

Project for JEA Site Makes 'Giant Statement for Downtown'

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The JEA's 14-year search for a developer for the former Southside Generating Station site along the Southbank Downtown might be over.

The public utility's board of directors Tuesday heard two proposals and voted to enter contract negotiations with Elements of Jacksonville.

The final stretch actually became a one-horse race.

Atlanta-based RocaPoint Partners graded out lower than Elements, led by local developers Michael Balanky and Peter Rummell, in both bid price for the land and a "qualitative" evaluation of the two concepts and business plans. The local developers' project has been pitched as Healthy Town.

Mike Hightower, JEA board chairman, commended both groups, then spoke in favor of Elements' submission.

"They want to get it right," he said. "It's based on vision, price, sensitivity to the river and the idea of health. This allows us to do something that we can be a leader in."

Elements proposed a planned community based around a healthy lifestyle designed for all age groups.

The concept includes 1,200 residential units, a combination of apartments and condominiums, plus 150,000 square feet of commercial and retail space and 200,000 square feet of office space.

Beginning of construction was listed as June 2016 with the project to be complete in September 2019.

"This place will be part of the fabric of this community for a long time," said Rummell. "It's a giant statement for Downtown."

RocaPoint proposed a residential-based development with 800 apartments and condominiums, 100,000 square feet of retail and 240,000 square feet of commercial and office space.

It proposed to close in July, begin site preparation in December 2015 and construction in September 2016.

The project would be complete in December 2018.

The proposal evaluation committee scored each project in 17 categories covering areas such as project experience, capital investment, development schedule and time to closing.

With a possible high score of 300, Elements was graded at 263, RocaPoint at 252.

When the bids for the land were weighted for time period before anticipated closing, Elements was adjusted to \$17.4 million, RocaPoint at \$11.6 million.

During the presentations, attorney Steve Diebenow, who represented RocaPoint, advised board members they should select the proposal with the soonest closing date in order to put the transaction on JEA's books in the current fiscal year and avoid the possibility that Elements' later closing date could lead to the project not being finished or even not begun at all.

"How much do you want to gamble on the economy?" he said. "The goal is to develop a project that can be delivered in this economic cycle."

Diebenow's argument did not sway the board, which voted unanimously in favor of Elements' proposal.

"This is a well-positioned piece of property. If it was in New York City, it would be worth \$1 billion," said board member Peter Bower. "We don't need the money. What year it closes doesn't

matter. We need a project that will move Jacksonville forward.”

Balanky, principal of Chase Properties, said the projected closing date in Elements’ proposal was conservative and the sale likely would be final in less time — soon after zoning and permits are approved.

“It may go faster. Nobody can expedite this project faster than we can,” he said.

After the decision was announced, Rummell described getting the go-ahead for the planned community as a “big deal” and “something nobody has done before and Jacksonville is going to get it.”

Balanky, who lives at San Marco Place condominiums that his company developed, said he has had his eye on the JEA property for seven years.

“I live two blocks away. Every day for the past seven years, I’ve gone out on my balcony and looked at that site and dreamed about what we could do,” he said.

JEA staff will negotiate a contract with Elements.

If a contract cannot be executed, the board would evaluate its options, which could include negotiating with RocaPoint or beginning the process from scratch with another Request for Proposals.