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CITY COUNCIL COMMITTEE OF THE WHOLE ON STADIUM RENOVATIONS

Meeting Minutes

**June 21, 2024
9:00 a.m.**

Location: City Council Chamber, 1st floor, City Hall

In attendance: Council President Ron Salem, Vice President Randy White, Mike Gay, Matt Carlucci, Ken Amaro, Nick Howland, Kevin Carrico, Will Lahnen, Tyrona Clark-Murray, Raul Arias, Joe Carlucci, Reggie Gaffney, Jr., Ju’Coby Pittman, Jimmy Peluso, Terrance Freeman (arr. 9:12), Rahman Johnson (arr. 9:21)

Also: Kim Taylor, Brian Parks, Heather Reber, Phillip Peterson, Trista Carraher – Council Auditor’s Office; Darnell Smith, Mike Weinstein, Bill Delaney – Mayor’s Office; Mary Staffopoulos, Carla Lopera, John Sawyer – Office of General Counsel; Merriane Lahmeur, Maritza Sanchez – Legislative Services Division; Steve Cassada – Public Information Division; Mark Lamping, Megha Parekh, Paul Harden – Jacksonville Jaguars; Michael Huyghue – City Council consultant

Meeting Convened: 9:01 a.m.

President Salem convened the workshop at 9:01 a.m. and the attendees introduced themselves for the record.

President Salem asked that council members please provide proposed floor amendments on the bill to Mary Staffopoulos in the General Counsel’s Office by 12 noon on Monday the 24th. The June 25th meeting will take up the stadium bill last on the agenda after other business is completed. The meeting will start at 3 p.m. and no public hearing or public participation opportunities will take place before 5 p.m. There will be a 4:00 p.m. deadline for submitting Public Comment speaker cards on Tuesday. The President said that with only 14 council members present, all members must be present in the chamber at all times to maintain a quorum and transact business until other members arrive.

President Salem outlined the order of business for this meeting: 1) Council Auditor’s technical amendments (to be taken up as a group with one vote); 2) Council Auditor’s recommended amendments in 2 groups – those all universally agreed to by all parties and those not agreed to by all parties; 3) the list

of council members' suggested amendments submitted by the deadline; and 4) additional amendments developed since the conclusion of yesterday's workshop meeting.

Council President-Designate Randy White thanked everyone for last night's inspiring City Council leadership installation ceremony. He said he will be offering an amendment to his amendment approved yesterday in the workshop that separated out portions of the Community Benefit Agreement (CBA) provisions from the rest of the stadium deal in order to refine allocations of funding to council districts and to park projects. He proposed holding a Committee of the Whole after the council's summer recess to further discuss the details of the CBA. Mary Staffopoulos said the separate CBA bill would be introduced at the council meeting on July 23rd so any meeting before then to discuss the CBA would have to be done as a workshop and not a Committee of the Whole since the bill will not yet have been introduced. Darnell Smith, Mayor's Chief of Staff, said his office is amenable to having the CBA pulled out of the stadium legislative package because of council member voting conflicts and said the focus on the funding allocation to the Out East neighborhood and the parks element should not detract from getting the rest of the CBA package fully approved. The administration did not agree to having the remainder of the CBA delayed for discussion in the budget hearing process. They see the stadium and the full scope of the CBA as one deal and want all elements approved.

Council Member Matt Carlucci praised incoming Council President Randy White for working with the administration over the last few days to craft an amendment regarding preservation of some portions of the Community Benefit Agreement. Council Member Peluso asked for clarification of Council Member White's second amendment regarding allocation of portion of the CBA funding to the at-large council members in addition to the district members. Mr. White said his original intention was to spread the \$25M over 3 years starting in the FY25-26 budget year instead of in a lump sum at one time – that was his original intent and may not have been completely captured in the original amendment approved yesterday.

Council Member Carrico praised last night's installation ceremony. Council Members Carrico, Pittman, Gaffney, Jr. and Freeman announced that they would be abstaining from votes on the bills because of voting conflicts of interest.

