriation by the Jacksonville City Council. Appropriation will not be requested prior to the fiscal year that completion of construction may be reasonably projected.

Infrastructure: No City of Jacksonville infrastructure improvements are contemplated.

Land: No City of Jacksonville land is committed to the project.

Loans: No other loans, grants, or other funding from the City of Jacksonville are contemplated for this project, although commercial tenants leasing space within these Properties may be eligible for funding under separate programs.

No costs may be submitted for duplicative funding under more than one DIA incentive program. However, costs incurred by the DPRP Applicant may count towards their required contribution under the Food and Beverage, Retail Enhancement Program (“FAB-REP”) to the extent such costs are directly attributable to space that would be occupied by the FAB-REP Applicant.

Minimum Capital Contribution:

- A) The minimum total equity capital contribution through completion, excluding Developer/Management Fees, to remain eligible for the maximum DPRP Funding as outlined is \$6,800,000.
- B) The minimum Total Development Cost for the Project (excluding Developer Fees) on a combined basis to remain eligible for maximum funding as proposed is \$66,982,434.

Note: This is the minimum for maximum funding as applied for and underwritten. The Projects may be eligible for funding at lower levels subject to maintaining compliance with DPRP Guidelines.

- C) Percent of COJ investment to overall project cost: $\$24,674,300 / \$70,482,434 = 35.0\%$
- D) Percent of COJ investment to underwritten project cost: $\$24,674,300 / \$66,982,434 = 36.8\%$

Performance Schedule:

- A) Execution of Redevelopment Agreement within thirty (30) days of City Council Approval and Bill Effective Date
- B) Application for Building Permit from the COJ Building Inspection Division within sixty (60) days following final approval from DDRB (including Part 2 approval from NPS).
- C) Commencement of Construction within ninety (90) days following receipt of final Building Permit(s) needed from the COJ Building Inspection Division. Commencement of Construction means:
 - 1) As reasonably can be considered necessary so that physical construction of the eligible Project (or any applicable phase thereof) may begin and proceed to completion without foreseeable interruption:
 - a) Completion of all pre-construction engineering and design,
 - b) All necessary licenses, permits, and governmental approvals,
 - c) Engagement of all contractors,
 - d) Ordered essential equipment and supplies; and,
 - 2) Financial commitments and resources to complete the construction of the project; and,
 - 3) Evidence of having “broken ground” and begun physical, material renovation and construction of such improvements on an ongoing basis without any Impermissible Delays.
- D) Substantial Completion: Within thirty-six (36) months following commencement of construction as defined above.
- E) The DIA CEO will have authority to extend this Performance Schedule, in the CEO’s discretion, for up to six (6) months for good cause shown by the Developer / Applicant.

Additional Commitments:

- A) The Developer commits to the development of:
 - 1. A minimum of 140 hotel rooms.
 - 2. A minimum of 21,000 square feet of restaurant/lounge space open to the general public which may include outdoor/rooftop space.
 - 3. 8,000 square feet of retail space, open to the general public.
- B) Recommendation as to the eligibility of the approved scope of work on the Properties by the Historic Preservation Section of the COJ Planning and Development Department shall be required prior to DIA Board approval of any program funding. Such recommendation by the Planning and Development Department may be conditional on further review and

approvals by the State Historic Preservation Office (“SHPO”) and/or the National Park Service (“NPS”), which must be received prior to closing.

- C) Upon completion and request for funding, all work on the Properties must be inspected by the Historic Preservation Section of the Planning and Development Department or designee for compliance with the approved application prior to funding under any DPRP loan component.
- D) Funding under the DPRP will be secured by a stand-alone, subordinate lien position on each property behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing.
- E) Each DPRP Forgivable Loan or Deferred Principal Loan will be cross-collateralized, and cross-defaulted with one another.
- F) Payment defaults, or other defaults that trigger legal actions against the Applicant that endanger the lien position of the City, shall also be a default on the subject facilities.
- G) As Developer will be utilizing a combination of HPRR Forgivable Loans, and CCR Forgivable Loans, the maturity of each of these Forgivable Loan will be five (5) years. Principal outstanding under each note will be forgiven at the rate of 20% annually, on the anniversary date of each such funding, so long as each Forgivable Loan is not in default per DPRP Guidelines or the loan agreements.
- H) Standard claw back provisions will apply such that:
 - a) In the event the Borrower sells, leases, or otherwise transfers the Historic Building during the first five (5) years after the disbursement of the Forgivable Loan, the following shall be due and payable at closing of the Sale:
 - i. 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
 - ii. 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;
 - iii. 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
 - iv. 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
 - v. 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.
 - b) In the event Borrower or any lessee or assignee of the Borrower uses the Project or the Historic Property or Properties for any use not contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan, the full amount of the Grant, together with all accrued but unpaid interest thereon, shall immediately become due and payable to the City by the Borrower.
- I) Funding in the amount of the DPRP Deferred Principal Loan component will have a stated maturity date of ten years from the Funding Date. The loan balance is due in full upon maturity, sale, or refinancing of the property prior to maturity subject to terms of the disposition and value of the property at the time of such event.

