



**KINGSOUTEL CROSSING
COMMUNITY REDEVELOPMENT AREA AGENCY BOARD MEETING
COUNCIL CHAMBERS
117 WEST DUVAL STREET, JACKSONVILLE, FL 32202
TUESDAY, FEBRUARY 8, 2022**

**MEETING MINUTES
TUESDAY, FEBRUARY 8, 2022 – 4:00 P.M.**

Location: Council Chambers, 1st Floor, City Hall at St. James, 117 West Duval Street, Jacksonville, FL 32202

Agency Board Members Present: Agency Board Chair Sam Newby, Agency Board Vice-Chair Brenda Priestly Jackson, Agency Board Members Reggie Gaffney, Al Ferraro, Joyce Morgan, Ju’Coby Pittman, LeAnna Cumber, Michael Boylan, Randy DeFoor, Randy White, Ron Salem, Terrance Freeman, Aaron Bowman, Danny Becton and Rory Diamond

Agency Board Members Excused: Agency Board Members Garrett Dennis, Kevin Carrico and Matt Carlucci

I. CALL TO ORDER

Chair Newby called the KingSoutel Crossing Community Redevelopment Area Agency (KSC/CRA) Board meeting to order at approximately 4:16 p.m. A quorum was confirmed.

II. ACTION ITEMS

APPROVAL OF THE AUGUST 10, 2021 KINGSOUTEL CROSSING COMMUNITY REDEVELOPMENT AREA AGENCY (KSC/CRA) BOARD MEETING MINUTES

A MOTION WAS MADE AND SECONDED APPROVING THE AUGUST 10, 2021 KINGSOUTEL CROSSING COMMUNITY REDEVELOPMENT AREA AGENCY BOARD MEETING MINUTES. THE MOTION PASSED UNANIMOUSLY 15-0-0.

CONSIDERATION OF PRITCHARD HOSPITALITY, LLC AS A RECAPTURED ENHANCED VALUE (REV) GRANT PROJECT (RESOLUTION KSC/CRA-2022-01)

Mr. Wendland provided an overview of Resolution KSC/CRA-2022-01 (Pritchard Road Hospitality, LLC Project). He advised that the company is proposing a limited service hotel (Tru by Hilton) within the KingSoutel Crossing CRA area at 4142 Perimeter Industrial Parkway, W. Mr. Wendland advised that when Mr. Patel came to the OED a while back, he was interested in doing the project and the cost at that time was just north of \$11,000,000. Unfortunately, the cost escalated by almost \$2,000,000 or about 17% and Mr. Patel came back and asked if there was anything we could do to encourage the development. Mr. Wendland noted that there is a business park nearby, but there are not any hotels in the immediate adjacent area and the area could use the development.

Mr. Wendland advised that they came up with the possibility of doing a 5 year 50% REV Grant capped at \$290,000. He noted that would help Mr. Patel get through that difficult first five years and get the project stabilized adding that at that point in time she should be able to be on his own.

Mr. Wendland advised that the hotel is projected to be an 82 room hotel. He noted that if the project is approved today, staff would be coming back to the Agency Board with future budgets with the allocation of some of the revenues that come. Mr. Wendland noted that if he is getting a \$290,000 REV Grant over five years, he will pay at least \$580,000 in ad valorem taxes that would go into the KSC/CRA over that period of time.

Mr. Wendland advised that the project will also come before the City Council because we are asking for a few waivers of the Public Investment Policy (PIP). The PIP only allows REV Grants within Targeted Industries and hospitality is not a targeted industry although within the KSC/CRA we believe it is a very viable use. In addition, the hospitality industry does not pay the wages that the PIP requires. The PIP would require the statewide average, which is just north of \$55,000 per year. Right now these wages would probably be around the \$38,000 range, but we think still attractive.

Agency Board Member J. Morgan commented that she supports the project. She asked about the clawbacks and what they would look like given that the project is in many respects, risky.

Mr. Wendland replied that from staff's perspective there is very limited to no risk because only if the project is moving forward and Mr. Patel is paying his ad valorem taxes and everything is current, do we actually make any payments. He only gets paid if he follows through and meets his objectives. The clawback if you will, will be tied to his capital investment. If he does not hit \$12,500,000 of capital investment then there would be a reduction in any type of REV Grant and if he doesn't hit at least \$10,000,000 there would be no REV Grant. The clawback is tied to documents he has to provide and how much he has spent at the end of the project before we would move forward with any payments.

Agency Board Member B. Priestly Jackson commented that the project has her full backing and support and although it is not a targeted industry, she would say it is a targeted area. She added that the project is not out of the box thinking because it was a part of the KingSoutel Crossing CRA's Plan. They specifically wanted a hotel at that intersection of Pritchard Road and I-295. She is very encouraged to see that part of the plan becoming implemented.

Chair Newby opened the floor for public comments. There was one speaker Mr. Carnell Oliver.

A MOTION WAS MADE AND SECONDED TO APPROVE THE KINGSOUTEL CROSSING COMMUNITY REDEVELOPMENT AGENCY BOARD RESOLUTION KSC/CRA-2022-01 FINDING THAT THE PRITCHARD HOSPITALITY PROJECT COMPLIES WITH AND FURTHERS THE KSC/CRA COMMUNITY REDEVELOPMENT PLAN; APPROVING AN

ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF JACKSONVILLE (“CITY”) AND PRITCHARD HOSPITALITY, LLC (“AGREEMENT”) THAT AUTHORIZES KSC/CRA TAX INCREMENT FUNDS NOT TO EXCEED \$290,000 WHICH INCLUDES A RECAPTURED ENHANCED VALUE (“REV GRANT”); AUTHORIZING THE MAYOR, OR HIS OR HER DESIGNEE, AND CORPORATION SECRETARY TO EXECUTE AND DELIVER ALL CONTRACTS; AUTHORIZING APPROVAL OF TECHNICAL AMENDMENTS BY THE EXECUTIVE DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT (“OED”); PROVIDING FOR OVERSIGHT BY THE OED; PROVIDING A DEADLINE FOR THE COMPANY TO EXECUTE THE AGREEMENT; REQUESTING A WAIVER BY THE CITY COUNCIL OF THAT PORTION OF THE PUBLIC INVESTMENT POLICY ADOPTED BY ORDINANCE 2016-382-E THAT WOULD REQUIRE THE COMPANY TO BE A TARGETED INDUSTRY AND FOR WAGES TO BE GREATER THAN OR EQUAL TO 100 PERCENT OF THE STATE OF FLORIDA AVERAGE WAGE IN ORDER TO RECEIVE A REV GRANT; PROVIDING AN EFFECTIVE DATE. THE MOTION PASSED UNANIMOUSLY 15-0-0.

III. NEW BUSINESS

No new business was discussed.

IV. PUBLIC COMMENTS

There were not comments from the public.

V. ADJOURNMENT

There being no further business, Chair Newby adjourned the KingSoutel Crossing CRA Board meeting at approximately 4:28 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, an audio file of the meeting is available in its entirety and is available upon request. Please contact Michelle Stephens at (904) 255-5452, or by email at msteph@coj.net.