

JEA CEO Aaron Zahn, utility lobbyist are partners in Westside land deal

By Christopher Hong

Posted Dec 12, 2019 at 3:46 PM

Corporate filings made with the state of Florida in October list JEA CEO Aaron Zahn as the sole manager of the Legacy Industries of Jax, LLC, which owns a 24-acre lot on the Westside. Deno Hicks, a managing partner of a lobbying firm that recently received a \$120,000 contract from JEA, confirmed on Thursday that he and Zahn are equal partners in the venture.

JEA's embattled CEO Aaron Zahn and Deno Hicks, a local lobbyist whose firm recently received a \$120,000 contract from the city-owned utility, are co-owners in an undeveloped Westside property they are preparing as a site for an industrial warehouse and trying to sell for nearly \$2 million.

Corporate filings submitted to the state in October list Zahn as the sole manager of Legacy Industries of Jax, LLC, the entity listed by property records as the landowner. While Hicks isn't named in any of the company's corporate filings, he has applied for environmental permits from the state and federal government on the company's behalf and identified himself as the company's manager.

Hicks, a managing partner of the Southern Strategy Group lobbying firm, confirmed on Thursday that he and Zahn have owned the land since "early 2018" and are equal partners in the venture.

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JEA employees are required to disclose any secondary employment, including partnerships and directorships of companies, to JEA's ethics department. JEA Spokeswoman Gina Kyle hasn't responded to an inquiry by the Times-Union

about whether Zahn disclosed his role with Legacy Industries.

Zahn claimed he didn't own any real estate in 2018 on a financial disclosure form he submitted to the state earlier this year. He didn't report any secondary income from Legacy Industries on the form.

The city's charter states that JEA's managing director, a position that Zahn also holds, "shall have no outside employment or business."

Zahn hasn't responded to a request for an interview.

Hicks said the duo purchased the property before Zahn joined JEA and they have no plans to develop the land, which is a wooded lot with no infrastructure.

Property records and a sales brochure for the property conflict with those statements.

Legacy Industries purchased the property from CSX on April 24, 2018 for \$300,000, according to property records. Zahn was appointed to JEA's board by Mayor Lenny Curry in February 2018. He resigned on April 19, 2018, and became the interim CEO of JEA the next day. He received the permanent job, which pays an annual salary of \$520,000, in November 2018.

A brochure for the property on a commercial real estate firm's website advertises a \$1.99 million asking price and "build-to-suit" opportunities, which typically indicates an owner's willingness to construct a building to a buyer's exact specifications.

Southern Strategy Group received a lobbying contract with JEA to assist with their controversial efforts to possibly sell the utility. The one-year contract pays a monthly \$10,000 retainer fee.

The contract, which Hicks signed, requires the company to disclose any potential conflicts of interest. Hicks said he didn't believe his business relationship with Zahn was a conflict because it didn't provide him any advantage that helped secure his work with JEA, nor has it produced any money for them.

"It's not income developing. It's undeveloped land," Hicks said.

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The 24-acre lot off Lane Avenue captures the essence of Jacksonville's industrial Westside, an undisturbed block of slash pine, hardwoods and wetlands sandwiched between rail yards and bustling manufacturing facilities.

Public records show that Zahn's involvement in the property dates back to his time as CEO for BCR Environmental, a company that specializes in processing solid waste for small municipalities.

Similarly, Zahn and Hicks share a history tied to BCR. Media reports identify Hicks as a former president of the company, and public records show that Hicks worked to build bridges on behalf of Zahn with JEA officials while Zahn was still BCR's CEO.

In March 2017, a subsidiary of BCR, NuTerra NE FL Organics, LLC, received a permit from the Florida Department of Environmental Protection to build a mulch composting facility. CSX still owned the property when the permit was issued.

Zahn left BCR in July 2017. Shortly after, he joined a new company, Pascal Partners.

A BCR employee emailed FDEP in March 2018 to inform the agency they no longer planned to build the composting facility. On July 1, 2018, Hicks applied to have the permit transferred to Legacy Industries. He identified himself as a manager of Legacy Industries on the application and listed the same Jacksonville Beach P.O. Box address used by Pascal Partners.

Corporate filings for Legacy Industries show the entity was formed in 2017 and reinstated this year. The most recent filings list the company's address as 208 N. Laura St., an office building in downtown where Southern Strategy has its Jacksonville office. Zahn is listed as the sole manager of the company.

A representative for the company that manages the 208 N. Laura St. building said Legacy Industries has never been a tenant.

Public records also show that Legacy Industries is seeking a permit to fill in wetlands on the Lane Avenue property in order to build an industrial warehouse there. Hicks applied for the permit on behalf of Legacy Industries on Oct. 22, 2019, according to the application.

According to Army Corps records, Legacy abandoned their plans to build a biosolid composting facility because they couldn't find a company to award them a contract. Legacy's permit to fill in wetlands on the property to build a warehouse is currently under review by the Army Corps.

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