



**OFFICE OF THE CITY COUNCIL
RESEARCH DIVISION**

117 WEST DUVAL STREET, SUITE 425
4TH FLOOR, CITY HALL
JACKSONVILLE, FLORIDA 32202
904-255-5151

SPECIAL COMMITTEE ON THE FUTURE OF DOWNTOWN

**Meeting Minutes
August 12, 2024
1:00 p.m.**

Location: Council Chamber, 1st floor, City Hall

In attendance: Council President White; Council Members Carrico, J. Carlucci, Gaffney Jr., Miller, Peluso, Carlucci and Boylan

Also: Carla Lopera, OGC; Phillip Peterson, Auditor's Office; Colleen Hampsey, Council Research Division

Meeting Convened: 1:01 p.m.

Chair Carrico convened the meeting and called for introductions. He said that one of the goals for this committee is to craft legislation based upon its findings and recommendations. Council Member Peluso talked about an overall vision for downtown and for DIA. He talked about downtown/riverfront parks, the public investment policy, an historic urban core, streamlining the permitting process, and JEA capacity for growth.

Laura Street Trio

There was some discussion about the question posed at the previous meeting about the cost difference between restoring the Laura Street Trio and demolishing the buildings. Jordan Elsbury, Ballard Partners, indicated that demolition would be very costly, with consideration for the added costs from business and street closures. Mr. Elsbury and Mr. Atkins, SouthEast, indicated that demolition would not be a cost-saving mechanism.

Council Member Gaffney Jr. asked what the sticking point was in the negotiations on this deal. Ms. Boyer, DIA, said that the requested "upfront" money kept increasing and the developer rejected some of the contractual legal protections proposed by DIA. Mr. Elsbury disagreed, saying that the guarantees in the proposed development agreement are significant, specifically referencing Turner Construction. There

was conversation about what constitutes “upfront” funding versus completion funding, as the proposed deal includes funds paid in installments throughout the phases of construction. Mr. Elsbury explained the funding through an escrow account with dollar-to-dollar matching withdrawals throughout construction.

Chair Carrico asked about the role of this committee in negotiations as opposed to hiring a third-party negotiator. He requested that Ms. Lopera, OGC, provide guidance from the General Counsel. Ms. Lopera said she will report back.

Council Member Boylan emphasized the need for historical preservation, and he asked Mr. Atkins what steps he has taken to garner outside investors. Mr. Atkins said the development agreement was intended to be a public-private partnership between his company and the City. He mentioned an additional \$15 million in equity not included in their original proposal to DIA. Mr. Atkins expressed frustration with the negotiation process.

Council Member Joe Carlucci asked if it would be an acceptable compromise to adjust the funding to be upon completion. He also asked Mr. Atkins to provide an amount for which he would agree to sell the property back to the City. He asked if there have been other development agreements with upfront funding. Phillip Peterson, Auditor’s Office, explained the proposed Laura Street Trio funding structure, with an \$8.3 million forgivable loan, a \$10 million loan at close and the rest in installments throughout the project.

Council Member Matt Carlucci talked about the escrow component and asked whether it would be more acceptable if the funds were held by the City and managed by OED, instead of an outside financial institution. Mr. Peterson indicated the Auditors would still have concerns about the upfront funding.

Mr. Elsbury said that Mr. Atkins no longer wishes to work with DIA to reach an agreement on the Trio. He described the timeline of the past negotiations. He said that council makes policy and could negotiate the agreement instead of DIA. Council Member Gaffney Jr. said that the costs will only continue to increase if the project is postponed. Council Member Miller asked that the most recent proposal from Mr. Atkins be shared with DIA.

Patrick Krechowski and Jim Citrano, DIA Board, spoke about the negotiations on the Trio agreement and the proposal they received from Mr. Atkins. They said they wanted to find a way to make the deal work, but how they were not able to approve the proposal due to the funding structure and ROI.

Committee legislative recommendations

The committee discussed potential legislative recommendations as listed on Council Member Carrico’s handout. There was consideration as to authorizing DIA to add staff, set job descriptions and salaries, funded from CRA revenues, with the core of DIA’s staff remaining as City employees. Chair Carrico asked about directing CRA funds to pay for staff. Ms. Lopera said there are rules about CRA funds and any CRA funded staff positions would have to be exclusively focused. The group talked about the need for DIA to have an in-house attorney that reports to the General Counsel, housed in the DIA office working primarily on redevelopment agreements, negotiation, drafting, and property dispositions. The committee talked about allowing the DIA Board to set priorities for use of funds and include them in annual budget request to Council for approval. They discussed eliminating the need to go to MBRC for use or transfer of DIA funds, for a faster path to approval.

Ms. Boyer suggested that at the next meeting they could contemplate defining the “core” area to target for development. Council Member Joe Carlucci emphasized Laura Street as the center of the core. When asked about the CEO search to replace Ms. Boyer when her contract expires, Mr. Citrano said they are pausing the search until the after this committee’s recommendations about DIA structure and powers.

Council Member Joe Carlucci asked for more information about standards for completion grants and how they are calculated. Ms. Boyer mentioned an upcoming DIA workshop on August 26.

Public comment

Timothy Robinson, John Nooney, Lorrinn Woods, Natalie Rosenberg, Sherry Magill, Willaim Harrell, Larry Zwain, Wayne Wood, Rick Pariani, James Schwartz.

With no further business, CM Carrico adjourned the meeting.

Meeting adjourned: 3:05 p.m.

Minutes: Colleen Hampsey, Council Research Division

CHampsey@coj.net 904-255-5151

8.16.24 Posted 5:00 p.m.