- J) The DPRP Deferred Principal Loan component requires an annual interest payment equal to the total principal outstanding multiplied by the prevailing Ten-Year Treasury Note Rate at the time of funding.
- K) Partial Principal reductions on the DPRP Deferred Principal Loan may be made after the fifth anniversary with no prepayment penalty; however, a minimum of 50% of the initial loan balance must remain outstanding through the loan maturity date unless the Property or Properties are sold or refinanced during that period, subject to DIA approval.
- L) All loan components pursuant to the Redevelopment Agreement will be secured by a subordinate-lien position on the real property behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing.
- M) DIA reserves the right to approve any sale, disposition of collateral property, substitution of equity, substitution of collateral, or refinance of senior debt during the DPRP Compliance Period and such approval shall not be unreasonably withheld.
- N) All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the DPRP loan period.
- O) Payment defaults, bankruptcy filings, or other material defaults during the DPRP loan period will trigger the right for the City of Jacksonville to accelerate all amounts funded and outstanding under any or all programs at such time, plus a 20% penalty of any amounts amortized or prepaid prior to that date.

There will be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties which shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).

SUPPLEMENTAL INFORMATION
LAURA STREET TRIO STAFF REPORT

**Historic Florida National Bank Building (1902) - 51 W. Forsyth Street
Historic Bisbee Building (1909/1910) - 47 W. Forsyth Street
Historic Florida Life Insurance Building (1912) - 117 N. Laura Street
a/k/a The Laura Trio ("Trio")**

**Downtown Preservation and Revitalization Program
Staff Report
March 5, 2021**

Applicant: Laura Trio, LLC
Southeast Development Group, LLC
Mr. Steve Atkins, Managing Member

Project: The Laura Trio Redevelopment

Program Request: Downtown Preservation and Rehabilitation Program ("DPRP")

Total Development Costs (as submitted): \$70,482,434
Total Development Costs (as underwritten): \$61,685,749

DPRP Requested:

| | |
|--|---------------------|
| 1) Historic Preservation Restoration and Rehabilitation Forgivable Loan (HPRR) | \$10,979,815 |
| 2) Code Compliance Renovations Forgivable Loan (CCR) | \$9,799,727 |
| 3) DPRP Deferred Principal Loan | <u>\$4,155,908</u> |
| | <u>\$24,935,451</u> |

DPRP Recommended:

| | |
|--|---------------------|
| 1) Historic Preservation Restoration and Rehabilitation Forgivable Loan (HPRR) | \$9,377,766 |
| 2) Code Compliance Renovations Forgivable Loan (CCR) | \$10,016,699 |
| 3) DPRP Deferred Principal Loan | <u>\$5,279,835</u> |
| | <u>\$24,674,300</u> |

Project Background:

The Laura Trio (Florida National Bank Complex) is a grouping of three formerly individual buildings, the two-story Florida National Bank (1902/1906) that is flanked to the east by the 10-story Bisbee Building (1909/1910), and to the north by the 11-story Florida Life Building (1912). The three buildings were interconnected for use by the Florida National Bank between 1919 and 1925. Since 1925, the complex has been known as the Laura Trio, in response to its prominent location at the northeast corner of N. Laura and W. Forsyth Streets. These three buildings are contributing Structures of the downtown Jacksonville Historic District, are recognized as local landmarks, and are in the process of being listed collectively on the National Register. The remainder of the site is currently an open gravel lot. The project includes the simultaneous redevelopment of these three important historic buildings and the new construction of two buildings in the Central Core District of Downtown Jacksonville to function as a unified hotel property as discussed further below.

Historic Florida National Bank Building (1902) - 51 W. Forsyth Street – Constructed in 1902 with a major addition in 1906, the building is two stories in height with a load bearing brick structural system. The Classical Revival style designed by Edward H. Gidden extends to the lobby where a great banking room was created through renovations in 1916. The integrity of the building is excellent, and its condition is fair. Originally built for the Mercantile Exchange Bank to replace its earlier facility that was destroyed in Jacksonville’s Great Fire of 1901, the building remains as the oldest bank building in Jacksonville. It is currently vacant and has been so for a number of years.



Historic Bisbee Building (1909/1910) - 47 W. Forsyth Street – Constructed in 1909/1910, the Bisbee Building is regarded as the first high-rise building in Jacksonville built with a reinforced concrete structural system. William Adolphus Bisbee, a successful entrepreneur and real estate investor, constructed the building and it was the tallest in the state for a short time. The design by noted architect Henry J. Klutho provides example of the Chicago Commercial Style with beaux arts detailing on the south elevation. The interior consists of a lobby and two open bays on the first floor and an open floor plan originally used as office space on the upper nine floors. The Bisbee building has been subjected to some interior remodeling, but the overall integrity of the building is good. The Building is currently vacant and in poor condition.

Historic Florida Life Insurance Building (1912) - 117 N. Laura Street - Completed in 1912, the Florida Life building surpassed the Bisbee Building as the tallest building in the state. Also designed by Klutho, the building was a unique application of the Prairie style to a commercial skyscraper. Recognized as one of

the city's most notable landmarks, the Florida Chapter of the American Institute of Architects included the Florida Life Building on its 2012 list of the 100 most significant buildings in the state. The building was once noted for its elaborate cornice and plaster Sullivanesque Capitals that adorned the upper corners of the structure that were removed in 1993, after concern was raised about their condition and public safety. Most of a copper cornice, its historic windows, and most of its interior finishes on the upper floors are also missing; however, the overall integrity of the building is good and the overall form and much of the original architectural detailing remains. The building is currently vacant and is in poor condition.

The exteriors of each building will be rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation. The project will return the buildings to productive use and will stop further deterioration. The essential character-defining exterior historic fabric and features of the buildings will typically be retained and repaired as needed to match existing adjacent and/or documented historic conditions in design, materials, and workmanship. In addition to enhancing the historic character of the buildings through exterior repairs, the project proposes to recreate the highly significant and character-defining cornice elements of the Florida Life Building that were destroyed in 1993.

