

Office building planned at Southside Quarter

Building matches the needs of Project Milan, believed to be McKesson Corp.

By Karen Brune Mathis
Editor

Hines is preparing to build its first four-story office building at Southside Quarter along Gate Parkway, but there's no information whether it is speculative or for a tenant.

A concurrency application filed with the city shows a 123,875-square-foot building is planned on 29.79 acres at Gate Parkway and Commerce Village Drive.

It's one of two proposed office buildings there and is the southernmost of the pair.

England-Thims & Miller Inc. is the civil engineer and agent.

Southside Quarter is at southwest Butler Boulevard and Interstate 295 and near the Town Center One and Two buildings under construction for VanTrust Real Estate.

Two Jacksonville-based companies — Availity LLC and Web.com — will anchor the Town Center office buildings.

Hines Managing Director Lane Gardner said Thursday he could not comment about the Southside Quarter building.

The building matches the needs of Project Milan, believed to be McKesson Corp., which proposes to lease and furnish a Class A office building in South Jacksonville.

Milan, described as a health care company, needs 90,000 to 95,000 square feet of office space



File images

An artist's rendering of an office building planned at Southside Quarter along Gate Parkway.

and expects a capital investment of \$28.5 million.

City Council adopted a resolution in August for a \$700,000 Recapture Enhanced Value grant for Milan.

The project was described as an expansion of an existing company.

McKesson Corp., based in San Francisco, bought Jacksonville-based PSS World Medical Corp. in 2013 and continued to lease the PSS space in Southpoint.

PSS distributed medical products and services to physicians and caregivers throughout the United States.

McKesson Medical Surgical, a McKesson operating unit, announced in October 2013 it agreed to extend the Southpoint lease there until this year.

The development agreement with the city said Milan will add 10 financial and IT positions with an average salary of \$45,562.

The project summary said 10 was the minimum number of jobs to be added and the company could create 50 more jobs

by year-end 2022 at an average wage of \$77,000.

Another sign that Milan is the tenant is the timetable. The agreement states construction must start by June 30 and be completed by year-end 2019.

No other proposed office buildings appear to be planned or ready for development.

A McKesson spokeswoman said Thursday the company regularly reviews its real estate footprint and is evaluating its options in Jacksonville.

She said it was premature to discuss any speculation.

The 105-acre Southside Quarter is master-planned for retail, high-density single-family residential, commercial, hotel and office uses.

Houston-based Hines announced in February that it broke ground on the site. It launched development with a construction of a 306-unit apartment community on 11 acres.

Hines also released preliminary designs and site plans for



Southside Quarter comprises apartments, homes, retail and office space. The first office buildings are at the upper west side of the project.

the first two 125,000-square-foot Class A build-to-suit office buildings that are available for corporate tenants.

David Weekley Homes announced in July it will introduce its "Central Living" brand in Jacksonville on 11 acres it bought from Hines in June.

It plans to develop 135 attached townhouses and detached sin-

gle-family homes that include open designs, a low-maintenance lifestyle and private outdoor living areas.

Central Living is the company's high-density division that offers luxury housing.

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