



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

**Hybrid Virtual In-Person Meeting
Monday, October 9th, 2023 at 3:00 p.m.**

RE&PD AGENDA

Joshua Garrison, Chair
Carol Worsham, Committee Member

Craig Gibbs, Esq., Committee Member
Jim Citrano, Ex-Officio

Committee Members Excused: Braxton Gillam, Esq.

- I. CALL TO ORDER
- II. PUBLIC COMMENTS
- III. APRIL 17, 2023 RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE MEETING MINUTES APPROVAL
- IV. RESOLUTION 2023-10-01: SOUTHERN GROUNDS BROOKLYN BASIC RETAIL ENHANCEMENT PROGRAM
- V. RESOLUTION 2023-10-02: ARBOR AND OAK BROOKLYN BASIC RETAIL ENHANCEMENT PROGRAM
- VI. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR
- VII. ADJOURN

PHYSICAL LOCATION

Jacksonville Main Library
303 N. Laura Street
Conference Room G4
Jacksonville, FL 32202

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>

TAB III.

**APRIL 17, 2023 RETAIL ENHANCEMENT & PROPERTY DISPOSITION COMMITTEE
MEETING MINUTES APPROVAL**



Downtown Investment Authority
Retail Enhancement and Property Disposition Committee Hybrid Meeting
Monday, April 17th, 2023 – 10:00AM

Retail Enhancement and Property Disposition Committee Hybrid Meeting
Draft – MEETING MINUTES

Retail Enhancement and Property Disposition Committee Members (CM) in Attendance:

Oliver Barakat, Committee Chair
Jim Citrano, Vice Chair

Carol Worsham

Committee Members Excused: none.

DIA Board Members Participating In person: George Saoud, Joshua Garrison

DIA Board Members Participating Virtually: None.

DIA Staff Present: Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Operations Manager; Antonio Posey, Project Manager; and Jovial Harper, Administrative Assistant.

Office of General Counsel: Joelle Dillard.

Council Members Present: None.

I. CALL TO ORDER

The Retail Enhancement and Property Disposition Committee Meeting, was called to order at 10:01 a.m. by Oliver Barakat.

II. PUBLIC COMMENTS

Committee Chair Barakat called for public comment.

The following persons made in-person public comments, made public comments virtually through Zoom, or provided comments that were read into the record by DIA Staff. Note: the subject matter of the comment(s) indicated to the right of each person:

Ernest Smith spoke regarding his concerns on mitigating risks from the property at 333 East Bay St (*referencing Waypoint Liquors and Pub*).

III. FEBRUARY 14TH, RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE MEETING MINUTES APPROVAL

Motion: Board Member Jim Citrano moved to approve the resolution as presented

Seconded: Board Chair Worsham seconded the motion

Vote: Aye: 3 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 3-0-0

III. RESOLUTION 2023-04-01: WAYPOINT FAB-REP

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMBINED NORTHBANK COMMUNITY REDEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM TARGETED RETAIL ACTIVATION: FOOD AND BEVERAGE ESTABLISHMENTS GRANT (FAB-REP) TO LIBERTY BAY OPERATIONS, LLC AND LIBERTY BAY PROPERTIES, LLC (“GRANTEES”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A GRANT 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 Staff, Antonio Posey spoke to the specifics of the Resolution, summarizing the square footage and design plan.

DIA Staff Steve Kelley expounded on the Business Plan for WayPoint and the structuring of the agreement for the plan. He reviewed the Budget and Total Construction Costs.

Board Vice Chair, Jim Citrano inquired if the Fab-Rep contemplated eligibility for the mixed uses for this particular development design?

DIA Staff Steve Kelley confirmed this is not mixed-use inclusive under Retail Enhancement. This is one component of the Fab-Rep Program. He further elaborated on the specifics of the eligibility under the grant’s guidelines.

Board Member Joshua Garrison questioned if this is a recommendation for approval? He also requested clarification on the amount of the construction costs and the grant provided.

DIA Staff Member Steve Kelley confirmed recommendations for approval are presented to the Board without bias. He stated the ultimate decision is made via the Board and Committee Staff to approve or deny. Kelley provided the difference between the eligible and ineligible costs that are covered under the Retail Enhancement grants.

Board Chair Barakat expressed concerns regarding the use and impact of the property within the area. What is the intent of the owners to attract foot traffic into their establishment in addition to those patrons of their establishment?

