



Agenda

Community Redevelopment Agency

Monday, March 26, 2018

5:00 PM

Council Chambers

MEMORANDUM TO:

Members of the Community Redevelopment Agency
City of Jacksonville Beach, Florida

Board Members:

The following Agenda of Business has been prepared for consideration and action at the Regular Meeting of the Community Redevelopment Agency.

CALL TO ORDER

ROLL CALL

Art Graham (Chairperson), Frances Povloski (Vice-Chairperson), Scott Gay, Jeffrey Jones, Samuel Hall

APPROVAL OF MINUTES

- a. Regular Community Redevelopment Agency Meeting held February 26, 2018

OLD BUSINESS

NEW BUSINESS

- a. **Resolution No. 2018-04** - A resolution of the City of Jacksonville Beach Community Redevelopment Agency to amend the Downtown Community Redevelopment District Capital Improvements Budget to appropriate \$312,502.15 (\$271,741.00, plus 15% contingency of \$40,761.15) for the construction of downstream stormwater channel improvements resulting from the completion of Projects 2 through 4 of the Phase III Downtown Redevelopment District Vision Master Plan; and providing for an effective date.
- b. **Resolution No. 2018-05** - A resolution of the City of Jacksonville Beach Community Redevelopment Agency to amend the South Beach Redevelopment District Capital Improvements Budget to appropriate \$384,083.99 (\$333,986.08, plus 15% contingency of \$50,097.91) for funding of additional identified repair work for the “Stormwater Pipe Cleaning, Sheet Pile Channel and Related Improvements in the South Beach Parkway/Jacksonville Drive Vicinity (Parts A and B)” project.
- c. **Proposal to Lease CRA-owned property and facilities**

COURTESY OF THE FLOOR TO VISITORS

ADJOURNMENT**NOTICE**

In accordance with Section 286.0105, Florida Statutes, any person desirous of appealing any decision reached at this meeting may need a record of the proceedings. Such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

The public is encouraged to speak on issues on this Agenda that concern them. Anyone who wishes to speak should submit the request to the recording secretary prior to the beginning of the meeting. These forms are available at the entrance of the City Council Chambers for your convenience.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the City Clerk's Office at (904) 247-6299, extension 10, no later than one business day before the meeting.

cc: George D. Forbes, City Manager; Susan Erdelyi, City Attorney; Press



Draft Meeting Minutes
Community Redevelopment Agency

Monday, February 26, 2018

5:00 PM

Council Chambers

CALL TO ORDER

Chairman Art Graham called the meeting to order at 5:00 P.M.

ROLL CALL

Chairman: Art Graham
Vice-Chairwoman: Frances Povloski
Board Members: Scott Gay Samuel Hall (Absent) Jeffrey Jones

Also present were CRA Administrator William Mann, Deputy City Manager Trish Roberts, Parks and Recreation Director Jason Phitides, and Recording Secretary Chandra Medford.

APPROVAL OF MINUTES

- a. Regular Community Redevelopment Agency Meeting Held January 22, 2018

It was moved by Mrs. Povloski, and seconded by Mr. Jones, and passed unanimously by voice vote, to approve the January 22, 2018 meeting minutes as presented.

OLD BUSINESS

There was no old business.

NEW BUSINESS

- a. **Resolution No. 2018-01** - A resolution of the City of Jacksonville Beach Community Redevelopment Agency amending its Downtown Redevelopment District Capital Improvement Projects Budget for the fiscal year beginning October 1, 2017 and ending September 30, 2018 to appropriate \$11,073,488 (including a 10% contingency) for the construction of Project 2 of the Phase III Downtown Redevelopment District Vision Master Plan, including Engineering Construction Administration and Construction Inspection Services; and providing for an effective date.

It was moved by Mrs. Povloski and seconded by Mr. Jones, to approve CRA Resolution No. 2018-01. After a brief discussion, the motion carried unanimously by roll call vote.

Mr. Mann read Resolution 2018-01 by title only for the record and provided a brief overview and stated Phase I has been substantially completed and Phase II will include improvements from 11th Avenue South to 13th Avenue South. Mr. Martirone provided additional project and cost information.

INFORMATION ITEMS

There were no information items.

COURTESY OF THE FLOOR TO VISITORS

No one wished to speak under Courtesy of the Floor.

ADJOURNMENT

There being no further business, Chairman Graham adjourned the meeting at 5:16 P.M.

Submitted by: Chandra Medford, Recording Secretary

Approval:

Art Graham, Chairperson

Date: _____

DRAFT

MEMORANDUM

TO: Jacksonville Beach Community Redevelopment Agency Members
FROM: Bill Mann, Planning and Development Director, CRA Administrator 
RE: March 26, 2018 Community Redevelopment Agency Meeting
DATE: March 19, 2018

City of
Jacksonville Beach
City Hall
11 North Third Street
Jacksonville Beach
FL 32250
Phone: 904.247.6231
Fax: 904.247.6107
Planning@jaxbchfl.net

www.jacksonvillebeach.org

Please consider the following information relative to the following items to be acted upon at the upcoming March 26, 2018 CRA meeting:

1. **Resolution No. 2018-04** - With this resolution the Community Redevelopment Agency (CRA) provides funding from the FY17/18 Downtown District Capital Improvements Budget for certain downstream drainage improvements that are required as a result of the pending connection of the Phase III, Projects 2 through 4 to the 12th Ave. S. stilling basin. Last month, the CRA funded Project 2, which involves the infrastructure and road work. This additional work was specifically authorized via a recently approved interlocal agreement between the City and Duval County/COJ.

The collected and treated stormwater ultimately will discharge into the Intracoastal Waterway, versus the current practice of discharging the stormwater from this part of the Downtown District onto the beach at the avenue street-end outfalls.

Attached following the resolution is a memo from the City Engineer providing additional project and cost information.

Staff recommends approval of Resolution No. 2018-01.

Attachments: CRA Resolution No. 2018-04

3-16-18 memo from Marty Martirone, City Engineer, with support documentation



2. **Resolution No. 2018-05** - This resolution approves funding from the FY 17/18 South Beach Capital Improvements Budget for additional repairs to the Attached following the resolution is a memo from the City Engineer providing additional project and cost information.

As Mr. Martirone's memo describes, the repair to identified leaks in the underground piping and culverts has caused groundwater outside of the pipes to find additional weak spots and voids by which to leak into the system. These new leaks must now be repaired to maintain optimal functioning of the system.

Additionally, there is sandbar which has formed upstream next to the South Basin's stormwater pump station that that is impeding the flow of water into that pump. This bar must be removed and the sand disposed of off-site.

Staff recommends approval of Resolution No. 2018-05

Attachments: CRA Resolution No. 2018-05

3-15-18 memo from Marty Martirone, City Engineer, with supporting documentation.

3. **Lease Proposal for CRA-owned land and facilities** – An unsolicited offer for CRA-owned parking facilities and undeveloped property was recently received from the new owner of the Johnson Gallery property on the northeast corner of 2nd Street and 4th Avenue north. He is interested in developing the former gallery space of his building into two upscale restaurants, and he wants want to be able to market each restaurant as having a certain number of guaranteed parking spaces. Those spaces would consist, in part, of a certain number of parking spaces leased from the CRA from its new public parking lot on the southwest corner of 2nd Street and 4th Avenue North, and also of spaces that the gallery owner would construct and lease on the vacant CRA-owned lot on the southeast corner of 2nd Street and 4th Avenue North. The specific details of the gallery owner's offer are provided in the cover letter and proposal contained in your agenda packages.

The purpose of discussing this offer at the March 26 CRA meeting is for the CRA to decide whether or not it would be interested in further considering this particular lease offer from the gallery's owner.

If the CRA decides that it IS NOT interested in entertaining the unsolicited offer any further, then the gallery owner would be notified that the CRA is not interested in disposing via lease of the subject CRA-owned facilities and property at this time, and no other action would be taken with regards to the submitted proposal.

If the CRA decides that it IS interested in entertaining the unsolicited offer further, staff would then be instructed to advertise a required notice of the CRA's intent to dispose of, via lease, facilities and property owned by the CRA in the Downtown Community Redevelopment Area. That notice would also instruct that any parties interested in leasing those same CRA-owned facilities and property would have 30 days to file an offer or proposal. At the end of the thirty-day period, the CRA would then meet to review any and all proposals received, and would decide on whether or not to proceed further with any of the offers received.

CRA RESOLUTION NO. 2018-04

**A RESOLUTION OF THE CITY OF JACKSONVILLE BEACH
COMMUNITY REDEVELOPMENT AGENCY TO AMEND THE
DOWNTOWN COMMUNITY REDEVELOPMENT DISTRICT
CAPITAL IMPROVEMENTS BUDGET FOR THE FISCAL YEAR
BEGINNING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30,
2018; AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, on March 24, 2014, the Jacksonville Beach Community Redevelopment Agency recommended that the City Council approve an amendment to the Downtown Community Redevelopment Plan to add the installation of public utilities and reconstruction of certain streets and alleys contained in Phase III of the Cost Programming and Phasing Section of the adopted Vision Plan for Downtown Jacksonville Beach, and

WHEREAS, on April 21, 2014, the Jacksonville Beach City Council did adopt said amendment to the Vision Plan for Downtown Jacksonville Beach, and

WHEREAS, public utility improvements, including stormwater management system improvements, are eligible activities for the expenditure of tax increment trust funds, and

WHEREAS, the Community Redevelopment Agency is authorized to use downtown tax increment funds for stormwater system improvements required for the Downtown Community Redevelopment District but that are located outside of the district, via an interlocal agreement between the City of Jacksonville Beach and the City of Jacksonville, entered into on November 17, 2017, and

WHEREAS, the Community Redevelopment Agency met in open meeting on March 26, 2018 to review and consider a capital improvements budget amendment to appropriate funding for the construction of Projects 2 through 4 of the Phase III-C Downtown Redevelopment District Vision Master Plan Capital Improvements Program, which includes the construction of a new stormwater management system for the area between 5th and 13th Avenues South, and 3rd Street South and the Atlantic Ocean bulkhead area in the Downtown Community Redevelopment District, and which also includes connection of that stormwater collection system to an existing stormwater treatment facility on the south side of 12th Avenue South, outside of the Downtown Community Redevelopment District, and

WHEREAS, the introduction of additional stormwater volumes collected from a portion of the Downtown Community Redevelopment Area into the 12th Avenue South stormwater stilling basin as a result of the completion of said Phase III, Projects 2 through 4 will cause the need for capacity and operational improvements to the existing open stormwater channel located downstream of the stilling basin and providing discharge of treated stormwater into the Pablo Creek Intracoastal Waterway, and

WHEREAS, the Community Redevelopment Agency has sufficient Downtown Community Redevelopment Tax Increment Trust Fund revenues to fund the required project design work.

