



Downtown Investment Authority
Hybrid Meeting
Wednesday, March 17, 2021 – 2:00 p.m.

Community Redevelopment Agency
MEETING MINUTES

DIA Board Members: Ron Moody, Chairman; Braxton Gillam, Esq., Vice Chairman; Carol Worsham, Secretary; Oliver Barakat; Craig Gibbs, Esq.; David Ward, Esq.; Jim Citrano; Bill Adams, Esq.; and Todd Froats.

DIA Board Members Excused: None

Mayor's Staff: None

Council Members: Council Member LeAnna Cumber, District 5

DIA Staff: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Development; John Crescimbeni, Contract and Regulatory Compliance Manager; Guy Parola, Operations Manager; Lori Radcliffe-Meyers, Redevelopment Coordinator; and Xzavier Chisholm, Administrative Assistant.

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER

Chairman Moody called the CRA Board Meeting to order at 2:00 p.m.

Chairman Moody announced each DIA Board Member and DIA staff present.

II. PUBLIC COMMENTS

Chairman Moody opened the floor to public comment.

The following persons made in-person public comments, made public comments virtually through Zoom, or provided comments that were read into the record by DIA Staff. Note: the subject matter of the comment(s) indicated to the right of each person:

John Nooney	Kayak Launches; Riverfront Accessibility
Michael Kirwan, of Scenic Jacksonville	Support of Laura Street Trio
Stanley Scott, of AAERTT	Riverfront Accessibility; Economic Development

III. COMMUNITY REDEVELOPMENT AGENCY MEETING

A. NOVEMBER 18, 2020 COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES

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

Motion: Board Member Worsham moved to approve the minutes as presented

Seconded: Board Member Gibbs seconded the motion

Vote: Aye: 9 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 9-0-0.

B. FEBRUARY 17, 2021 COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES

No comments were made.

Motion: Board Member Worsham moved to approve the minutes as presented

Seconded: Board Member Gibbs seconded the motion

Vote: Aye: 9 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 9-0-0.

C. RESOLUTION 2021-03-01: LAURA STREET TRIO DPRP

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.

Chairman Moody gives the floor to Mr. Kelley to introduce the resolution.

Mr. Kelley provided an overview of the project as it relates to the Resolution, stating the following:

- It is a Downtown Preservation and Revitalization Program request totaling \$24,674,300 for the redevelopment of the historic properties known as the Laura Street Trio. This includes the Florida National Bank building, the Florida Life building, and the Bisbee building.

- The redevelopment is being undertaken by the Southeast Development Group, represented by Steve Atkins.
- The redevelopment calls for the restoration of the properties in addition to construction of a new 8-story 37,000 sq ft building to be combined with the Trio and operated as a single integrated hotel property.
- In total, the redevelopment provides over 158,000 sq ft of development space.
- The marble bank would become an 18,000 sq ft restaurant, including a 7,400 sq ft private dining wine cellar space in the basement. The restaurant would be operated by the hotel management group Winegardner & Hammons.
- The Florida Life building would house the lobby and business center on the ground floor, a theater in the basement, a fitness and media center on the 2nd floor, and eight floors with 35 hotel rooms on the floors above.
- The Bisbee building would include a 4,400 sq ft retail bodega on the ground floor, a 4,000 sq ft conference center on the 2nd floor, and 56 hotel rooms on the eight floors above.
- The Laura Street addition would provide 8,800 sq ft of retail space on the ground floor and six floors above with nine hotel rooms per floor. It would also include a 4,650 sq ft rooftop bar for the 8th floor.
- An 11-story circulation core will be constructed because the buildings are not at the same height. This includes 2,000 sq ft of additional lobby space on the 1st floor and 10 floors with two elevators and stairs for circulation between the buildings.
- A motor court for arrival and departure is planned for W Adam Street.
- The remainder of the parcel [southeast corner] is reserved for future development.
- The development plan has received conditional approval from the Historic Preservation section of the Planning and Development Dept. and has also received conceptual approval from the DDRB. Each of the historic properties have received local historical landmark status and the development plan has also received approval on the Part I application from the National Park Service to be treated as a single project.
- The DPRP recommendation includes \$9,377,766 in the form of a Historic Preservation Restoration and Rehabilitation Forgivable Loan
- \$10,016,699 as a Code Compliance Renovation Forgivable Loan
- \$5,279,835 as a DPRP Deferred Principal Loan
- The structure of the HPRR and the CCR are Forgivable Loans over 5 years with a standard claw back for early sale or refinance.
- The Deferred Principal Loan has a 10-year maturity, at which point requires full repayment. Interest-only payments are required on an annual basis, established at the 10-year treasury rate at the time of closing. Up to 50% of the principal may be repaid after the 5th year with that minimum balance remaining through the 10th anniversary.