Board Member Worsham inquired if applicant was available for comment?

DIA Staff Member Posey confirmed the applicant is not available.

DIA Board Member Saoud requested confirmation that the principal of the landlord is the principal of the tenant, has consideration been made to the distinction in the event of default?

DIA Staff Member Kelley stated the structuring of the program has the landlord requirement to backfill in the event of default within one hundred and eighty days. Mr. Mroz will serve as landlord and the tenant both joint and separate.

Motion: Board Member Jim Citrano moved to approve the resolution as presented
Seconded: Board Chair Worsham seconded the motion

Vote: Aye: 3 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 3-0-0

IV. RESOLUTION 2023-04-06: PAGEMASTER INN FAB-REP

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMBINED NORTHBANK COMMUNITY REDEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM TARGETED RETAIL ACTIVATION: FOOD AND BEVERAGE ESTABLISHMENTS GRANT (FAB-REP) TO PAGEMASTER INN, LLC. AND LIBERTY BAY PROPERTIES, LLC (“GRANTEES”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A FORGIVABLE GRANT AGREEMENT OR EQUIVALENT; AUTHORIZING THE DIA CEO TO EXECUTE SUCH AGREEMENT; AND FINDING THAT THE PROPOSED RENOVATION OF TENANT SPACE LOCATED AT 333 EAST BAY STREET FURTHERS THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN, INCLUDING THE

NORTHBANK CRA PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.

DIA Staff Member Posey provided a summary of the Pagemaster Inn Fab-Rep explaining in detail the eligibility, type, costs and maximum funding.

Vice Chair Citrano inquired the difference of the maximum funding from the previous resolution.

Staff Member Kelley provided clarification on the tier approach with grant funding.

Board Member Worsham expressed excitement about the completion of this project.

Board Member Saoud agreed this is an exciting prospect. He expressed curiosity on the type of liquor license that is being used within this establishment and whether this affects eligibility?

Staff Member Kelley deferred to Allan DeVault to answer.

DIA former Staff Member Allan DeVault confirmed his awareness of the applicant’s former license but is unsure of their current status and licensing.

Board Chair Barakat requested a follow up with the applicant to validate their current liquor licensing prior to the upcoming Board Member.

Motion: Board Member Jim Citrano moved to approve the resolution as presented
Seconded: Board Chair Worsham seconded the motion

Vote: Aye: 3 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 3-0-0

V. ADJOURNMENT

Chair Barakat adjourned the meeting at 11:40 a.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 Jovita Harper at HarperJ@coj.net to acquire a recording of the meeting.

TAB IV.

RESOLUTION 2023-10-01

SOUTHERN GROUNDS BROOKLYN BASIC RETAIL ENHANCEMENT PROGRAM

RESOLUTION 2023-10-01

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 GRANT TO SOUTHERN GROUNDS COFFEE BROOKLYN, LLC (“GRANTEE”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A GRANT AGREEMENT (FORGIVABLE LOAN SECURED BY A NOTE); 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.

WHEREAS, the Grantee submitted an application to the DIA under the Basic Retail Enhancement Program to facilitate the development of a coffee shop, bakery, restaurant, and bar establishment in the Brooklyn District of Downtown Jacksonville; and

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

WHEREAS, the Retail Enhancement and Property Disposition Committee, at their meeting of October 9, 2023, voted to recommend approval of the application to the DIA Board; and

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

WHEREAS, to assist the Grantee with build out costs for the purpose of establishing Southern Grounds - Brooklyn (“the Project”) the DIA proposes to provide a Grant (forgivable loan secured by a note) in an amount not to exceed SIXTY-SIX THOUSAND ONE HUNDRED FIFTY DOLLARS and 00/100 (\$66,150.00) to the Grantee; and

WHEREAS, the financial assistance to the Project will be in the form of the proposed terms and incentives on the Term Sheet, attached as Exhibit A to this Resolution; 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 approves the award of a Retail Enhancement Grant in the amount of \$66,150.00 from the Combined Northbank TID to the Grantee to be provided in accordance with the term sheet attached hereto as Exhibit A.

Section 3. The Chief Executive Officer is hereby authorized to negotiate and execute the contracts necessary to document this approval and otherwise take all additional actions necessary to effectuate the purposes of this Resolution.

