



**Downtown Investment Authority
Retail Enhancement and Property Disposition Committee**

**Hybrid Virtual In-Person Meeting
Wednesday, April 13th, 2022 at 3:00 p.m.**

RE&PD AGENDA

Oliver Barakat, Chair

David Ward, Committee Member

Todd Froats, Committee Member

Jim Citrano, Committee Member

Braxton Gillam, Esq., Ex Officio

Committee Members Excused: Carol Worsham

- I. CALL TO ORDER
- II. PUBLIC COMMENTS*
- III. MARCH 9, 2022 RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE MEETING MINUTES APPROVAL
- IV. RESOLUTION 2022-04-07: AR POLAR DISPOSITION
- V. RESOLUTION 2022-04-09: 100 E ADAMS STREET FAB-REP
- VI. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR
- VII. OLD BUSINESS
- VIII. NEW BUSINESS
- IX. ADJOURN

** Only individuals attending the meeting in-person will have an opportunity to provide live public comments. Persons who cannot attend the meeting in-person, but who wish to submit public comments regarding any matter on the agenda for consideration at the meeting, may do so by sending their public comments via electronic mail to DIAPublicComments@coj.net prior to the start of the meeting. Public comments received prior to the meeting will not be read during the meeting but will instead be forwarded to all DIA Board members for review in advance of the meeting and will remain a part of the permanent record for the meeting itself. You are encouraged to submit public comments well in advance of the start of the meeting to provide DIA Board members with adequate time to read them in preparation for the meeting.*

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**Downtown Investment Authority
Retail Enhancement and Property Disposition Committee**

**Hybrid Virtual In-Person Meeting
Wednesday, April 13th, 2022 at 3:00 p.m.**

Please be advised that this will be a hybrid virtual in person meeting.

PHYSICAL LOCATION

City Hall at St. James
117 West Duval Street
First Floor, Lynwood Roberts Room
Jacksonville, FL 32202

Visitors are encouraged not to enter City owned public buildings if they have: symptoms of COVID-19, a fever of 100.4 degrees Fahrenheit or higher, are currently undergoing evaluation for COVID-19 infection, a diagnosis of COVID-19 in the prior 10 days, or have had close contact with someone infected with COVID-19 during the prior 14 days. Any member of the public entering City owned public building may choose to wear a mask inside the building.

VIRTUAL LOCATION

Interested persons desiring to attend this meeting virtually can do so via Zoom (including by computer or telephone) using the following meeting access information:

Join Zoom Meeting

<https://us02web.zoom.us/j/82534306765?pwd=MDdaN2xpTTFzZ3gxUmNRQTM3Mm1GZz09>

Meeting ID: 825 3430 6765

Passcode: 186971

One tap mobile

+1 (312) 626-6799 (Chicago)

+1 (646) 558-8656 (New York)

Find your local number: <https://us02web.zoom.us/j/keg325N2hY>

TAB III
MARCH 9, 2022
RE&PD COMMITTEE MEETING MINUTES APPROVAL



Downtown Investment Authority
Retail Enhancement and Property Disposition Committee Hybrid
Meeting
Wednesday, March 9, 2022 – 1:00 p.m.

RE&PD Committee Hybrid Meeting
Draft - MEETING MINUTES

Retail Enhancement and Property Disposition Committee Members in Attendance:

David Ward, Esq., Acting Chair
Jim Citrano

Carol Worsham

Committee Members Excused: Oliver Barakat, Chair; and Todd Froats

Board Members in Attendance:

DIA Staff Present: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Ina Mezini, Marketing and Communications Specialist (via Zoom); and Lori Radcliffe-Meyers, Downtown Development Coordinator (via Zoom); Xzavier Chisholm, Administrative Assistant; and Antonio Posey, Project Manager

Office of General Counsel: Joelle Dillard, Esq.

I. CALL TO ORDER

The Retail Enhancement and Property Disposition Committee meeting of February 23rd, 2022, was called to order at 1:00 p.m. by Acting Committee Chairman Ward.

II. PUBLIC COMMENTS

Chairman Ward opened the floor to public comment.

Seeing none, Chairman Ward closed the public comments portion of the meeting.

III. FEBRUARY 23, 2022 RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE MEETING MINUTES APPROVAL

Having called for corrections or other edits by his fellow committee members and after receiving none, Chairman Ward asked for a motion and second on the item.

Motion: CM Worsham moved to approve the minutes as presented

Seconded: CM Citrano seconded the motion

Vote: Aye: 3 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 3-0-0.

IV. RESOLUTION 2022-03-01: 323 E BAY STREET FAB-REP

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMBINED NORTHBANK COMMUNITY DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM FORGIVABLE LOAN TO 323 E BAY STREET LLC AND 323 E BAY STREET RE LLC (“GRANTEES”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A LOAN AGREEMENT AND RELATED SECURITY DOCUMENTS; AUTHORIZING THE DIA CEO TO EXECUTE SUCH AGREEMENTS; AND FINDING THAT THE DEVELOPMENT PLAN IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN, INCLUDING THE NORTHBANK CRA PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.

DIA’s Steve Kelley introduced the resolution, stating that the applicant seeks a Food and Beverage – Retail Enhancement Program (FAB-REP) Retail Enhancement Grant for a proposed two-story live music venue located on Bay Street. The venue will feature a rooftop bar and a basement.

Motion: CM Citrano moved to approve Resolution 2022-03-01 as presented

Seconded: CM Worsham seconded the motion

Chairman Ward called for comments from the committee.

Responding to a question from CM Citrano regarding eligible tenant improvements, Mr. Kelley described how the appropriate square footage was determined when calculating the funding maximums under the FAB-REP guidelines.

Mr. Kelley confirmed for CM Worsham that the venue has a 1000-person capacity.

Chairman Ward asked if staff ensured that the applicant isn’t receiving funds already accounted for in their previously approved application for Downtown Preservation and Revitalization Program (DPRP) funding. Mr. Kelley responded that they eliminated anything that might be considered a tenant improvement when they calculated the DPRP funding.

Vote: Aye: 3 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 3-0-0.

V. RESOLUTION 2022-03-02: THE HARDWICK TERM SHEET

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) EXTENDING THE TIME FOR NEGOTIATION OF A TERM SHEET WITH CARTER (“DEVELOPER”) AUTHORIZED PURSUANT TO RESOLUTION 2022-01-02 THROUGH MAY 18, 2022; AUTHORIZING THE CEO OF THE DIA

TO CONTINUE NEGOTIATIONS WITH THE DEVELOPER AND PRESENT TO THE DIA BOARD IN MAY A TERM SHEET FOR DISPOSITION AND DEVELOPMENT OF THE PROPERTY (“COURTHOUSE SITE”) IN ACCORDANCE WITH THE PROPOSAL SUBMITTED BY DEVELOPER; AUTHORIZING THE RELEASE OF ALL PREFORMANCE BONDS PROVIDED BY OTHER BIDDERS ON ISP-0287-22; AND OTHERWISE AUTHORIZING THE CEO TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

CEO Boyer introduced the resolution, stating that it seeks to extend the time for negotiation of a term sheet with the developer. A term sheet will be presented to the Board in May.

Motion: CM Worsham moved to approve Resolution 2022-03-02 as presented

Seconded: CM Citrano seconded the motion

Vote: Aye: 3 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 3-0-0.

VI. OLD BUSINESS

None.

VII. NEW BUSINESS

CEO Boyer introduced the DIA’s newest staff member, Antonio Posey, stating that he will be focused on the smaller business incentives.

VIII. ADJOURNMENT

Seeing no further matters for discussion, Chairman Ward adjourned the meeting at 1:15 p.m.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments of this meeting, a recording is available upon request. Please contact Xzavier Chisholm at xchisholm@coj.net to acquire a recording of the meeting.

