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RESEARCH DIVISION**

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**SPECIAL COMMITTEE TO REVIEW JSO PRIMARY FACILITIES
WORKING GROUP ON ADMINISTRATIVE SERVICES**

Meeting Minutes

**January 11, 2024
10:00 a.m.**

Location: Lynwood Roberts Room, 1st floor, City Hall

In attendance: Council Member Michael Boylan (Chair), Ryan Sitnik (Co-Chair)

Also: Director Larry Schmitt – JSO Department of Police Services, Assistant Chief Scott Dingee – JSO General Support Section, Assistant Chief Jonathan Randolph – JSO Information Systems, Chief Deloris O’Neal – JSO Support Services, Ben Carder – JSO Facilities Manager; Steven Libby – Legislative Services Division; Jeff Clements – Council Research Division; Steve Cassada – Public Information Division; Tyler Nolen and Ben McKissick-Hawley - Northeast Florida Regional Council; Nina Sickler, Steve Long, Roy Birbal and Renee Hunter – Public Works Department; Scott Wilson – Mayor’s Office

Meeting Convened: 10:00 a.m.

Chairman Michael Boylan convened the meeting, reviewed the agenda items, and expressed his excitement about the work of the working group. Co-Chair Ryan Sitnik commended Director Schmitt and the entire JSO team for the hard work they have invested in the Special Committee’s process and the great information they have been producing.

JSO Administrative Services Relocation Process

Renee Hunter, Chief of the Real Estate Division, said her division acts as a sort of real estate agent for client agencies. In this case they helped the Sheriff’s office identify several potential properties for the relocation of administrative facilities and JSO ultimately decided to pursue leasing additional space in the Florida Blue building on Riverside Avenue where some JSO functions have already been located. The Real Estate Division assists client agencies in negotiating lease agreements if asked.

Director Larry Schmitt described JSO's decision to pursue leased space as a solution for future administrative space needs. The existing Police Memorial Building (PMB) is size-constricted unless substantially expanded; it has serious parking issues (overflow parking will be lost with the USS Orleck and Shipyards West projects); there is a backlog of maintenance requests in the Public Buildings Division and the PMB is not a top priority; and there are limited opportunities in downtown for a large construction project for a new building. JSO has looked at other cities and sees advantages to leasing. It would minimize the impact to the annual budget and CIP. The cost of a new building to meet JSO's space needs could be \$177M (excluding land and engineering/design costs) based on the cost of the police headquarters currently being built in Tallahassee. The current PMB needs at least \$4.5M in immediate maintenance and repairs.

Bill Clement, JSO budget chief, talked about budgetary impact of the lease of additional space at the Florida Blue building. The lease payments would be \$5.6M annually based on leasing 281,000 sq. ft. at a rate of \$20 p.s.f. Florida Blue is offering a tenant improvements allowance of \$50 p.s.f. and the lease includes over 1,400 parking spaces in an attached parking garage. All existing office furnishings in the building will also be made available to JSO to use. Maintenance costs for the PMB run approximately \$1.25M in the Public Buildings budget, so the net cost would be approximately \$3.8M after reducing existing building costs. The company is offering 5 months rent-free and rent payment wouldn't start until tenant renovations are complete and ready for occupancy. Mr. Clement estimated that there would be close to no impact on the City's FY24-25 budget (depending on whether the City needs to allocate CIP funds for additional tenant improvements beyond those funded by Florida Blue), so lease costs would start to appear in the FY25-26 budget. Mr. Sitnik asked about costs to be incurred for "hardening" the building to meet law enforcement standards. Director Schmitt said the Homeland Security Division of JSO would be estimating those costs, but it doesn't look like that would be a very expensive proposition based on initial estimates. Chairman Boylan asked about public access to the building; Director Schmitt said all operational offices would be located above the first floor and public access would be limited to the first floor. Florida Blue is looking at other potentially available spaces on the ground level for that purpose. In response to a question from Mr. Sitnik about whether there would be other tenants in the building, Director Schmitt said there are 3 other tenants currently on leases that expire within 10 years so JSO could grow into that space eventually as existing tenants depart.

Director Schmitt said a new building will take 3-5 years to design and build, while the lease option would take only 12-18 months for space to be renovated and ready to start moving divisions from the PMB to the new location. That would be much quicker and easier than a new building. JSO looked at several options and Florida Blue is offering a very good financial deal compared to other options. The company also has a great space planning function to assist JSO with designing its new space. He said the Office of General Counsel is involved in finalizing the lease document to be sure everything is covered, and the Procurement Committee, Mayor's Budget Review Committee and City Council will have to approve that lease. He said that moving the PMB from Bay Street will help with the public parking situation there as the USS Orleck, Museum of Science and History, and Shipyards West projects all come to fruition. He noted that all repairs and maintenance will be the responsibility of Florida Blue as the landlord, not of the Public Buildings Division. The space was recently renovated and is in great shape for modern office uses. The lease for the current JSO space is for 10 years with two 5-year options, and is much better space for employees than in the current old, dark PMB. It should also make it easier to relocate the jail to a proper site if the PMB location in relation to the jail is taken out of the equation.

Chairman Boylan recounted the discussion yesterday in the City Council workshop on UF Health Jacksonville's finances, particularly as they relate to indigent care and the provision of health care to jail inmates. A suggestion was made about potentially repurposing the PMB for jail purposes (i.e. for infirmary space) via adaptive reuse. He suggested to Nina Sickler, Public Works Director, that consideration should be given to using some part of vacated PMB space to handle jail overflow functions.

Ms. Sickler said Public Works is willing to work with Mayor, Council and JSO to explore what might be possible. Roy Birbal, Chief of Public Buildings, said moving JSO to the Florida Blue building would relieve some burden from his division for work needed at the PMB. There may be possibilities to re-use some space in PMB and they can look at that. Mr. Boylan said his fundamental finding at the end of this working group's study is that the PMB does not currently meet JSO's operational needs; Director Schmitt agreed it does not.

Public Comment

Duke Addison, President and CEO of Addison Associates, a real estate brokerage firm, said his company just recently learned of JSO's interest in leasing a headquarters facility and would like to suggest a couple of suburban opportunities for JSO to consider - one a campus-style, multi-building facility and the other a single building. He would like to have the opportunity for his company to talk to the appropriate party to present available properties and explore possibilities.

Chairman Boylan said he doesn't see a need for another working group meeting. Mr. Sitnik said he agreed that another meeting is not needed and urged JSO to continue developing its project scope and negotiating with Florida Blue. Mr. Boylan noted that Darnell Smith, a top executive at Florida Blue, has recently been loaned to the City to become Mayor Deegan's Chief of Staff and asked JSO and other City officials to ensure that Mr. Smith is in no way involved in any negotiations or decisions regarding the Florida Blue location to avoid any appearance of impropriety.

Mr. Boylan announced that a full Special Committee meeting will be held in mid-February to start pulling together all the components from the working group into a final report. Two of the working groups have finished their work and an ordinance appropriating \$9M for immediately needed jail improvements has been introduced in Council.

Meeting adjourned: 10:38 a.m.

Minutes: Jeff Clements, Council Research Division

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1.11.23 Posted 5:00 p.m.