Section 4. 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

James Citrano, Chairman

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

Exhibit A:

**BASIC RETAIL ENHANCEMENT PROGRAM GRANT
TERM SHEET**

**Southern Grounds - Brooklyn
400 Riverside Avenue
Jacksonville, FL 32204**

Project Name: Southern Grounds - Brooklyn

Applicant/Grantee: Southern Grounds Coffee Brooklyn, LLC
Mark Janasik, Manager
Shiju Zacharia, Manager

Total Build Out and Equipment Costs (estimate): \$642,016

Total Eligible Costs (estimate): \$413,154

Recommended Funding: \$ 66,150

Project: Tenant improvements for an approximately 3,415 square foot coffee shop, bakery, fast casual restaurant on the first floor (2,400 sf indoors, 1,015 sf outdoors) and approximately 800 square foot, full-service, Sky Bar on the second floor of a to-be-constructed project to be called "The Hub" on property located at 400 Riverside Avenue, owned by Hospitality Hub, LLC (or its assigns), in accordance with the application received.

The applicant is expected to remain in business in the location at these service levels for a minimum of three (3) years.

City Funding: No more than \$66,150, through the Downtown Northbank Combined CRA, as follows:

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 City of Jacksonville or CRA loans have been requested.

Basic Retail Enhancement Program Grant: **\$66,150 from the Downtown Northbank Combined CRA.** The award will be structured as a forgivable, 0% interest grant (forgivable loan secured by a note) that will amortize at the rate of 2.778% each month following closing for three (3) years so long as no event of default exists

The Applicant acknowledges that these Grant funds are awarded and shall be used in accordance with the Basic Retail Enhancement Program guidelines.

Minimum Capital Contribution:

- A) The minimum total capital contribution through completion to remain eligible for the Basic REP Grant is \$413,000 (Eligible direct costs of capital improvements to the property only as found in the General Contractor contract or installed equipment or build-out costs otherwise approved in underwriting).

Performance Schedule:

- A) Redevelopment Agreement to be executed within one hundred twenty (120) days of the DIA Board Approval Date which shall establish the Redevelopment Agreement Effective Date.
- B) Commencement of Construction: Within three (3) months following completion of The Hub, as evidenced by a Certificate of Occupancy, 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 commenced buildout type work.
- C) Substantial Completion: Within twelve (12) months following the Commencement of Construction Date, as defined above, Grantee shall provide evidence of completion of construction, and receipt of licensing necessary to conduct the business as outlined in the application submitted.
- D) The DIA CEO will have the authority to extend this Performance Schedule, at the CEO's discretion, for up to six (6) months for good cause shown by the Applicant. Any extensions to the Commencement Date shall simultaneously have the same effect as extending the Completion Date.

Additional Commitments:

- 1. Applicant shall provide documentation that it has met the square footage proposed for indoor and outdoor space in all material respects and establish business operations following the business description as outlined in Project above.
- 2. Per Basic REP guidelines, the award will be structured as:
 - 1. Zero-interest, Grant agreement, payable upon Substantial Completion of the work and receipt by DIA of invoices for goods and services rendered and proof that recipients paid for such goods and services.
 - 2. No interest shall accrue upon the principal of the total grant amount, with the principal forgiven monthly in equal amounts monthly over a three (3) year period.
 - 3. The total principal balance will amortize 2.778% each month of the compliance period.
 - 4. At the end of thirty-six months, the Grant shall be entirely forgiven on the condition that the improvements are installed and maintained in reasonably good condition, all taxes are maintained in current status with no tax certificates, and no City Code violations are incurred during the compliance period.

5. If it is determined that the recipient(s) is in default, full payment of any unamortized balance remaining on the grant may be demanded.

Conditions:

This Term Sheet is limited by the following conditions:

- A) Prior to funding:
 1. Grantee to provide evidence of Substantial Completion, as required above: and,
 2. Downtown Investment Authority to receive copies of all necessary permits and invoices and other documentation as may be requested in evidence of eligible expenditures; and
- B) Throughout the Compliance Period:
 1. Continuing operation of the Project as a coffee shop, restaurant, Sky bar as found in the business plan submitted with the application is required during the term of the agreement; and
 2. Annual financial summary and reporting is required to demonstrate compliance with terms and conditions as approved; and
 3. The Project will maintain not less than two full-time employees throughout the term of the agreement.