TAB IV

RESOLUTION 2022-04-07: AR POLAR DISPOSITION

RESOLUTION 2022-04-07

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO ISSUE A 30-DAY NOTICE OF DISPOSITION IN ACCORDANCE WITH THE NEGOTIATED DISPOSITION PROCEDURE ADOPTED BY DIA; AUTHORIZING THE PUBLICATION OF A NOTICE OF DISPOSITION FOR THE FEE SIMPLE DISPOSITION OF AN APPROXIMATELY 5.12 ACRE PARCEL (THE “RETENTION POND PARCEL”) OF CITY-OWNED REAL PROPERTY LOCATED WITHIN THE BOUNDARY OF THE PARCEL DEPICTED ON EXHIBIT A ATTACHED HERETO AND IDENTIFIED BY DUVAL COUNTY TAX PARCEL NUMBER RE#130574-0150, (THE “PROPERTY”), CURRENTLY DEVELOPED AS A RETENTION POND AND LOCATED BETWEEN GATOR BOWL BOULEVARD AND THE ST. JOHNS RIVER; EXPRESSING THE INTENTION, ABSENT HIGHER RESPONSIVE OFFERS, TO DISPOSE OF SAID PROPERTY TO AR POLAR JACKSONVILLE, LLC (THE “DEVELOPER”) SUBSTANTIALLY IN ACCORDANCE WITH THE NEGOTIATED TERMS ATTACHED HERETO AS EXHIBIT C, SUBJECT TO FURTHER REFINEMENT AND APPROVAL BY THE BOARD AT THE NEXT REGULARLY SCHEDULED MEETING FOLLOWING EXPIRATION OF THE THIRTY DAY NOTICE PERIOD; ESTABLISHING THE TERMS OF THE PUBLISHED NOTICE OF DISPOSITION; FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT (“BID”) PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, via Ordinance 2012-0364-E, the City Council created the Downtown Investment Authority, designating the DIA as the City’s Community Redevelopment Agency for the Combined Northbank Downtown Community Redevelopment Area and authorizing it to approve and negotiate economic development agreements and dispose of City-Owned property; and

WHEREAS, the City owns an approximately 14.38-acre parcel of real property currently which is identified by Duval County Tax Parcel Number RE# 130574-0150 (the “Property”); and

WHEREAS, Developer is the owner of the adjacent parcel identified by Duval County Tax Parcel Number RE# 130574-0000 consisting of approximately 20.37 upland acres (“Developer’s Parcel”); and

WHEREAS, Developer has approached the City and DIA regarding the acquisition of the Retention Pond Parcel in exchange for conveyance to the City of two portions of Developer’s Parcel, one sufficient in size to substantially replace the retention pond and a second to provide

the City with a riverfront site and adjacent submerged lands to accommodate construction of a new marine fire station to serve Downtown; and

WHEREAS, in light of the redevelopment of Kids Kampus which has been approved by City Council and is expected to close in May, the existing marine fire station serving Downtown has been displaced and a new waterfront location must be secured; and

WHEREAS, the City-owned property originally contemplated for the fire station will require significant dredging to serve the needs of JFRD, at substantial expense to the City; and

WHEREAS, the City has determined that the Retention Pond Parcel could be made available for a more economically productive use if a replacement parcel is provided elsewhere in the immediate vicinity; and

WHEREAS, both the Retention Pond Parcel and the Developer's Parcel are located within the Combined Downtown Northbank Community Redevelopment Area ("Northbank CRA"); and

WHEREAS, DIA entered into negotiation with Developer regarding the terms of the disposition and redevelopment in accordance with DIA's approved negotiated disposition process; and

WHEREAS, DIA has established the terms upon which a notice of disposition will be published as set forth in **Exhibit B**; and

WHEREAS, the majority of the essential terms of the redevelopment proposal including Developer's obligations are set forth in the Term Sheet attached as **Exhibit C**; and

WHEREAS, in order to determine fair value for the property pursuant to Florida Statutes Chapter 163.380(2), and as required by City of Jacksonville Code of Ordinances §122.432, the DIA has obtained an appraisal of the various parcels involved in the disposition; and

WHEREAS, DIA is the designated Community Redevelopment Agency for the Northbank CRA, for which a Business Investment and Development Plan, inclusive of a Community Redevelopment Plan, ("BID/CRA Plan") was adopted by Ordinance 2014-560-E; and

WHEREAS, Section 55.108 of the Jacksonville Code of Ordinances grants certain powers and duties to the DIA, including:

Interpreting the BID/CRA Plan and approving development and redevelopment projects within Downtown;

Implementing the BID/CRA Plan, and negotiating and approving downtown development and redevelopment agreements, grant agreements, license agreements, and lease agreements;

Planning and proposing Projects and Public facilities within Downtown; and

WHEREAS, at a publicly noticed meeting held on April 13, 2022, the DIA Retail Enhancement and Property Disposition Committee (“REPD”) recommended that the DIA Board adopt Resolution 2022-04-07; and

WHEREAS, upon adoption of this Resolution, a 30-day notice for the solicitation of proposals pursuant to Section 163.380(3)(a), Florida Statutes, and Sections 122.434(a) and (b), Jacksonville Ordinance Code, will be issued; and

WHEREAS, the DIA finds that the proposed disposition and redevelopment proposal further the following Redevelopment Goal and Strategic Objectives currently found in the BID/CRA Plan and those proposed by the DIA Board for adoption by City Council within the BID/CRA Plan Update:

(Current) Redevelopment Goal 3: Simplify the approval process for downtown development and improve departmental and agency coordination.

Strategic Objectives: Provide publicly-owned land and building space for public and private development which will support and strengthen Downtown’s commercial and residential base and comply with the other Redevelopment Goals.
Initiate public-Private partnerships

(Current) Redevelopment Goal 6: Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors.

Strategic Objective: Enhance the presence of Downtown security and coordinate with JSO for increased public safety officers within Downtown.

(Proposed) Redevelopment Goal 5: Improve the safety, accessibility, and wellness of Downtown Jacksonville and cleanliness and maintenance of public spaces for residents, workers, and visitors.

Strategic Objective: Expand the installation of public infrastructure that enhances safety such as countdown timer pedestrian signals, enhanced lighting, security cameras, etc.

(Proposed) Redevelopment Goal 8: Simplify and increase the efficiency of the approval process for Downtown development and improve departmental and agency coordination.

Strategic Objective: Streamline and improve the transparency of the disposition process for publicly owned land and building space.

NOW THEREFORE BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

Section 2. The DIA instructs the Chief Executive Officer of the Downtown Investment Authority to take all necessary action necessary to effectuate the thirty (30) day Notice of Disposition for the Property in accordance with its Negotiated Notice of Disposition Process and pursuant to the terms set forth in Exhibit B and consistent with Florida Statutes and the Ordinance Code.

Section 3. Proposals received, if any, will be reviewed by the DIA Chief Executive Officer, who will make a recommendation to the DIA Board regarding any responsive alternate proposals received.

Section 4. If no alternate responsive and qualified proposals are received, or if they are determined by the CEO to be lower in value or unresponsive, the DIA authorizes its CEO to finalize negotiation of a term sheet with Developer and present it to the Board for final approval at the next regularly scheduled meeting following closure of the required notice period.

Section 6. The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to take all action necessary to effectuate the purposes of this Resolution.

Section 7. This Resolution, 2022-04-07, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