Council Auditor's Technical Amendments

Upon motion by Council Member Matt Carlucci, the Council Auditor's Technical Amendments (2 amendments to the ordinance, 1 amendment to the Guaranty Agreement, 2 amendments to the Non-Relocation Agreement, 8 amendments to the Security Agreement, 3 amendments to the Performance Center Lease, 5 amendments to the Amphitheater Lease, 9 amendments to the Parking Agreement, 3 amendments to the Development Agreement, 23 amendments to the Lease Agreement, and 2 amendments to the Community Benefit Agreement) **were approved as a group by a unanimous voice vote** (Council Members Pittman, Freeman, Carrico and Gaffney, Jr. abstaining).

Council Auditor's Proposed Amendments with Universal Agreement

Upon motion by Council Member Amaro, the Council Auditor Recommended Amendments on pp. 1 and 2 of the agreement agreed to by all parties (2 amendments to the ordinance, 2 amendments to the Guaranty Agreement, 2 amendments to the Non-Relocation Agreement, 1 amendment to the Security Agreement, 1 amendment to the Performance Center Agreement, 1 amendment to the Amphitheater Lease, 3 amendments to the Parking Agreement, 3 amendments to the Development Agreement, 3 amendments to the Lease Agreement, and 1 amendment to the Community Benefit Agreement) **were approved by a unanimous voice vote** (Council Members Pittman, Freeman, Carrico and Gaffney, Jr. abstaining).

Council Auditor's Proposed Amendments Not Universally Agreed to By Administration and Jaguars
President Salem said there appeared to be no consensus on the last 2 amendments at the bottom of p. 2 (amending the Non-Relocation Agreement and the Lease Agreement) and **those 2 amendments were not further discussed.**

Council Member Proposed Amendments

Mary Staffopoulos distributed a table of amendments proposed by council members prior to the submission deadline.

Salem #1 requiring a list/summary of all technical amendments/changes authorized for any of the agreements be reported to the Council Auditor's Office.

Council Auditor Kim Taylor said this item was approved earlier in the list of Council Auditor's technical amendments and therefore does not need to be passed. John Sawyer of the General Counsel's Office asked if the reporting could take the form of redlined versions (indicating strikeouts and additions) of the various documents.

Motion (Howland): approve the format of the reporting of technical amendments/changes via redlined versions of the applicable documents – **the motion was approved unanimously via a voice vote** (Council Members Pittman, Freeman, Carrico and Gaffney, Jr. abstaining).

Gay #2 providing for the City to retain 100% of the sales tax savings realized through the City's tax-exempt direct purchase of eligible supplies and materials for the stadium project and eliminating the proposed pro rata split.

Kim Taylor said sales tax savings of \$25M are already woven into the \$1.4B overall stadium budget so the City will get a pro-rata share of the savings. Mr. Gay advocated that the City get credit for 100% of the savings. Mike Weinstein said it's too late to make this change now since the stadium project budget was built with that amount of shared savings included so the amendment would add additional cost to the budget. Council Member Gay said the City has to purchase the materials to get the tax savings that were projected so that should have been considered in the project pricing from the beginning. Mr. Weinstein said the City is purchasing the materials but the tax savings are already built into the pricing structure of the deal. Council Member Amaro asked where the \$25M sales tax savings will be accounted for in the deal. Ms. Taylor said the total cost to the City would have been \$13.75M higher than its \$775M (55% of \$25M) if there were no sales tax savings; the City has already been credited with that amount of savings in the total project budget. **The amendment failed on a hand vote of 1-11-4** (Council Member Gay in favor, Council Members Pittman, Freeman, Carrico and Gaffney, Jr. abstaining).

Gay #3 requiring adherence to the Local Business Participation policy to use local businesses to perform or supply at least 40% of the stadium project as outlined in the revised Chapter 126, *Ordinance Code*, (effective July 1, 2024).