Redevelopment plans for the Laura Trio also call for the construction of a new building on a vacant lot immediately to the north of the Florida Life building and a Circulation Core structure that will tie each of these four buildings together to function as a single hotel property.

Development Plan:

Florida National Bank Building (The Marble Bank Building): Consists of two stories plus a basement, 18,216 square feet total. Plans call for redevelopment with a 7,442 square foot private dining/wine cellar space in the basement, a 7,069 square foot restaurant on the first floor with additional 3,615 square feet of restaurant operating space on the mezzanine level.

Bisbee Building: Provides ten stories, 42,333 square feet total. To be redeveloped with mechanical operations in the basement, a 4,401 square foot retail bodega on the ground floor, 4,401 square foot conference center on the second floor, and 8 floors of 4,401 square feet each to provide 7 hotel rooms on each floor (56 rooms total).

Florida Life Insurance Building: Provides eleven stories plus a basement, 26,803 square feet total. To be redeveloped with a 2,548 media theater in the basement, 2,205 square foot lobby/business center on the ground floor, 2,205 square foot fitness/media center on the second floor, and eight floors of 2,205 square feet each to provide 4 hotel rooms on each floor, and the 11th floor, 2,205 square feet to provide 3 hotel rooms (35 rooms total).

Laura St. Addition (New Construction) – Will include seven occupied stories with 8,843 square feet of retail space on the ground floor, and six floors of 4,650 square feet providing 9 hotel rooms per floor. A 4,650 square foot roof top bar will be constructed on the eighth floor.

Circulation Core (New Construction) – Will be built to include eleven floors with 2,012 of additional lobby space on the first floor, and ten floors of 1,675 square feet for circulation between each building.

Per the conditional approval memo from the Historic Preservation Section of the COJ Planning and Development Department (“HPS”), “The Old Florida National Bank Building, Bisbee Building and Florida Life Building all have had local historic landmark status since 2002. City Council approved the local designation under ordinances 2002-433-E, 2002-434-E and 2002-435-E respectfully. Based on this landmark designation, all three structures meet the threshold requirement for Historic Preservation Restoration and Rehabilitation Forgivable Loan funding in the DPRP.”

The Laura Trio properties currently reside on a single 35,582 square foot parcel, RE# 073676-0000. The development will further extend to two adjacent lots with each providing 5,488 square feet, RE# 073688-0000 and RE# 073687-0000. The combined 1.07-acre site plan shown below provides the layout of these buildings and how they interact with one another through the Circulation Core.



Each building is integral to the overall success of the operation, proposed to serve as a Marriott Autograph Hotel. A motor court for guest loading and unloading will be constructed along West Adams Street on the north side of the assembled parcels leading into the lobby found within the Florida Life Insurance Building. Additional lobby access is provided to the Florida Life Building from Laura Street. The ground floor of the Laura Street addition is proposed to provide new retail space at the corner of Laura Street and West Adams Street. The Marble Bank Building will house a hotel managed restaurant, and the Bisbee Building is proposed to include a retail bodega on the ground floor with hotel rooms above. The Central Core contains two elevators to serve each of these buildings and is engineered to provide smooth transition from the uneven floor levels found between each structure.

Review and Approvals:

Pre-application Zoom meetings including the Development team, DIA staff, HPS staff, and DDRB staff to review plans, financial summaries, and the project timeline were held on November 3, 2020 and January 12, 2021. Following those meetings, the DDRB Board provided conceptual approval of the development at its February 11, 2021 board meeting. The Developer must receive final approvals from the State Historic Preservation Office (SHPO), the National Park Service, and an unconditional Certificate of Appropriateness from HPS before submitting to DDRB for final approval. Once those steps have been achieved, the project may proceed for permitting and initiate construction activity.

HPS provided conditional approval for the Laura Trio project, March 4, 2021. A Part 2 Federal Historic Preservation Certification Application was made in January 2020 and remains under review, approval of which outlines the requirements for investors in the Federal Historic Tax Credit program to invest in this development. Laura Trio is using Schneider Historic Preservation, LLC based in Anniston, Alabama (shphistoric.com) as its consultant on historic matters.

Principal Development and Operation Team Members:

SouthEast Development Group (Master Developer & Team Lead)

SouthEast Development Group, LLC is a commercial real estate firm based in Jacksonville, Florida providing a full complement of development services, design-build programming, and asset management across multiple market sectors, with a portfolio of work from the Carolinas to South Florida. SouthEast Community Investment Fund, LLC is a certified Community Development Entity (CDE) providing “community-centric” planned development support with targeted investments through U.S. Federal Tax Credits, federal subsidies, and public-private-partnerships. SouthEast is committed to Downtown Jacksonville, especially in the adaptive reuse space, having recently completed redevelopment of the \$50+ million multi-use, historic Barnett Building which has won numerous awards and is now home to Chase Bank, the Jacksonville Business Journal, the UNF Center for Entrepreneurship and Innovation, and more than 100 residential apartment units.

Dasher Hurst (Architects)

Dasher Hurst is an award-winning, Jacksonville-based architecture firm with decades of experience in a broad array of complex commercial and residential projects. Their portfolio includes a number of high-profile adaptive reuse projects, including several in Downtown Jacksonville such as the Barnett Building, Independent Life Building, Union Terminal Warehouse, and Farah & Farah Office. Their regional work is

also demonstrated in other sectors such as higher education with nationally recognized projects including the UNF Student Union as well as Jacksonville University Marine Science Institute and UF Whitney Center.