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
SOUTHERN GROUNDS BROOKLYN BASIC RETAIL ENHANCEMENT PROGRAM
(STAFF REPORT)

DIA – STAFF REPORT
BASIC RETAIL ENHANCEMENT PROGRAM GRANT
SOUTHERN GROUNDS

OCTOBER 9, 2023

<u>Applicant #1</u>	
Project Name/Location:	Southern Grounds - Brooklyn 400 Riverside Avenue Jacksonville, FL 32204
Applicant:	Southern Grounds Coffee Brooklyn, LLC Mark Janasik, Manager Shiju Zacharia, Manager
Total Buildout and Equipment Costs:	\$642,016
Funding Recommendation:	\$ 66,150

Project Description:

The Hub is being developed by Restaurant & Hospitality Investment Group (RHIG) founded in 2014 by Mark Janasik and Shiju Zacharia. RHIG has created and is the owner-operator of multiple food and beverage establishments in the Jacksonville market including Southern Grounds (four existing locations), Blueberry Artisan Bakery (found within Southern Grounds locations), and Oaxaca Club (1 location).



The Hub will be a two story “urban oasis” located in the center of the Brooklyn District of Downtown Jacksonville at 400 Riverside Avenue within proximity to Florida Blue, FIS, Unity Plaza/220 Riverside, and

the Marriott Residence Inn. The location is further identified as the northwest corner where Forest Street intersects with Riverside Avenue.

The Hub will be a multi-tenant building with operating venues for Southern Grounds, its sister establishment, Alder & Oak, and an office for the architectural firm of Cronk Duch. As provided in the applicant's business plan, the property is intended to be a *"quant gathering place composed of open courtyards and covered patios. It's a place to meet friends for coffee and artisanal fare, a refuge from the office grind, a spot to refresh after walking the Riverwalk, or perhaps cocktails and al fresco before the evenings' big events."*

Hospitality Hub, LLC is the real estate entity created by RHIG for development of The Hub and will serve as landlord for the property's three tenants. RHIG also created **Southern Grounds Coffee Brooklyn LLC** (SoGro) and **Alder and Oak LLC** (Alder & Oak) to own and operate the respective food and beverage tenant establishments. Organizational documents for the landlord, Hospitality Hub, along with those for applicants SoGro and Alder & Oak, list RHIG as the Registered Agent, and Janasik and Zacharia as Managing Members. **Cronk Duch Architecture, LLC** (CDA), the third tenant, is an unrelated entity but is involved in the design and build out of the project.

Combined Business Plan

As provided in the applicant's business plan, *"The Hub proposes to make an architectural statement of human scale and inviting spaces within the sleek fabric of the new Riverside Avenue landscape: a [place for creativity and connection to the community]." Further, "The concept also offers a sustainable and resilient approach to small business entrepreneurship in these ever-changing times. Smaller indoor dining spaces and more shaded outdoor spaces offer flexible and shared use with less energy cost." Parking in the new elevated structure reduces the asphalt footprint within the block and dockless mobility zones allow for shared transportation opportunities."*

Specific strengths and benefits captured in the overall business plan as instrumental to the success of the overall enterprise include:

- *"An excellent team of hospitality professionals delivering exceptional food and customer experience powered by mature operational processes and a seasoned leadership team."*
- *"Our unique selling proposition is a chef-driven well-designed and well-executed menu, exceptional service and responsibly sourced food that creates a profitable and sustainable operations in the long run."*
- Reduced occupancy cost by owning and operating the real estate from which SoGro and Alder & Oak are operated.
- Centrally located in the major Brooklyn growth corridor of Downtown Jacksonville, and along a strip of Riverside Avenue already known for multiple restaurant options.
- Access the Florida Blue garage provided on nights and weekends.
- Offering meals during three dayparts (breakfast, lunch and dinner) along with the Sky Bar to offer an additional revenue source following the popularity and trend for outdoor spaces to relax over drinks with friends while overlooking the neighborhood scenery.

The site for development is currently underutilized as a vacant lot at the high-traffic-count intersection of Forest Street and Riverside Avenue. The overall project upon completion is proposed to activate the street

frontage at the busy intersection and provide a *“meeting place for customers between westside and southside neighborhoods and a gateway to the Emerald Trail and Riverwalk.”*

Cronk Duke Architecture designed The Hub in line with the vision set forth by the founders of RHIG by creating urban courtyards where people are drawn together and with buildings that are intended to foster continued development in the surrounding neighborhood. The design is purposeful in its intention to engage pedestrian traffic.