Kim Taylor said Chapter 126, the Procurement Code, is waived for the stadium project except for the JSEB provisions. Megha Parekh, Chief Legal Counsel for the Jaguars, said the team is open to increasing the local participation amount to 40% as long as it uses the same language as applies to JSEB participation referencing an aspirational goal subject to the availability of eligible vendors. Ms. Taylor said the Buy American provision is in a separate part of the Ordinance Code so a separate waiver would be needed. There is a 20% minimum JSEB utilization provision in the Code. Council Member Gay said his intent is a 20% JSEB minimum and a 40% aspirational goal for local business preference. John Sawyer said Chapter 126 is waived except for the JSEB provisions; the Gay amendment would be to not waive Chapter 126 regarding local preference. Mr. Gay agreed that was what he intended. Ms. Parekh expressed the Jaguars' agreement. Council Member Amaro asked the Jaguars representatives if they were concerned about the ability to get enough local and JSEB contractors to do the work. Mr. Lamping said the only difficulty may be the capacity of those companies to do this project in addition to all the other

work they're already doing. He said the Jaguars have exceeded their City JSEB goal on the 4 previous large improvement projects they've done at the stadium. Council Member Peluso asked about the reporting requirement; Mr. Lamping said that will be covered in the quarterly project reports to the Finance Committee. **The motion passed unanimously on a voice vote** (Council Members Pittman, Freeman, Carrico and Gaffney, Jr. abstaining).

Gay #4 requiring a registered/certified apprenticeship program for all major trades (e.g. electrical, mechanical, plumbing, etc.) for the stadium project.

Mr. Lamping said there is duplication on this topic among several amendments - #3, #4, and #6. The Jaguars have no objection to having a registered apprenticeship program and they have been in talks with the local building trades council about it. Council Member Clark-Murray said her upcoming amendment #6 deals with this topic. Council Member Gay agreed to incorporate Ms. Clark-Murray's minimum 10% registered/certified apprenticeships goal into his amendment. Ms. Clark-Murray said she has been working with Lance Fout (Business Manager for Local 435 of the International Association of Sheet Metal, Air, Rail and Transportation Workers Union) to help remedy shortcomings from past City projects. Mr. Gay said the programs are open to both union and open shops. **The amendment was approved unanimously via a voice vote** (Council Members Pittman, Freeman, Carrico and Gaffney, Jr. abstaining).

Clark-Murray #5 incorporating language from Section 2 of Ordinance 2024-904 allowing only "technical" changes to agreements without City Council approval.

Council Member Clark-Murray asked Kim Taylor if this was covered by the previously approved Auditor's Technical amendment. Ms. Taylor said it was approved in the second Auditor's recommended amendments so is not needed.

Clark-Murray #6 requiring inclusion of a registered/certified apprenticeship program in the stadium project.

This amendment was previously incorporated into the Gay #4 amendment.

Clark-Murray #7 requiring inclusion of a local purchase preference for the stadium project to require a good faith effort to purchase materials and supplies from Duval County first, before next pursuing purchases from the State of Florida and finally nationally.

Council Member Clark-Murray asked John Sawyer to discuss the Buy American provision in the Code. Mr. Sawyer said it could be incorporated by amending the bill to not waive "buy local" requirement, but the Jaguars would need to comment on its feasibility. Ms. Parekh asked how this amendment would interact with the Gay #3 amendment approved earlier. Mr. Sawyer explained the definition of "local business" in the Code which related to procuring services and the Buy American provision which related to purchasing goods. Ms. Parekh said she needed more clarity about the Buy American requirement; conceptually they don't have a problem with buying locally but need clarity about specific wording. Mr. Sawyer said the Buy American provision in Chapter 126 doesn't have the "good faith effort" language of other requirements, so perhaps adding that language would serve the purpose.

Council Member Matt Carlucci moved the Clark-Murray #7 amendment with the addition of the "good faith effort" language recommended by Mr. Sawyer with regard to the Buy American provision. **The amendment was approved unanimously via a voice vote** (Council Members Pittman, Freeman, Carrico and Gaffney, Jr. abstaining).

Johnson #8 revising language to provide that the stadium will be managed by a third-party management company agreed upon by the City and the Jaguars rather than managed by the Jaguars.

Council Member Johnson said his intention was that the stadium could be operated by either the Jaguars/StadCo or a third-party management firm as long as the City Council is informed. Ms.