NOW, THEREFORE, BE IT RESOLVED BY THE JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The fiscal year 2017-2018 Downtown Community Redevelopment Capital Improvement Budget for the Jacksonville Beach Community Redevelopment Agency is amended to appropriate \$312,502.15 (\$271,741.00, plus 15% contingency of \$40,761.15) for the construction of downstream stormwater channel improvements resulting from the completion of Projects 2 through 4 of the Phase III Downtown Redevelopment District Vision Master Plan.

SECTION 2. This resolution shall take effect upon its adoption.

DULY ADOPTED IN OPEN MEETING THIS 26th DAY OF MARCH, 2018.

Art Graham, CHAIRMAN

William C. Mann, ADMINISTRATOR

March 16, 2018

TO: Bill Mann, Administrator, Community Redevelopment Agency

FROM: Marty Martirone, City Engineer

SUBJECT: Appropriate Downtown Tax Increment Trust Funds for a Portion of the Downstream Stormwater Outfall Improvements from Fairway Lane to the Eastern Property Line of the City's Golf Course along a 100-Foot Drainage Right-of-Way

ACTION REQUESTED:

Appropriate funding for a Portion of the Downstream Stormwater Outfall Improvements from Fairway Lane to the Eastern Property Line of the City's Golf Course along a 100-Foot Drainage Right-of-Way

BACKGROUND:

This project is part of the Downtown Redevelopment District Improvements Program. This project is identified as "Project 5 Downstream Improvements" In the FY 2018 Capital Improvement Plan. Based on the Interlocal Agreement between the City of Jacksonville, Florida and the City of Jacksonville Beach, Florida dated November 17, 2017, tax increment funds are available for ongoing maintenance of the portions of the Downtown Community Redevelopment District's stormwater system that lies physically outside of its boundaries. This work is being proposed to be done at this time since the City's Golf Course is temporarily closed for major reconstruction.

The proposed work will include: setting two benchmarks, staking out the 100-foot drainage right-of-way, topographic survey, cross-sections of the ditch at 50-foot intervals, contours at one-foot intervals, clearing the north and south banks of approximately 1,200 feet of the 100-foot wide drainage right-of-way, removal and disposal of all trees less than 6-inch diameter and selected trees greater than 6-inch diameter, removal and disposal of the bottom sandbar, re-establishing the existing ditch bottom, regrading side slopes, erosion control measures, performance and payment bonds and insurance. The City requested price quotes from four (4) contractors and received three (3) price quotes. These price quotes are listed in the table below.

City of
Jacksonville Beach
Operations &
Maintenance Facility
Department of Public

Works

1460-A Shetter Avenue

Jacksonville Beach

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Phone: 904.247.6219

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www.jacksonvillebeach.org



SUMMARY of PRICE QUOTES			
Portion of the Downstream Stormwater Outfall Improvements from Fairway Lane to the Easterly Property Line of the City's Golf Course along a 100-Foot Drainage Right-of-Way			
	Jax. Utilities Management, Inc.	Hager Construction Company, Inc.	Callaway Contracting, Inc.
Construction Cost including bonds, insurance and survey costs	\$271,741.00	\$286,909.00	\$319,700.00
15% Contingency	\$40,761.15	\$43,036.35	\$47,955.00
Grand Total Cost:	\$312,502.15	\$329,945.35	\$367,655.00
<ul style="list-style-type: none"> • Staff recommends authorizing a change order to the lowest quote from <i>Jax. Utilities Management, Inc.</i> at a cost of \$271,741.00 plus a 15% contingency, for a total cost not to exceed \$312,502.15. 			

RECOMMENDATION:

Appropriate Downtown Tax Increment Trust funds in the amount of \$312,502.15 for clearing and re-establishing the existing ditch bottom as a change order to Part A of Bid # 1516-01, Stormwater Pipe Cleaning, as described in the memorandum to the Agency Administrator from the City Engineer dated March 16, 2018.



Jax Utilities Management, Inc.
 8812 Alton Avenue
 Jacksonville, Florida 32211

904-855-0111 FAX 904-855-0117
 jaxutilities@bellsouth.net

Estimate

<u>Date</u>	<u>Estimate #</u>
3/2/2018	04-756A

<u>Name / Address</u>
City of Jacksonville Beach Attn: Dennis Dupries Construction Manager 1460A Shetter Ave-2nd Floor Jacksonville Beach, FL 32250

<u>Ship To</u>
Jacksonville Beach Golf Course Outfall Ditch

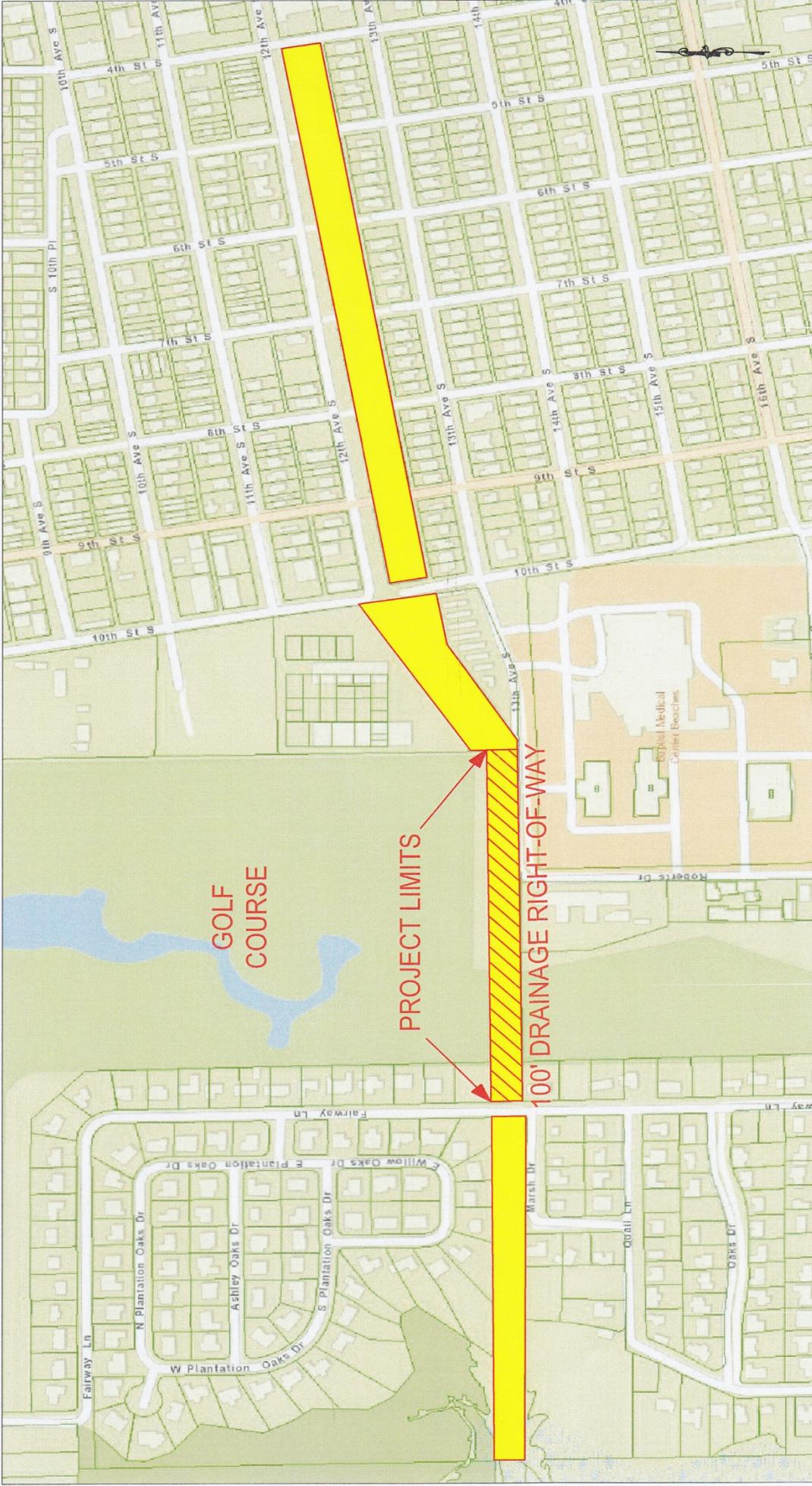
<u>Description</u>	<u>Qty</u>	<u>Cost</u>	<u>Total</u>
Jacksonville Beach Golf Course Outfall Ditch Restoration as Discussed On-site			
North Bank / 30' Bottom	1	198,729.12	198,729.12
South Bank	1	62,560.30	62,560.30
Bonding/Insurance	1	10,451.58	10,451.58
Remove/cut-off a tree greater than 6 inches in diameter but less than or equal to 12 inches in diameter.	0	150.00	0.00
Remove/cut-off a tree greater than 12 inches in diameter but less than or equal to 24 inches in diameter	0	375.00	0.00
Remove/cut-off a tree greater than 24 inches in diameter	0	750.00	0.00
*Tree removal quantities have already been accounted for in the original bid. The prices for tree removal listed above are provided if the tree count anticipated needs to be adjusted.			
Charles Freshwater ... Office:855-0111 Cell:813-3534		Total	



Downtown Community Redevelopment District Downstream Stormwater Outfall Improvements

Aerial Map

MARCH 15, 2018



Downtown Community Redevelopment District Downstream Stormwater Outfall Improvements

MARCH 15, 2018



Stormwater Outfall Improvements-Golf Cart Bridge Looking West



Stormwater Outfall Improvements-Golf Cart Bridge Looking East

CRA RESOLUTION NO. 2018-05

A RESOLUTION OF THE CITY OF JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY TO AMEND THE SOUTH BEACH CAPITAL IMPROVEMENT BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2017 AND ENDING SEPTEMBER 30, 2018; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, contractors for the City of Jacksonville Beach have performed the required cleaning and televised inspection of twin 72-inch stormwater pipes running under the *South Beach Regional Shopping Center* property between Jacksonville Drive and J. Turner Butler Boulevard, an eight-foot by seven-foot box culvert running under J. Turner Butler Boulevard, and an eight-foot by six-foot box culvert running under the South Beach Parkway Shopping Center, have identified repairs necessary to maintain and improve the proper functioning of that stormwater system, and

WHEREAS, the City of Jacksonville Beach Community Redevelopment Agency (CRA) met in an open meeting on May 22, 2017 to review and consider a budget amendment to appropriate funds for the performance of the necessary repair work to the existing stormwater system identified in the course of completing Part A of the “Stormwater Pipe Cleaning, Sheet Pile Channel and Related Improvements in the South Beach Parkway/Jacksonville Drive Vicinity (Parts A and B)” project approved for funding by the CRA on July 11, 2016 via Resolution No. 2016-09, and

WHEREAS, as said repair work is completed, additional joint failures have been identified in the piping and culvert as needing repairing, and insufficient funds remain available to accomplish those required repairs, and

WHEREAS, it is cost effective to have the contractor presently mobilized for said piping and culvert repair work to perform the additional, newly identified repair work, and

WHEREAS, the CRA specified the use of South Beach Tax Increment Trust Funds for this project, and

WHEREAS, the City of Jacksonville Beach Community Redevelopment Agency has sufficient South Beach Community Redevelopment Tax Increment Trust Fund revenues to pay for the required construction and construction administration work:

NOW, THEREFORE, BE IT RESOLVED BY THE JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The fiscal year 2017-2018 South Beach Community Redevelopment Capital Improvement Budget for the Jacksonville Beach Community Redevelopment Agency is amended to appropriate \$384,083.99 (\$333,986.08, plus 15% contingency of \$50,097.91) for funding of additional identified repair work for the “Stormwater Pipe Cleaning, Sheet Pile Channel and Related Improvements in the South Beach Parkway/Jacksonville Drive Vicinity (Parts A and B)” project.