Danis Construction (General Contractor)

Founded in 1916 by B.G. Danis, Danis is a third generation, privately owned company based in Dayton, Ohio. Danis serves the Midwest and Southeast regions of our country, specializing in public and private building and industrial projects. Danis offers expertise in construction management, general construction, design/build, and build-to-suit lease-back, as well as experience in the corporate, healthcare, senior living, education, retail, hospitality/entertainment, and industrial markets. Throughout the company's history, Danis has received praise for quality work and service, timely delivery, and the ability to remain under the project budget. Danis prides itself on meeting client challenges, whether they are budgets, tight schedules, difficult site conditions, or unique designs, and boasts an 85% repeat customer rate. The Danis Group of Companies operates five offices located in Ohio, North Carolina, and Florida. Danis' historic preservation and adaptive reuse portfolio includes multiple complex, important projects in Downtown Jacksonville, including the Barnett Building, Cowford Chophouse, and Jessie Ball duPont Center.

Piper Sandler Companies (Financing Partner)

Founded in 1895, Piper Sandler Companies (NYSE: PIPR) is a leading investment bank and institutional securities firm. They are headquartered in Minneapolis with more than 50 offices across the U.S. and in London, Aberdeen, and Hong Kong. Piper's areas of expertise include investment banking, public finance, institutional equities, research, and more. The Piper Sandler Companies portfolio includes billions of dollars of investments across a wide range of market sectors including public-private partnerships in the education, healthcare, and hospitality spaces.

Winegardner & Hammons (Hotel Operator)

Winegardner & Hammons Hotel Group, LLC (WHG) is a privately held, full-service development and management company based in Cincinnati, Ohio. The company was founded in 1958 by Roy E. Winegardner and John Q. Hammons. The company is guided by its Mission Statement and maintains a unique goal of providing consistently superior performance and proven results, both of which have allowed them to be one of the most successful independent developers, owners, and operators in the nation. Currently, Winegardner & Hammons Hotel Group, LLC (WHG) manages more than 20 hotels throughout the United States. Within their hotels, WHG operates several dozen signatures, award-winning Food & Beverage concepts. The WHG portfolio includes lifestyle, University, urban, midtown and suburban full service, select service, resorts, all-suite, extended-stay, independent and brand affiliated hotels in many diverse markets throughout the United States. Winegardner also has deep experience operating Marriott-branded hotels as part of adaptive reuse projects, including The Lytle Park Hotel (Autograph Collection) and The Phelps (Residence Inn) in Downtown Cincinnati.

Request and Structure:

To facilitate redevelopment of these properties, the Applicant requests approval of funding under the DPRP totaling \$24,935,451. As will be outlined in more detail below, DIA Staff recommends DPRP funding in the amount of \$24,674,300, a difference of \$261,151, to be structured as follows:

| | Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR) | Code Compliance Forgivable Loan (CCR) | DPRP Deferred Principal Loan | TOTAL |
|-------------------|--|--|-------------------------------------|---------------------|
| Requested | \$10,979,815 | \$ 9,799,727 | \$4,155,908 | \$24,935,451 |
| Proposed | \$ 9,377,766 | \$10,016,699 | \$5,279,835 | \$24,674,300 |
| Difference | \$ (1,602,049) | \$ 216,972 | (\$1,123,927) | (\$ 261,151) |

The differences as noted are centered in line-item requests proposing certain costs be considered under Interior Restoration (75% contribution level) which were reclassified as either Code Compliance (75% contribution level) or Interior Rehabilitation (30% contribution level). The DPRP Deferred Principal Loan was then sized to meet DPRP Guidelines at the maximum amount eligible to meet the financial gap funding needs. As structured, a funding shortfall of \$284,500 (3.8% of TDC) is identified which will be met via additional investor equity, debt, or cost reductions.

At this level, the incentive structure and funding under the DPRP will be subject to further approval and appropriation by the Jacksonville City Council. Appropriation will not be requested prior to the fiscal year that completion of construction may be reasonably projected.

Underwriting this application established the need for financial support from the City based on the extensive redevelopment costs for both buildings, deemed important to the preservation of Jacksonville’s historic building stock and consistent with the goals of the BID and CRA plan as well as the stated purpose of the Downtown Preservation and Revitalization Program, “to foster the preservation and revitalization of unoccupied, underutilized, and/or deteriorating historic, and qualified non-historic, buildings located in downtown Jacksonville.”

Redevelopment Goal No. 1 - Reinforce Downtown as the City’s unique epicenter for business, history, culture, education, and entertainment.

- Increase the opportunities for Downtown employment.
- Protect and revitalize historic assets.
- Support expansion of entertainment and restaurant facilities.
- Increase venues, workspaces, and residential opportunities with a focus on the Target Area.
- Create a consistent theme and image that conveys a sense of the excitement and activity Downtown.

Redevelopment Goal No. 4 - Improve walkability/bikeability and connectivity to adjacent neighborhoods and the St. Johns River while creating highly walkable nodes.

- Create a mixture of uses so that housing, activities, retail, and other businesses are within useful walking distance.
- Plant street trees, using varieties that will provide shade.
- Identify potential neighborhood nodes where housing can be built in close proximity to residential

amenities such as groceries and neighborhood services; focus on improvements that will foster walkability in these areas.

- Throughout Downtown and particularly in neighborhood nodes, require all buildings to have active facades at street level. Encourage active street life through a mixture of restaurants (including cafes with outdoor seating), retail, services, and connection to the street. Minimize blank walls and surface parking.

Development Budget Considerations:

Total Development Costs as presented equal \$70,482,434. Elimination of Developer/Management Fee (\$3,500,000) provides an adjusted amount of \$66,982,434 for analysis of equity contribution requirements and other DPRP measures as shown below.