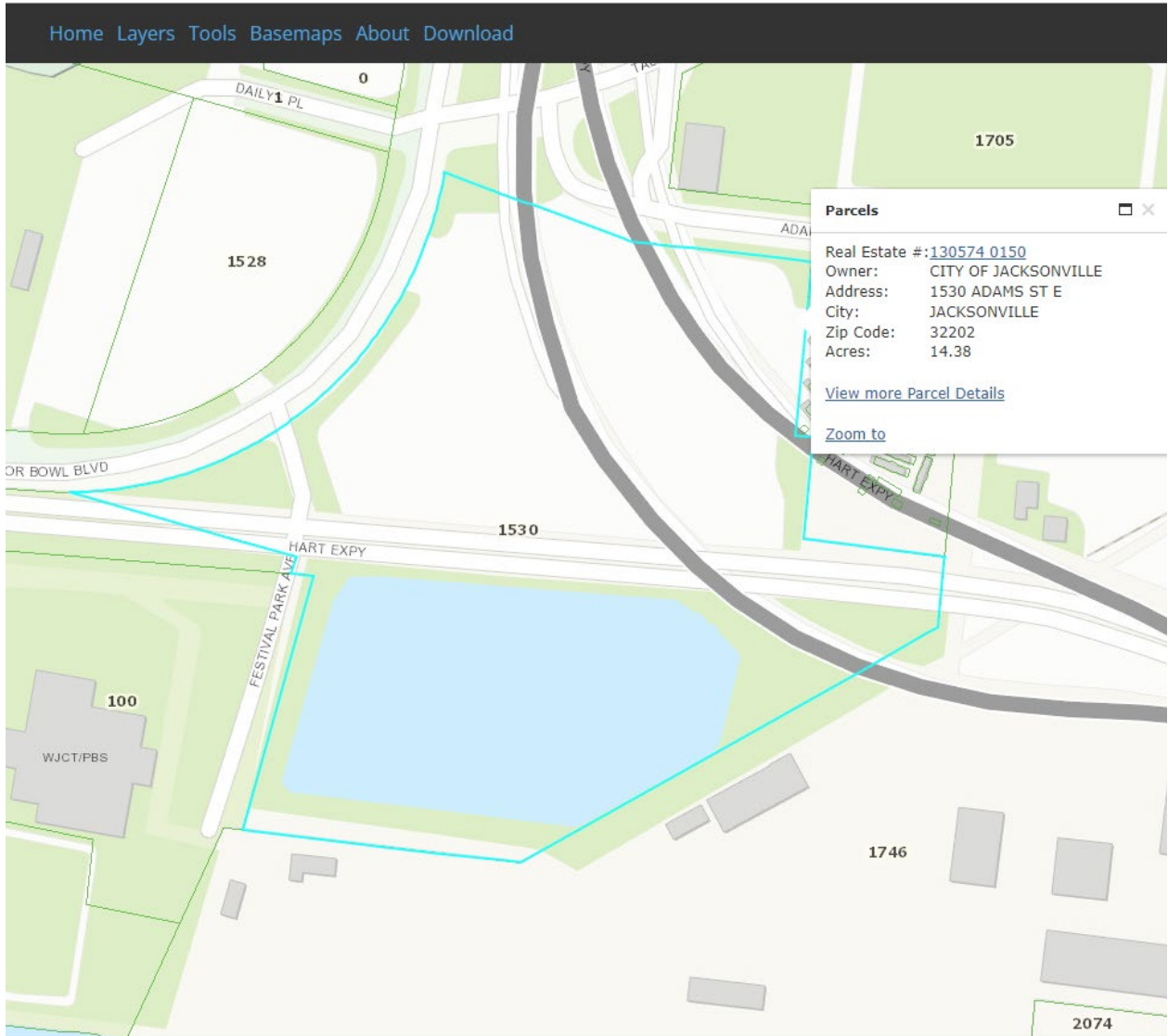
DOWNTOWN INVESTMENT AUTHORITY

W. Braxton Gillam, Chairman

Date

VOTE: In Favor: ___ Opposed: ___ Abstained: ___

Exhibit A to Resolution 2022-04-07



**Exhibit B
to Resolution 2022-04-07**

Essential Terms of Disposition Notice

1. Location: A portion of RE #130574-0150 located within the Property depicted on Exhibit A map, south of Gator Bowl Blvd and currently developed as a retention pond.
2. Property Interest considered for disposition: Fee simple title to the “Retention Pond Parcel “ which consists of the easterly 5.12 acres, plus or minus, of the existing retention pond and is depicted in the survey sketch below.
3. Restriction on Use: Any use consistent with the adopted CRA Plan for Downtown. The property may remain as a retention pond or may be filled and redeveloped at the new owner’s discretion, however the Retention Pond Parcel will be deed restricted to prevent use that would be exempt from payment of property taxes, except with respect to any publicly dedicated and accepted park or recreation area.
4. Replacement land capable of development for a substantially equivalent retention pond must be provided to the City within a **quarter mile radius** of the current location.
5. A waterfront parcel with the Downtown Northbank CRA of no less than 1.65 acres, including submerged lands, and of sufficient width and depth to accommodate development as a marine fire station, with sufficient water depth to accommodate marine fire vessels, and with public roadway access, must be provided to the City.
6. Proposal must include purchase price offered, if any, in addition to the required land parcels.
7. Closing and conveyance of swap parcels must occur no later than March 31, 2023.
8. Clear marketable title to the swap parcels must be provided to the City.

[insert sketch of Retention Pond Parcel]



EXHIBIT C

**Draft Term Sheet
Resolution 2022-04-07**

- Developer: A R Polar Jacksonville, LLC (“Developer”)
- The Property: A 14.38 plus or minus acre parcel of City-owned land identified by Duval County Tax Parcel Number RE# 130574-0150 (the “Property”) and depicted in the foregoing Exhibit A site plan.
- Retention Pond Parcel: An approximately 5.12-acre portion of the Property located between Gator Bowl Boulevard and the St. Johns River, currently developed as a retention pond, and depicted in the sketch included in Exhibit B.
- Developer’s Parcel: Developer is the owner of the adjacent parcel identified by Duval County Tax Parcel Number RE# 130574-0000 and consisting of approximately 20.37 upland acres (“Developer’s Parcel”)
- Fire Station Parcel: A minimum 1.65 acre riverfront parcel including adjacent submerged lands, depicted on the sketch attached hereto and labeled as Fire Station Parcel, located in the southwest corner of Developer’s Parcel.
- Replacement Pond Parcel: An approximately 5.10 acre parcel of upland located within Developer’s Parcel depicted on the sketch attached hereto and labeled as Replacement Pond parcel.
- Consideration for Disposition of Retention Pond Parcel: In consideration for conveyance of the Retention Pond Parcel to Developer, Developer will provide to the City/DIA the following:
- a. Fee simple title to the Replacement Pond Parcel, and
 - b. Fee simple title to the Fire Station Parcel, and
 - c. Cash at closing - Developer will pay up to \$_____ for the design, permitting, and construction of the portion of the access road from Bay St. East to its second access point (closest to the Fire Station Site), including the filling of the current pond to the extent necessary for the access road.
- City/DIA will provide to Developer at closing the following:
- a. Fee simple title to the Retention pond Parcel
 - b. City’s obligation to design, permit and construct Festival Park Avenue as depicted on the sketch below on or before June 30, 2024, together with dedication of such roadway as a public right of way that will provide access to Developer’s Parcel.

- c. Development within Developer’s property shall have a right to shared signage on Bay St. East/Gator Bowl Boulevard.

Redevelopment

Agreement:

The Redevelopment Agreement will establish the essential terms of the Property Swap, the rights and obligations of the parties thereto, and other terms relevant to the Property and Developer’s Parcel as well as the public roadway to be constructed on City owned parcel identified by tax parcel # 130588-0150. The RDA will become effective upon its execution following approval by City Council. Its terms will govern the period prior to closing on the property swap as well as other rights and responsibilities of the parties throughout the term of the RDA.

Site Investigation:

Following the execution of the Redevelopment Agreement, each party will have a period of 90 calendar days (“Due Diligence Period”) to inspect and perform tests on the respective properties they will acquire in the swap to determine their suitability for their intended use, and to investigate the quality and marketability of the title it will receive. Upon notice to the other party thereto, either Developer or the City/DIA may terminate the Redevelopment Agreement any time within the Due Diligence Period if the property it will receive is unsuitable for its intended use or title is unmarketable without incurring any obligations under the Redevelopment Agreement.

Environmental:

Each party shall provide the other with temporary access agreements to conduct such site and environmental investigations or testing it may elect to perform on the parcels to be received. Such agreements shall contain standard insurance, indemnity, and restoration provisions. Following closing, each party shall be responsible for any remediation required on the property acquired.

Entitlements:

No entitlements shall be assigned or provided to Developer as part of this agreement. It is expressly acknowledged that Developer may fill all or a portion of the Retention Pond Parcel at Developer’s election, and timing. If Developer fills all or any portion of the Retention Pond Parcel, Developer is not responsible for stormwater credits for any resulting “loss” of current pond capacity. Requests for new Stormwater credits, and Mobility Fee credits, for any development proposed on Developer’s Parcel will be processed in accordance with the applicable Ordinance Code and BID plan requirements and criteria, including applicable fees.

Design:

a. Fire Station: The design and architecture of the marine fire station will be substantially as shown in an attached exhibit. The fire station will not exceed two stories in height. The dock and boathouse will be located as far west as possible within the submerged lands that are part of the Fire Station Parcel, provided there is no underwater impediment to doing so. All landscape screening between the fire station and the remaining portion of Developer’s Parcel shall be subject to review and approval of Developer, which shall not be unreasonably withheld, but is intended to provide an attractive buffer between the sites.

b. Developer's Parcel and Retention Pond Parcel: All development proposed on Developer's Parcel, or the Retention Pond Parcel shall comply with the adopted BID and CRA Plan, the Downtown Zoning Overlay, Applicable design standards and other City codes and shall obtain DDRB approval.

c. Any signage for Developer's property located on Bay Street East/Gator Bowl Boulevard as described above shall be subject to DDRB approval and compliance with applicable sign ordinances.

Use of the Retention Pond Parcel: Any use consistent with the adopted BID and CRA Plan for Downtown. The property may remain as a retention pond or may be filled and redeveloped at the new owner's discretion, however the Retention Pond Parcel will be deed restricted to prevent use that would be exempt from payment of property taxes, except with respect to any publicly dedicated and accepted park or recreation areas.

Use of Replacement Pond Parcel: The City shall have the right to make any legal use of the Replacement Pond Parcel. If, at its election, City elects within ___[24-48 to be negotiated] months of closing to excavate the Replacement Pond Site to create a new pond, City will provide Developer, at its election and at no cost, any useable fill dirt from the excavation for use on Developer's adjacent property.

Construction of Infrastructure:

Festival Park Avenue: City will design, permit, and construct an access road from Bay St. East/Gator Bowl Boulevard to the Fire Station Site [as shown in an attached exhibit]. The access road will be a public dedicated street and will provide access, at two (2) connection points on the east side of the road, to Developer's property.