SECTION 2. This resolution shall take effect upon its adoption.

DULY ADOPTED IN OPEN MEETING THIS 26TH DAY OF MARCH, 2018.

Art Graham, CHAIRPERSON

William C. Mann, ADMINISTRATOR

March 15, 2018

TO: Bill Mann, Administrator, Community Redevelopment Agency

FROM: Marty Martirone, City Engineer

SUBJECT: Appropriate South Beach Tax Increment Trust Funds for Additional Stormwater Repairs for Bid #1516-11, Part A Stormwater Pipe Cleaning Project in the vicinity of South Beach Parkway and Jacksonville Drive

ACTION REQUESTED:

Appropriate funding for additional stormwater repairs for Unit Price Bid #1516-11, Part A, Stormwater Pipe Cleaning, in the vicinity of South Beach Parkway and Jacksonville Drive.

BACKGROUND:

This project is part of the South Beach Redevelopment District Improvements Program. On May 22, 2017, the CRA approved Resolution No. 2017-04 appropriating funding in the amount of \$440,936.04 including a 15% contingency for the repair of pipes and box culverts, clearing of ditches, and removal of silt and debris that were part of the "Stormwater Pipe Cleaning, Alternatives Analysis and Re-design of Channel Improvements" project. The contractor has spent the entire amount of the approved funding performing the repair work (see attached photos). As a result of the repair work, additional leaks have formed in the adjacent pipes and culverts. The engineer and contractor performed an on-site inspection on February 15, 2018. Based on the report dated February 20, 2018 (see attached report), the Contractor has proposed that the following additional work be performed:

A. Twin 72-inch diameter stormwater pipes located under the South Beach Regional Shopping Center parking lot (see attached map #2):

1. The leaking joints with joint separations of ½ inch or greater were wiped down and sealed with Masterseal 595 or Strongplug. As a result, the groundwater has migrated into adjacent joints causing additional leaks. In order to stop these additional leaks, the contractor has recommended that pipe joints with ½ Inch or greater separation be wiped down and sealed with the less-expensive sealant material (Masterseal 595 or Strongplug) at a cost of \$20,695.36 (46 Joints x 18.84 LF/Jt. x \$23.88/LF).

2. The leaking joints with joint separations of ¼ inch or less have been wiped down and sealed with Masterseal 595 or Strongplug. As a result, the groundwater has migrated into adjacent joints causing additional leaks. In order to stop the leaks, the contractor has recommended that pipe joints with ¼ Inch or less separation be wiped down and sealed with the less expensive sealant material (Masterseal 595 or Strongplug) at a cost of \$ 22,045.06 (49 Joints x 18.84 LF/Jt. x \$23.88/LF).

3. After the leaking joints with separations of ½ inch or greater have been wiped down and sealed, the joint will be drilled and injected with the more expensive AV-248-LV injection material at a cost of \$11,044.95 (5 Joints x 18.84 LF/Jt. X \$117.25/LF).

City of

Jacksonville Beach

Operations &

Maintenance Facility

Department of Public

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4. After the leaking joints with separations of $\frac{1}{4}$ inch or less have been wiped down and sealed, the joint will be drilled and injected with the more expensive AV-248-LV injection material at a cost of \$11,044.95 (5 Joints x 18.84 LF/Jt. x \$117.25/LF).

B. Twin 8x6 feet storm-water box culverts located under the South Beach Parkway Shopping Center parking lot (see attached map #5):

1. The inspection of the 200 feet each of the twin box culverts under Marsh Landing Parkway adjacent to Longhorns Restaurant revealed an accumulation of 12 inches of silt. The contractor proposes to remove and haul the silt to the City's Streets Division Yard at a cost of \$18,000.00 (12 inches of silt x \$3.75/inch x 400 LF).

2. The leaking joints in the twin box culverts were wiped down and sealed with Masterseal 595 or Strongplug. The large voids between the two (2) box culverts were filled with Oakum rope and bricks and wiped down with Masterseal 595 or Strongplug. As a result, the groundwater has migrated into adjacent joints causing additional leaks. An additional number of leaking joints between the precast sections have widened and need to be sealed with Masterseal 595 or Strongplug at a cost of \$95,208.96 (1,932 LF of joints x \$49.28/LF).

3. Additional spalling of the box culvert precast sections has occurred. The contractor proposes to repair the cracked or spalled concrete with Sikatop 123 at a cost of \$82,830.00 (502 SF x \$165.00/SF).

4. An additional 25 joint repairs need to be made with the AV-248-LV injection material at a cost of \$41,300.00 (25 Joints x 28LF/Jt. x \$59.00/LF).

C. Silt Sandbar and Leaking Weir Wall Expansion Joints in South Basin (see attached map #6):

1. A sandbar has been discovered on the west end of the South Basin adjacent to the Stormwater Pump Station Influent Bar Screen and needs to be removed since it is restricting the capabilities of the pump station. The contractor proposes to remove the silt sand bar, haul and dispose of the silt in the City's Streets Division Yard at a lump sum price of \$ 19,667.80 (see attached photos).

2. Numerous leaking joints have been discovered in the South Basin Weir Wall that need to be repaired to ensure the structural integrity of the weir wall. The contractor proposes to seal four (4) leaks in the weir wall at a lump sum price of \$12,149.00 (see attached photos).

With this memorandum, staff requests the Agency appropriate additional funding in the amount of \$333,986.08 plus a 15% contingency for a total cost of \$384,083.99 for additional piping and basin repairs for Part A work related to Bid #1516-11.

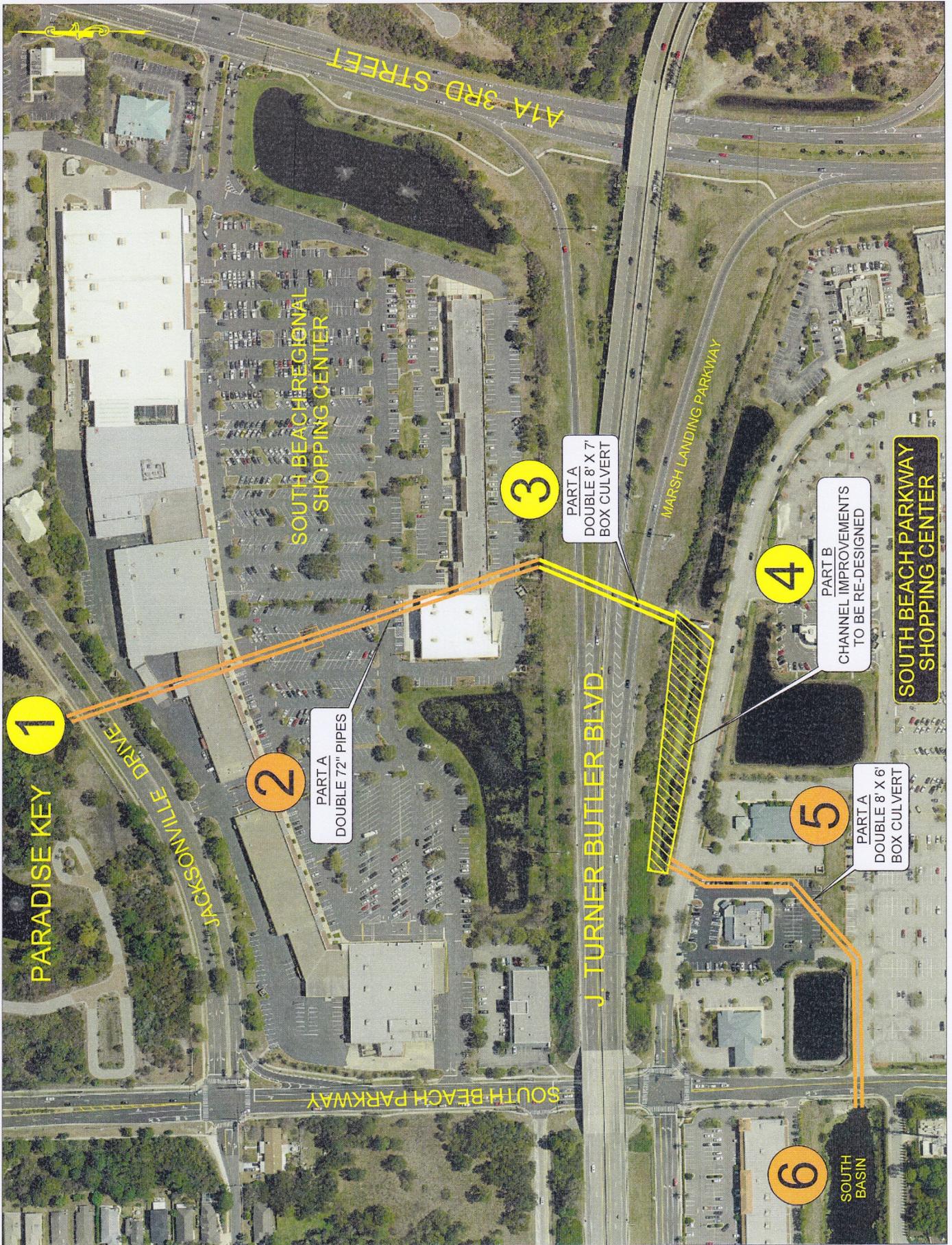
Pending funding approval by the Agency, the City will change order the work to the existing contract for Part A of Bid # 1516-01, Stormwater Pipe Cleaning, with *Jax Utilities Management, Inc.* for \$384,083.99.