DPRP Modeling Parameters – Laura Trio:

| | |
|-------------------------|--------------|
| Total from Const Budget | \$70,482,434 |
|-------------------------|--------------|

| Sources | | | |
|-----------------------------|-----------|-------------------|---------------|
| Federal Historic Tax Credit | \$ | 9,461,000 | 14.1% |
| HPRR Forgivable Loan | \$ | 9,377,766 | 14.0% |
| CCR Forgivable Loan | \$ | 10,016,699 | 15.0% |
| DPRP Def Prin Loan | \$ | 5,279,835 | 7.9% |
| Other COJ Funding | \$ | - | 0.0% |
| 1st Position Debt | \$ | 25,760,000 | 38.5% |
| Owner Equity | \$ | 6,802,635 | 10.2% |
| Add'l Capital Needed | \$ | 284,500 | 0.4% |
| TOTAL SOURCES | \$ | 66,982,434 | 100.0% |

| Uses | | | |
|---------------------------|-----------|-------------------|---------------|
| Purchase Price | \$ | 5,300,000 | 7.9% |
| Predevelopment Costs | \$ | 1,002,635 | 1.5% |
| Construction Costs | \$ | 47,048,762 | 70.2% |
| Soft Costs | \$ | 13,631,038 | 20.4% |
| Developer Fee | \$ | - | 0.0% |
| TOTAL USES | \$ | 66,982,434 | 100.0% |

| | | |
|-----------------------|----|------------|
| Maximum Funding Level | \$ | 24,674,300 |
| DPRP Funding | \$ | 24,674,300 |
| ROI | | 0.871 |

KEY:
DPRP Downtown Preservation and Revitalization Program
HPRR Historic Preservation Restoration and Rehabilitation
CCR Code Compliance Renovations
ROI Return on Investment

| Measurement | DPRP Guidelines | | | As Calculated |
|---------------------------|-----------------|------------|----------------------|---------------|
| | % of TDC | | Net of Developer Fee | Project |
| Adj. Developer Equity | 10% | Min | of Net TDC | 10.2% |
| 3rd Party Loan | | | No min or max | 38.5% |
| Subsidy or Tax Credit | | | No min or max | 14.1% |
| Developer Combined | 60% | Min | of Net TDC | 62.7% |
| DPRP | | | | |
| Exterior | 75% | Max | of eligible costs | |
| Restoration Int | 75% | Max | of eligible costs | |
| Rehabilitation Int | 30% | Max | of eligible costs | |
| Code Compliance | 75% | Max | of eligible costs | |
| Other | 20% | Max | of eligible costs | |
| HPRR Forgivable Loan | 30% | Max | of Net TDC | 14.0% |
| CCR Forgivable Loan | 30% | Max | of Net TDC | 15.0% |
| DPRP Def Prin Loan | 20% | Max | of Net TDC | 7.9% |
| DPRP Def Prin Loan | | Min | Must be ≥ 20% of Gap | 21.4% |
| Other COJ Funding | | | | 0.0% |
| COJ Combined | 40% | Max | of TDC | 36.8% |

DPRP funding limits based on equity contribution in relationship to Total Development Cost (“TDC”), and requirements for the DPRP Deferred Principal Loan are considered on a total project basis. Total Developer Equity equals 10.2% of TDC (both adjusted to exclude Developer/Management Fee) and includes the cost of the historic structures and land (\$5,300,000), Predevelopment Costs incurred (\$1,002,635) and Investor Equity net of Developer/Management fee of (\$500,000). This surpasses the minimum requirement of 10%, allows DPRP funding up to 40% of TDC, and requires that a DPRP Deferred Principal Loan is established at a minimum of 20% of total DPRP funding.

Including Historic Tax Credit investor equity of \$949,461,000 increases total equity to \$16,548,135 (23.48% of adjusted TDC). Adding Senior Debt of \$25,760,000 provides total sources of \$42,023,635 outside of DPRP funding, or 62.7% of adjusted TDC; well in excess of the minimum requirement of 40%.

A significant portion of the equity contribution is demonstrated through the value of the property to be redeveloped shown at \$5,300,000, which is supported by an appraisal prepared by with an effective date of May 6, 2020 by Jason Lovett, MAI, of Lovett Valuation, LLC, St. Augustine, Fla. As provided by that appraisal, the “As-Is” value at that date was \$5,350,000.

The property is currently encumbered by a \$2 million lien that must be cleared prior to closing. That lien carries forward from the renovation of the Barnett Bank building where the Trio property was used as additional collateral. The lien is being addressed outside of this request although the Developer intends to approach the City for funding related to completion of the Barnett Bank building. The DIA is not being asked to consider, or to be a party to that request.

Redevelopment of the properties is proposed to be supported by a HPRR Forgivable Loan of \$9,377,766, a CCR Forgivable Loan of \$10,016,699, and a DPRP Deferred Principal Loan of \$5,279,835. Program guidelines allow for the HPRR and CCR Forgivable Loans to amortize concurrently with principal forgiven at the rate of 20% annually over a five-year period. The DPRP Deferred Principal Loan is an interest only loan with the rate established at the level of the Ten-Year Treasury Note at the time of funding. For conservative modeling purposes, a rate of 1.25% is used; however, this rate of the 10-year T has been rising in recent weeks and is expected to be 25-50 basis points higher, at minimum, by the point of funding, which will be accretive to the ROI. The Deferred Principal Loan has a balloon maturity at the tenth year and may be paid down by not more than 50% without penalty following the fifth anniversary.

