

**MINUTES OF THE
JACKSONVILLE TRANSPORTATION AUTHORITY
BOARD WORK SESSION
AUGUST 27, 2020**

The JTA Board of Directors held a Work Session on August 27, 2020. Board of Directors and Staff attended virtually. The Work Session included updates by the Board Committee(s).

BOARD ATTENDEES: Kevin Holzendorf, Arezou Jolly, Debbie Buckland, and Robert Parks.

JTA STAFF ATTENDEES: Nathaniel P. Ford Sr., Cleveland Ferguson III, Bonnie Todd, Bernard Schmidt, Greg Hayes, Greer Gillis, Andy Rodgers, Kelli O’Leary, Katie Smith, and Michael Corbitt.

OTHER ATTENDEES: Richard Milian, General Counsel, Larry Parks, FDOT and Council Member Danny Becton.

I. WELCOME: Chairman Holzendorf called the work session to order at 12:37 p.m. and welcomed the Board Members, JTA staff and guests.

II. PUBLIC COMMENT: Chairman Holzendorf asked for public comments. There were no public comments.

III. LONG RANGE PLANNING AND SYSTEM DEVELOPMENT COMMITTEE

a. Real Estate Update: Mr. Ferguson provided the Board with an update on numerous real estate projects. The Montana Avenue proposed Transit-Oriented Development was approved by the Board for the Developer to take a look at how they would utilize the parcel. A 180 day due diligence period was approved as well as 180 day closing period. He shared details of the impact COVID-19 has had on moving this agreement forward. Mr. Ferguson stated it is our expectation by October that we will be in a position to present the Board an actual lease for this parcel and the Developers and intending to move forward with the transaction.

Mr. Ferguson provided an update on the Golfair Boulevard parcel lease. JTA staff continues to work with the Contractor on this parcel. A final ground lease will be presented to the Board Long Range Planning and System Development (LRPSD) Committee in next couple of months. Chairman Holzendorf asked if the City Council Members who represent this and neighboring district are engaged in how we are moving forward. Mr. Ferguson stated Council Member Gaffney and Council Member Pittman affirmatively stated their support for the project and there are no issues. He stated staff has been working with the Florida Department of Transportation (FDOT) in regards to traffic patterns. There has not been any drop offs of governmental partners. Director Buckland asked about one of the grants the Authority received and if it would be used toward this. Mr. Ferguson stated we did receive a grant for the area that would be used for the First Coast Flyer Green Line. The facility will be available to the community such as gymnasium and public green space as part of the agreement. Chairman Holzendorf asked if the KIPP School has conducted any outreach with the community. Mr. Ferguson stated he will follow-up, but that KIPP agreed that would be part of their plan and JTA will be there to ensure that the outreach does happen.

Mr. Ferguson stated the FDOT is interested in 17.24 acres of JTA's JTB/Philips Park-n-Ride. The FDOT was able to secure the maximum amount possible for the parcel and submitted an offer of \$5,000,000 for the parcel plus \$830,000 for mitigation. The cost for the Construction, Engineering and Inspection on Alta Drive will be a part of this process. It will allow the Alta Drive JTAMobilityWorks project to move forward. The FDOT and the City of Jacksonville (City) have a right of first refusal. This will be presented as new business at the Board meeting immediately following this work session. Mr. Ferguson thanked Director Parks and his team for their help with this.

Mr. Ferguson gave an update on A.C. Skinner Parcel B. There was an issue with where the surveyor put the lines, 50 feet from where they were supposed to be. The St. Johns Water Management District deemed it as an error and will allow JTA to make the correction. Mr. Ferguson stated the closing on Parcel B is anticipated by the end of August at \$8,400,000. Mr. Milian stated an email was received from D.R. Horton and they are expecting to close on September 3, 2020. Mr. Ford shared details on previous discussions and how the JTA inherited the parcels. A commitment to the City upon sale of the parcels that funds from the sale would go toward the JTAMobilityWorks and/or debt service bonds that had been issued related to the Better Jacksonville Plan.

Mr. Ferguson gave an update A.C. Skinner Parcel C and the Board's agreement on the sale of Parcel C for \$12 million. PG Investco are in the phase where they are about to begin the zoning process. There are still some objection from Council Member Becton. He plans to arrive at 1:30 p.m. to address the Board and the JTA to consider some contribution toward the green space. Chairman Holzendorf stated there is really no direction and would like to be clear. Mr. Ferguson stated if you had any additional questions once the Council Member Becton came on he would be happy to answer them. He stated there is no action the Board will need to take at this point.