Marketing will incorporate digital efforts reaching target audiences via Search Engine Optimization and paid advertising. RHIG will effectively leverage the 100,000 Instagram followers of its existing brands to create awareness of the new SoGro location and the creation of a new brand in Alder & Oak. RHIG also employs Ashby-Social for growth-oriented media campaigns with an initial budget of \$10,000 for start-up marketing costs.

Operations and management for SoGro and Alder & Oak will be handled by a common “leadership team” as indicated by the business plan submitted. Focus is placed on achieving efficiency, ensuring high levels of customer service, and pursuit of established operational goals that leverage successful operations at other restaurant locations. The owners have developed a defined hiring, onboarding, and training process that establishes expectations and minimizes inefficiencies which has proven critical to their success and improves “buy-in” and employee retention. Operational processes are based on corporate values that translate into accountability for food costs and labor costs that are responsive to market conditions and consumer demands. Employees are offered incentives for performance, cross-training opportunities, and shift scheduling to accommodate needs efficiently. A budget of \$10,000 is established for pre-opening hiring and training.

Each business will incorporate proven digital technology including Point of Sale, Kitchen Display System, and accounting solutions through Quick Books Online. Use of technology allows seamless centralized operations between front of house and back of house including tableside service from the point of order to time of checkout. Data is captured in real time that may be accessed and managed remotely from anywhere, anytime.

On a combined basis, Southern grounds and Alder & Oak are proposed to generate 60 full time jobs and 20 part time jobs.

The **Development Plan** for The Hub includes \$7.3 million in total development costs centered in a \$5.0 million construction budget. Soft costs and combined opening operating expenses for SoGro and Alder & Oak total \$210,000 including opening capital of \$100,000, inventory of \$35,000, small wares of \$50,000 and other costs totaling \$25,000.

APPLICANT #1 – SOUTHERN GROUNDS

Southern Grounds Coffee Brooklyn, LLC (“SoGro”) applied for funding through a Basic Retail Enhancement Program Grant (BREP) to establish a 3,415 square foot coffee shop, bakery, fast casual restaurant on the first floor (2,400 sf indoors, 1,015 sf outdoors) and 800 square foot, full-service, Sky Bar on the second floor of The Hub.

Business Plan Summary:

With an overall plan by the developers of The Hub to attract customers in each meal period of the day, the focus of SoGro will be on breakfast and lunch with the Sky Bar being activated primarily in the evening. The applicant views Brooklyn as having a gap in breakfast options which it intends to fill with the



opening of the proprietors' fifth location. The atmosphere will be an *“upscale but casual setting”* that provides a variety of fresh food options prepared onsite.

According to the applicant, the phrase *“Gather Together”* is the inspiration behind their business model and guides decisions regarding menu selections, ingredient sourcing and selection, and establishing the environment and experience of patrons around that concept.

SoGro is considered a *“fourth wave”* coffee shop focused on *“coffee quality, more direct trade, a greater emphasis on sustainability, lighter roasts, (and) innovative brewing methods.”*

The business model employed by SoGro has been tested and refined at other locations to provide high Average Unit Volume (AUV). Their efforts incorporate *“social consciousness”* which includes buying local, serving whole, unprocessed food, giving back to the community, and *“cultivating a culture of kindness, and supporting farms who are mindful of our environment.”* Instilling this culture resonates strongly with likeminded customers which have grown in numbers in recent years.

Pro Forma:

The business plan provides projections for SoGro at two levels: base case and stressed with revenues projected 10% below the base case. Base operations project revenue of \$1.6 million in the first year (\$373 sf including the outdoor space and Sky Bar) improving to \$1.9 million through year three (\$444 sf). With Cost of Goods Sold averaging 32% of sales, and Labor slightly higher at 36%, and rent fixed at \$180,000 annually, Operating Income is projected to range from \$16,000 initially and increasing to \$93,000 by year three. The stress case reduces Revenue by 10%, maintains the variable margins, and holds the fixed cost steady, resulting in Net Operating Loss of \$30,000 in year one, improving Operating Income to \$39,000 in year three.

