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RESEARCH DIVISION**

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SPECIAL COMMITTEE ON STADIUM COMMUNITY BENEFIT AGREEMENT – 2024-905

Meeting Minutes

**July 22, 2024
1:00 p.m.**

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

In attendance: Committee Members Raul Arias (Chair), Jimmy Peluso (Vice Chair), Ken Amaro, Nick Howland, Tyrona Clark-Murray

Also: Council Members Randy White, Joe Carlucci, Mike Gay, Matt Carlucci, Michael Boylan, Ron Salem; Maritza Sanchez – Legislative Services Division; Phillip Peterson – Council Auditor’s Office; Jeff Clements – Council Research Division; Mary Staffopoulos, Joelle Dillard – Office of General Counsel; Darnell Smith, Joe Inderhees, Mike Weinstein, Bill Delaney – Mayor’s Office; Anna Brosche – Finance Department

Meeting Convened: 1:00 p.m.

Chairman Arias convened the meeting and the attendees introduced themselves for the record. Mr. Arias reviewed the schedule for the 4 future meetings. Public comment will be held at the end of each meeting. Mary Staffopoulos of the General Counsel’s Office reviewed the Special Committee’s charge from the Council President. The deadline for the special committee to issue its report is August 27th. Council President White thanked the committee for reviewing one of the most important pieces of legislation the Council will undertake in some time.

Special Committee Process

Joelle Dillard with the Office of General Counsel gave an overview of the pending legislation, noting that it does not appropriate any funds - that would require future legislation.

Chairman Arias described the commission’s study process. This meeting will focus on appropriations affecting the Eastside, the second meeting will deal with the citywide initiatives, the third will be for proposing amendments to the legislation, and the fourth will be for wrap-up and adoption of a final recommendation.

Presentation on Creation of the CBA

CBA's Across the NFL: Daniel Nunn with the Nelson Mullins Law Firm described what community benefit agreements are and why they are utilized. Their original purpose was to mitigate negative community impacts resulting from large developments (traffic, parking, crime), and later they evolved to ensure that communities at-large benefit from the public investment in large projects. Common elements of CBAs include labor hiring programs; use of minority contractors and living wage requirements; affordable housing; parks and public spaces; environment and traffic mitigation; space for child care, cultural centers, etc.; youth sports; and workforce development. There have not been many NFL-related CBAs but there will be more in the future as several NFL stadiums are renovated or new stadiums built. Mr. Dunn described the basic facets of the most recent NFL stadium CBAs, including those in Atlanta, Buffalo, Nashville and Las Vegas and an NBA arena CBA in Los Angeles.

Mr. Nunn outlined several keys to CBA success: 1) community engagement and understanding critical needs; 2) coordination with redevelopment planning; 3) incorporation of workforce training; 4) focus on catalytic investments; and 5) co-investment by local governments. He reviewed some economic impact statistics from non-CBA-related studies on affordable housing (\$9.50 in impact per dollar invested), workforce development (\$2.80 return per year for every dollar invested), and green spaces (investment in green spaces dramatically increases the value of nearby properties).

In response to a question from Council Member Joe Carlucci about whether other CBAs have governing boards, Mr. Nunn said most have some form of a board and they have been more successful than those that have not. The important thing is to get real impacted citizen input. Council Member Amaro asked for more information on the LA Clippers CBA which Mr. Nunn had said was for an arena investment fairly analogous in size to our stadium reconstruction. Mr. Nunn said he was unsure if city money was involved in that CBA but there was a city-designated redevelopment area that had public funding. Chairman Arias asked about the structure of CBA boards in other cities and how they operate. Mr. Nunn said different communities have done it different ways with varying degrees of government involvement. Boards comprised half and half of government and non-governmental representatives is typical. Nashville is an example of administration of a CBA by a non-profit organization. Mr. Arias asked if any communities have multiple CBA boards as has been suggested here with one for the Eastside element and the other for the citywide allocations. Mr. Nunn said he had not seen that model elsewhere. Mr. Arias asked about how long the contributions were spread out in other CBAs. Mr. Nunn said it is typical to spread the team contribution over the life of the stadium lease. Council Member Amaro asked about the failure of the Las Vegas Raiders' CBA Mr. Nunn had mentioned earlier. Mr. Nunn said there was very little community input and participation in Las Vegas (or the local government just didn't listen to the input) and the size of the CBA was small in relation to the public investment in the stadium.