RECOMMENDATION:

Appropriate additional South Beach Tax Increment Trust funds in the amount of \$384,083.99 for additional piping and basin repairs for Part A of Bid # 1516-01, Stormwater Pipe Cleaning, as described in the memorandum to the Agency Administrator from the City Engineer dated March 15, 2018.

Unit Price Bid #1516-11
 Additional Repair Costs for Part A, Stormwater Pipe Cleaning Project in the
 vicinity of South Beach Parkway and Jacksonville Drive

<u>DESCRIPTION</u>	<u>COST</u>	<u>RECOMMENDATION</u>	
<u>A1. 72-Inch Concrete Pipes Under South Beach Regional Shopping Center: Seal pipe joints ½ inch or greater</u>	\$20,695.36		
<u>A2. 72-Inch Concrete Pipes Under South Beach Regional Shopping Center: Seal pipe joints ¼ inch or less</u>	\$22,045.06		
<u>A3. 72-Inch Concrete Pipes Under South Beach Regional Shopping Center: Inject pipe joints ½ inch or greater</u>	\$11,044.95		
<u>A4. 72-Inch Concrete Pipes Under South Beach Regional Shopping Center: Inject pipe joints ¼ inch or less</u>	\$11,044.95		
<u>B1. 8x6 Box Culverts under South Beach Parkway Shopping Center: Remove 12 inch silt buildup in piping</u>	\$18,000.00		
<u>B2. 8x6 Box Culverts under South Beach Parkway Shopping Center: Seal pipe joints</u>	\$95,208.96		
<u>B3. 8x6 Box Culverts under South Beach Parkway Shopping Center: Repair cracked/spalled concrete</u>	\$82,830		
<u>B4. 8x6 Box Culverts under South Beach Parkway Shopping Center: Repair pipe joints by injection</u>	\$41,300		
<u>C1. South Basin: Remove, haul and dispose of sandbar material</u>	\$19,667.80		
<u>C2. South Basin: Repair leaking joints at weir wall</u>	\$12,149.00		
Subtotal Additional Costs	\$333,986..08		
15% Contingency	\$50,097.91		
TOTAL ADDITIONAL COSTS	\$384,083.99		The Agency appropriate South Beach Tax Increment Trust funds for additional repairs for Part A work



Stormwater Pipe Repair – Aerial Map



SITE VISIT REPORT

To: Charles Freshwater

Date: February 20, 2018

Jax Utilities Management, Inc
5465 Verna Blvd
Jacksonville, FL 32205

Project: Marsh Landing Culverts

Visit Date: February 15, 2018

MME Job #: 17068

Report #: 1

Present: Jody Pickett (JUM)
Timothy Moore (MME)

Summary of Meeting:

1. Walked through the 72" pipes north of J. Turner Butler Blvd
2. Walked through the two box culverts south of J. Turner Butler Blvd
3. Observed the repairs that had been completed up to the date of this report

Work in Progress:

1. Joints between the 72" diameter pipes were being filled with plug material

Remarks:

1. The repairs that were observed in the 72" pipes and box culverts were in general conformance with the contract documents.
2. It was observed that water had started leaking through joints in the 72" pipes that previously had not been leaking. This is likely due to the increased hydrostatic pressure around the pipe as a result of repairing the joints that were leaking. It is recommended to continue to plug the joints of the pipes and box culverts.

Please feel free to contact our office with any questions that you may have.

Site Visit By: Timothy Moore, P.E., LEED AP
Sr. Structural Engineer

Photo Log:



Photo 1: Image of completed joint plug



Photo 2: Image of water coming through joint at higher elevation due to hydrostatic pressure