Mr. Ferguson gave an overview of an opportunity for Locker Amenities at Bus Rapid Transit Stations, Hubs and JRTC. JTA would receive lease payments by whomever wins the Request for Proposal for renting space.

Mr. Ferguson gave an update on the JRTC first floor retail project overview. He stated a partnership with Crazy Bean Coffee and Bleu Chocolat is planned to be completed by the end of the year.

Mr. Ferguson gave an update on the JRTC second floor lease for the Jacksonville Chamber to operate a business incubator program. The process to complete the funding for the space continues.

Mr. Ferguson gave an overview of the Surplus Property Maintenance. He stated a check-in is done with staff and private contractors to ensure mowing and maintenance is done. Interagency coordination with FDOT, the City or other municipal authorities for general requests or misidentified properties that must be researched with follow-up on-site visits.

Mr. Ferguson stated JTA continues to work the City and Downtown Investment Authority (DIA) to help integrate U²C, City, FDOT and other stakeholders. Portions of the U²C Bay Street

Corridor are planned through a City pocket park and Bernard Schmidt will give details at the next retreat session.

Mr. Ferguson gave an overview of the development in LaVilla. He stated the DIA is interested in coordinating with JTA on a master plan around some of the parcels. All of this is preliminary. The DIA provided the developer with a final option to extend on this.

Mr. Ferguson gave an updated on the Emerald Trail Partnership. He stated the City Parks Department in collaboration with Groundworks Jacksonville has requested a contribution for the installation of two trail counters along the Emerald Trail.

Chairman Holzendorf thanked Council Member (CM) Danny Becton for joining. CM Becton stated he wanted to discuss the three parcels on A.C. Skinner referred to as A, B and C. He stated two of the parcels went through rezoning for multi-family, which he supported. With parcel C he did not support any land use change. He had several conversations with JTA in its existing state. The current purchaser of parcel C had opened up a new project called JTB at the beginning of A.C. Skinner and Southside Boulevard. CM Becton met with them and had a discussion about parcel C and he shared his view point with them as he did with JTA. He walked away from the conversation with having further discussions and keeping an open mind on how to compromise or a different understanding on the position he had at the time. He stated over six months they had discussions about the needs in the area. CM Becton also discussed with the Administration and Mr. Ford about the City purchasing the property. He talked about the recreational open space that is needed in the area. CM Becton stated after several discussions the purchaser agreed to donate a portion of the property for that specific use. They started the discussion and JTA was involved, that the purchaser needed certain waivers going forward as the building would need to be higher because they would be taking a smaller footprint and justify the expense. The purchaser also identified the property they would be donating, about 10 acres.

CM Becton acknowledged the discussions about engineering of the property, as the property lays in wetlands – there will need to be site work. He stated that is when the discussion with JTA came in and that in February, (it was his understanding through Mr. Ford that he assumed it was the Board) that the Board, in some form or fashion agreed to be a partner in the agreement. The terms of the agreement were for JTA to make a donation from the proceeds of the sale in the amount of \$1 million out of a \$12 million sale along with the purchaser donating 10 acres of the parcel. He worked with the City to see all of this as a good thing. With all three partners in agreement in February, he thought it was a done deal.

CM Becton stated a month and half ago he reached out to JTA and expressed concern that he had not heard a formal resolution from the Board. He added that it seemed that that JTA was walking away from the table and no longer agreed with being a part of the agreement. CM Becton stated this troubled him because in February he received a commitment. The purchaser had started putting together a development agreement and submitted an application to the State for evaluation because the property is a large-scale land use amendment change. CM Becton informed the Board that he is in attendance today to try and work this out with the Board.

Chairman Holzendorf stated the Board has been working closely with Mr. Ford, the Leadership Team and the LRPSD Committee to move forward. He stated that as a Board it is not our place to negotiate land use with the City and a developer. Chairman Holzendorf added that he is not comfortable having any type of stipulation after the Board agreed to have a price associated with a piece of property and then go back and pull the deal if it was not done in a certain way.

