

**OFFICE OF THE CITY COUNCIL**

117 WEST DUVAL STREET, SUITE 425

4TH FLOOR, CITY HALL

JACKSONVILLE, FLORIDA 32202

904-255-5200

**HYBRID VIRTUAL IN PERSON NOTICED MEETING**

**CM DANNY BECTON AND CM LEANNA CUMBER**

**RE LOT J**

 **December 3, 2020**

**8:00 a.m.**

**Location:** Hybrid Virtual/In Person Meeting

**In attendance:** Council Members Becton, Cumber, Carrico, Salem, Morgan, Freeman, DeFoor

**Also**: Anthony Baltiero – Council Research Division; John Sawyer and Peggy Sidman – Office of General Counsel; Phillip Peterson Council Auditor’s Office; Steve Cassada, Eric Grantham, and Melanie Wilkes – Council Staff Services

**Meeting Convened**: 8:05 a.m.

Call to Order – Council Member called the meeting to order and asked for participating Council Members for introductions. He noted that the main reason for the meeting was to discuss the 1% room surcharge user fee that is planned on being implemented within the Jaguars proposed hotel.

A discussion was had regarding the use of a room surcharge as a means of recouping money. In 1998, the City made a deal with the Adam’s Mark Hotel to apply a 1% room surcharge for each room that would be paid to the City on a monthly basis. This process was used to help recoup a $27M outlay of funds by the City over a 20-year period. It was mentioned that the Jaguars are planning to something similar for the Lot J hotels and have come the idea of using a 1% surcharge, although nothing is set in stone yet.

Council Member Carrico talked about the possibility of using other percentages to generate revenue and asked if the Council wanted to make a change to the Surcharge, how could that happen. The Office of General Council said that if the Council wanted to make those changes that they could do it in the form of a floor amendment.

Council Member Salem asked where the funds from the room surcharge are going to go. Council Member Becton said that the destination for the funds has not been identified yet. Council Member Salem said that he is concerned about the $65M grant component to the Lot J deal and fears that it could be a deal breaker. Council Member Cumber said wants to know if the funds can be put into some type of loan or grant would they come back to the City faster. Council Member Becton said that he is indifferent as long as the funds are making their way back to the City.

A discussion was had regarding the different rates and percentages for hotel rooms and which combinations would bring in the most revenue to the City. Different bond lengths were discussed by Council Member DeFoor as options for repayment. Bonds are not typically issued from a single revenue source, instead they are calculated based off of city-wide ad valorem taxes.

Council Member Cumber shared her concerns with outpricing affordable housing and charging people a surcharge for using our facilities when they are coming here to do business with the City. The discussion shifted to sharing concerns that everyday families will be getting subsidized with this deal. The group went through different iterations of the algorithm that detailed how much the City would recoup based on different room costs and surcharge percentages. Council Members DeFoor, Freeman, Boylan, Gaffney, and Salem said that would agree with whatever the group decides regarding the surcharge percentage. Council Member Boylan added that a possible destination for funds could be used to pay down City debt.

**Meeting adjourned:** 9:02 a.m.

Minutes: Anthony J. Baltiero, Council Research Division

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