Photo 3: Image of joint plug in progress



Photo 4: Completed repair at height transition of box culvert



Photo 5: Skim coat of concrete applied to cast-in-place section of culvert

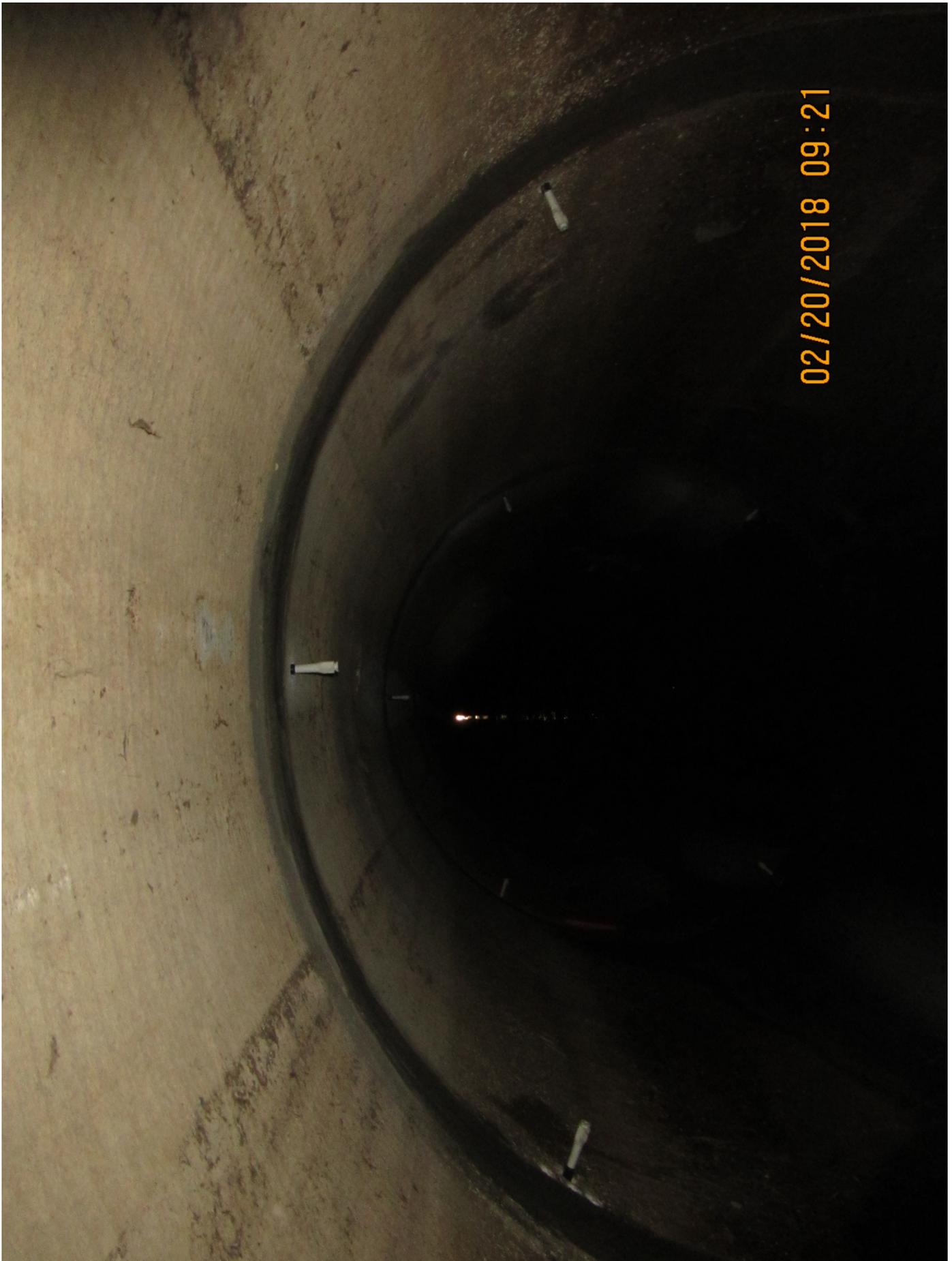


Stormwater Pipe Repair – Weir Wall

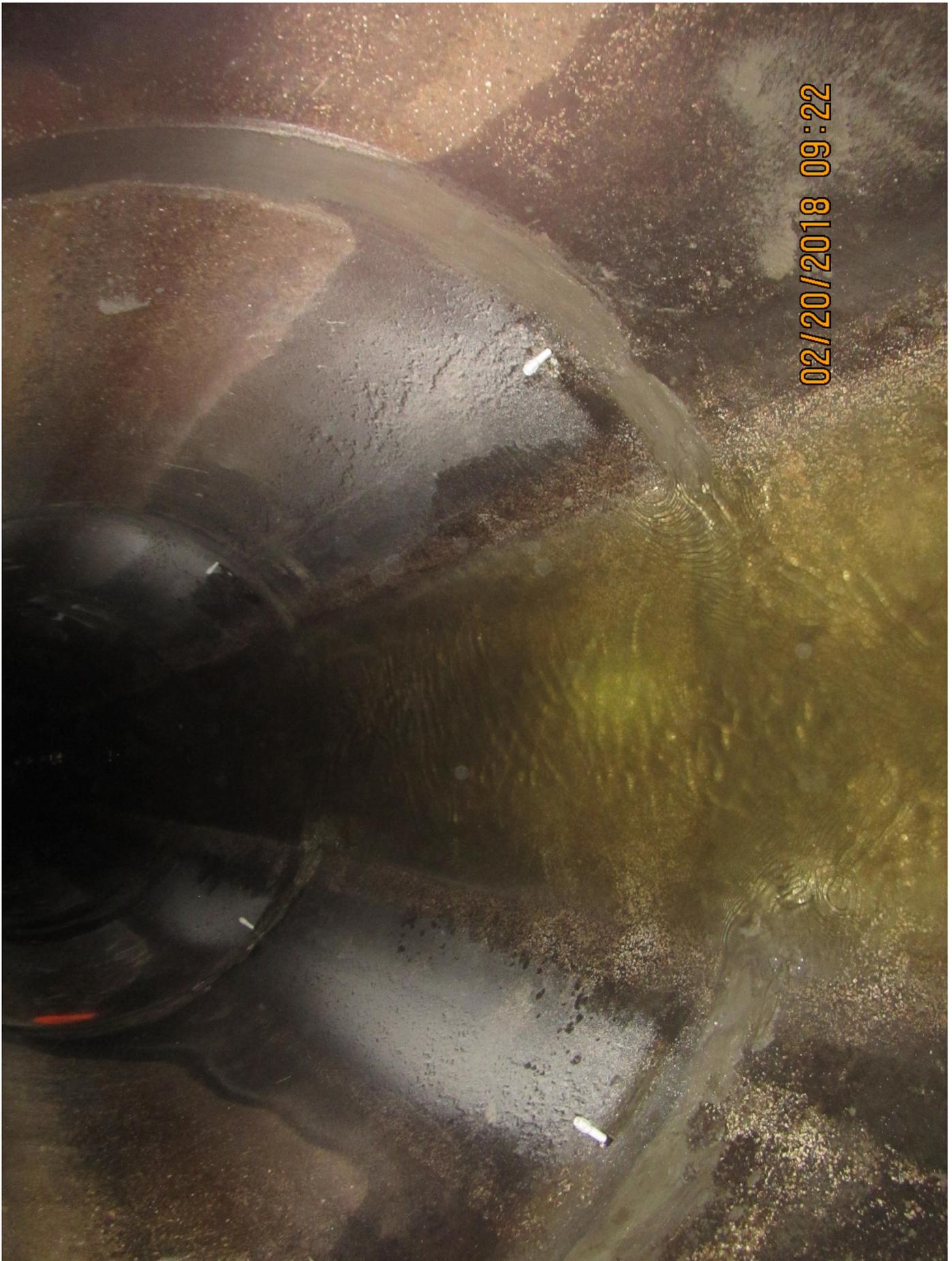


02/20/2018 08:46

Stormwater Pipe Repair – Injection Point



Stormwater Pipe Repair – Injection Points, Top



02/20/2018 09:22

Stormwater Pipe Repair – Injection Points



Stormwater Pipe Repair – Joint Seal



One Independent Drive
Suite 1200
Jacksonville, Florida 32202

P 904.301.1269
F 904.301.1279
www.dmphlaw.com

January 17, 2018

Art Graham, Chair
Community Redevelopment Agency
11 North Third Street
Jacksonville Beach, FL 32250

RECEIVED

MAR 13 2018

RE: Offer to Lease 128 4th Ave. N., 204 4th Ave. N., 422 2nd St. N.,
218 4th Ave. N., 215 3rd Ave. N., and 412 2nd St. N.

PLANNING & DEVELOPMENT

Dear Chairman Graham:

On behalf of our client, JAX BEACH AF LLC (“Developer”), we have been authorized to submit this offer to lease the following property in Jacksonville Beach owned by the Jacksonville Beach Community Redevelopment Agency (“CRA”): 128 4th Avenue North (RE# 173933-0000) (the “Small Lot”); and 204 4th Avenue North (RE# 174075-0000), 422 2nd Street North (RE# 174074-0000), 218 4th Avenue North (RE# 174076-0000), 215 3rd Avenue North (RE# 174083-0000) and 412 2nd Street North (RE# 174072-0000) (collectively, the “CRA Property”).

Developer

Developer is an experienced commercial real estate developer based in Jacksonville Beach with numerous projects in the local area including: (i) architectural and engineering design of a 5,000 square foot standalone restaurant; (ii) \$5 million renovation of an existing multi-family complex including grounds and amenities with planning and design for Phase II renovation of similar scope; (iii) redevelopment of a 10,000 square foot mixed-use restaurant/bar with retail component; (iv) repurposing/redevelopment of an existing community-based structure into a 6,000 square foot brewery and (v) development of two (2) 250-unit multi-family complexes from the ground up.

Redevelopment Plan

Developer recently acquired the property located at 117 4th Street North (RE# 173935-0000), previously known as the J. Johnson Gallery (“Project”). Developer has completed renovations to establish professional office use on the upper floor of the Project and plans to renovate the downstairs area to establish two (2) upscale restaurants. Developer engaged CBRE, Inc. (“CBRE”), to prepare marketing materials and seek potential established restauranters for the proposed sites. Marketing materials, including renderings, preliminary floor and site plans and

brief location and demographic data for the building are attached hereto as Exhibit 1.

While the Project allows for sufficient on-site parking pursuant to the Jacksonville Beach Zoning Code (“Code”),¹ the site does not allow for the ratio required to attract the type of upscale restaurant Developer desires for the Project. Specifically, based on CBRE’s detailed market analysis and research and prospective restauranters’ feedback, Developer must provide a minimum of ten (10) parking spaces per one thousand square feet of space in each restaurant to complete redevelopment of the Project.

According to the marketing efforts completed by CBRE to date, access to additional parking must be located within a reasonable distance from the Project. Developer’s efforts to secure parking on nearby privately owned land have not been successful. As a result, Developer proposes to lease the Small Lot, which Developer has determined can be developed to provide approximately thirty (30) parking spaces, and a minimum of seventy (70) parking spaces on the CRA Property in order to satisfy projected parking demands.

The proposed leases and development of the Small Lot will satisfy CRA objectives by providing much-needed upscale dining and parking to the core Jacksonville Beach area, while providing a guaranteed income source for a portion of the parking spaces within the CRA Property. In turn, the leases will facilitate redevelopment of the Project as an infill, mixed-use development contributing to the establishment of a compact mixed-use downtown area with specialty retail oriented to restaurants and entertainment. In turn, the Project will create additional tax revenue benefitting both the City of Jacksonville Beach and the CRA.

Market Value Analysis

Section 163.380(2), Florida Statutes, specifically authorizes leasing property “at a value determined to be in the public interest”. Section 163.380(2) further provides that “[i]n determining the value of real property as being in the public interest for uses in accordance with the community development plan, the county, municipality, or community redevelopment agency shall take into account and give consideration to the long-term benefits to be achieved by the county, municipality, or community redevelopment agency resulting from incurring short-term losses. . .” In accordance with Section 163.380(2), Florida Statutes, Developer has determined that the fair market value for one (1) parking space in the Jacksonville Beach area is \$1.49 per day and the CRA will not incur any losses. This determination is based upon a valuation analysis of parking spaces in the Jacksonville Beach area prepared by local parking expert, RTA Consulting, Inc., a copy of which is attached as Exhibit 2.

Offer Terms

Developer offers to lease the Small Lot from the CRA and develop the Small Lot as a parking lot providing approximately thirty (30) spaces at an initial rate of \$1.50 per diem per space,

¹ See BOA#73-98; Variance Application 98-1983 dated October 8, 1998.

less Developer's estimated cost of improving the lot, subject to the terms and conditions detailed in the letter of intent attached hereto as Exhibit 3. Developer further offers to lease a minimum of seventy (70) parking spaces located on the CRA Property, and up to seventy-five (75) parking spaces depending upon the number of parking spaces that can be developed on the Small Lot, at a rate of \$1.50 per space per day, subject to the terms and conditions detailed in the letter of intent attached hereto as Exhibit 3.

The proposed rate in the offer exceeds the fair market value for each space, will result in development of much-needed additional parking, will provide a guaranteed income stream to the CRA for such spaces and permit the redevelopment of the Property to include two (2) upscale restaurants all at no cost to Jacksonville Beach. In turn, the Project will create additional tax revenue benefitting both the City of Jacksonville Beach and the CRA.

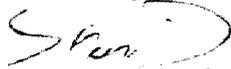
Recognizing that Section 163.380(3)(a) requires consideration of "the financial and legal ability of the persons making such proposals to carry them out," Developer represents that it is capable of fulfilling all obligations under this proposal without requiring contingencies related to equity or financing.

Conclusion

Based on the foregoing, and the authority granted pursuant to Section 163.380, Florida Statutes, we respectfully request that the CRA lease the Small Lot and spaces within the CRA Property to Developer, pursuant to the terms detailed in the attached letter of intent.

We look forward to the opportunity to discuss the matter further and to completing the proposed transaction to the mutual benefit of the parties and the Jacksonville Beach community.

Sincerely,



Steven Diebenow

cc: Tripp Gulliford, CBRE, Inc.
JAX BEACH AF LLC (c/o Matt McAfee, Registered Agent)

EXHIBIT 1

MARKETING MATERIALS FOR PROJECT

East Gallery

177 4TH AVENUE NORTH & 502 1ST STREET NORTH
JACKSONVILLE BEACH, FLORIDA



Opportunity for a restaurant in an architecturally significant building in Jacksonville Beach, serving a trade area with tremendous buying power and demographics.

CBRE

Property Details

- The building is located within steps of the Atlantic Ocean and in the heart of Jacksonville Beach, Florida.
- The first floor retail space can be demised into multiple restaurants.
- Walking distance from multiple bars and restaurants, the building is well positioned in the most vibrant entertainment corridor of Jacksonville's Beaches.
- Lease Rate: \$50.00 psf NNN