Director Jolly thanked Chairman Holzendorf for his comments and stated that as member of the Board and Chair of the LRPSD Committee she has some concerns with this agreement. The JTA is furloughing staff, deferring bonuses and performance based increases, and making other adjustments that are necessary due to the revenue impact and budget concern caused by the pandemic. She stated the Board Members have a fiduciary obligation, which is to ensure that the JTA can execute on its mission to provide service to the impacted people in the community. We need to ensure that we have the right routes and right services for people that have the least capability to get to their jobs and their doctor appointments. Director Jolly stated losing a \$1 million out of this transaction is significant for the JTA.

CM Becton stated the conversation started before the purchase agreement. The property as it sits right now does not allow multi-family. It is zoned commercial office. CM Becton stated JTA has presented and positioned a sale agreement that is not in line with the uses of that property. He stated it would be his intention to oppose this bill and any future bills for change to the land-use. CM Becton stated he has a right to do that as a legislator.

Chairman Holzendorf acknowledged that CM Becton does have the right as a member of the City Council to oppose requests related to zoning. He stated as JTA, we do not have any authority around zoning. Chairman Holzendorf stated the JTA puts a piece of property on the market, a developer purchases it and the transaction closes. He stated he is uncomfortable having a conversation around land-use and zoning in this context because that is between the Developer and the City. Chairman Holzendorf stated that JTA could not sale a piece of property on the pretense or knowing it was going to be rezoned. Mr. Milian stated when conversations started with the Buyer to purchase the property and at that time CM Becton had objections to change and zoning of the property. He stated as a courtesy to CM Becton and the City, JTA took the property off the market for a good 3-6 months. It was remarketed even though that was the only contract on the property. There was no other interests for development besides multi-family. Mr. Milian stated conversations with the Developer and purchaser started again. He stated what the JTA contract procedurally says is that JTA makes no commitment as to any rezoning efforts, we do not participate in any rezoning efforts, and we will sign documents as necessary as a procedural matter but we do not guarantee and do not make any warranties. This has been a very strong position the Board has taken. Mr. Milian stated there is a separate issue if the City or CM Becton makes a request for help with the park and the Board wants to take that up as a matter they can do that. The Board has never been involved in rezoning efforts. Mr. Milian stated JTA has told the Buyer they may not get the property rezoned. He stated the Board has never take any official position or vote regarding an agreement for a park on Parcel C.

Director Buckland thanked CM Becton and his passionate representation of his district. She stated everything changed for JTA around March 1, 2020. Director Buckland stated as Chair of the Finance and Administration Committee we have been shifting priorities. She stated we have been fighting for the lives of our people and the financial stability for the Authority.

CM Becton thanked Director Buckland for her comments. He stated if we were talking about an expense that was going to cost JTA out of its budget he would understand, but this is revenue that is trying to be obtained. CM Becton stated the property is trying to be sold for uses that are not the entitlement for the property right now. He stated you have something of value far less than what you have right now. CM Becton stated this is a policy decision and not a rezoning at this point. It is a land use change. He stated he would not support the policy because of its current state. CM Becton was opposed to any conversation for use for which JTA was trying to sale it at but he tried to keep an open mind. He stated it troubled him that he was told by JTA at the end of February or the first of March that he was given the green light that we were all on the same page.

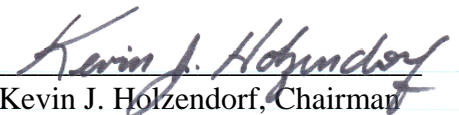
Chairman Holzendorf stated to CM Becton that the 2:00 p.m. Board meeting is getting ready to start but that he commits to sitting down and having a conversation with Mr. Ford and Mr. Ferguson after the Board meeting to find out where or if there was a disconnect in the conversation. Chairman Holzendorf promised to respond to CM Becton as to his concerns and reiterated Mr. Milian statement that was no Board action. Chairman Holzendorf stated we are very transparent at the JTA and we over communicate as it relates to any business interactions we have. When we had these assets on our books, we did not want keep them sitting and the Board worked with the staff to put together a method and policy for us to dispose of these assets in a way that benefited the citizens of Jacksonville.

Director Jolly stated that if there is an opposition, JTA is looking at a potential loss of \$12 million that is critical to operations and system development, particularly at a time when ridership is down and revenue is not what was expected.

The Chairman thanked the CM Becton for joining and that he appreciates the Board members input.

There being no more discussion, the Work Session adjourned at 2:01 p.m.

SEAL


Kevin J. Holzendorf, Chairman


Debbie Buckland, Secretary