Staffopoulos said the agreement as currently written designates StadCo as the operator – this ordinance would constitute Council’s approval of that arrangement. Mr. Johnson said he wants to avoid having multiple venue managers which might create event conflicts in the Sports Complex. Mark Lamping said they deal with that situation already, primarily in the areas of parking and public safety. They already coordinate with other parties to provide the best possible customer experience. During the discussion of Council Member Johnson’s amendment, at President Salem’s request, Ms. Staffopoulos read Council Vice President White’s proposed amendment that would make StadCo’s selection of a third-party manager subject to City procurement processes and would provide that an ASM Global representative could serve a coordinating/advisory function for the stadium’s operator. Kim Taylor said the lease agreement doesn’t specifically require City Council approval of a third-party operator, but the Procurement Code does. Mike Weinstein said the City intends to hire a third-party observer. The existing ASM agreement expires in several years so they shouldn’t be mentioned specifically in this agreement. Ms. Staffopoulos clarified and restated the amendment: if a 3rd party management company is selected to operate the stadium, the City will have a representative of its management company for the other venues to confer with the StadCo manager, and a manager would need to be selected using the Chapter 126 procurement procedure.

The meeting was in recess from 10:14 to 10:24 while the parties conferred on acceptable language.

Kim Taylor explained the consensus on mutual agreement on a third-party operator being approved by StadCo and the City Council. Michael Huyghue said NFL stadiums are operated about 50/50 by the team and by third-party operators. Council Member Gay asked for clarification that StadCo can operate the stadium without City approval and only needs City Council approval to hire third-party party operator; Ms. Taylor said that is the case. Council Member Arias asked Mr. Huyghue which teams operate their own stadium versus using a third-party operator and what third-party operators in the marketplace are capable of doing the job. Mr. Lamping said ASM Global, which is being acquired by the Legends company, and Oak View Group, are the main third-party operators as it relates to stadiums. The Jaguars’ goal is to provide the best customer experience and they want to have every operation model available to them for the next 30 years. In Buffalo and Nashville, where the public invested substantially into the new football stadiums, both are team operated. The NFL has minimum operating standards that apply no matter who runs the stadium. Mr. Arias asked who will be responsible in the future for adding the latest and greatest features and technologies to the stadium – the team or the City. Mr. Weinstein said it will be a joint decision and shared finances. Mr. Huyghue said NFL teams are constantly meeting and talking about new operational standards. All the teams tend to hire the same few companies that provide the various stadium operating services. In response to a question from Council Member Johnson, Mr. Lamping agreed that the team is amenable to having a City representative embedded in the operations for coordination purposes.

The amendment was unanimously approved via a voice vote (Council Members Pittman, Freeman, Carrico and Gaffney, Jr. abstaining).

Salem #9 deleting property insurance costs/expenses for the stadium from the list of items to be paid out the Operations, Utilities and Events Fund and providing that the stadium will be included on the City’s major asset list for property insurance coverage to be paid for by the City as is currently done today. Mike Weinstein said the City was previously advised by its insurance consultant that it would have to insure the stadium separately, but that advice changed later in the process and the recommendation is now to keep it under the City’s overall property insurance as it is today. Council Member Lahnen asked how this would change the finances. Ms. Taylor said insurance on the stadium currently costs \$1.2M and that cost will certainly increase with a new, more expensive stadium. That will impose greater cost to the City than the shared cost method for the insurance of at least \$500,000 to \$1M per year. Council Member Matt Carlucci asked if the City is reinsured; the answer was not immediately available. Mr. Carlucci said he needed that information and would prefer that the City be reinsured because of the risk involved. Council

Member Gay asked about construction insurance on the project; Ms. Parekh said they are in negotiations about bundling work and covering all gaps at the best possible price. **The Salem #9 amendment was approved unanimously via a voice vote** (Council Members Pittman, Freeman, Carrico and Gaffney, Jr. abstaining).

Council Member Post-Deadline Amendments

Gay #10 requiring production of a list of stadium features, options and prices from which the City would choose the customized project and amount it would fund.