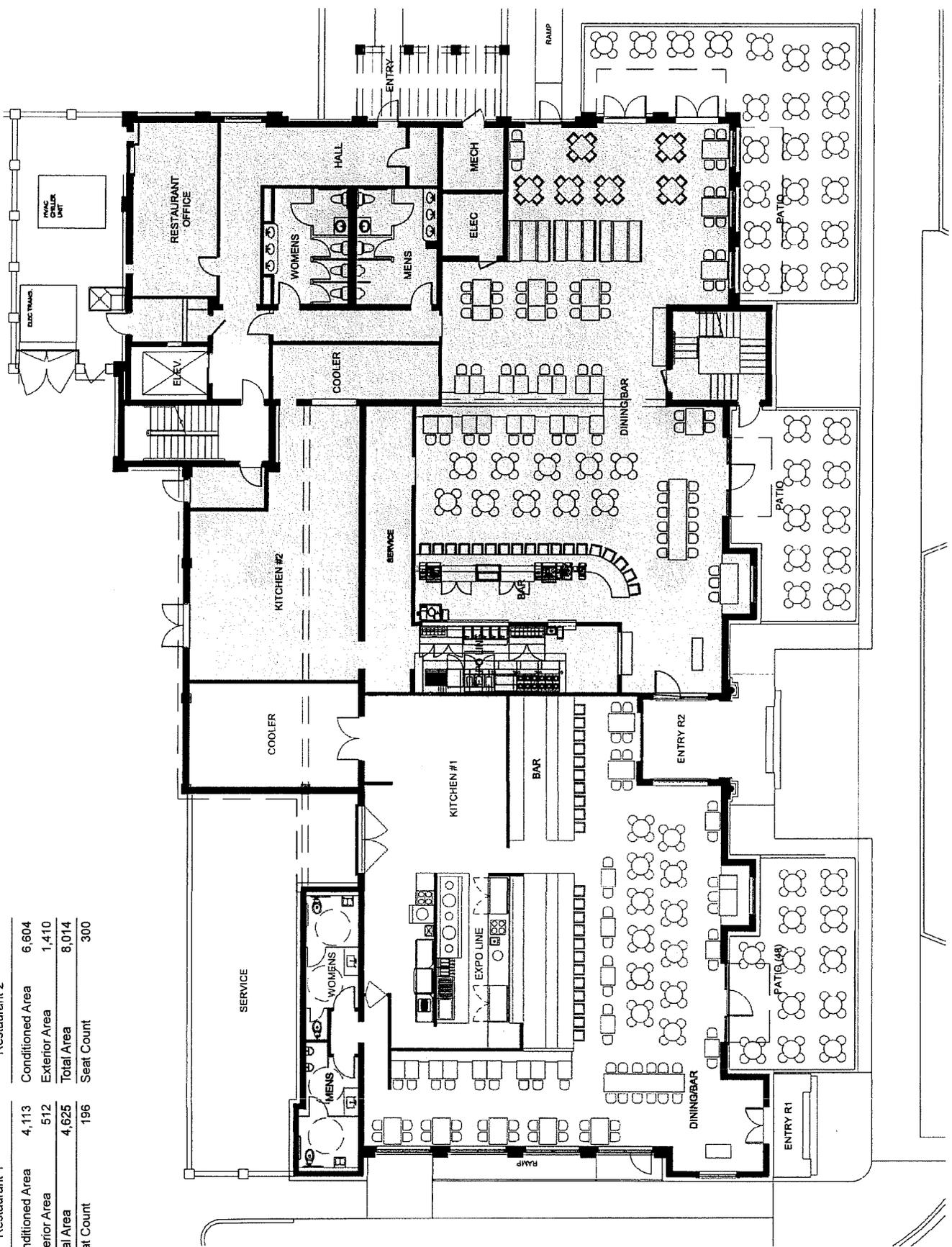


Renderings

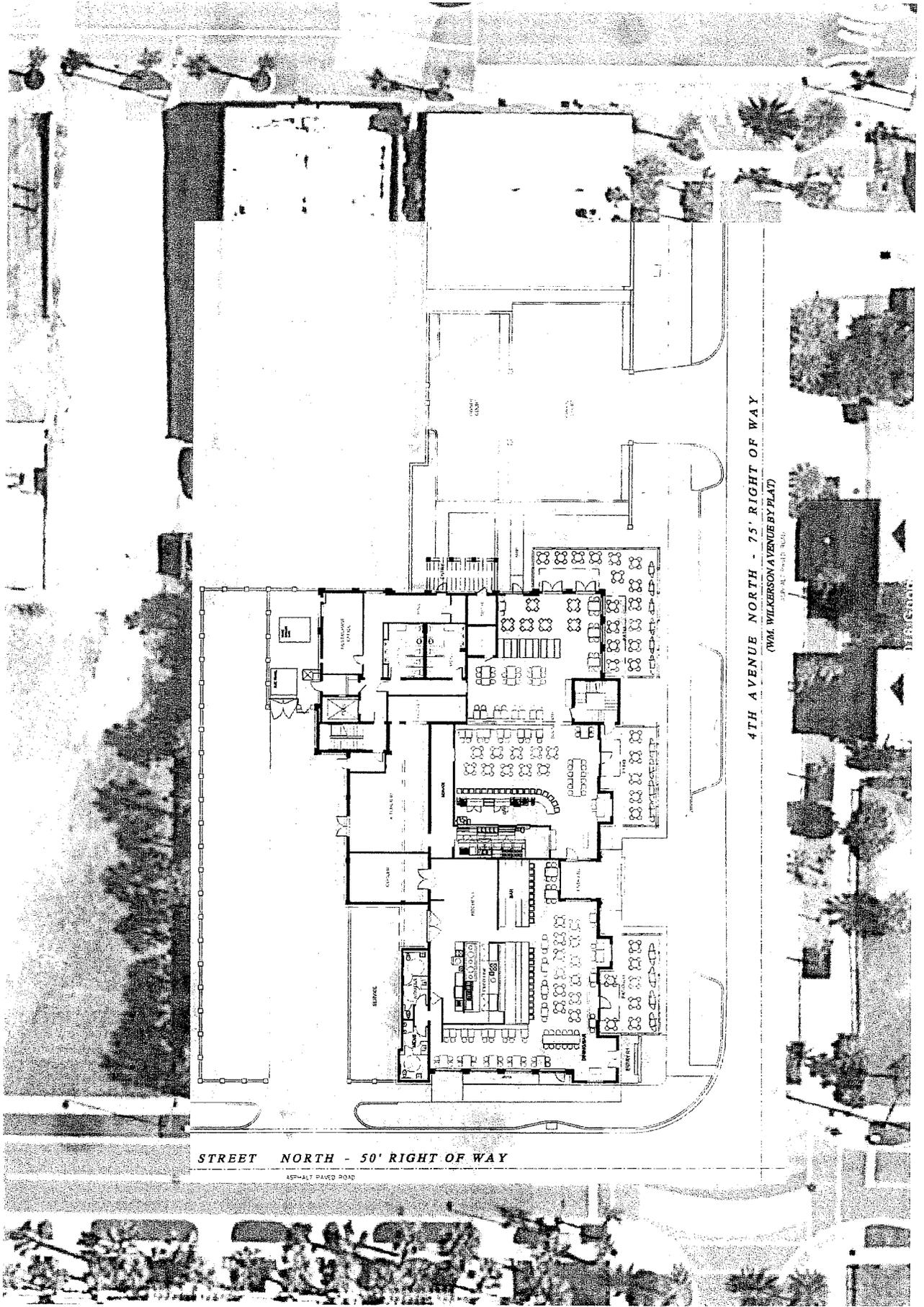


Floor Plan

Restaurant 1		Restaurant 2	
Conditioned Area	4,113	Conditioned Area	6,604
Exterior Area	512	Exterior Area	1,410
Total Area	4,625	Total Area	8,014
Seat Count	196	Seat Count	300



Site Plan

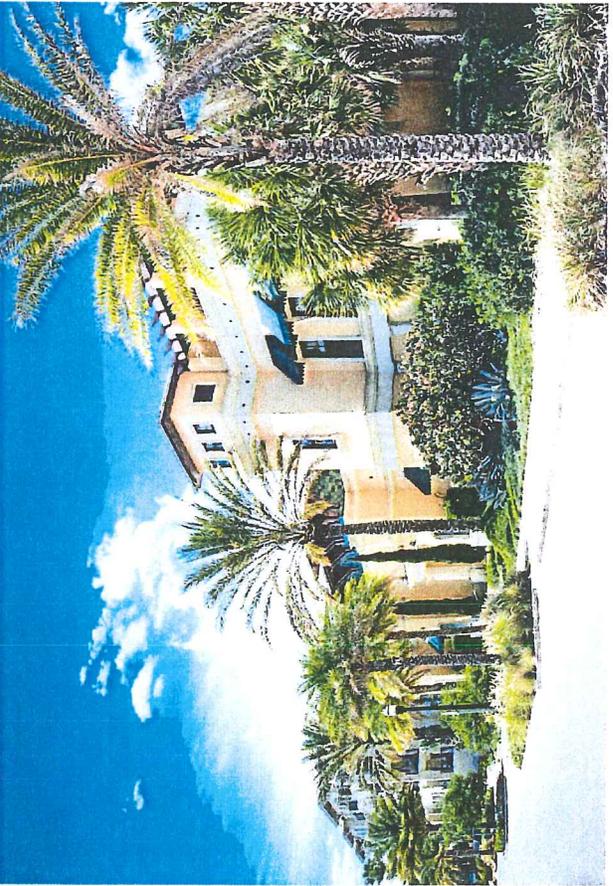


STREET NORTH - 50' RIGHT OF WAY

4TH AVENUE NORTH - 75' RIGHT OF WAY
(W.M. WILKERSON AVENUE BY PLAT)

15000 David L. Thomas

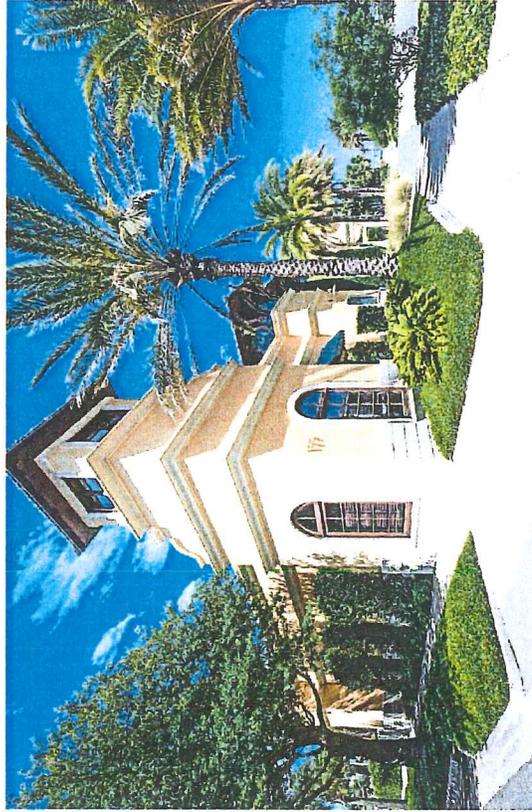
Property Photos



East Gallery

177 4TH AVENUE NORTH & 502 1ST STREET NORTH
 JACKSONVILLE BEACH, FLORIDA

2016 Estimated Demographics	1 mile	3 miles	5 miles
Population	8,790	42,353	95,418
Daytime Population	10,301	45,096	97,049
Median Age	38.0	41.2	40.1
Average Household Income	\$65,162	\$84,258	\$88,938
Average Household Values	\$356,413	\$405,691	\$396,201



Presented By:

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CBRE, Inc. | Licensed Real Estate Broker