- Development costs total more than \$70M, making the DPRP 35% of the total as proposed.
- Adjusted total development costs as underwritten equal \$66.9M, making the DPRP funding 36.8% of the adjusted total which is below the 40% maximum amount allowed based on the equity level provided. These amounts may be revised downward in proportion to cost savings or revisions to the development budget. Any changes would require adherence with DPRP guidelines.
- It is not in the Term Sheet, but Mr. Kelley proposed that downward adjustments to the adjusted total development costs greater than 10% require reapproval by the DIA Board.
- Equity is provided primarily through the \$5.3M property contributed to the project as supported by a third-party appraisal dated May of 2020. \$4M of cash equity injected into the project is largely offset by the \$3.5M of developer and management fee.
- Historic tax credits are expected to provide \$9,461,000 of additional equity to the project.
- Total equity reaches \$16.5M or 23.4% of the adjusted total development costs.
- Senior debt is proposed at \$25,760,000.
- The ROI is calculated at 0.87. It includes:
 - Annual project revenues which is the incremental ad valorem over a 20-year period of \$6.8M.
 - Local option sales tax of \$9.6M, which includes the bed tax. Based on an average daily rate of \$160 and an occupancy of 73.5%
 - Interest on the DPRP Deferred Principal Loan of \$660,000.
 - Present value of the repayment on the Deferred Principal Loan of \$3.7M
 - Total expected benefits of the City of \$21.5M
- The Trio property today is currently encumbered by a \$2M lien that must be cleared as a condition of closing.
- The architect on the project is Dasher Hurst; the general contractor is Danis Construction; Piper Sandler is the investment banker arranging debt and equity for the project.

SIC Member Ward summarized the discussion and findings of the March 15th SIC meeting, stating that the committee unanimously voted to approve the recommendation and is in favor of the direction of the projects as they relate to bringing value, growth, and productivity to downtown.

Chairman Moody called for a motion.

Motion: Board Member Adams moved to approve Resolution 2021-03-01 as presented

Board Member Gillam asked if the Claw Back provisions allow the borrower to sell the membership interest. CEO Boyer responded that typically a transfer of controlling interest in the Managing or Operating entity is deemed a sale or transfer but will depend on the drafting of this redevelopment

agreement. Adding that it is not addressed in the term sheet but is expected to be addressed in the redevelopment agreement.

Motion: Board Member Gillam moved to amend Resolution 2021-03-01

The following amendments were proposed:

1. Ensure that Borrower is defined in regard to Claw Back Rights; that if a controlling interest or membership interest is assigned or sold it would trigger Claw Back; and
2. An excess of 10% downward movement in overall cost would come back to the Board for approval, as suggested by DIA staff.

Chairman Moody called for a second on the proposed amendments to Resolution 2021-03-01.

Seconded: Board Member Barakat seconded the proposed amendments

Seeing no further discussion, Chairman Moody called for a vote.

Vote: Aye: 9 Nay: 0 Abstain:

THE MOTION PASSED UNANIMOUSLY 9-0-0

Chairman Moody opened the floor for discussion of the Resolution as amended.

Board Member Worsham stated her support for the Resolution.

Board Member Adams commended Mr. Atkins for his persistence and determination.

Board Member Barakat provided a statement of ex parte communication for the record and asked for clarification on the significant increase in development costs from the previous development proposal during the tenure of former DIA CEO Wallace. Mr. Kelley responded with an overview of the costs and how those costs were determined. Committee Member Barakat noted the significant incentives being provided and cautioned against setting a precedent. Adding that the DIA should ensure that developer costs are verified in the future.

Board Member Barakat asked how long the developer has to get final DDRB approval. Mr. Kelley responded that it can only come after the National Park Service has provided its approval on the Part II application and that the NPS has been slow with processing. Mr. Atkins commented that he speaks with the NPS on a regular basis and expects to have approval within 3 months. Board Member Barakat proposed an amendment to allow 1 year to receive approval from the NPS.