As shown by the table below, the overall ROI for the redevelopment of these properties is calculated at 0.87X including a ten-year tax abatement for historic property renovation, which exceeds the minimum requirement of 0.50X as found in the DPRP Guidelines:

Laura Trio ROI Calculation

\$66.9 Million in Capital Expenditures

| | | | |
|-------------------------------------|-----|----|-------------------|
| Ad Valorem Taxes Generated | | | |
| County Operating Millage | (1) | \$ | 6,794,782 |
| Local Option Sales Tax | (2) | \$ | 9,621,390 |
| Payroll | (3) | \$ | - |
| Add'l Benefits Provided | (4) | \$ | 4,402,954 |
| Total City Expected Benefits | | \$ | <u>21,479,106</u> |
| Total City Investment | (5) | \$ | 24,674,300 |
| Return on Investment Ratio | | | 0.871 |

- (1) - The investment from the Company is estimated to be \$14,090,000 in Capital Contribution for development and \$336,600 in taxable Tangible Personal Property
- (2) - Local Option Sales Tax is based on the revenue generated through retail sales, food and beverage, and commercial leases.
- (3) - Job estimates are calculated at # of jobs * avg. wage. Assumes 20% spent locally and a 1 percent sales tax over 20 years.

| | | |
|---|--------------|---------------------|
| (4) - Value of any additional contribution being made for the benefit of the city in consideration of the incentive | | |
| Interest on the DPRP Deferred Principal Loan | \$ 659,979 | 3.50% Discount Rate |
| PV of DPRP Deferred Principal Repayment | \$3,742,974 | |
| Other | | |
| Total Add'l Benefits Provided | \$ 4,402,954 | |

| | | |
|-----------------------------------|---------------|--|
| (5) - City Incentives as follows: | | |
| DPRP | \$ 24,674,300 | |
| Land | \$ - | |
| Other | | |
| Total Direct Incentives | \$ 24,674,300 | |

Included in the amounts shown above is the Annual Project Revenues over a twenty-year period of \$6.8 million, Local Option Sales Tax of \$9.6 million, interest on the DPRP Deferred Principal loan of \$660 thousand, and the present value of the DPRP Deferred Principal Loan payoff of \$3.7 million. Total expected benefits for the City by these calculations is \$21.5 million. Of note within these calculations is the Bed Tax which contributes approximately \$9.0 million to this total as calculated over a twenty-year period using an initial Average Daily Rate of \$160 and occupancy of 73.5%.

Historic Preservation Section Findings:

The following provide information taken from the Conditional approval of the HPS in their review of the subject properties:

“...a preliminary review of the project scope was performed by the Historic Preservation Section for consistency with the Secretary of the Interior’s Standards for Rehabilitation. Since going out of use, deferred maintenance, vandalism, and extensive interior demolition by previous owners has left the three structures in a deteriorated and architecturally compromised state with most all of the interior walls removed, many finishes damaged due to exposure to the elements and severe water damage in basement areas, especially that of the Bisbee Building. The owner is passionate about preserving the limited remaining architectural details of both the interior and exterior of the three structures. However, the HTC submittal description does not fully commit to this approach for the upper floors of the Florida Life Building, is not always specific as to the level or method of how finishes, features and spaces will ultimately be addressed often leaving the approach open-ended, and at times conflicts with what is in the architectural plan notes. Overall, aside from most of the windows, the plan is to repair all existing historic exterior elements and materials. Most of the details are focused on the exterior restoration efforts of the Florida Life Building and interior restoration in the Florida National Bank Building. Without the benefit of the NPS detailed guidance through the HTC part 2 approval on the issues, the HPS has applied the available NPS resources for evaluating historic buildings and their rehabilitation Florida Baptist Convention/Church Street Building...”

The Developer has received copies of these reports and incorporated costs associated with the findings into the construction costs provided for underwriting of the request. Based on underwriting parameters as presented in this Staff report, additional costs in the redevelopment of these properties will require support from a combination of additional debt, equity, Historic Tax Credits, or other funding sources. Compliance with these findings and any provided by the NPS are required as a condition of funding and will be verified by inspection upon completion.

Recommendation:

DIA Staff recommends approval of a the DPRP loans as outlined herein including clearing the lien currently held against the TRIO property.

All requirements outlined within the HPS conditional approval or as may be established by the NPS in its conditional approval must be incorporated into the redevelopment project and inspected for adherence upon completion and prior to funding.

Final review by the DDRB and adherence to findings within it conceptual approval and others as may be set into place are concurrent requirements of this recommendation for approval.

Other conditions and requirements of approval and administration of the subject facilities is captured in the Exhibit A Term Sheet.

Staff report prepared by:

Steven T. Kelley, DBA
Director of Downtown Real Estate and Development

TAB VI

RESOLUTION 2021-03-05 METER RENTING (BAGGING) RATE SCHEDULE

RESOLUTION 2021-03-05

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) RECOMMENDING THE ADOPTION AND IMPLEMENTATION OF A REVISED METER RENTAL RATE SCHEDULE; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) AND THE CITY’S PUBLIC PARKING OFFICER TO FORWARD LEGISLATION TO CITY COUNCIL TO ADOPT A REVISED METER RENTAL (BAGGING) RATE SCHEDULE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Office of Public Parking falls under the purview of the Downtown Investment Authority; and

WHEREAS, the Office of Public Parking is authorized, pursuant to Section 802.105(c) of the Ordinance Code, to issue permits and to rent parking meters in the City; and

WHEREAS, to visibly show this rental use, the Office of Public Parking shall place a meter bag over each meter so rented; and

WHEREAS, the practice of taking on-street parking spaces temporarily out of service through “meter bagging” has become problematic in that (i) meters have been taken out of service or reserved for single businesses for extended periods of time, and (ii) on-street parking spaces in large areas, and in some instances, entire blocks, have been removed from service during high-demand periods thereby adversely affecting adjacent businesses by removing customer parking and by also blocking visibility of the businesses; and

WHEREAS, in 2017 the DIA commissioned a study of downtown parking rates and operations and in 2019 received from Tim Haahs & Associates a Downtown Parking Strategy and Implementation Plan (the “Plan”); and

WHEREAS, the Plan recommended a revision to current meter bagging (rental) procedures and policies; and

NOW THEREFORE BE IT RESOLVED by the Downtown Investment Authority:

Section 1. The Downtown Investment Authority finds the above recitals true and correct and they are incorporated herein by reference.