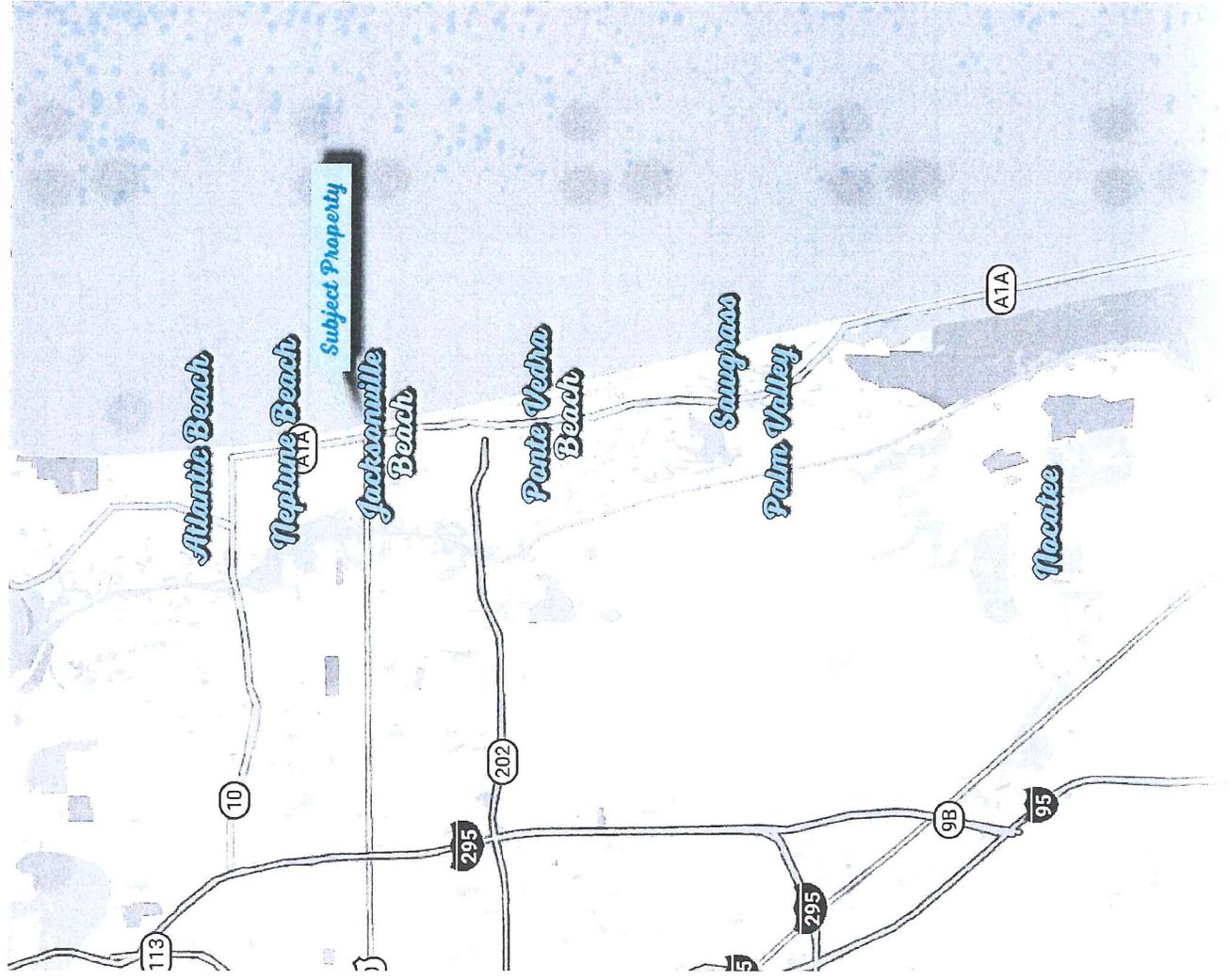


EXHIBIT 2

VALUATION ANALYSIS

RTA CONSULTING, INC.

220 N Hogan St, Suite 376, Jacksonville, FL 32202 (904) 545-0999 rtarimmer@earthlink.net

November 20, 2017

WILLIAM (TRIPP) GULLIFORD
Senior Managing Director
CBRE, Inc. Licensed Real Estate Broker
225 Water Street, Suite 110
Jacksonville, FL 32202

Re: Valuation Analysis of Parking Spaces in Jacksonville Beach

Dear Tripp:

Attached please find an analysis of the projected net revenues for a surface lot in Jacksonville Beach, Florida based on the following assumptions;

- 90 total surface lot spaces located approximately 2 blocks from the beach on 4th Avenue North
- Revenue projections are based on income that would be generated during the City of Jacksonville Beach's Parking "Season" (March – October)
- Lots would be operated Friday evenings thru Sunday evening and Holidays (approx 109 total days)
- Parking income estimates were based on rates of \$5 most days, and \$10 for Holidays and event weekends
- Turnover rates for the Lot are based on actual data from a similarly located lot 2 blocks south which operates on the same general schedule; Turnover rates for the projections were increased from the actuals to account for the proximity to the Pier and free parking for residents of Jacksonville Beach
- Free parking for residents was estimated at 20% of overall volume
- Expenses were based solely on projected staffing costs @ 1.4 employees per hour of operation @ \$10 each

Based on these assumptions it is reasonable to assume that each space would generate an average of \$6.88 of Gross Revenue per day of operation, with an average operating cost of \$1.88 per day for a Net Income per space of approximately \$5.00 per day of operation. This gives us an estimated total Net Income generated by the lot of approximately \$49,000 per Parking "Season". These projections do not include any adjustment or discounts for potential disruptions due to weather conditions or street closures during events.

It is reasonable to believe that the actual income could be higher than what we have estimated, but based on our experience with parking operations at beach locations the reality is that numbers usually come in lower due to the previously mentioned issue of weather. For each Season that the weather is mostly perfect throughout you will experience 2 or more Seasons where multiple weekends and events are lost to storms or just rainy, overcast conditions.

Based on these projections, and taking those other issues under consideration I would think a fair daily value for these spaces would be \$1.49 per space on an annualized basis (365 days).

If you have any questions, or if I can provide any additional information please don't hesitate to ask.

Sincerely,

Robert Mark Rimmer
CEO
RTA Consulting, Inc.

JAX BEACH PARKING SPACE INCOME ANALYSIS

Spaces	90	Daily Rates	\$5.00	Event	\$10.00	Fri	6	Sat	16	Sun	14	Holiday	14
Weekends	35	Holidays	4	Festivals	16	Operating Hours	@ \$5	85	@ \$10	20			

Local Resident Impact -20%

Income	Turns	Rate	\$'s/Day	Resident	Adjusted	Per Day	Per Space
Friday	1.5	\$5.00	\$675.00			\$619.27	\$6.88
Saturday	1.75	\$5.00	\$787.50				
Sunday	1.25	\$5.00	\$562.50				
Holidays	1.5	\$10.00	\$1,350.00				
Festivals	1.5	\$10.00	\$1,350.00				
Total			\$19,125.00			\$67,500.00	
			\$22,312.50				
			\$15,937.50				
			\$5,400.00				
			\$21,500.00				
			\$84,375.00				

Assumes 1.4 attendants on average

Expenses	# of Days	Hrs/Day	Total	All-in Hrly Rate	Per Space
Friday	35	6	\$2,940.00	\$14.00	
Saturday	35	16	\$7,840.00		
Sunday	35	14	\$6,860.00		
Holidays	4	14	\$784.00		
Total	109		\$18,424.00		

Net Income	\$49,076.00
Annualized Per Day Per Space	\$134.45
	\$1.49

Annual per Space \$545.29

Total Annual (90 spaces) \$49,076.00

EXHIBIT 3

LETTER OF INTENT

The following sets forth terms pursuant to which JAX BEACH AF LLC ("Tenant") would lease certain property from the City of Jacksonville Beach ("Landlord") for parking in support of the redevelopment of the property and improvements located at 177 4th Avenue North, Jacksonville Beach (the "Tenant's Property").

1. Parties

Landlord: The City of Jacksonville Beach
Tenant: JAX BEACH AF LLC

2. 128 4th Avenue North

A. SUBJECT PROPERTY

128 4th Avenue North (RE# 173933-0000) (the "Small Lot") as shown on the map attached hereto as **Exhibit "A"**

B. GROUND LEASE

Tenant will enter into a ground lease for the Small Lot (the "Ground Lease") and shall develop parking facilities and related improvements as shown generally on the site plan attached hereto as **Exhibit "B"** (the "Site Plan") for the exclusive use of Tenant and its agents, employees, and invitees. The Site Plan reflects the form and general layout for Tenant's improvement of the Small Lot as a parking lot, showing the general location of parking areas, access points and traffic patterns. Based upon the Site Plan Tenant has assumed that it will be able to develop no fewer than thirty (30) parking spaces on the Small Lot. Tenant shall be responsible for, all costs and expenses required to obtain the zoning and site plan approval for any improvements to the Small Lot; provided, however, Tenant shall have a right to terminate the Ground Lease if any conditions are imposed as part of the zoning or site plan approval that materially and adversely affect the development cost or use of the Small Lot. Tenant shall construct at Tenant's sole cost and expense the necessary parking improvements ("Tenant's Improvements") on the Small Lot, subject to and in accordance with (i) applicable building codes and municipal approvals, (ii) any required third party approvals, and (iii) the tenant's final construction plans. The estimated hard cost to construct the Tenant Improvements is \$100,000.

C. GROUND RENT

Beginning on the Commencement Date Tenant will pay an initial annual Ground Lease payment of \$16,425 per annum (which is based upon the 30 spaces that may be developed on the Small Lot multiplied by \$1.50 per day) (the "Rent"), which annual rent shall be offset by a sum equal to 1/20th of the total actual cost of Tenant's Improvements (the "Net Rent"), which shall be payable in equal monthly installments. As an example, if Tenant develops 30 parking spaces on the Small Lot and the Tenant Improvements cost \$100,000, the Net Rent per annum would be \$11,425. In addition, the Net Rent shall be increased or reduced pro rata based upon the actual number of parking spaces developed on the Small Lot. Tenant shall pay any sales tax due on the Net Rent as additional rent.

D. TERM

The initial term of the Ground Lease shall be for twenty (20) years. Thereafter, Tenant shall have four (4) successive renewals each for a term of five (5) years, subject to

Tenant not being in default. Annual lease payments will increase by ten percent (10%) for each five (5) year renewal term.

E. COMMENCEMENT DATE

The Ground Lease shall commence upon the earlier to occur of (i) the date on which Tenant completes the subject improvements on the Small Lot, or (ii) the date which is 365 days following the date on which Landlord delivers the Small Lot to Tenant with final and non-appealable zoning and site plan approvals (the "Commencement Date").

F. MAINTENANCE

Tenant will maintain the parking areas and other common facilities located on the Small Lot at Tenant's sole cost and expense.

3. **Jacksonville Beach Community Redevelopment Agency Property**

A. SUBJECT PROPERTY

204 4th Avenue North (RE# 174075-0000), 422 2nd Street North (RE# 174074-0000), 218 4th Avenue North (RE# 174076-0000), 215 3rd Avenue North (RE# 174083-0000) and 412 2nd Street North (RE# 174072-0000) (collectively, the "CRA Property"), as shown on the map attached hereto as **Exhibit "C"**

B. LEASE

Tenant will enter into a lease of seventy (70) parking spaces located on the CRA Property (the "Parking Lease"), as shown on the site plan attached hereto as **Exhibit "D"** (the "Site Plan") for the exclusive use by Tenant and its agents, employees, and invitees. In the event Tenant cannot develop at least thirty (30) parking spaces on the Small Lot pursuant to final site plan approval, then Tenant may adjust the number of spaces subject to the Parking Lease up to a maximum of seventy-five (75) parking spaces. The specific parking spaces allocated to Tenant as part of the Parking Lease shall be designated as reserved for Tenant's exclusive use.