An arm's length lease is proposed to be entered into between Hospitality Hub, LLC (or its assigns) as Landlord and Southern Grounds Coffee – Brooklyn LLC as Tenant with the base lease rate equal to the greater of \$15,000 monthly (\$42.70 sf), or 7% of Monthly Gross Revenue, plus 30% of triple net costs (CAM, taxes, and insurance). Gross revenue of SoGro would have to reach approximately \$214,000 monthly (\$2.6 million annually) before rent would increase following the 7% requirement. The lease term is for ten years with two, five-year option periods, and no escalator is shown. The Tenant is required to pay their own Tenant Improvement costs and no rent abatement is provided beyond time for buildout;

however, because the Landlord and Tenant are common entities, support during start-up is neither expected nor required by program guidelines.

Eligibility:

The application is determined to meet requirements of the Basic Retail Enhancement Grant Program by its location within the Brooklyn District, the nature of the business as a restaurant, where “new street level spaces in ground up construction that are either at least 5,000 sq ft or in corner locations wherever located within Downtown shall be eligible.”

Retail Enhancement Scoring Rubric:

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)

Business Plan	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	8
The plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture	10	8
Number of FTE job positions created in excess of the required two (2) positions	5	5
Category Total	40	33

While thorough, the business plan pro forma was prepared at too high of a level to conduct more in-depth analysis but was considered appropriate for the level of request made. Further, it did not offer specific information on the individuals who would be serving in key roles such as business manager (on site), or kitchen manager, which is offset by the success of the ownership team in establishing and operating multiple locations under this brand in multiple locations across Jacksonville. Equity in the overall development costs of The Hub is proposed at more than \$1,000,000 including property acquisition at a cost of \$285,000 and soft costs incurred more than \$333,875. Between SoGro and Alder & Oak the number of FTE is projected to total 60 full-time and 20 part-time employees.

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
400 Riverside Avenue (Vacant Parcel)	5	5
Historic Property	5	0
Category Total	10	5

The parcel where The Hub is being developed is located at the high-traffic count intersection of Riverside Avenue and Forest Drive. Development of this site and the intended use is proposed to activate the corner and bridge the active spaces existing and proposed within proximity of this location. New construction is eligible for funding on this program if greater than 5,000 square feet or at corner locations. With the property leased at 100%, ad valorem will be maximized at the site.

- 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
New business location	5	5
Category Total	5	5

The annual Local Option Sales Tax related solely to SoGro in its first year of operation is projected to equal \$16,000 from sales revenue and \$1,800 from the commercial lease. Over a ten-year period, LOST generated is anticipated to total more than \$193,000.

Overall Total	55	43
----------------------	-----------	-----------

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 43, the subject proposal qualifies for consideration by the REPD Committee.

Program Funding Considerations

Funding under the Basic Retail Enhancement Program is limited to the lesser of \$20 per square foot or 50% of eligible costs, as defined by program guidelines.

Build out costs and equipment submitted total \$642,016 as summarized below.

Build Out Costs	Submitted	Eligible
Interior Carpentry and Painting	\$ 69,104	\$ 69,104
Mechanical Systems	231,327	231,327
Electrical	72,660	72,660
Specialties	13,089	13,089
General Requirements	72,436	
Soft Costs and Fees	<u>78,184</u>	<u> </u>
SUB-TOTAL	\$ 536,800	\$ 386,180
Equipment	Submitted	Eligible
Small or movable	\$ 78,242	
Built in	<u>26,974</u>	<u>26,974</u>
SUB-TOTAL	\$ 105,216	\$ 26,974
TOTAL	\$ 642,016	\$ 413,154
		X 50%
Maximum Eligible Funding		\$ 206,577

TOTAL SQUARE FOOTAGE	\$ Sq Ft	Eligible
Ground Floor Interior	2,400 \$20	\$ 48,000

Ground Floor Exterior (Supplemental)	1,015	\$10	10,150
Upper Floor (Supplemental)	<u>800</u>	\$10	<u>8,000</u>
TOTAL	4,215		\$ 66,150

Based on these underwriting criteria, the scoring rubric, and eligibility calculations, the maximum funding proposed for the applicant Southern Grounds Coffee Brooklyn, LLC is **\$66,150**.

