



Downtown Investment Authority
Retail Enhancement and Property Disposition Committee Hybrid
Meeting
Monday, March 15, 2021 – 3:00 p.m.

RE&PD Committee Hybrid Meeting
MEETING MINUTES

Retail Enhancement and Property Disposition Committee Members in Attendance:

Carol Worsham, Chair
Jim Citrano, Committee Member

Todd Froats, Committee Member
Ron Moody, DIA Chair

DIA Staff Present: Lori Boyer, Chief Executive Officer; Ina Mezini, Marketing and Communications Specialist; Lori Radcliffe-Meyers, Development Coordinator; and Steve Kelley, Director of Downtown Real Estate and Development

I. CALL TO ORDER

The Retail Enhancement and Property Disposition Committee meeting of March 15, 2021, was called to order at 3:00 p.m. by Committee Chair Worsham.

II. PUBLIC COMMENTS

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

III. RESOLUTION 2021-03-06: BERKMAN II NOTICE OF DISPOSITION (RIPARIAN RIGHTS) (Lori Boyer, CEO)

Mr. Kelley provided an overview of the Resolution as it relates to Upland Easement Rights and Riparian Rights associated with the Birkman Marina. Mr. Kelley noted that Mr. Esterman 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. The Resolution provides for 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.

Madam Chair Worsham called for a motion.

Motion: Committee Member Froats moved to approve Resolution 2021-03-06 as presented

Seconded: Committee Member Citrano seconded the motion

Madam Chair Worsham opened the floor, the following discussion occurred:

Committee Member Citrano asked for clarification regarding what the vote is on. CEO Boyer responded that the Resolution gives the DIA authority to issue the Notice of Disposition and, if no other contrary bids are received, enter into an Easement agreement that would give the applicant Riparian Rights adjacent to the existing River Walk that would allow them to renew the Submerged Land Lease for the existing marina footprint. CEO Boyer also noted that Submerged Lands are owned by the state and that they are getting a lease from the state, but the Riparian owner must consent.

Committee Member Froats requested a summary of the changes in language. CEO Boyer responded that the agreed upon language states that both parties believe they have the Riparian Rights and are seeking to clear title. It is OGC's conclusion that the Riparian Rights were acquired at the time the deed conveyed the Riverwalk to the city, which is why the Notice of Disposition is required.

Seeing no further comment, Madam Chair Worsham called for a vote.

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 4-0-0

**IV. RESOLUTION 2021-03-02: LAVILLA TOWNHOMES NOTICE OF DISPOSITION
(Lori Boyer, CEO)**

Madam Chair Worsham gave the floor to CEO Boyer to introduce the Resolution.

CEO Boyer stated that the DIA received a number of 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. 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 was still interested in pursuing the development. The following modifications were mentioned in Johnson Commons' new proposal:

- Reduced the number of units from 99 to 91.
- The original proposal included a commitment to the immediate development of 4,500 sq ft of retail property. The new proposal requests the entire 10,000 sq ft of retail that they are committed to be included in Phase II.
- Must be commenced within 7 years or it reverts.

CEO Boyer summarized the Resolution stating that it authorizes the DIA to proceed with the Notice of Disposition. 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. CEO Boyer noted that the ROI is above one and that there are no incentives, such as a REV Grant, or anything other than the donation of the property. Johnson Commons offered to split the net proceeds of sale above the base value. Thus, if the market were to yield more than \$250,000 of net proceeds from a unit sale, it would be shared with the DIA.

CEO Boyer gave the floor to Alex Sifakis, of Johnson Commons.

Mr. Sifakis summarized their proposal as follows:

- Addition of a pool amenity in the middle of one of the blocks
- Reduced unit count to 91 which provides for a larger area for Phase II which would be intended for retail development

Committee Member Citrano asked about changes between the original and final proposal. Mr. Sifakis clarified that the final proposal includes the Shotgun Style design which will feature 3-stories along with balconies for the end units.

DIA Chairman Moody stated that he was in favor of Johnson Commons' design during the original bidding process. DIA Chairman Moody asked for Mr. Sifakis's ideas for ensuring that the property doesn't sit vacant. Mr. Sifakis responded that retail is important along with the activity that the Emerald Trail and JRTC bring into the area. Mr. Sifakis added they hope to start construction on retail sooner than 7 years, depending on the retail market, and added a commitment to sell the units for breakeven if the market doesn't react the way they want it to.

Madam Chair Worsham called for a motion on Resolution 2021-03-02.

Motion: DIA Chairman Moody moved to approve the Resolution as presented

Seconded: Committee Member Froats seconded the motion

Committee Member Citrano asked CEO Boyer for clarity on the difference between this proposal and the original proposal. CEO Boyer responded with the following:

- Reduction in units from 99 to 91 which allows for the pool amenity and the removal of a few of the units adjacent to the retail space
- The initial proposal stated that 4,500 sq ft retail space 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 a separate Phase II parcel.
- The space will be a park in the meantime
- If construction doesn't commence within 7 years, there is a Right of Reverter.
- 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.
- The term sheet requires a minimum of 10,000 sq ft of retail.
- The developer has asked to use the purchase price amount of \$1.
- They have eliminated the contemporary design for the townhomes; instead, all townhomes will feature the Shotgun Style.

- The original response included a request for providing the property for the Emerald Trail and building the Emerald Trail. This is no longer part of the proposal because it has already been surveyed and reserved when it was conveyed to Vestcor. The City now has construction drawings on it.

Mr. Sifakis commented on the proposed graphics and signage. Memorial Heritage boards will feature graphics and history of the area, particularly the significance of the buildings as well as African American history.

Madam Chair Worsham asked what happens to the maintenance of the public space. Mr. Sifakis stated that they, as the developer and owner, will be responsible for maintaining it.

Madam Chair Worsham asked does the area include the revised DVI boundary. CEO Boyer responded that it is included in the revised DVI boundaries because it is contiguous to Lee Street. CEO Boyer added that the DIA has been considering whether to incorporate more parking spaces or more park space on the City side of the roadway between Lift Every Voice and Sing Park and West Adams Street.

Committee Member Citrano stated he filed a Form 8B because Mr. Sifakis's partner is a former client of his.

Committee Member Citrano asked if there was difficulty with developing a site plan for an 18ft-wide for-sale product. Mr. Sifakis responded that 15ft- and 16ft-wide products are not out of the ordinary for Jacksonville and that they have recently just sold 60 lots to Ryan Homes who will be building 16ft-wide products.

DIA Chair Moody stated that the developer should consider specialty stores and rooftop bars to help activate this part of the city. Mr. Sifakis responded that he agrees.

Seeing no further discussion, Madam Chair Worsham called for a vote.

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 4-0-0

V. UPDATE ON 1511 HARPER STREET (Steve Kelley, Director of Downtown Real Estate and Development)

Madam Chair Worsham gave the floor to Mr. Kelley to introduce the item.

Mr. Kelley stated that 1511 Harper Street, which is in the Brooklyn District, is owned by the City and that the DIA has received several interest letters on the parcel and parcels in that general area. The parcel is of low value – likely below the \$25,000 threshold – and requires an appraisal before offers can be considered. The DIA will be placing the parcel in a 30-day notice posture and once the appraisal is complete, they will bring information concerning the offers to the Board.

Madam Chair Worsham asked when does the 30-day notice go out. The Notice of Disposition has not yet been scheduled.

VI. ADJOURNMENT

REPD Chair Worsham adjourned the meeting at 3:31 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.