City will be responsible for obtaining any stormwater credits required for the access road and related filling.

City will be responsible for FDOT permitting of the access road connection to Bay St. East. City will be the sole permitting agency for AR Polar's access points on the access road.

The Developer shall provide to the City a temporary construction easement across Developer's Parcel in the location depiction in the sketch below in order to access that portion of the current retention pond over which the roadway will be constructed.

Utilities: In its construction of utility infrastructure for the fire station, City will include at no cost to Developer an upgrade/accommodation of service lines/conduit of sufficient size to serve future development within Developer's property. This obligation is not intended to require the City to incur any costs for connection fees or reservation of service capacity for Developer's property including the Retention Pond Parcel but rather to simply include within the right of

way line service lines/conduit sizes sufficient to accommodate said future development.

[description of upgrade/accommodation].

Permits: Each party shall be responsible for all permits required for any work contemplated by the Redevelopment Agreement.

Performance Schedule:

a. The Redevelopment Agreement will be entered into by Developer and the City within 30 days following the effective date of the legislation authorizing the City's entry.

b. Due Diligence Period: 90 days from execution of RDA.

c. Closing: Within 30 days following the end of the Due Diligence Period but no later than March 31, 2023.

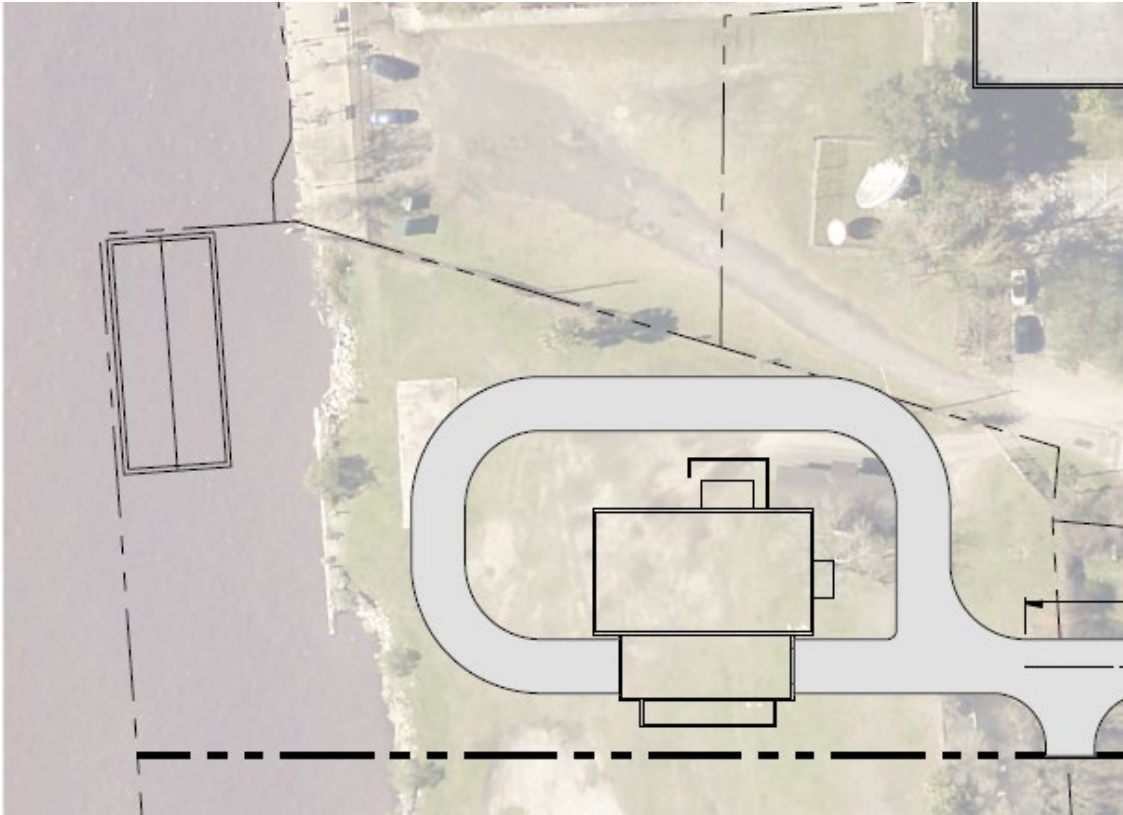
d. Completion of Festival Park Avenue Access: June 30, 2024_.

The provisions of this Term Sheet are intended to guide the parties in negotiating the Redevelopment Agreement and any other documents that may be necessary to give effect to the manifest intent of the parties expressed herein

The following points remain open in negotiation:

1. The Developer's contribution to construction of Festival Park Avenue and the modifications to the WJCT parking lot required to accommodate the roadway
2. Developer has requested a right of first refusal on the Replacement Pond parcel
3. Whether the City should release all stormwater credits for the Retention Pond Parcel immediately or only when Developer proposes to fill and develop the parcel (similar theory as right of first refusal)
4. Size and description of utility conduit
5. Possible easement encroachments and releases

Fire station Parcel- substitute Survey sketch when available



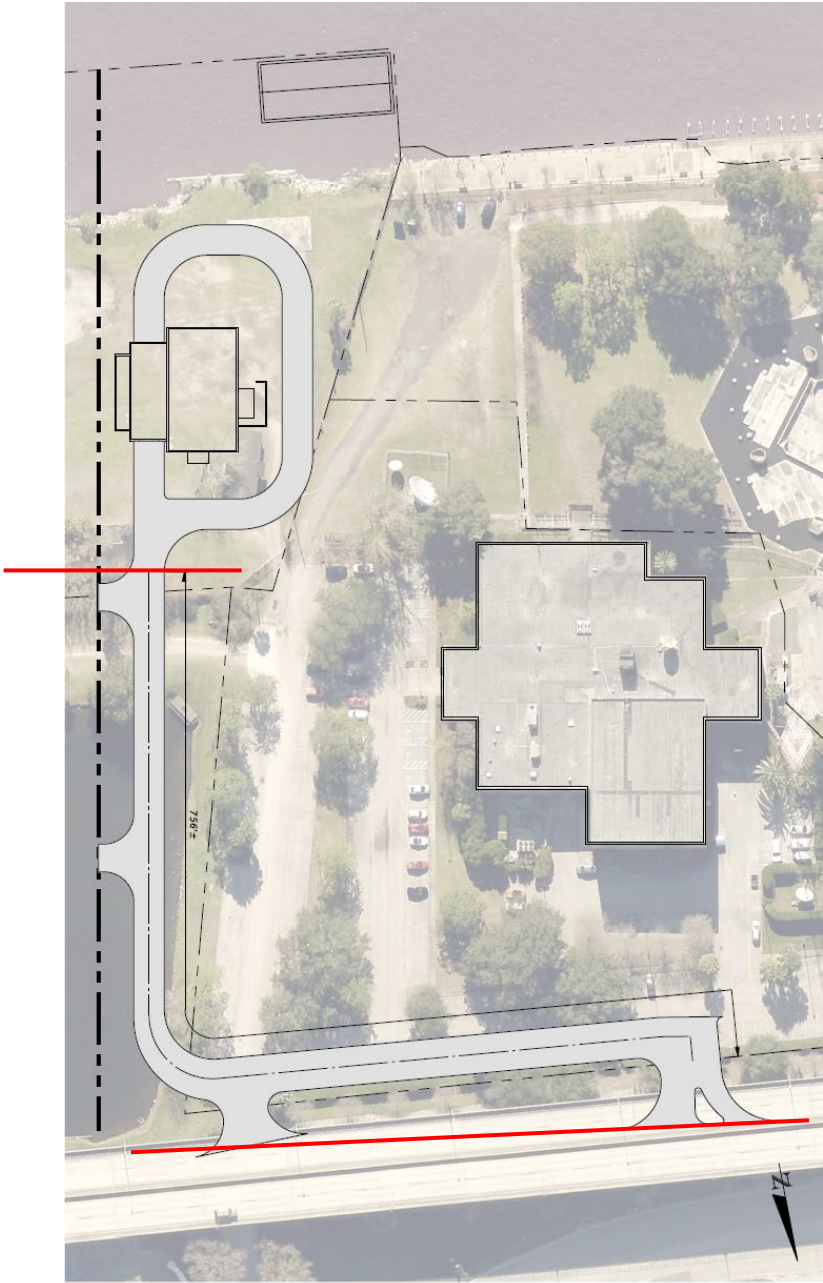
Retention Pond Parcel- substitute Survey sketch when available