Committee Member Barakat asked where the \$24.6M for total development costs will be coming from. CEO Boyer stated that it will be legislation to City Council that requests a future appropriation.

Motion: Board Member Barakat moved to amend Resolution 2021-03-01

The proposed amendments include:

1. In the performance schedule, the developer will need to obtain final DDRB approval within 60 days of NPS approval

2. The developer will have no more than 12 months from the execution of the redevelopment agreement to obtain NPS approval

Seconded: Board Member Gillam seconded the proposed amendments

Chairman Moody opened the floor for discussion.

Board Member Gibbs requested a change to the language of the proposed amendment, stating that the developer must make application for final approval within 60 days. Board Member Barakat agreed and provided the change in language to his proposed amendment.

Council Member Cumber asked for clarification on the timeline. Board Member Barakat stated that the amendment provides the developer with 12 months from the effective date of the redevelopment agreement to obtain NPS approval. Council Member Cumber requested a change to the language of the proposed amendment, stating that the 12 months should be from the date the developer submitted for approval to the NPS. Board Member Barakat agreed and provided the change in language to his proposed amendment.

Seconded: Board Member Gillam seconded the proposed revisions to the amendments

Chairman Moody opened the floor for discussion.

Board Member Adams stated that the proposed revision by Council Member Cumber places a penalty on the developer as opposed to assisting with advancing the project along. Mr. Atkins responded that, to his knowledge, the longest it has taken to receive NPS approval is 100 days and is confident that they will receive the approval well before the deadline.

Mr. Kelley stated that Part II was submitted in January of 2020 according to his records and received clarification from Mr. Atkins that it should be recorded as January of 2021.

Board Member Citrano clarified that the funds are provided from City Council at the completion of the project and asked Mr. Atkins what steps need to be taken once approval has been obtained to conclude financing, both debt and equity. Mr. Atkins responded that Piper Sandler has already underwritten the project and has arranged the debt and equity from one of their funds. The closing is set for June. Mr. Atkins added that the project is proceeding along the timeline, the only contingencies being the approval of incentives and the Part II application. Board Member Citrano applauded Mr. Atkins for his efforts.

CEO Boyer clarified that only two amendments are allowed for a primary motion and that changes have been made to the Term Sheet since the March 15th SIC meeting that reflect the 10% downward movement in overall cost require Board approval.

Board Member Froats stated that he agrees with Board Member Barakat's previously mentioned caution toward verifying developer costs. Board Member Froats asked for clarification regarding when the loans are executed. CEO Boyer responded that they are provided at the completion of the project.

Board Member Froats asked what protections the City has in a worst-case-scenario. CEO Boyer responded that there is no language in the Term Sheet that protects against the developer failing to complete work within a time frame. Board Member asked for a risk assessment. CEO Boyer

responded that the likelihood of completion is very high. Board Member Citrano commented that the protection is that the funds are not distributed unless the project is complete. Board Member Froats stated his concern was with there being a half-built project, not with the funds.

Board Member Froats brought attention to the ROI, noting that the ROI will not always be 1.0 but there can still be significant added value and benefits to the City overall. Mr. Kelley responded that the ROI for the project is 0.871 and that program guidelines require a ROI of greater than 0.5. Mr. Kelley added that the Bed Tax brings in about \$9M which went into the ROI calculation.

Seeing no further discussion, Chairman Moody called for a vote on the proposed amendments to Resolution 2021-03-01.

Vote: Aye: 9 Nay: 0 Abstain:

THE MOTION PASSED UNANIMOUSLY 9-0-0

Chairman Moody called for a vote on the original Resolution, as amended.

Vote: Aye: 9 Nay: 0 Abstain:

THE MOTION PASSED UNANIMOUSLY 9-0-0

Mr. Atkins thanked all of those involved in making the project come to fruition.

D. RESOLUTION 2021-03-02: LAVILLA TOWNHOMES NOTICE OF DISPOSITION

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO ISSUE A 30-DAY NOTICE OF DISPOSITION IN ACCORDANCE WITH THE NEGOTIATED DISPOSTION PROCEDURE ADOPTED BY DIA, FOR AN APPROXIMATELY 3.45 ACRE PARCEL OF CITY-OWNED REAL PROPERTY LOCATED GENERALLY BETWEEN LEE STREET, FORSYTH STREET, ADAMS STREET AND STUART STREET; APPROVING THE TERMS AND CONDITIONS INCLUDED AS EXHIBIT ‘A’ AND EXPRESSING THE INTENTION TO DISPOSE OF SAID PROPERTY SUBSTANTIALLY IN ACCORDANCE WITH THE NEGOTIATED TERMS TO JOHNSON COMMONS, LLC (THE “DEVELOPER”) UPON EXPIRATION OF THE THIRTY DAY NOTICE PERIOD ABSENT HIGHER RESPONSIVE OFFERS; AND FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; PROVIDING AN EFFECTIVE DATE.