C. RENT

Beginning on the Commencement Date Tenant will pay an initial annual Lease payment of \$1.50 per space per day or \$38,325.00 per annum (the "Rent"), which shall be payable in equal monthly installments. Tenant shall pay any sales tax due on the Rent as additional rent.

D. TERM:

The initial term of the Parking Lease shall be for ten (10) years. Thereafter, Tenant shall have four (4) successive renewals each for a term of five (5) years, subject to Tenant not being in default. Annual lease payments will increase by ten percent (10%) for each five (5) year renewal term.

E. COMMENCEMENT DATE

The Parking Lease shall commence upon the earlier to occur of (i) Tenant's notice of acceptance of the premises, or (ii) one hundred eighty (180) days after the Parking Lease is fully executed (the "Commencement Date").

F. MAINTENANCE

Landlord will maintain the parking areas and other common facilities located on the CRA Property and shall provide utilities, including, without limitation, adequate lighting, to the same at Landlord's sole cost and expense.

4. **Right of First Refusal**

Landlord shall grant Tenant a right of first refusal to purchase both the Small Lot and the CRA Property.

5. **Requirement for Both Ground Lease and Parking Lease**

The parties acknowledge and agree that Tenant requires both the Ground Lease and the Parking Lease in order to successfully redevelop and utilize the Tenant's Property for its intended use. Tenant shall have the right to terminate the Ground Lease or Parking Lease, as applicable, if (i) the parties are unable to execute both leases, or (ii) Tenant exercises a termination right under the other lease.

6. **Landlord's Work/Site Development**

Landlord shall undertake the following (i) complete all of the improvements on the CRA Property required to provide Tenant the necessary reserved parking spaces under the Parking Lease, (ii) assist Tenant in permitting the improvements on the Small Lot.

EXHIBIT A

MAP OF 128 4TH AVENUE NORTH (RE# 173933-0000)



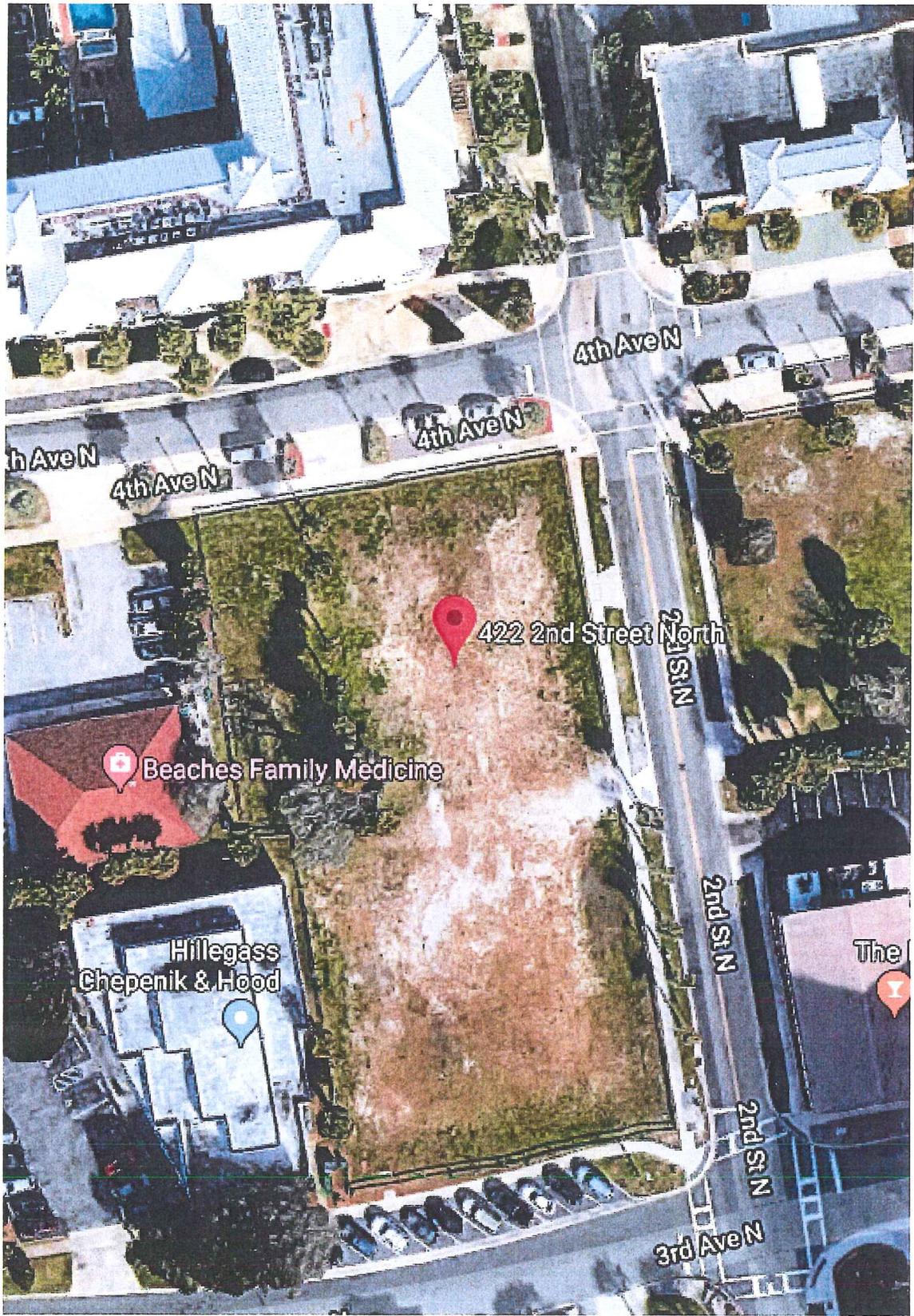
EXHIBIT B

SITE PLAN FOR SMALL LOT



EXHIBIT C

MAP OF 204 4TH AVENUE NORTH (RE# 174075-0000),
422 2ND STREET NORTH (RE# 174074-0000),
218 4TH AVENUE NORTH (RE# 174076-0000),
215 3RD AVENUE NORTH (RE# 174083-0000) AND
412 2ND STREET NORTH (RE# 174072-0000)



422 2nd Street North

Beaches Family Medicine

Hillegass
Chepenik & Hood

The

4th Ave N

4th Ave N

4th Ave N

NISTE

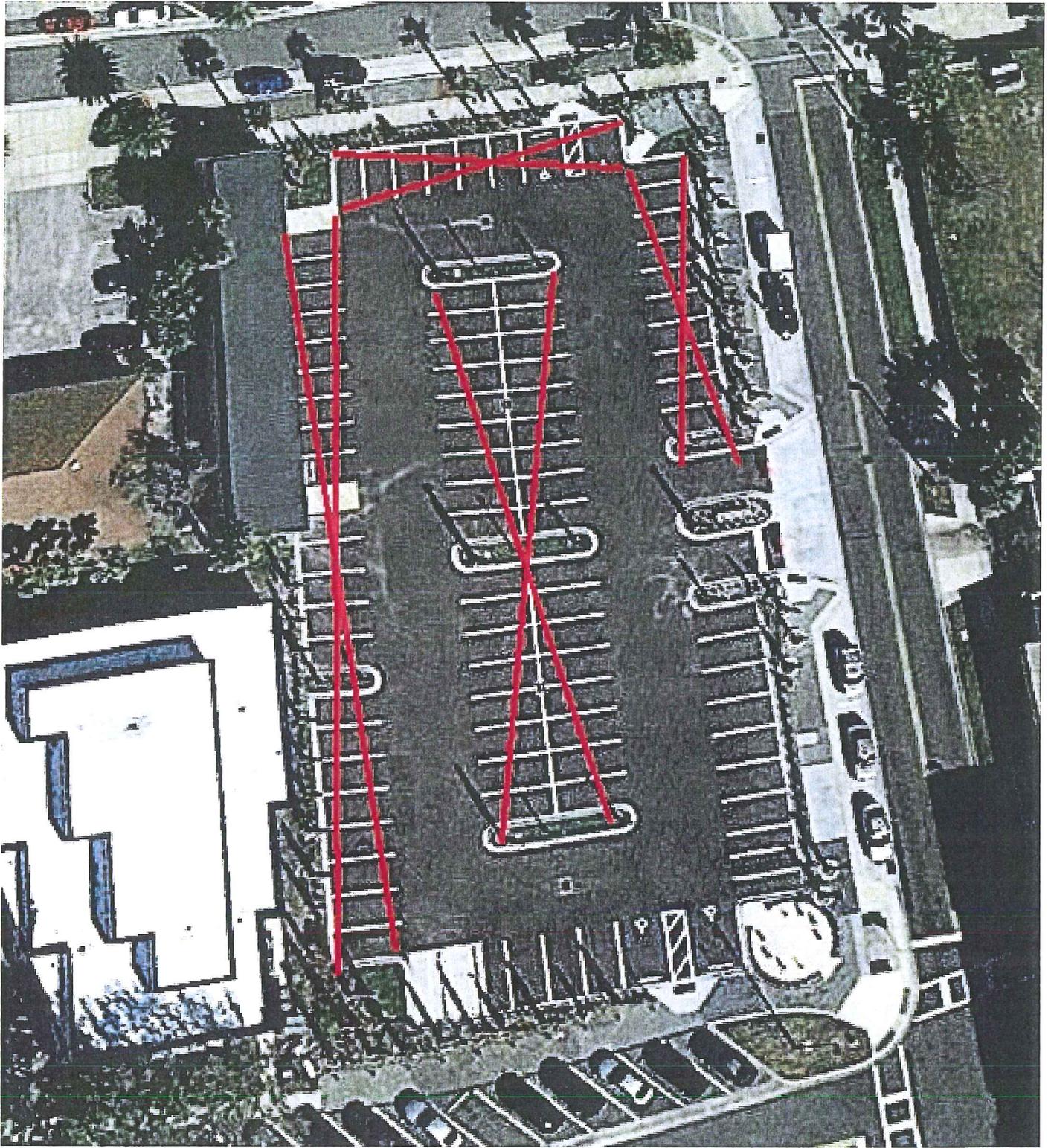
2nd St N

2nd St N

3rd Ave N

EXHIBIT D

SITE PLAN FOR CRA PROPERTY



*Requested spaces designated in red