Replacement Pond parcel- substitute Survey sketch when available



Festival Park Avenue - New access Roadway



Temporary access easement for construction of Roadway



TAB V

RESOLUTION 2022-04-09: 100 E ADAMS STREET FAB-REP

RESOLUTION 2022-04-09

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMBINED NORTHBANK COMMUNITY DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM FOOD AND BEVERAGE RETAIL ENHANCEMENT FORGIVABLE LOAN (FAB-REP) FOR DOWNTOWN BAR CONCEPT, LLC AND SHOPPES OF LAKESIDE, INC. AS CO-APPLICANTS, A SIDEWALK ENHANCEMENT GRANT TO DOWNTOWN BAR CONCEPT, LLC AS THE SOLE APPLICANT, AND A FAÇADE GRANT FOR SHOPPES OF LAKESIDE, INC. AS THE SOLE APPLICANT, WITH EACH AWARD TO FACILITATE RENOVATION OF THE PROPERTY LOCATED AT 100 E. ADAMS STREET FOR USE AS HARDWICKS BAR; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE FORGIVABLE LOAN AGREEMENT(S) OR EQUIVALENT; AUTHORIZING THE DIA CEO TO EXECUTE SUCH AGREEMENT(S); AND FINDING THAT THE PROPOSED RENOVATION OF 100 EAST ADAMS STREET AND EXTENDING A SIDEWALK CAFÉ GRANT FURTHERS THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN, INCLUDING THE NORTHBANK CRA PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Property Owner, Shoppes Of Lakeside, Inc. and the Business Owner, Downtown Bar Concept, LLC (jointly and severally “Applicants”), seek jointly to renovate approximately 3,479 square feet of the building located at 100 E. Adams Street (RE# 073463-0000) to establish a new business to be known as Hardwicks Bar; and

WHEREAS, the Applicants applied jointly to the DIA for funding under the Targeted Retail Activation: Food and Beverage Establishments Program (FAB-REP) as adopted by DIA pursuant to Resolution 2020-06-01; and

WHEREAS, the Business Owner submitted an application for a Sidewalk Enhancement Grant to the DIA under the under the Targeted Retail Activation: Food and Beverage Establishments Program; and

WHEREAS, the Property Owner submitted an application to the DIA for funding under the Façade Grant Program as adopted by DIA pursuant to Resolution 2020-06-02;

WHEREAS, each application was reviewed by the DIA staff and found to be consistent with the BID Plan and CRA Plan for Downtown Northbank; and

WHEREAS, the DIA is authorized to utilize the Northbank Combined Tax Increment District funds in accordance with the CRA Plan to foster redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, there are sufficient funds available within the Northbank CRA approved budgets for Retail Enhancement and Façade Grants to fund these requests; and

WHEREAS, to assist the applicants in activating Downtown by creating a consistent theme and image that conveys a sense of the excitement and activity Downtown, focuses efforts on drawing diversity to Downtown, and while also adding an additional sidewalk service area to the Elbow District, DIA staff recommends that the DIA approve a combination of the Food and Beverage Retail Enhancement Grant (FAB REP) in an amount not to exceed \$100,000, a Sidewalk Enhancement Grant in an amount not to exceed \$15,000, and a Façade Grant in an amount not to exceed \$48,000, with total funding limited to \$163,000 (ONE HUNDRED SIXTY-THREE THOUSAND DOLLARS) for Applicants in accordance with the terms of the established programs and the Term Sheet attached hereto as Exhibit A; and

NOW THEREFORE, BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA hereby finds that the Project is supported by the following Goal(s) and Strategic Objective(s) of the BID Plan:

Goal 1) Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment.

- Increase the opportunities for Downtown employment.
- Protect and revitalize historic assets.
- Support expansion of entertainment and restaurant facilities.
- Increase venues, workspaces, and residential opportunities focusing on the Target Area.
- Create a consistent theme and image that conveys a sense of the excitement and activity Downtown.
- Focus efforts on drawing many diverse attractions rather than a small number of large ones.

Goal 2) Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.

- Leverage land contributions, infrastructure investments, incentive grants, and low-interest loans.
- Promote and attract neighborhood retail to support downtown residents.

Goal 3) Simplify the approval process for downtown development and improve departmental and agency coordination.

- Initiate public/private partnerships.
- Identify cooperative property owners/developers and develop key pilot initiatives

Section 3. The DIA hereby approves the award of the Food and Beverage Retail Enhancement Forgivable Loan (FAB-REP), the Sidewalk Enhancement Grant, and the Façade Grant in a total amount not to exceed \$163,000 from the Combined Northbank CRA to the Applicants to be provided in accordance with the applicable Program guidelines and the Term Sheet attached hereto as Exhibit A.

Section 4. The Chief Executive Officer of the DIA is hereby authorized to negotiate and execute the Forgivable Loan Agreement(s) or their equivalent and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

Section 5. The Effective Date of this Resolution is the date of execution of this Resolution by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Witness	W. Braxton Gillam, IV, Esq., Chair	Date
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VOTE: In Favor: _____ Opposed: _____ Abstained: _____

EXHIBIT A - TERM SHEET
Hardwicks Bar
FAB-REP Forgivable Loan, Sidewalk Enhancement Grant, Façade Grant

Project Name: **Hardwicks Bar**

(A) Co-applicants (FAB-REP): **Downtown Bar Concept, LLC (Business Owner/Tenant)**
 Mr. Elias Hionides Managing Partner
 Mr. Richard Trendel Broker Partner

Shoppes of Lakeside, Inc. (Property Owner/Landlord)
 Mr. Chris Hiondes, President
 Ms. Sylvia Jacobs, Registered Agent listed as the point of contact

Total Rehabilitation Costs (estimate): \$596,156
Eligible FAB-REP Costs: \$359,742

Co-applicant Contribution: \$259,742 72.2% of Eligible FAB-REP Costs
Maximum FAB-REP Funding: **\$100,000** 27.8% of Eligible FAB-REP Costs

(B) Applicant (Sidewalk Enhancement Grant): **Downtown Bar Concept, LLC**
Eligible Sidewalk Enhancement Costs: \$ 21,900
Maximum Sidewalk Enhancement Grant Funding: **\$ 15,000** 68.5% of Eligible Sidewalk Enhancement Costs

(C) Applicant (Façade Grant): **Shoppes of Lakeside, Inc.**
Eligible Façade Improvement Costs: \$ 61,568
Maximum Façade Grant Funding: **\$ 30,784** 50% of Eligible Façade Improvement Costs

Maximum Total DIA Project Funding: **\$145,784**

Project: Renovations to 100 East Adam Street in accordance with the application received, subject to DAI Board approval, in order to facilitate the operation of a Type III Bar in the premises substantially in accordance with the site layout, equipment outfitting, and design elements found in the business plan submitted with the application. The Business Owner also agrees to minimum employment levels, to operate during expanded hours as detailed further below, and is expected to remain in business in the location at these service levels for a minimum of 5 years.

DIA Funding: No more than **\$145,784**, through the Downtown Northbank Combined CRA, as follows:

Type	Total
FAB-REP	\$100,000
Sidewalk Enhancement Grant	\$ 15,000
Façade Grant	\$ 30,784
Total	\$145,784

Infrastructure: No City of Jacksonville or CRA infrastructure funding or support is requested.

Land: No City of Jacksonville or CRA land or building is requested.

Loans: No further City of Jacksonville or CRA loans have been requested.

(A) FAB-REP Forgivable Loan:

- Maximum funding of \$100,000 from the Downtown Northbank Combined CRA.
- The grant will be structured as a forgivable, 0% interest loan that will amortize at the rate of 20% on each anniversary date of the closing so long as no event of default exists. Each co-applicant will be a party to that forgivable note and loan agreement.
- The co-applicants acknowledge that these loan funds are awarded and shall be used in accordance with the Retail Enhancement Program Targeted Retail Activation: Food and Beverage Establishments guidelines.
- The forgivable loan will be secured by a personal guarantee from the managing member of each of the co-applicants in the event of a default under the program or funding agreement.

Minimum Construction Costs (FAB-REP Forgivable Loan):

- The minimum construction costs incurred through completion to remain eligible for the FAB-REP Forgivable Loan are \$359,742. Such costs will exclude soft costs such as General Conditions, General Requirements, Overhead, Insurance, and similar expenditures not contributing to the hard costs of construction.
- The total minimum construction costs shall also exclude costs incurred for furniture and any equipment not affixed to the property. Any equipment affixed to the property included in this total must remain on the property through the compliance period of the forgivable loan agreement.
- Minimum contribution from each co-applicant towards the minimum construction costs shall be \$89,936.