DRAFT

TAB V
RESOLUTION 2023-10-02
ARBOR AND OAK BROOKLYN BASIC RETAIL ENHANCEMENT PROGRAM

RESOLUTION 2023-10-02

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 GRANT TO ALDER AND OAK BROOKLYN LLC (“GRANTEE”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A GRANT AGREEMENT (FORGIVABLE LOAN SECURED BY A NOTE); 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.

WHEREAS, the Grantee submitted an application to the DIA under the Basic Retail Enhancement Program to facilitate the development of a full service restaurant and bar establishment in the Brooklyn District of Downtown Jacksonville; and

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

WHEREAS, the Retail Enhancement and Property Disposition Committee, at their meeting of October 9, 2023, voted to recommend approval of the application to the DIA Board; and

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

WHEREAS, to assist the Grantee with build out costs for the purpose of establishing Southern Grounds - Brooklyn (“the Project”) the DIA proposes to provide a Grant (forgivable loan secured by a note) in an amount not to exceed EIGHTY-FOUR THOUSAND TWO HUNDRED DOLLARS and 00/100 (\$84,200.00) to the Grantee; and

WHEREAS, the financial assistance to the Project will be in the form of the proposed terms and incentives on the Term Sheet, attached as Exhibit A to this Resolution; 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 approves the award of a Retail Enhancement Grant in the amount of \$84,200.00 from the Combined Northbank TID to the Grantee to be provided in accordance with the term sheet attached hereto as Exhibit A.

Section 3. The Chief Executive Officer is hereby authorized to negotiate and execute the contracts necessary to document this approval and otherwise take all additional actions necessary to effectuate the purposes of this Resolution.

Section 4. 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

James Citrano, Chairman

Date

VOTE: In Favor: _____ Opposed: _____ Abstained: _____

Exhibit A:

**BASIC RETAIL ENHANCEMENT PROGRAM GRANT
TERM SHEET**

**Alder & Oak - Brooklyn
400 Riverside Avenue
Jacksonville, FL 32204**

Project Name:	Alder & Oak - Brooklyn
Applicant:	Alder and Oak Brooklyn LLC Mark Janasik, Manager Shiju Zacharia, Manager
Total Build Out and Equipment Costs (estimate):	\$752,839
Total Eligible Costs (estimate):	\$532,026
Recommended Funding:	\$ 84,200

Project: Tenant improvements for an approximately 2,600 square feet air-conditioned space for interior dining, and approximately 3,220 square feet of covered open-air dining in a finished courtyard of a to-be-constructed project to be called "The Hub" on property located at 400 Riverside Avenue, owned by Hospitality Hub, LLC (or its assigns), in accordance with the application received.

The applicant is expected to remain in business in the location at these service levels for a minimum of three (3) years.

City Funding: No more than **\$84,200**, through the Downtown Northbank Combined CRA, as follows:

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 City of Jacksonville or CRA loans have been requested.

Basic Retail Enhancement Program Grant: **\$84,200 from the Downtown Northbank Combined CRA.** The award will be structured as a forgivable, 0% interest grant (forgivable loan secured by a note) that will amortize at the rate of 2.778% each month following closing for three (3) years so long as no event of default exists.

The Applicant acknowledges that these Grant funds are awarded and shall be used in accordance with the Basic Retail Enhancement Program guidelines.

Minimum Capital Contribution:

- A) The minimum total capital contribution through completion to remain eligible for the Basic REP Grant is \$532,000 (Eligible direct costs of capital improvements to the property only as found in the General Contractor contract or installed equipment or build-out costs otherwise approved in underwriting).

Performance Schedule:

- A) Redevelopment Agreement to be executed within one hundred twenty (120) days of the DIA Board Approval Date which shall establish the Redevelopment Agreement Effective Date.
- B) Commencement of Construction: Within three (3) months following completion of The Hub, as evidenced by a Certificate of Occupancy, 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 commenced buildout type work.
- C) Substantial Completion: Within twelve (12) months following the Commencement of Construction Date, as defined above, Grantee shall provide evidence of completion of construction, and receipt of licensing necessary to conduct the business as outlined in the application submitted.
- D) The DIA CEO will have the authority to extend this Performance Schedule, at the CEO's discretion, for up to six (6) months for good cause shown by the Applicant. Any extensions to the Commencement Date shall simultaneously have the same effect as extending the Completion Date.