Jacksonville's Filed Legislation: Mayor's Chief of Staff Darnell Smith said the original proposal encompassed \$75M specifically for the Eastside and \$75M for citywide initiatives. Ordinance 2024-904 approved a \$118M contribution from the team and \$56M from the City for downtown parks. The new Ordinance 2024-905 makes a \$50M City commitment over 4 years for citywide initiatives and \$30M for Eastside projects over 3 years. The Office of Economic Development would be the overseer of the programs. No specific allocations for particular uses have been established yet – that will be determined and approved later by City Council. This bill commits \$14M in City CIP funds (along with the \$50M and \$30M mentioned above) to match \$31M from Jaguars. The mayor's proposal is to create 2 governing boards – an Eastside CBA board and a citywide CBA board – to oversee spending on the initiatives. He said the committee would hear today from Out East proponents, and at the next meeting will hear from representatives of the workforce development sector. To address the question that has been posed by some council members about why these further appropriations can't wait until the budget process, Mr.

Smith said it is better to get started on planning the initiatives now so that work can start early in the new fiscal year. He noted that \$25M represents 1.3% of next year's budget.

Council Member Peluso said a new homelessness and affordable housing task force is being created and it could serve the purpose rather than creating a CBA-specific board. There are already lots of existing boards and entities that deal with the issues the CBA would be funding, and he urged using them to guide the CBA initiatives. Council Member Clark-Murray asked for more detail on the various funding sources and amounts proposed for the CBA. Mr. Smith said Ordinance 2024-904 provided for a \$118M contribution from the Jaguars, with the City allocating \$56M just for downtown riverfront parks. Ordinance 2024-905 covers the Jaguars' provision of another \$31M and the City's additional \$94M. Ms. Clark-Murray asked for more detail on Out East property value increases and the additional tax revenue that is projected to generate in future years. Assistant Council Auditor Phillip Peterson said that is a difficult number to estimate. In response to a question about when the CBA contributions will start, Mr. Smith said in 2026 for City, and upon substantial completion of the stadium renovation for the Jaguars.

Council Member Howland laid out his personal philosophy on the CBA. He thinks it covers very important and worthwhile areas, but City revenues are limited as are its investment opportunities. He believes this discussion needs to take place each year in conjunction with the budget process. He wants to see time-defined and funding-defined specific projects, not just allocations of funds to general buckets. He also wants to see the return on investment, wants to see a true government role for each, and said the expenditures must meet City priorities. The City Council is elected by the taxpayers to make policy through the budget, so the Council needs to be very mindful before delegating that power to appointed boards and should only do it when necessary.

Returning to an earlier question, Phillip Peterson said he had been reminded that some initial estimates were made by the Council Auditor's Office during the debate on 2024-904 regarding property value growth based on the experience in other Community Redevelopment Areas in the City. Using those other CRAs as examples, an Eastside CRA equivalent was estimated to possibly generate between \$130M additional in taxes at a 5% value growth rate and \$500M at a 10% growth rate over 30 years.

Chairman Arias asked about the rationale for having two CBA boards. Darnell Smith said it could be done with one, but he believes it makes more sense to have two boards focused on the two different charges – Eastside-specific and citywide. Mr. Arias asked if such boards must be created by legislation; Ms. Staffopoulos said that is the typical method. She said it takes 3 to 4 months to establish a board based on past precedent. Mr. Arias said he would like to have legislation to create a board drafted to introduce on August 12th. Council Member Joe Carlucci asked about the role of the board – is it to make recommendations to the City Council for how to appropriate the funds? Mr. Peterson said that would be their function. Mr. Carlucci said Out East needs a board to focus specifically on it, but the City Council can do the job for the citywide initiatives. Council Member Peluso said he wants the Eastside Coalition to opine in the next few weeks on what kind of board they want that would represent their wishes. He thinks we already have affordable housing entities that could spend those funds; what he doesn't know about is workforce development and who could handle that. Darnell Smith cautioned that one board trying to do a whole lot of work citywide is a big ask of those members. Out East is very organized and has developed a good strategy for its area. Council Member Matt Carlucci said he likes what the CBA proposes and wants to hear what the community wants. He thinks the council members should be in charge of spending the \$1M allocated for each of their districts, not an appointed board. Mr. Smith said that is the intent. Mr. Matt Carlucci said the City needs lots of community input from people who are desperate to be involved and are looking for an avenue to participate. He favors two CBA boards.