Chairman Moody gave the floor to CEO Boyer to introduce the Resolution.

CEO Boyer summarized the Resolution, stating that it authorizes the DIA to proceed with the Notice of Disposition on the 3.45-acre parcel known as the LaVilla Townhome site. CEO Boyer stated that the DIA received several responses to the Notice of Disposition from August 2019 regarding the LaVilla Townhome site and that Vestcor had the best score. Originally, Vestcor was chosen by the

Board and awarded the contract which conveyed the property to them; however, the property has been reconveyed to the City as a result of Vestcor not being able to maintain their commencement of construction date of July 1st, 2020. CEO Boyer added that Vestcor was uncomfortable moving forward on a for-sale product considering the timing [pandemic/market uncertainty]. After guidance from Procurement, CEO Boyer proceeded with a Notice of Disposition and reengaged Johnson Commons who had the second-best score and was still interested in pursuing the development. Johnson Commons consist of partnership between Mr. Sifakis of JWB and Mr. Allan of Cornerstone. The following modifications were mentioned in Johnson Commons' new proposal:

- Reduced the number of units from 99 to 91 which expands the commercial parcel and adds a swimming pool
- The initial proposal stated that 4,500 sq ft retail space [Phase I] would be constructed immediately, and the remaining retail space would be constructed in Phase II. The new proposal states that the entire retail space [10,000 sq ft], which is the frontage along Lee and coming back along Forsyth, is all in Phase II. The “L” shaped parcel that fronts on Lee and comes back on Forsyth could be mixed-use, meaning there could be residential units above the retail.
- If construction does not commence within 7 years, there is a Claw Back for Right of Reverter. In that scenario, the space would be used as a public park and maintained by the developer.
- The developer has asked to use the purchase price amount of \$1.
- ROI is above 1.0.
- They have eliminated the contemporary design for the townhomes; instead, all townhomes will feature the Shotgun Style.

CEO Boyer added that if no other bids are received within 30 days, the DIA may proceed with negotiations of the redevelopment agreement with Johnson Commons and then go to City Council with it. If other bids are received, they would be brought to the Board for consideration.

Chairman Moody received confirmation from CEO Boyer that if no other offers are received, the vote today allows the DIA to proceed with the negation of the Redevelopment Agreement and file the legislation with City Council.

Chairman Moody gave the floor to Board Member and RE&PD Committee Chair Worsham to present the committee's recommendations.

Board Member Worsham stated that the committee discussed the items CEO Boyer introduced as well as maintenance of the park and the \$150,000 contribution to the Lift Every Voice and Sing Park. Adding that the committee was in favor of the Resolution.

Motion: Board Member Worsham moved to approve Resolution 2021-03-02 as presented

Chairman Moody opened the floor for discussion.

Board Member Adams asked if the Phase II portion will be in the “L” shaped piece. Board Member Worsham confirmed that is correct.

Board Member Barakat asked why the DIA should enter into an agreement with the developer before knowing how the market will react to the Notice of Disposition. CEO Boyer responded that it is at the Board's discretion. If the Board chooses, the Notice of Disposition doesn't have to include restraints or terms, and that the DIA continued with the previously negotiated criteria and Terms to avoid the long process associated with starting from scratch. Board Member Barakat stated that he would prefer the agreement provide for a shorter timespan than the current 7-year proposal. Mr. Leone, of Corner Lot Development Group, responded that the 7-year timeframe allows them to evaluate the area once the townhomes are built and occupied so that the activity will draw commercial and retail use as well. Mr. Leone added that they are open to negotiating the timeframe. CEO Boyer clarified for Board Member Barakat that the Board can discuss and approve a timeframe at a later date.

Board Member Citrano stated he filed a Form 8 for his company's previous relationship with Corner Lot. He added that he is more concerned with expediency than he is with considering other offers. He is in favor of the Resolution, subject to receiving no other offers.