(B) Sidewalk Enhancement Grant:

- Maximum funding limited to the lesser of 80% of actual costs incurred for equipment to be used in providing outdoor seating and activation as supported by invoices that have been approved by the DIA or \$15,000.
- The grant will amortize at the rate of 33.3% on each anniversary date of the closing so long as no event of default exists with total forgiveness on the third anniversary date.
- Applicant must provide evidence that the lease for the subject property and operation of the subject business is in effect for a period of not less than three years.
- Funding requires evidence of the issuance of a Sidewalk Café permit to the Grantee that would allow the use of the subject sidewalk for the intended purpose.
- Maintain an operating business consistent with the business type as presented in the application.
- Maintain operating hours materially consistent with the days and hours as required herein.
- Property acquired through the Sidewalk Enhancement Grant proceeds must be secured at the end of each day.

(C) Façade Grant:

- Maximum funding limited to the lesser of 50% of actual costs incurred as supported by invoices that have been approved by the DIA or \$15,000.
- The Grant will be funded upon submission of a funding request form following completion of the work.
- Work shall be inspected for compliance with the application as submitted, and all invoices must be submitted for satisfactory review and approval by DIA Staff.
- The Grant approval is contingent upon the following:
 1. Only work on the street-facing storefront as outlined in the application submitted is eligible for reimbursement.
 2. Applicant must be in good standing with the City (no unpaid taxes, Municipal Code Compliance outstanding citation on any property of applicant, outstanding defaults on any City contract, or previous uncured grant defaults or non-compliance).
 3. The property being improved may not have any outstanding liens or violations.
 4. Applicant must not be engaged in an active lawsuit with or have an unresolved claim from or against the City or its agencies that is related to the property from which the grant is sought or other similar rehabilitation grants.
 5. Applicant agrees to utilize City-approved JSEBs for renovation work associated with the grant where possible.
 6. Must maintain the improvements in good repair.
 7. If at any point the space is not occupied, the Property Owner shall utilize its best efforts to continue to activate the streetscape. This can be accomplished through temporarily attaching art to the windows, utilizing the storefront space as an art installation or exhibition, or other creative efforts to address street activation.

Performance Schedule:

1. Redevelopment Agreement(s) or appropriate loan document to be executed no later than execution or the Redevelopment Agreement for the DPRP award.
2. Commencement of Construction for the FAB-REP and Façade Improvements: Within three (6) months following the Redevelopment Agreement Effective Date, Applicant commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities and has actually broken ground to begin work.
3. Substantial Completion: Within eighteen (12) months following Commencement of Construction as defined above.
4. The DIA CEO will have authority to extend this Performance Schedule, in the CEO's sole discretion, for up to six (6) cumulative months for good cause shown by the Developer / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

5. Expenditures for Sidewalk Enhancement Grant improvements must be made and submitted for reimbursement within 6 months of Substantial Completion of the FAB-REP and Façade improvements.

Additional Commitments (FAB-REP Forgivable Loan):

1. Minimum Hours of Operation to be maintained as:

Weekly Schedule	Open	Closed
Monday	4:00 PM	12:00 AM
Tuesday	4:00 PM	12:00 AM
Wednesday	4:00 PM	12:00 AM
Thursday	4:00 PM	12:00 AM
Friday	4:00 PM	12:00 AM
Saturday	12:00 PM	12:00 AM
Sunday	12:00 PM	12:00 AM

DIA will have the authority to modify the required hours of operation in the event market conditions require the same.

2. Minimum number of employees: A minimum of twelve (12) full-time equivalent employees, defined as working a minimum of 35 hours per week, shall be required for the term of this agreement.
3. Additional terms and conditions as may be required and as found in the Redevelopment Agreement or other documentation prepared to establish the obligations for this award.

Conditions:

This Term Sheet is limited by the following conditions:

1. Downtown Investment Authority to receive copies of all necessary permits and invoices as evidence of eligible expenditures; and
2. Annual reporting required to demonstrate compliance with terms and conditions as approved; and
3. There may be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties which shall be determined in a later negotiated mutually agreeable written contract.

SUPPLEMENTAL INFORMATION

100 E ADAMS STREET FAB-REP – Staff Report

DIA STAFF REPORT

**RETAIL ENHANCEMENT PROGRAM
TARGETED RETAIL ACTIVATION: FOOD AND BEVERAGE ESTABLISHMENTS**

SIDEWALK ENHANCEMENT GRANT

FAÇADE GRANT

APRIL 13, 2022

Project name:

Hardwicks Bar

Co-Applicants:

Downtown Bar Concept, LLC (Tenant)

Mr. Elias Hionides, Managing Partner

Mr. Richard Trendel, Partner

Shoppes of Lakeside, Inc. (Landlord)

Mr. Chris Hiondes, President

Ms. Sylvia Jacobs, Registered Agent, listed as the point of contact

Project Location:

100 E. Adams St
Jacksonville, Florida 32202

Funding Recommendations:

Type	Total
FAB-REP	\$100,000
Sidewalk Enhancement Grant	\$ 15,000
Façade Grant	\$ 30,784
Total	\$145,784

Project Description:

The co-applicants, Downtown Bar Concept, LLC and Shoppes of Lakeside, Inc., have applied for funding under the Food and Beverage Retail Enhancement Grant (FAB-REP) to renovate and activate the space located at 100 E Adams Street (RE# 073463-0000). In addition, as the Business owner, Downtown Bar Concept, LLC has applied for funding under the Sidewalk Enhancement Grant program, and Shoppes of Lakeside, Inc. has also applied for a Façade grant for the building as the Property Owner.

The co-applicants plan to renovate the interior 3,479 sq ft space into a bar and nightclub to be called Hardwick's Bar. Plans to rehabilitate the interior of 100 E Adams include a new ceiling, new flooring, bathroom installation, reconfiguration of the demising walls, millwork, HVAC, and equipment for the operation of the business. The subject property is located within the ELBOW district of the Targeted Retail

Activation: Food and Beverage Establishments Program (FAB-REP) adopted by DIA under Resolution 2020-06-01.

This property is shown in property records to be owned by OUR Property, Inc., which was approved for merger into Shoppes of Lakeside, Inc. by the Florida Department of State, Division of Corporations in June 2010. Property taxes have been confirmed to have been paid for the 2021 tax year at the subject location as required.

The rendering below provides a view of the property and expected street-front activation following completion.



Business Plan Bio:

The applicant expects Hardwicks Bar to be North Florida's premier all-inclusive bar and lounge located in Downtown Jacksonville, drawing patrons from the Downtown, Southbank, San Marco, Brooklyn, Riverside, Avondale, and Springfield neighborhoods. In addition, the management team for Hardwicks is confident in their expectations of drawing socially conscious and culturally diverse individuals from Southside, Beaches, Mandarin, Orange Park/Fleming Island, St. Augustine, Amelia Island/Fernandina Beach, and South Georgia. Hardwicks bar is to be located in the historic United Cigar Store Building (est. 1926) and influenced by both the H.J. Klutho-designed Jacksonville Free Public Library and the Taylor Hardwick designed Haydon-Burns Library to the West.

Hardwicks Bar will be operated and managed by Timothy Hoal, formerly of Park Place Lounge, who has more than twenty years of related experience where his emphasis and reputation have been built around

providing excellent customer service. Hardwicks plans to be open to all people who seek to experience community and acceptance fostered by a chic downtown bar and will welcome and capitalize on the influx of Downtown residential developments and find ways to engage all walks of friendly consumers. The name Hardwicks was inspired by the Taylor Hardwick masterpiece now known as the Jessie Ball DuPont Center. Hardwicks plans to partner with local charities like Jasmyn, NFAM, etc., to raise funds to keep their vision possible. One of Hardwicks' goals is to instill confidence in their guests through perceived value.

Operating Plan:

The applicant identifies only two well-known bars catering to the LGBTQIA+ community in Jacksonville: Park Place Lounge in Riverside and The Boot Rack of Avondale. The managing partner of Hardwick's Baris, Timothy Hoal, is the former manager of Park Place Lounge and is held out as instrumental in its success. Hardwicks Bar plans to have several competitive advantages, beginning with Tim Hoal, who has been working in the bar industry for over 20 years and is reported to have developed a loyal following.

- Experienced Staff – Mr. Hoal's history and reputation in the business are expected by the applicant to bring a list of engaged, experienced bartenders and hospitality staff who are vying to be involved. Each is anticipated to bring individual talents and a current, existing customer base.
- Outstanding Customer Service – Hardwicks' employees will be hired based on both their talents in hospitality and having the ability to bring each of their own established customer base followings to Hardwicks Bar.
- Destination -- Hardwicks Bar is expected to bring people from all over the area to downtown Jacksonville, furthering the goals of the DIA and creating a destination for the gay community.
- Proposed hours of operation -- Hardwicks proposes to be open seven days a week. The bar is proposed to open at 4:00 PM on weekdays and noon on weekends, with closing time scheduled for 2:00 AM nightly, which exceeds the minimum FAB-REP Guideline criteria.