Council Member Salem asked about how the City contribution will be funded and if it has been adjusted from the original proposal. Mr. Smith said the administration heard resistance from council members

about too much spending (\$80M) over the first 2 years, so they now propose \$30M over 3 years for Out East and \$50M over 4 years for the citywide initiatives. Mr. Salem said he likes the Out East model and funding but is less convinced by the citywide priorities. He said \$47M being proposed to be allocated from reserves to plug a hole in FY24-25 budget, so he doesn't like the idea of creating a CRA-like entity that would divert more money from the General Fund. He asked Daniel Nunn about the structure of the CRA-like entity that has been advocating. Mr. Nunn said Out East proposes a UIRA (Urban Infill Redevelopment Area) method authorized under state statute that would be administered by a non-profit that would implement a plan they develop that would have to be approved by City Council. Mr. Salem said creating a UIRA for Out East sets a precedent for other areas to try to do the same thing that would further deplete the General Fund in the future. He believes a true CRA, if that is what is desired, should be created via the usual process established by the state. Council Member Peluso said Out East is a special case because of the impact of the stadium project on the neighborhood. Chairman Arias said the committee will discuss the board(s) at the August 12th meeting. He suggested the possibility of creating 1 board with 2 subcommittees – 1 for Out East and the other for citywide.

Meeting One Presentations

Lift Jax: Travis Williams of Lift Jax and the Together Eastside Coalition discussed the organization and purpose of the groups and their efforts to organize to advocate on behalf of the historic neighborhood, the largest intact historic African American community in Florida. He outlined the boundaries and the 5 sub-neighborhoods in the area. Dr. Rudy Jamison of Together Eastside Coalition said the coalition wants to leverage a unique opportunity to change the area's future. Arian Randolph said the neighborhood's planning process gathered 9 reports or plans focused in whole or in part on the Eastside performed since 2001 and they have spent the last year mobilizing the public and hearing from subject matter experts. Suzanne Pickett of Historic Eastside CDC said many initiatives are already underway with a variety of partners that the CBA will enhance including affordable housing. Travis Williams said considerable investment has been made in local businesses, particularly on A. Phillip Randolph Boulevard which is Jacksonville's first designated Florida Main Street. David Garfunkel, President of Lift Jax, reviewed Together Eastside's strategic priorities: 1) affordable and attainable housing and 2) economic development. They propose several key investments and have developed several measurable outcomes of success.

Council Member Howland noted that Jaxport's Talleyrand Terminal is not within the Eastside boundary but suggested promoting maritime industry training in the area and recommended a focus on public safety. Mr. Garfunkel said Lift Jax has acquired 200 units of housing and is running them properly to reduce crime. Mr. Howland said a charter vocational high school might be a concept to consider for promoting workforce development. Council Member Salem said he is frustrated by the lack of home ownership generally in Jacksonville and sees a need for funding assistance to go beyond home purchase assistance to broader scale long-term home ownership considerations. Mr. Garfunkel said there are many vacant lots owned by individuals or faith-based organizations that are ripe for development for affordable housing. Mr. Salem advocated for focusing the CBA on the Eastside to get the biggest impact and not spreading resources too thinly across the whole city. Council Member Peluso said he is excited by hearing council members talk about affordable housing and workforce development.

Council Member Boylan asked about heir-owned properties and how to deal with them. Mr. Garfunkel said the plan is for a \$1M investment in getting legal support to clear property titles on the 15-20% of Eastside properties that face that problem. Mr. Boylan asked how confident Mr. Garfunkel is about the group's ability to carry out the plan with substantial City funding. Mr. Garfunkel said they are very confident about their capacity and understand the responsibility they are undertaking. They want a lot of citizen input into the process to represent community interests. Council Member Joe Carlucci noted that there are already existing resources (such as the Office of Economic Development's façade renovation grant program) that provide businesses with funding to do work now.

Council Member Arias asked about Lift Jax's preference for 1 or 2 CBA boards; Mr. Garfunkel said they want a board populated by local residents focused solely on the Eastside. A 501(c)(3) organization could also be established to coordinate with the CBA board to expend the funds. Mr. Arias asked where the Eastside funds would be spent; Mr. Garfunkel said the \$30M gives the opportunity to expand efforts northward to the Phoenix and Long Branch areas from Fairfield and Oakland. Mr. Arias asked what programs the City already has that are focused specifically on the Eastside; Darnell Smith said he doesn't know of any that are exclusively targeted there.