Council Member Gay advocated for identifying the cost differences between true stadium needs versus the Jaguars' preferences in determining what kind of a stadium gets built. He explained the base bid plus additional alternates methodology for pricing construction projects and said the current proposal is an all-or-nothing deal with no options for the City to make choices to reduce costs. He would like to see a menu of options that the City could choose from to get the most cost-effective stadium it can that suits its needs. Mark Lamping said the number one shortcoming issue identified in every survey and focus group the team performed with a wide variety of stadium users was the heat and sun in the stadium bowl during summer and fall events. The team looked at several shade and rain coverage options, the safety implications of storm shelter protection, and the ability to host more summer and indoor events and came up with this roof concept. The team wants the best stadium for its patrons for the next 30 years. Council Member Peluso said heat and shade are a huge issue and for safety's sake and patron comfort a roof is a necessity. Council Member Arias said a roof provides more opportunities to use a \$1.4B stadium for more kinds of events. Council Member Clark-Murray said the project program statement specifies a particular kind of roof and asked about other stadiums with a comparable roof system. Mr. Lamping said SoFi Stadium in Los Angeles has a similar suspended roof over an open-air stadium.

The amendment failed 1-11-3 on a voice vote (Council Member Gay in favor; Council Members Freeman, Carrico and Gaffney, Jr. abstaining).

M. Carlucci #11 adding language regarding the draft Project Program Statement (to be attached) to require additional good faith cooperative efforts to further populate the document with objective, quantifiable metrics within 30 days of the effective date of the agreement.

The amendment was approved unanimously via a voice vote (Council Members Freeman, Carrico and Gaffney, Jr. abstaining).

Johnson #12 adding a provision encouraging annual consideration by May 1st by the Jaguars and the City of hosting a football game featuring teams from historically black colleges and universities (HBCUs).

The amendment was approved unanimously via a voice vote (Council Members Freeman, Carrico and Gaffney, Jr. abstaining).

Salem #13 regarding language dealing with direct purchase by the City of materials, changing the City's official point of contact for tax-exempt purchases from the Chief of Procurement to the Public Works Director, adding language regarding the provision of requisite documentation by the Construction Administrator, and providing that the City shall not be responsible for any delays caused by a vendor supplying such materials.

The amendment was approved unanimously via a voice vote (Council Member Freeman, Carrico and Gaffney, Jr. abstaining).

Technical and scrivener's errors

Mary Staffopoulos noted the need to correct an erroneous Code section reference on page 9, line 17 of the bill and asked for authorization for the General Counsel's Office to clean up any other scrivener's errors identified in the drafting process.

The amendment was approved unanimously via a voice vote (Council Members Freeman, Carrico and Gaffney, Jr. abstaining).

A motion to roll all approved amendments into a single 2024-904 amendment was approved unanimously via a voice vote (Council Members Freeman, Carrico and Gaffney, Jr. abstaining).

Council Member Howland said he is convinced that the taxpayers are getting the fairest deal possible and the Jaguars will be here for 30 years and more as a great partner. He has explored the impacts of a possible team sale during the term of the agreement with various parties and asked for confirmation of what protections the agreements provide in that regard. John Sawyer said all agreements will transfer to a new owner so they will be bound by all conditions as they stand in the current proposal. Some of the protections vary over time based on amortization of the liquidated damages provisions. He said it may be difficult to try to create a new non-relocation agreement with a new owner and get the NFL's approval if there was a transfer in the middle of the 30-year lease.

A motion to approve the bill as amended was approved 12-0-3 (Council Members Carrico, Freeman, and Gaffney, Jr. abstaining; Council Member Pitman had an early excusal and left the meeting prior to the vote).

President Salem said there is another opportunity to propose amendments at next Tuesday's meeting. The deadline to submit those proposals is noon on Monday the 24th.

Council Member Johnson thanked President Salem for his leadership of the Council in handling a once-in-a-lifetime issue. He is proud and excited to approve the bill next week.

Meeting Adjourned 11:09 a.m.

Minutes: Jeff Clements, Council Research Division
jeffc@coj.net 904-255-5137
6.25.24 Posted 3:10 p.m.