



JAX DAILY RECORD

THURSDAY, MAR. 7, 2019 05:20 AM EST

< PREV
ARTICLE

Cawton Report: JEA spent millions to keep headquarters operating

NEXT >
ARTICLE

SHARE



COMMENTS

0

Utility is considering proposals for a new headquarters.

by: [David Cawton](#) | Associate Editor

Search



JEA provided records for fiscal years 2009-18 showing that money was spent on preventive and corrective maintenance projects to keep the building habitable and operational.



street.

JEA is the largest municipal utility company in Florida and the 10th largest in the country. It serves more than 1 million combined electric, water and wastewater customers.

The combined 337,660-square-foot campus has been home to its 760 corporate employees since JEA purchased the 52-year-old buildings in 1988.

The utility has spent a little more than \$8 million on repairs since 2009, which JEA CEO and Managing Director Aaron Zahn said is one reason executives and the board of directors want to build a new campus.

“It certainly sounds like a significant amount of money for a building that you st to maintain it,” Zahn said Tuesday.

◀ PREV
ARTICLE

NEXT
ARTICLE ▶

“What it’s not accounting for is all the deficiencies in the building,” he said.

Making repairs

A breakdown shows \$3.9 million was spent on the tower since 2009.

JEA spent about \$1.2 million on heating, ventilation and air conditioning issues, the largest share of the \$1.6 million in total HVAC costs throughout the

Search



JEA paid a little more than \$1 million in 2010 to repair and replace HVAC systems in the tower and customer care center. In 2012, more than \$357,000 was spent on chilled water systems.



employee access infrastructure, fire alarms and other equipment.

Security overhauls in 2010 and 2014 account for \$648,400 of those costs.

The largest expense categories comprise structural, building and roofing repairs totaling more than \$5.4 million among the three sites.

A parking structure restoration project in 2010 cost \$1.7 million along with about \$803,000 on roofing and waterproofing at the tower.

In 2016, the utility spent \$325,307 on structural repairs, primarily on elevator restoration at the tower.

“That’s just the duct tape and chewing gum approach,” said Zahn.



PREV
ARTICLE

not actually solving the problems. It’s just getting a little longer list out of the buildings,” he said.

NEXT
ARTICLE



The repairs do not include day-to-day expenses. According to a utility spokesperson, JEA spent an average of \$128,783 per month over the past three years on operating costs.

Zahn, who the board installed as CEO in November, said those amounts are much lower than what is needed to upgrade the campus for a longer life span.

Search



facility and the risk if we don’t find a new headquarters,” he said.

In 2016, JEA commissioned a study with the help of Fairlead Commercial Real Estate LLC., The Haskell Company and England-Thims & Miller Inc. that



The renovation scenario presented obstacles JEA said were cost prohibitive. It concluded the campus is too large for JEA's 760 employees and that "many unknown conditions create the need for a large contingency."

The study determined JEA would need to spend \$98 million on capital expenditures just to maintain the campus. That route includes building a new headquarters after year 21 at a higher cost compared to pursuing new construction earlier.

At the time, JEA concluded it would cost about \$68 million to build a new corporate home.

Other challenges



PREV
ARTICLE

the biggest challenges Zahn said JEA faces with the current headquarters is the risk of systems failing and services being interrupted.

NEXT
ARTICLE



"If we have business interruption due to our headquarters, it could cost us over \$100 million each month," Zahn estimated.

"We're taking a lot of steps in the meantime to be more conscientious of business interruption risks, but at the end of the day that's a driver," he said of pursuing new construction.

Search



"We already ask our employees to do a lot," he said.



customer.

The future

During the week of April 8, the JEA board of directors will choose how to proceed with a new corporate headquarters.

The board is expected to reach a decision from a field of three proposals received in January.

The finalists are sites near TIAA Bank Field; adjacent to the Kings Avenue parking garage on the Southbank; and Downtown near the Duval County Courthouse and State Attorney’s Office.



PREV
ARTICLE
— —

procurement code allows the board to keep key financial details of
als confidential while it negotiates with each firm.

NEXT
ARTICLE



“It’s an opportunity for us to truly change the culture and drive our employees to interface with our customers in a way that many utilities currently don’t do yet,” Zahn said.

He had no updates on negotiations.

Following a Feb. 5 meeting, JEA board Chair Alan Howard said the policy

Search



“We’ve not established a maximum budget,” Howard said after the February meeting.