LISC Jacksonville: Dr. Irvin "Pedro" Cohen of LISC described the organization's mission and programs. LISC has committed over \$16M in funding to Eastside projects in recent years. There are probably 10,000 heirs properties citywide that need title problems to be resolved before they end up being acquired by investors for rental uses. Research shows that when title problems are solved and properties retained, owners have more money to invest in education or small businesses. Council Member Boylan said he would like the City Council to get an overview of all the work LISC does and will suggest a presentation to the NCSPHS Committee. In response to a question from Chairman Arias, Dr. Cohen said LISC commits \$10,000 to each graduate of its homeownership education program.

Council Member Salem urged council members to read the bill and attachments for Ordinance 2004-905 which contain numerous details about what is being proposed for the CBA.

Economic Development – JSEB and Local Business: Gregory Grant, JSEB Administrator, said he has heard from Out East residents and businesses that JSEB participation is very important to them, especially given the development prospects for the area. About 15% of JSEBs citywide are located in Out East, and the City's JSEB program is uniquely suited to support those businesses. Shereline Redden, operator of a youth training program in the Eastside, said her organization has placed its trainees with several JSEBs who need employees to fulfill City contracts they receive. JSEBs can be instrumental in providing jobs and the workers improve the capacity of those companies. Tellisa Robinson with East Coast Striping and Painting said her company has been totally left out of contracting opportunities. Everyone needs to come together to unify and make progress. Randy Austin of Williams Grocery said funds previously distributed have not gone to the northern part of the Eastside north of 21st Street. The organizations that have been advocating for the CBA need to talk to the small businesses about what they really need. There needs to be oversight and equity.

Chairman Arias said all businesses in the Eastside need to be supported, whether JSEB or not. He has heard many comments about inequities in how funds are being distributed. Mr. Arias asked how much of the \$30M Out East allocation targeted to economic development will stay in the Eastside and not go to companies outside the area. Darnell Smith said it will be the job of the CBA board(s) to target the spending. Mr. Arias said the board(s) will need to hear a great deal of input. Council Member Peluso said there is an Eastside Business Council that acts as a voice for businesses in the area and the Florida Main Street has a board that can also advocate. Council Member Gay said Eastside businesses could provide food service on-site at the stadium so workers don't have to leave the site and eat elsewhere. Also workers need work clothes, shoes and personal protective equipment and that would be another opportunity for a small business located on-site to meet that need.

Committee Discussion

Council Member Peluso said he wants the Eastside Coalition to opine on the CBA board structure and their initial 3-year plan for what they want to see happen. That can inform the special committee's work. Chairman Arias said he will schedule that for the next committee meeting under Old Business.

Public Comment

Rose Pierre with East Coast Striping and Painting Inc. said a CBA board needs to be approved by the neighborhood and be accountable for how the funds are expended. A lot of the organizations advocating for the CBA today have not equitably distributed their funds and programs in the Eastside. The committee should go out into the neighborhood and hear from people other than invited speakers.

Eunice Barnham said the Jaguars promised when the team was created to fund community centers that never materialized. The City needs to ensure that the community around the stadium is as nice as the stadium itself by approving and funding the CBA.

NaJeebah Shareef, President of ILF Transportation, said her company recently moved to Jacksonville and needs training programs to develop a good workforce, which she would love to hire from the Eastside. Michelle Braun, board chair of Lift Jax, underscored the importance of the City dollars to making the CBA successful; underfunding and spreading resources too thin will lead to failure. Lift Jax has been able to leverage City funding into a great deal of private funding to make tremendous progress in a short time. She urged the committee to consider the benefits of a tax increment district which is a great way to finance underfunded neighborhoods.

Chairman Arias asked for more details on when and where the Jaguars' CBA contributions will be spent - where are the dollars going specifically and when? He said the next committee meeting will be another education session on the proposed countywide issues: affordable housing, homelessness and workforce development. Meetings 3 and 4 will be the time for making decisions and recommendations.

Meeting adjourned: 3:43 p.m.

Minutes: Jeff Clements, Council Research Division

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