Board Member Froats asked the developer what his concerns are with the timeframe. Mr. Leone said they feel confident in their townhomes and the product they are going to put forward considering the strong market. Mr. Leone noted the uncertainty in the retail market and stated that they previously wanted a restaurant there but also wanted to allow an appropriate amount of time to produce a quality product that is going to benefit the city.

Chairman Moody commented that during the RE&PD committee meeting the developer communicated that they plan to monitor the market but that there is a sense of urgency there as well.

CEO Boyer stated that the language could be changed to provide 7 years from the execution of the RDA as opposed to 7 years from the date of closing.

Board Member Froats asked if the properties can be rented. CEO Boyers stated that they need to be sold as individual units and that they are not able to be sold to one person as a management company for that purpose. There is no preclusion that an individual unit owner cannot rent their unit.

Board Member Froats suggested putting a restaurant in the retail space sooner to help strengthen the market. Mr. Leone clarified for Board Member Froats that they would not be able to draw interest from restaurants until there are units in the area that show activity.

Board Member Gibbs asked who makes the decision if another bid is made. Noting that even though he supports the current project, he does not want to abdicate the Board's task of considering all bids by prematurely giving license to the developer. Board Member Barakat clarified that his concern is with prematurely agreeing to criteria and terms without having tested the market. CEO Boyer commented that the current language states that the CEO of the DIA is required to bring to the Board any responsive alternate proposals received that demonstrate an ability to perform on substantially the same terms and conditions.

Board Member Ward suggested an amendment to the original motion.

1. A requirement for commencement of Phase II within 5 years of the execution date of the RDA.

Motion: Board Member Ward moved to amend Resolution 2021-03-02

Seconded: Board Member Barakat seconded the motion

Board Member Adams stated that he is concerned with accelerating the development, having the developer bring a product to market where a market may not exist. He noted that the adjoining parcels are a homeless shelter, an industrial-use that's half-surfaced parking, two surface parking lots, the JTA building, and another surface parking lot. Board Member Adams stated his support for allowing the developer the 7 years.

Chairman Moody Called for a vote on the proposed amendment.

Vote: Aye: 6 Nay: 3 Abstain: 0

THE MOTION PASSED 6-3-0

Chairman Moody called for a vote on Resolution 2021-03-02, as amended.

Mr. Crescimbeni read a Form 8B for Board Member Citrano. Mr. Sawyer clarified that Board Member Citrano is able to vote.

Vote: Aye: 9 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 9-0-0

E. RESOLUTION 2021-03-03 DVI DISTRICT EXPANSION

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.

Chairman Moody gives the floor CEO Boyer to introduce the resolution.

CEO Boyer stated that the DVI Board has recommended the geographic expansion of their service boundaries as well as the classes of property that are assessed. Currently only commercial properties are assessed, the recommended expansion will include residential properties with certain exceptions. CEO Boyer added that the Resolution is a recommendation to City Council whether to support the expansion or not. Section II of the Resolution states the DIA's support of the proposed expansion. Section III states the DIA's support of including residential properties.

SIC Chairman Ward provided an overview of the committee’s discussion. The committee was receptive to Mr. Gordon’s presentation and they reviewed the two primary components [geographic expansion and classes of properties that are assessed] to the recommendation in detail as well as the four exemptions to residential properties. The committee voted in favor.

Mr. Gordon, of DVI, presented the following recommendations:

- The millage rate would remain 1.1mils.
- Expansion of geographic boundaries.
- Ability to assess residential properties
 - Exemptions:
 - Homestead Exemption
 - New residential properties are exempt for 5 years to allow for stabilization
 - Products of affordable housing (received funding through the Florida Housing Finance Corporation)
 - Adaptive reuse projects (received funding through City of Jacksonville Historic Preservation Fund)
- The district would go from approx. 0.5 sq miles to 1.3 sq miles.
- \$875,000 of newly generated revenue from expansion
- 11% of new funds to staffing/administrative; 82% to district services/experience creation; 7% to marketing/information management
- More focus on public realm and public spaces

Chairman Moody opened the floor to discussion from the Board.

Board Member Barakat stated he is a volunteer Board Member of DVI and had Mr. Crescimbeni read his Form 8B into the record. Mr. Sawyer stated that he is able to vote.