Section 2. The Downtown Investment Authority hereby recommends adoption and implementation of the revised meter rental rate schedule attached hereto as Exhibit A.

Section 3. The Downtown Investment Authority instructs its CEO, through the Office of Public Parking, to forward legislation to the City Council amending the application fee, permit fee, daily rental fee and/or monthly rental fee of meters pursuant to the rate schedule attached hereto as Exhibit A.

Section 4. The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Witness

Ron Moody, Chairman

Date

VOTE: In Favor: ____ Opposed: ____ Abstained: ____

DRAFT

EXHIBIT A

METER RENTAL (BAGGING) RATE SCHEDULE

| Activity | Current Rate | Proposed Rate |
|--|---|--|
| Temporary Removal of parking meter and post lost revenue recovery | \$10.00 per post and meter per day | For the first 30 days, 2 times the meter revenue for 8 hours/per day For 31 days or more, 3 times the meter revenue for 8 hours/per day |
| Temporary Removal of parking meter and post – Permit Application Fee | \$30.00 | 1-30 meters: \$30.00 31-50 meters: \$50.00 51+ meters: \$100.00 |
| City removal of meter (labor and storage) | <i>None</i> | \$10.00 per meter |
| City removal of meter <u>and</u> post (labor and storage) | <i>None</i> | \$50.00 per meter/post |
| Parking meter rental (bagging) by contractor or business-lost revenue recovery | \$6.00/day per meter or \$120/month per meter | For the first 30 days, 2 times the meter revenue for 8 hours/per day For 31 days or more, 3 times the meter revenue for 8 hours/per day |
| Parking meter rental (bagging) by contractor or business – Permit Application Fee | \$1.00 | 1-30 meters: \$30.00 31-50 meters: \$50.00 51+ meters: \$100.00 |
| Special Sign Exception | \$25.00 | Delete |

SUPPLEMENTAL INFORMATION
METER RENTING (BAGGING) RATE SCHEDULE STAFF REPORT

Downtown Investment Authority
Meter Rental (Bagging) Rate Proposal Staff Report
February 25, 2021

Introduction:

Meter rental (bagging) in the City of Jacksonville may occur in one of two ways.

First, Section 802.105 of the Ordinance Code allows the Office of Public Parking to rent parking meters to 1) construction, insulation and repair companies, only, for the purpose of facilitating the temporary needs of these companies for working space on City streets during the period of time in which such work is being performed, and 2) any business for a use other than for employee or customer parking. For temporary rentals, meter heads are simply bagged. For long term rentals, meter heads and meter posts are often removed, stored and reinstalled at a later date.

In addition, the Office of the Sheriff, pursuant to Section 318.008 of the Florida Statutes, is authorized to take parking meters out of service for public safety purposes. Public safety can include the facilitation of a special event or as a security measure in response to a perceived safety issue. Neither includes the collection of a rental fee. Special events for which the Office of the Sheriff removes parking meters from service include the following:

- All Jaguars home games (south side of Bay St. between Ocean & Liberty/APR Blvd. between Duval & Gator Bowl)
- Tax Slayer Bowl game (south side of Bay St. between Ocean & Liberty/APR Blvd. between Duval & Gator Bowl)
- Veterans Day Parade route
- MLK Parade route
- Any permitted Arena event (A. Phillip Randolph Blvd. between Duval & Adams)
- Any permitted Baseball Grounds event where A. Philip Randolph Blvd. is programmed
- Times Union Half Marathon route
- Running of the Bulls 5k
- GATE River Run route
- First Coast Heart Walk
- Jax Triathlon
- Tour de Pain 5k
- Painting of the Paws
- USO Half Marathon
- VyStar New Year's Eve 5k
- All JSO Awards ceremonies (4 meters on Bay St., in front of PMB)
- Any VIP meeting at PMB (4 meters on Bay St., in front of PMB)
- DVI Art walk (First Wednesday of the Month and this is done by the Zone)
- EOC when officially activated (in front and one block radius)
- EOC when there have been large exercises held there
- Jazz Festival
- Police Memorial Day
- JFRD Memorial Walk

In addition, the following venues have obtained bags from their schedulers and have bagged meters:

- Hyatt Hotel (Newnan St. between Independent & Coast Line)
- Florida Theatre (Forsyth St. between Ocean & Newnan)

Generally, the Office of the Sheriff bags meters intended to be removed from service well in advance of any special event. For example, on Art Walk Wednesday's, JSO might bag meters on blocks adjacent to or near James Weldon Johnson Park as early as 8:00 am, to ensure there are no vehicles parked in the metered spaces at the start time of the event. The DIA continues to work with representatives of the Office of the Sheriff on possible solutions that could allow these meters to remain in service until a later time closer to the start of the event.

Impact of Meter Rental (Bagging)

The removal of any available on-street parking through the practice of meter rental or bagging reduces the number of transient parking opportunities for individuals visiting downtown. Both intermittent and concentrations of "bagged" or removed parking meters adversely impacts adjacent and nearby businesses who strongly rely on those transient parking spaces being available for use by their customers.