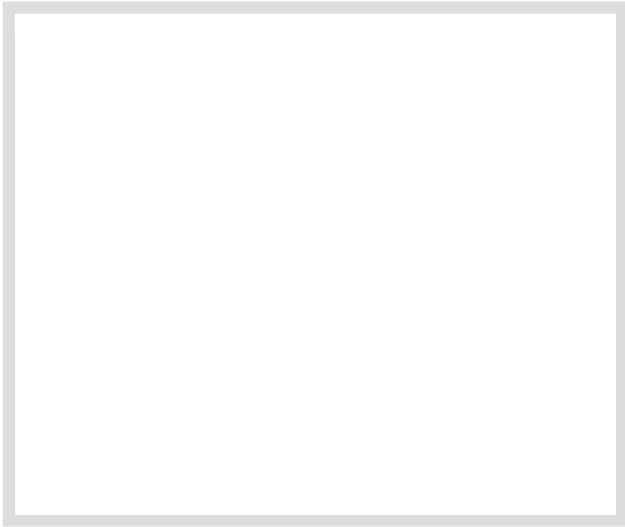
←

Prev Article

Next Article

→

advertisement



advertisement

◀

PREV
ARTICLE

NEXT
ARTICLE

▶

**SIGN UP TO RECEIVE OUR NEWS IN
YOUR INBOX!**

SUBMIT

Most Popular

Search



The lifestyle and retail project slowed by COVID-19 pandemic.



READ MORE →

May 21, 2020 **SHARE**

The institution has been leasing the structures, beside III and IV.



NEXT
ARTICLE 

READ MORE

May 20, 2020 **SHARE**



San Marco



Group says height and density violate neighborhood's overlay provisions set in the city Land Development Code.

READ MORE →

GOVERNMENT

May 21, 2020 SHARE

Ford on Bay and the Independent Life Building are headed to DIA in June



PREV ARTICLE

Downtown Investment Authority also will vote on a food and beverage program and a dock for short-term boaters.

NEXT ARTICLE

READ MORE →

GOVERNMENT

May 20, 2020 SHARE

Search





headquarters, which is a so-called 'hardened' building

The utility says it will save \$27 million in its lease with the developer.



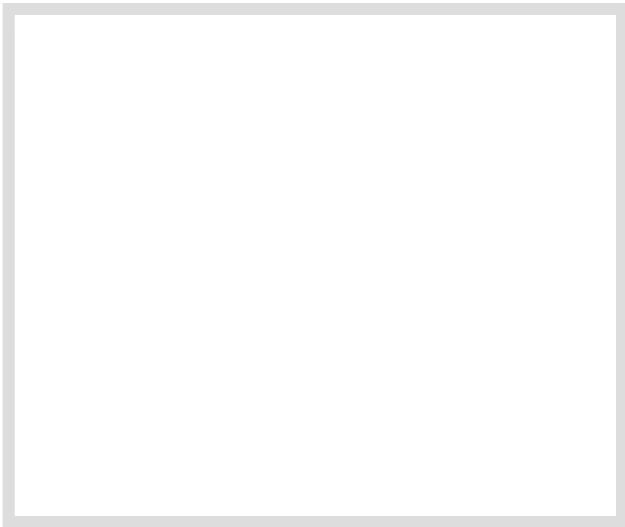
READ MORE →

GOVERNMENT

May 21, 2020 SHARE



advertisement



advertisement

PREV
ARTICLE

NEXT
ARTICLE

RELATED STORIES

Search



are a source of infection for adults.





Government



MAY 22, 2020

SHARE

Tuten named JEA interim chief compliance officer

Former director of audit services joined the utility in 2015.



READ MORE →

Government



MAY 22, 2020

SHARE

PREV
ARTICLE

JEA board approves smaller headquarters, will seek
nd ‘hardened’ building

utility says it will save \$27 million in its lease
with the developer.



NEXT
ARTICLE

READ MORE →

Government



MAY 21, 2020

SHARE

Search





Daily Record | Record & Observer



Americas #1 Futurist George Gilder's 2020 Prediction Will Stun You

INTERNET REBOOT 2020



1 Simple Trick to Cut Your Electric Bill by 90% {it's Genius}

OKOWATT



3 Ways Your Cat Asks for Help

DR. MARTY



Former CIA Advisor Releases 5 Steps to Prepare for the Great Depression of 2020

MARKET CRISIS SECRETS

PREV
ARTICLE

NEXT
ARTICLE



Mom Cheats Credit Score +193 Using This 5min Trick (Genius!)

CREDIT SECRETS



Has Great Depression of 2020 Started? Ex-cia Advisor Tells How to Protect Wealth

Search



About Contact Us Advertise Subscribe Jobs Services Privacy Help Submit News Release

Rack Locations



JACKSONVILLE Daily Record | JACKSONVILLE Record & Observer

JaxDailyRecord.com

121 W. Forsyth Street

Suite 150

Jacksonville, FL 32202

Phone: 904-356-2466

Fax: 904-353-2628

Email: info@jaxdailyrecord.com

SOCIALIZE WITH US



◀ PREV
ARTICLE

NEXT
ARTICLE ▶

SIGN UP TO RECEIVE OUR NEWS IN YOUR INBOX!

SUBMIT

OUR SISTER SITES

[BusinessObserverFL.com](#)

[OrmondBeachObserver.com](#)

[OrangeObserver.com](#)

[PalmCoastObserver.com](#)

[YourObserver.com](#)

[PortOrangeObserver.com](#)

OTHER PUBLICATIONS

Browse a digital collection of our other publications, magazines and special sections such as Season Magazine, Health Matters, Holiday Gift Guide and more .

[VIEW ALL](#)

site created by:

Copyright © 2020 Observer Media Group, Inc., All Rights Reserved