Chairman Moody stated that he had a motion and a second. Seeing no further discussion, Chairman Moody called for a vote on Resolution 2021-03-03 as presented.

Vote: Aye: 9 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 9-0-0

F. RESOLUTION 2021-03-06: BERKMAN RIPARIAN RIGHTS

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO ISSUE A 30-DAY NOTICE OF DISPOSITION IN ACCORDANCE WITH THE NEGOTIATED DISPOSITION PROCEDURE ADOPTED BY DIA, FOR THE GRANTING OF AN UPLAND EASEMENT THAT GRANTS RIPARIAN RIGHTS ADJACENT TO CITY OWNED PROPERTY FRONTING THE BERKMAN MARINA TO THE OWNER OF SAID MARINA IN ORDER TO FACILITATE A RENEWAL OF THE SUBMERGED LANDS LEASE FOR SAID MARINA; APPROVING THE TERMS AND CONDITIONS INCLUDED AS EXHIBIT ‘B’ AND EXPRESSING THE INTENTION TO DISPOSE OF SAID PROPERTY INTEREST SUBSTANTIALLY IN ACCORDANCE WITH THE NEGOTIATED TERMS TO DB HOLDINGS

COMPANY AMELIA ISLAND, LLC (TOGETHER WITH ITS PREDECESSOR-IN-INTEREST DB HOLDINGS, L.L.C., (THE “DEVELOPER”) UPON EXPIRATION OF THE THIRTY DAY NOTICE PERIOD ABSENT HIGHER RESPONSIVE OFFERS; AND FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; PROVIDING AN EFFECTIVE DATE.

Chairman Moody gave the floor to CEO Boyer to introduce the Resolution.

CEO Boyer provided an overview, stating that the entire Berkman property was held by DB Holdings – who was the original developer – and were responsible for developing the Berkman townhomes, the Berkman I area, and the Riverwalk. DB Holdings conveyed to the City the Riverwalk property. Prior to this they had developed the Marina shaded in pink in Exhibit A and obtained a Submerged Land Lease from the state. When the Riverwalk property was conveyed to the City, it is a question whether they reserved Riparian Rights or not. CEO Boyer noted that the City attorney’s position is that they did not reserve the Riparian Rights, so when the property was conveyed to the City so were the Riparian Rights. The owner needs the Upland Easement Rights so that he can assume the Marina Submerged Land Lease and then renew that Submerged Land Lease in his company name. In an attempt to clear title, the Resolution provides the CEO with authority to issue a Notice of Disposition as is consistent with Florida Statutes and Jacksonville’s Ordinance Code that states any disposition of property or property rights under control of the CRA requires that the DIA go through a Notice of Disposition process.

RE&PD Committee Chair Worsham stated they were in favor of the resolution.

Chairman Moody opened the floor for discussion.

Board Member Barakat asked for clarification on who the owner is. CEO Boyer responded that it is DB Holdings, based in Atlanta.

CEO Boyer clarified for Board Member Citrano that both the owner and the City believe they have the Riparian Rights, but that the City intends to quick claim their interest or convey an Easement interest in the Riverwalk that allows them to have the Riparian Rights to operate the Marina.

CEO Boyer clarified for Board Member Froats that the blue shaded area in Exhibit A is part of the Riverwalk which includes a Right of Public Use. Adding that, the Riparian Rights are a unique property interest beyond their right to use the Riverwalk. CEO Boyer also clarified for Board Member Citrano that the owner would not be required to maintain the Riverwalk and that the Riverwalk stays within the boundaries that was granted to the City.

Chairman Moody stated that he had a motion and a second. Seeing no further discussion, Chairman Moody called for a vote on Resolution 2021-03-06 as presented.

There was public comment from John Nooney regarding Berkman Plaza.

Vote: Aye: 8 Nay: 0 Abstain: 1

THE MOTION PASSED UNANIMOUSLY 8-0-1

Board Member Gillam left the meeting.

G. RESOLUTION 2021-03-04: CEO AUTHORIZATION: MPS LITIGATION

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.

Board Member Citrano stated he has a conflict that prevents him from participating in discussion and voting. Mr. Crescimbeni read Board Member Citrano’s Form 8B into the record.