Downtown Public Parking Strategy and Implementation Plan-Final Report (March 20, 2019)

Included in the many recommendations in the Downtown Public Parking Strategy and Implementation Plan as prepared by Tim Haahs and Associates was:

"Revise the current meter bagging procedures prior to special events. This will allow for better traffic flow, increased user convenience and additional revenue. Other cities post signage on special event days stating when the meters will be deactivated and any remaining vehicles towed at the owner's expense."

Further conversations with Vicky Gagliano, Project Manager and Director of Parking Studies for Tim Haahs and Associates, revealed that the rental (bagging) rates currently being charged by the Office of Public Parking did not discourage taking parking meters out of service for extended periods of time and did not adequately compensate the City for lost meter revenue (while the meters were out of service). As a result, Ms. Gagliano recommended that the Downtown Investment Authority increase the meter rental (bagging) rate structure in a manner to remedy both of the foregoing concerns.

DIA Authority

While the DIA has the authority to promulgate rules and policies relating to meter rental (bagging), which was delegated to the DIA CEO by approval of Resolution 2020-06-09, final approval of any changes to the meter rental (bagging) rate structure lies with the City Council. Unlike rate changes for on-street parking and off-street parking (which become effective after thirty (30) days after being provided to the City Council and the Council taking no action to the contrary), meter rental (bagging) rate changes must be approved by Ordinance.

DIA Staff Review and Recommendation(s)

In addition to ongoing conversations with the Office of the Sheriff about how to reduce the adverse impact of their meter bagging practices, the DIA and Office of Public Parking staff also developed a rate structure increase to the rental (bagging) amounts charged by the Office of Public Parking, and were prepared to propose the following to the DIA Board:

METER RENTAL (BAGGING) RATE SCHEDULE ❶

| Activity | Current Rate | Proposed Rate |
|---|---|--|
| Temporary Removal of parking meter and post | \$10.00 per post and meter per day | The greater of 1.5 times the meter revenue for 8 hours/per day OR \$10/per day |
| Temporary Removal of parking meter and post – Permit Application Fee | \$30.00 | \$30.00 |
| Parking meter rental (bagging) by contractor or business | \$6.00/day per meter or \$120/month per meter | The greater of 1.5 times the meter revenue for 8 hours/ per day OR \$10/per day |
| Parking meter rental (bagging) by contractor or business – Permit Application Fee | \$1.00 | \$25.00 |
| Special Sign Exception | \$25.00 | |

Following review of the table above, Ms. Gagliano, instead offered some compelling facts for the following rate table being proposed instead, via Resolution 2021-03-05:

METER RENTAL (BAGGING) RATE SCHEDULE ❷

| Activity | Current Rate | Proposed Rate |
|--|---|--|
| Temporary Removal of parking meter and post lost revenue recovery | \$10.00 per post and meter per day | For the first 30 days, 2 times the meter revenue for 8 hours/per day For 31 days or more, 3 times the meter revenue for 8 hours/per day |
| Temporary Removal of parking meter and post – Permit Application Fee | \$30.00 | 1-30 meters: \$30.00 31-50 meters: \$50.00 51+ meters: \$100.00 |
| City removal of meter (labor and storage) | None | \$10.00 per meter |
| City removal of meter <u>and</u> post (labor and storage) | None | \$50.00 per meter/post |
| Parking meter rental (bagging) by contractor or business-lost revenue recovery | \$6.00/day per meter or \$120/month per meter | For the first 30 days, 2 times the meter revenue for 8 hours/per day For 31 days or more, 3 times the meter revenue for 8 hours/per day |
| Parking meter rental (bagging) by contractor or business – Permit Application Fee | \$1.00 | 1-30 meters: \$30.00 31-50 meters: \$50.00 51+ meters: \$100.00 |
| Special Sign Exception | \$25.00 | Delete |

SUPPLEMENTAL INFORMATION
METER RENTING (BAGGING) RATE SCHEDULE POLICY UPDATE

NEW METER RENTAL (BAGGING) POLICY

- (A) In no instance shall the Office of Public Parking dedicate an on-street parking space through “Meter Bagging” for the exclusive use by and for a particular business, building or unit thereof for a period of greater than seventy two (72) hours in any given ninety (90) day period, unless such bagging is directly related to construction, installation, or repair (as described in Section 802.105(c) of the Ordinance Code), and only during the period of time that such work is being performed, without the prior approval of the Downtown Investment Authority Board.
- (B) “Meter Bagging” to accommodate an event, gathering, concert, or other activity, unless an entire section of right-of-way is closed, shall be staggered so as to ensure that not more than fifty percent (50%) of the on-street parking along any particular block face is bagged.
- (C) No more than two (2) contiguous on street parking spaces per street section, being defined as that portion of a street lying between two perpendicular streets, may be bagged for valet services, between the hours of 6:00 p.m. and 2:00 a.m., providing that:
 - i) An annual “valet permit” has been issued to the valet operator, which shall identify the days and times for the “Meter Bagging.” Meter bagging for valet services may only be permitted after 6:00 p.m. and before 2:00 a.m.; and
 - ii) The valet operator is not specific to or providing valet parking services to a single business within that street section unless that valet operator has been in continuous operation for a specific business since March 1, 2020; and
 - iii) The valet operator pays the daily “Meter Bagging” rate published by the City of Jacksonville; and
 - iv) The valet operator has provided a copy of a current agreement with an off-street parking facility operator for use of that facility by the operator; and
 - v) The valet operator shall remove the meter bags from all meters by no later than 2:00 a.m.