Weekly Schedule	Open	Closed
Monday	4:00 PM	2:00 AM
Tuesday	4:00 PM	2:00 AM
Wednesday	4:00 PM	2:00 AM
Thursday	4:00 PM	2:00 AM
Friday	4:00 PM	2:00 AM
Saturday	12:00 PM	2:00 AM
Sunday	12:00 PM	2:00 AM

- Happy Hour is planned for 4:00 PM to 7:00 PM on weekdays and from 12:00 PM to 7:00 PM on weekends.
- Hardwicks will offer premium spirits, local and domestic beers, craft cocktails, and fine wine options.
- Hardwicks proposes a 10-tap beer system with a mix of national brands and rotating taps for local products. Local breweries to be supported by Hardwicks include, but are not limited to, Bold City

Brewery, Ruby Beach Brewing, Engine 15 Brewing Co, Intuition Ale Works, and Aardwolf Brewing Company.

- To further reinforce the image of being a local's bar, local distilleries to be supported by Hardwicks include, but are not limited to, Manifest Distilling, Marlin and Barrel, Saint Augustine Distillery, and Burlock and Barrel.
- The business model of Hardwicks Bar calls for better value at a lower price than neighboring bars in a comfortably fun, chic environment while maintaining strict 18-22% liquor costs, 25-35% wine costs, and 10-20% beer costs, adjusting margins for higher and lower priced wholesale items as needed.
- The Business Owner anticipates creating up to 15 full-time equivalent jobs in the operation of Hardwicks Bar, surpassing the required FAB-REP Guideline minimum of 2 jobs.

Target Market:

Hardwicks has a wide scope for its target market. The bar intends to set standards for the nightlife with demographics consistent with the entire LGBTQIA+ community, business professionals, downtown residents, and tourists. Hardwicks Bar can add to the FAB-REP Elbow District activation by bringing nightlife and inclusiveness to downtown for all patrons who appreciate diversity in an upscale area.

Property Consideration:

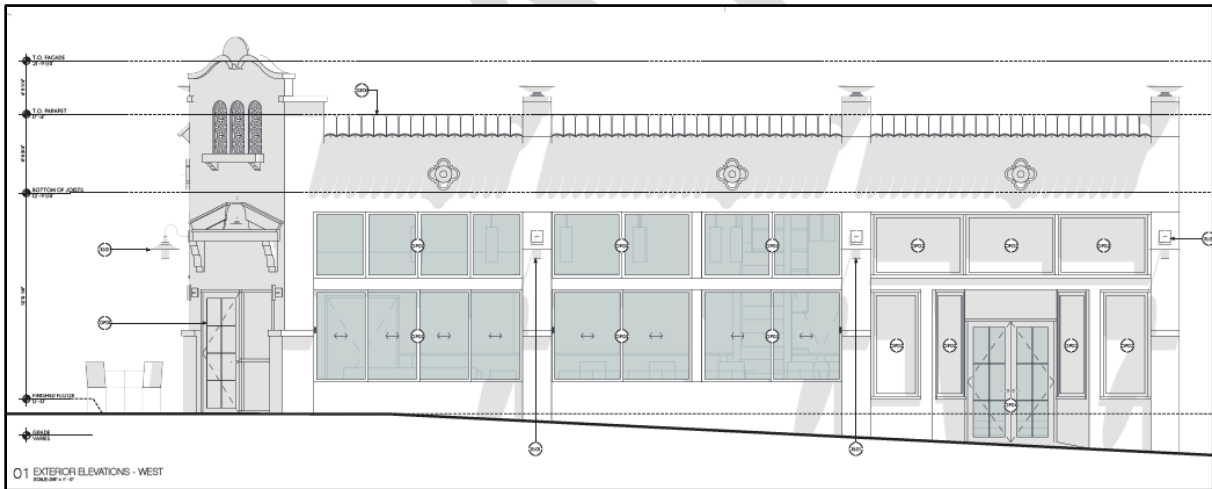
The 100 East Adam Street property has 6,974 square feet broken down into multiple units. Hardwicks Bar will occupy 3,479 square feet on a single-story building with the entrance on the corner of Adams Street and Ocean Street and a second entrance along Ocean Street. The property was originally built in 1926 and is listed as a contributing structure to the Downtown Jacksonville National Historic District, but the property does not have local landmark status. As such, the property is eligible for a \$10 per square foot boost to the FAB-REP funding calculation subject to other guideline caps, as will be covered further in the section on FAB-REP Considerations. Contributing structures do not require approval by HPS or HPC for consideration of FAB-REP incentive funding.

The Landlord/Property Owner is also negotiating with two additional tenants for the space within the property along the Adams Street side of the building that will further activate this prominent corner in the Elbow District. One of those tenants is Insomnia Cookies which caters to late-night crowds and has another successful location in Jacksonville currently, near Tinseltown in the JTB/Southside area. A second tenant is a photography studio that appears to already be in operation. Although neither of those tenants has, nor is expected to, come to DIA for funding of their tenant improvements, the costs associated with fire protection will also benefit those additional units. This is deemed acceptable by DIA staff as there is significant funding availability under the construction budget provided. Further, the additional cost represents a life safety benefit to the tenant co-applicant.

Current Status (Ocean Street Western Façade):



Proposed Improvements (Ocean Street Western Façade):



Development Budget:

Buildout costs presented in **Exhibit A** are taken from construction estimates provided by the Styles Construction Inc. of Jacksonville, FL. The contractor on the project is Darrell Smith. Total project costs are presented as \$596,156, with construction costs alone of \$557,358. Of the total, \$174,846 are not considered eligible under the FAB-REP program as they represent soft costs or expenditures that otherwise do not represent capital improvements to the building itself. Of the remainder, \$359,742 are considered eligible expenditures under the FAB-REP guidelines, and \$61,567 is considered eligible under the Façade Grant Guidelines. In consideration of funding eligibility, none of these costs are duplicative between these programs.

Operating Budget:

The pro forma operating budget provided with the application suggests the Business Owner should generate revenue of \$585,000 in year one, representing sales averaging \$1,600 per day. Revenues are shown to 22.2% in year 2 to \$715,000 and \$860,000 by year 3. With a gross margin of 76%, gross profit ranges from \$444,600 to \$653,600 over the three years.

Operating expenses appear to have been carefully considered, centered on salaries and wages, including payroll taxes followed by rent and insurance. Operating expenses range from 56.6% of revenue in year one to 42.2% in year three, reflecting largely variable costs by their nature.

Terms of the lease call for a base rent of \$11.54 square foot plus NNN pass-throughs and sales tax, adding approximately \$3.00 per square foot, with an increase in base rent of \$12.99 by year five. This provides an annual range for rent and associated costs of \$50,400 to \$55,795.

After taxes, net profit is estimated at \$66,562 in year 1, \$136,659 in year 2, and \$209,905 in year 3. Using year two as the first year of stabilization, EBITDA of \$200,080 would be sufficient to cover the debt of approximately \$680,000 over five years with a debt service coverage of 1.3X, assuming an interest rate of 5%.

FAB-REP Considerations:

FAB-REP imposes three caps in the determination of the funding recommendation. Funding is limited to the lesser of these three approaches:

- 1) Funding Limitation Per Square Foot: Because bars are considered Type 3 establishments under FAB-REP guidelines, funding is limited to \$40 per square foot, with this project eligible for a \$10 boost per square foot as a contributing structure in the Downtown Jacksonville National Historic District for a total of \$50 per square foot. By this approach, 3,479 eligible square feet would provide maximum funding of $(3,479 \times \$50) = \$173,950$.
- 2) Construction Budget Limitation: FAB-REP guidelines limit funding to 50% of eligible costs, totaling \$359,742 in this project. At a 50% margin, funding eligibility by this measure is \$179,871.
- 3) Guideline cap for a Type 3 project is \$100,000

Per FAB-REP guidelines, the maximum funding amount available is the lesser of these three approaches, or \$100,000.

Per program guidelines, the Business Owner (Tenant) and Property Owner (Landlord) are each to provide a minimum of 25% of costs determined to be eligible for funding. With eligible costs totaling \$359,742, this would provide a minimum of \$89,936 for each party. Per information provided by the co-applicants, the Business Owner (Landlord) will provide a minimum of \$200,000 for Tenant Improvements and up to \$250,000 as needed. The FAB-REP incentive is limited to \$100,000, leaving the Business Owner and Property Owner with a joint obligation of \$259,742. With Elias Hionides' common interest in both the Business Owner and the Property Owner, the non-DIA portion of the capital requirements may be met

through any combination of contributions from each party so long as the minimum of \$89,936 from each is maintained.