Mr. Crescimbeni provided an overview of the Resolution and the ongoing litigation with MPS. Mr. Crescimbeni stated that the Resolution is a request for authorization which would allow the DIA to participate in any potential upcoming mediation or settlement of the existing lawsuit as well as provide authorization to file legislation with City Council which would allow up to \$32M of borrowing so to be paid if MPS were found in Default. If MPS is in Default, the DIA could purchase the garages for the underlying industrial revenue bond balance plus \$3 million, which is \$32M. There is no agreement that the DIA will take this action, the Resolution just provides the DIA with the authority to do so if necessary. Mr. Crescimbeni also noted that after reviewing the Council Auditor’s report and paying close attention to monthly cash flow reports that are submitted each month, that they were unable to verify the amounts being reported as being consistent with what is required by the agreement.

SIC Chairman Ward reported that the committee was in favor.

Board Member Adams asked if the litigation is brought in the name of the DIA or the City. Mr. Crescimbeni stated that he believes it is both, as the contract was made with the City and Jacksonville Economic Commission which the DIA is a successor to.

Board Member Adams asked who would be participating in the mediation. CEO Boyer stated that she would welcome a Board Member’s participation but would defer to Mr. Sawyer. Mr. Sawyer commented that he would have to defer to the litigators and cautioned against discussing pending litigation.

Board Member Adams asked has the mediator been selected. Mr. Sawyer responded that he would follow up at a later date as he is not the litigator.

Board Member Barakat asked how the arbitration impacts the DIA’s operating budget. CEO Boyer responded that the DIA is continuing to pay tranche request but are withholding amounts they believe are unsubstantiated or that they cannot document. Adding that, all off the funds previously budgeted are being held and are encumbered so that the funds would be available if it is determined that those amounts are owed. Moving forward, the DIA has put in the budget what they believe to be the projected net operating loss for the garages.

CEO Boyer clarified that the Resolution only gives the CEO authority to participate in mediation and file legislation with the City that would allow the City to perform under the contract. Adding that, any settlement would be brought back to the Board.

Chairman Moody stated that he had a motion and a second. Seeing no further discussion, Chairman Moody called for a vote on Resolution 2021-03-04 as presented.

Vote: Aye: 7 Nay: 0 Abstain: 2

THE MOTION PASSED UNANIMOUSLY 7-0-2

Board Member Gillam left the meeting.
Board Member Citrano abstained.

ADJOURNMENT: The Community Redevelopment Agency proceedings are adjourned at 4:32 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a recording is available upon request. Please contact Xzavier Chisholm at xchisholm@coj.net to acquire a recording of the meeting.



Downtown Investment Authority
Hybrid Meeting
Wednesday, March 17, 2021 – 4:32 p.m.

Downtown Investment Authority
MEETING MINUTES

DIA Board Members: Ron Moody, Chairman; Vice Chairman; Carol Worsham, Secretary; Oliver Barakat; Craig Gibbs, Esq.; David Ward, Esq.; Jim Citrano; Bill Adams, Esq.; and Todd Froats.

DIA Board Members Excused: Braxton Gillam, Esq.

Mayor’s Staff: None

Council Members: Council Member LeAnna Cumber, District 5

DIA Staff: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Development; John Crescimbeni, Contract and Regulatory Compliance Manager; Guy Parola, Operations Manager; Lori Radcliffe-Meyers, Redevelopment Coordinator; and Xzavier Chisholm, Administrative Assistant.

Office of General Counsel: John Sawyer, Esq.

CALL TO ORDER: Chairman Moody called to order the Downtown Investment Authority Board Meeting at 4:32 p.m.

IV. DOWNTOWN INVESTMENT AUTHORITY MEETING

A. NOVEMBER 18, 2020 DOWNTOWN INVESTMENT AUTHORITY BOARD MEETING APPROVAL OF THE MINUTES.

Seeing no comments, Chairman Moody called for a motion.

Motion: Board Member Worsham moved to approve the minutes as presented

Seconded: Board Member Gibbs seconded the motion

Seeing no comments, Chairman Moody calls for a vote.

Vote: Aye: 8 Nay: 0 Abstain: 1

THE MOTION PASSED UNANIMOUSLY 8-0-1

B. RESOLUTION FEBRUARY 17, 2021 DOWNTOWN INVESTMENT AUTHORITY BOARD MEETING APPROVAL OF THE MINUTES

No comments were made.

Motion: Board Member Worsham moved to approve the minutes as presented
Seconded: Board Member Gibbs seconded the motion

No comments were made.

Vote: Aye: 8 Nay: 0 Abstain: 1

THE MOTION PASSED UNANIMOUSLY 8-0-1

C. RESOLUTION 2021-03-05 METER RENTAL (BAGGING) RATE SCHEDULE

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.

Chairman Moody gives the floor to Mr. Crescimbeni to provide an overview of the Resolution.

Mr. Crescimbeni stated that the Resolution authorizes the DIA to pursue legislation with City Council to recommend changes to the meter bagging rates. After consulting with TimHaahs & Associates, the recommended changes would increase the cost of bagging a meter and provide reimbursement for labor and storage costs with the goal of allowing people to bag meters as needed but also discourage meter bagging unless it is necessary. It would also help recover lost revenue when a meter is taken out of service.

CEO Boyer added that meter rates have to be established by City Council and that this Resolution is a recommendation.

SIC Chairman Ward stated that the the recommendations were directly from TimHaahs and that the committee was in favor.

Council Member Cumber asked what the current rates bring in and what the proposed rates would bring in on annual basis. Mr. Crescimbeni stated that he would follow up with Council Member Cumber with that data at a later date.

Council Member Cumber asked why parking meters are still being used instead of something more modern. CEO Boyer responded that the issue was discussed in length at a SIC meeting about a year ago, and that they determined the capital investment in them didn’t warrant replacing them yet, as they had just been updated fairly recently. The plan is to convert them into kiosks and there is a pilot

program that includes an RFP to investigate implementing the kiosk on Riverplace Blvd and a couple of other areas. As the meters become obsolete and fail, they will be replaced. There is also an app in development.

Chairman Moody called for a vote on Resolution 2021-03-05 as presented.

Vote: Aye: 8 Nay: 0 Abstain: 1

THE MOTION PASSED UNANIMOUSLY 8-0-1

V. NEW BUSINESS

A. BID/CRA Task 1, Design Guidelines: Update by Consultant

CEO Boyer stated that there is a consultant team working on the five year update of the Business Investment and Development Plan, which includes the CRA plans and BID Strategy as well as updates to the downtown design guidelines. CEO Boyer introduced Tara Salmieri, of PlanActive Studio, to present Task One.

Ms. Salmieri stated that the intent is not to make any changes to the land development code, it is to honor the land development code for now. The following overview was provided:

- An online survey of 19 questions was created and key stakeholders were identified. Responses have been received.
- The stakeholders are a combined effort of real estate, development, funders that have built in downtown, and technical engineering and architectural firms that have had to use and apply the the land development code.
- Their goal was to discover if there are any issues with development; how the land development code is applied and how that translates into the built environment.
- They have reached out to the DDRB members to gain insight.
- There is now a better understanding of high level issues and they are moving forward, creating the design guidebook, and have submitted a couple small illustrations to be a part of a larger guidebook that will include six chapters, with the intention of being more developer friendly as well as being consistent with the land development code.

The above concluded Ms. Salmieri's presentation.

Technical issues

Questions from the Board will be sent to Ms. Salmieri via email and further discussion will be placed on next meeting's agenda.

VI. CEO INFORMATION BRIEFING

CEO Boyer provided the following updates:

- There were 14 quality responses to the Landing design competition. They were scored last week and the scores were turned into Procurement. Next the PSEC will award the top 3 responses and advance to the next phase of the design competition. A competition brief will be provided to the 3 firms receiving the award on March 26th. Board Member Worsham will be a part of the stakeholder group.

CEO Boyer concluded her briefing.

VII. PRESENTATION (Diane Moser, COJ Director of Employee Services)

Ms. Moser gave a presentation on the services that Employee Services provide. The following comments were made:

- At the recommendation of the Inspector General, Ms. Moser is explaining the available employee services to all Boards and Commissions that fall under the authority of the Mayor.
- To highlight the DIA Board, if someone is in a difficult situation they would report the issue to the Board Chair who would then bring the issue to the Chief Administrative Officer. The CAO or their staff would be able to assist you.
- Ms. Moser described the 3 divisions within her department (Talent management, Employee and Labor Relations, and Compensation and Benefits).
- The DIA is assigned to Rhonda Sarli, HR Business Partner.

VIII. CHAIRMAN REPORT

No report from Chairman Moody.

Chairman Moody listed the many projects going on and thanked DIA Board and Staff members.

IX. ADJOURN

ADJOURNMENT: There being no further business, Chairman Moody adjourned the meeting at 4:57 p.m.

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