Sidewalk Enhancement Grant Considerations:

Per the BID strategy, additional funds will be available to FAB-REP grant recipients as a Sidewalk Enhancement Grant to reimburse up to 80% of eligible outdoor dining improvement costs but not exceed \$15,000. The Hardwicks Bar Business Owner has provided a separate budget to utilize this grant to create outdoor spaces that enhance the sidewalk experience along the Ocean Street side of the building. The Hardwicks Bar Business Owner has submitted additional plans to include tables, chairs, umbrellas, heavy-duty planter pots with plants, and exterior planter lights. The applicant proposes to chain the outdoor equipment in place to secure the items at the end of each working day.

The Owner estimates this at the cost of \$21,900, of which the grant offer 80% of the cost ($\$21,900 \times 80\%$) = \$17,520, which exceeds the maximum eligible amount. Therefore, the limitation of \$15,000 is imposed for this recommendation.

Facade Grant Considerations:

Facade grant Guidelines allow for funding of up to \$30 per square foot of street-facing facade, plus a \$2 square foot boost as a contributing structure within the National Historic District, not to exceed a maximum funding limit of \$75,000. The eligible facade of the subject property along Adams Street and Ocean Street of the subject property totals 1,600 square feet, which provides maximum funding of $(1,600 \times \$32) = \$51,200$.

Alternatively, the Façade Grant Program Guidelines provide a limit of 50% of approved costs incurred in making the improvements. As shown in Exhibit A, total eligible costs equal \$61,567 from the budget provided by the Applicant, with expenditures centered in slider or accordion-style windows. This provides a limit of $(\$61,568 \times 50\%) = \$30,784$.

As such, the lesser of these two amounts is the \$30,784 for Façade Grant improvements.

Property Tax Consideration:

Property taxes are current on the property, and the building is within the defined Elbow District as found in the FAB-REP Guidelines.

Staff Recommendation:

Per Retail Enhancement Grant Guidelines, applications are scored using a rubric that rates the business plan and the anticipated contribution to local property taxes and sales taxes. The rating for the subject redevelopment is found below:

A. Business Plan (see point breakdown below) – (up to 40 points)

Categories	Points Available	Points scored
The plan shows good short-term profit potential and contains realistic financial projections	10	8
The plan shows how the business will target a clearly defined market and its competitive edge	5	4
The plan shows that the management team has the skills and experience to make the business successful	10	7
The plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture	10	7
Number of FTE job positions created in excess of the required two (2) positions	5	4
TOTAL	40	30

B. Expansion of the local property tax base by stimulating new investment in existing Downtown properties (up to 5 points for properties five years and older and an additional 5 points if the property is a historic property (local landmark status or contributing structure status) – maximum of 10 points)

Properties	Points Available	Points scored
100 E Adams (1926)	5	3
Historic Property	5	5
Total	10	8

C. Expansion of the state and local sales tax base by increasing sales for new or existing shops (up to 5 points)

Expansion of sales tax	Points Available	Points scored
Bar Type III	5	4
Total	5	4

Total	55	42
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A minimum score of 30 out of 55 possible points is required to have the proposed project referred to the REPD Committee for funding consideration. With a score of 42, the subject proposal qualifies for consideration by the REPD Committee.

Staff review of the application indicates the proposed project meets the Redevelopment Goals within Downtown Jacksonville as outlined below:

- Reinforce Downtown as the City’s unique epicenter for business, history, culture, education, and entertainment.
 - ✓ Increase the opportunities for Downtown employment.
 - ✓ Protect and revitalize historic assets.

- ✓ Support expansion of entertainment and restaurant facilities.
- ✓ Increase venues, workspaces, and residential opportunities focusing on the Target Area.
- ✓ Create a consistent theme and image that conveys a sense of the excitement and activity Downtown.
- ✓ Focus efforts on drawing many diverse attractions rather than a small number of large ones.
- Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.
 - ✓ Leverage land contributions, infrastructure investments, incentive grants, and low-interest loans.
 - ✓ Promote and attract neighborhood retail to support downtown residents.
- Simplify the approval process for downtown development and improve departmental and agency coordination.
 - ✓ Initiate public/private partnerships.
 - ✓ Identify cooperative property owners/developers and develop key pilot initiatives.

Based on the information presented in this staff report, DIA staff recommends funding under the application submitted based on the following calculations:

Type	Total
FAB-REP Forgivable Loan	\$100,000
Sidewalk Enhancement Grant	\$ 15,000
Façade Grant	\$ 30,874
Total	\$145,874

FAB-REP Additional Conditions

1. No interest shall accrue upon the principal of the total FAB-REP forgivable loan amount with principal forgiven over a five (5) year period.
2. Total principal balance will amortize 20% each year of the compliance period.
3. At the end of five years, the forgivable loan shall be forgiven in its entirety on the condition the improvements are installed and maintained in reasonably good condition, and no City Code violations are incurred during the compliance period.
4. If it is determined that the recipient(s) are in default, interest and full payment of the forgivable loan may be demanded.
5. Further approvals of exterior improvements may be required by the Downtown Development Review Board.

See the Term Sheet, Exhibit A to Resolution 2022-04-11, for additional information on proposed terms and conditions.

Ex. A – Total Development Costs

PROJECT BUDGET				
Description	Total	Eligible Costs	Ineligible Costs	Façade Improvement
Construction Costs				
Division 1: General Requirements				
General Conditions	\$ 37,830		\$ 37,830	
Miscellaneous Demolition	\$ 1,300		\$ 1,300	
Dumpster Fee	\$ 1,170		\$ 1,170	
Division 3: Concrete				
Concrete Fill	\$ 14,649	\$ 14,649		
Concrete Curbing	\$ 5,411	\$ 5,411		
Concrete Slab Cutting, Drilling and Repair	\$ 2,594	\$ 2,594		
Division 4: Masonry				
CMU In-Fill at Openings	\$ 917	\$ 917		
Miscellaneous Repairs	\$ 328		\$ 328	
Division 6: Wood & Plastics				
Temporary Shoring	\$ 6,635	\$ 6,635		
Framing Material	\$ 14,781	\$ 14,781		
Framing Labor	\$ 19,656	\$ 19,656		
Rough Carpentry Hardware	\$ 13,104	\$ 13,104		
Division 7: Thermal & Moisture Detection				
Roofing - Repair	\$ 22,000	\$ 22,000		
Miscellaneous Repairs	\$ 5,000		\$ 5,000	
Division 8: Doors & Windows				
Doors and Hardware	\$ 1,147			\$ 1,147
Storefront & Storefront Sliders	\$ 37,408			\$ 37,408
Division 9: Finishes				
Drywall	\$ 15,000	\$ 15,000		
Painting	\$ 10,000	\$ 10,000		
FRP - Bar & BOH	\$ 1,638	\$ 1,638		
Wall Tiles - Bathroom	\$ 4,914	\$ 4,914		
Flooring - Stained Concrete	\$ 5,701	\$ 5,701		
Flooring - Bar & BOH - Epoxy	\$ 2,110	\$ 2,110		
Division 10: Exterior				
Exterior Enhancements	\$ 18,750			\$ 18,750
Division 11: F,F, & E				
Walk-in Refrigerator	\$ 7,500	\$ 7,500		
Signage	\$ 4,263			\$ 4,263
Misc. Equipment	\$ 9,722		\$ 9,722	
Audio Visual	\$ 23,200		\$ 23,200	
POS System	\$ 2,317		\$ 2,317	

Ex. A – Total Development Costs (Cont.)

Division 12: Furnishings			
Millwork	\$ 31,408	\$ 31,408	
Furniture	\$ 17,221		\$ 17,221
Division 15: Mechanical Systems			
Fire Protection-Underground From Tap to Riser	\$ 12,211	\$ 12,211	
Fire Protection-Commercial Tenant Spaces	\$ 27,498	\$ 27,498	
Fire Protection	\$ 12,399	\$ 12,399	
Plumbing	\$ 35,381	\$ 35,381	
HVAC	\$ 38,277	\$ 38,277	
Division 16: Electrical Systems			
Electric	\$ 46,458	\$ 46,458	
Light Fixture Package	\$ 9,500	\$ 9,500	
Overhead	\$ 17,462		\$ 17,462
Fee	\$ 17,462		\$ 17,462
Insurance	\$ 3,037		\$ 3,037
Total Construction Costs:	\$ 557,359		
Architectural & Engineering			
Architecture & Engineering	\$ 19,414		\$ 19,414
Civil Engineer	\$ 2,157		\$ 2,157
Total Architectural & Engineering:	\$ 21,571		
Development Overhead			
Project Contingencies	\$ 17,225		\$ 17,225
Other			
Total Real Estate Financing Costs:	\$ 17,225		
Total Project Costs:	\$ 596,156	\$ 359,742	\$ 174,846 \$ 61,568