Additional Commitments:

- 1. Applicant shall provide documentation that it has met the square footage proposed for indoor and outdoor space in all material respects and that it has established business operations following the business description as outlined in Project above.
- 2. Per Basic REP guidelines, the award will be structured as:
 - 1. Zero-interest, Grant agreement, payable upon Substantial Completion of the work and receipt by DIA of invoices for goods and services rendered and proof that recipients paid for such goods and services.
 - 2. No interest shall accrue upon the principal of the total grant amount, with the principal forgiven monthly in equal amounts monthly over a three (3) year period.
 - 3. The total principal balance will amortize 2.778% each month of the compliance period.
 - 4. At the end of thirty-six months, the Grant shall be entirely forgiven on the condition that the improvements are installed and maintained in reasonably good condition, all taxes are maintained in current status with no tax certificates, and no City Code violations are incurred during the compliance period.

5. If it is determined that the recipient(s) is in default, full payment of any unamortized balance remaining on the grant may be demanded.

Conditions:

This Term Sheet is limited by the following conditions:

- A) Prior to funding:
 1. Grantee to provide evidence of Substantial Completion, as required above: and,
 2. Downtown Investment Authority to receive copies of all necessary permits and invoices and other documentation as may be requested in evidence of eligible expenditures; and
- B) Throughout the Compliance Period:
 1. Continuing operation of the Project as a full-service restaurant and bar as found in the business plan submitted with the application is required during the term of the agreement; and
 2. Annual financial summary and reporting is required to demonstrate compliance with terms and conditions as approved; and
 3. The Project will maintain not less than two full-time employees throughout the term of the agreement.

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
ARBOR AND OAK BROOKLYN BASIC RETAIL ENHANCEMENT PROGRAM
(STAFF REPORT)

DIA – STAFF REPORT
BASIC RETAIL ENHANCEMENT PROGRAM GRANT

SOUTHERN GROUNDS
ALDER & OAK
CRONK DUCH

OCTOBER 9, 2023

<u>Applicant #2</u>	
Project Name/Location:	Alder & Oak - Brooklyn 400 Riverside Avenue Jacksonville, FL 32204
Applicant:	Alder and Oak Brooklyn, LLC Mark Janasik, Manager Shiju Zacharia, Manager
Total Buildout and Equipment Costs:	\$752,839
Funding Recommendation:	\$ 84,200

Project Description:

The Hub is being developed by Restaurant & Hospitality Investment Group (RHIG) founded in 2014 by Mark Janasik and Shiju Zacharia. RHIG has created and is the owner-operator of multiple food and beverage establishments in the Jacksonville market including Southern Grounds (four existing locations), Blueberry Artisan Bakery (found within Southern Grounds locations), and Oaxaca Club (1 location).



The Hub will be a two story “urban oasis” located in the center of the Brooklyn District of Downtown Jacksonville at 400 Riverside Avenue within proximity to Florida Blue, FIS, Unity Plaza/220 Riverside, and the Marriott Residence Inn. The location is further identified as the northwest corner where Forest Street intersects with Riverside Avenue.

The Hub will be a multi-tenant building with operating venues for Southern Grounds, its sister establishment, Alder & Oak, and an office for the architectural firm of Cronk Duch. As provided in the applicant’s business plan, the property is intended to be a *“quant gathering place composed of open courtyards and covered patios. It’s a place to meet friends for coffee and artisanal fare, a refuge from the office grind, a spot to refresh after walking the Riverwalk, or perhaps cocktails and al fresco before the evenings’ big events.”*

Hospitality Hub, LLC is the real estate entity created by RHIG for development of The Hub and will serve as landlord for the property’s three tenants. RHIG also created **Southern Grounds Coffee Brooklyn LLC** (SoGro) and **Alder and Oak LLC** (Alder & Oak) to own and operate the respective food and beverage tenant establishments. Organizational documents for the landlord, Hospitality Hub, along with those for applicants SoGro and Alder & Oak, list RHIG as the Registered Agent, and Janasik and Zacharia as Managing Members. **Cronk Duch Architecture, LLC** (CDA), the third tenant, is an unrelated entity but is involved in the design and build out of the project.

Combined Business Plan

As provided in the applicant’s business plan, *“The Hub proposes to make an architectural statement of human scale and inviting spaces within the sleek fabric of the new Riverside Avenue landscape: a [place for creativity and connection to the community.”* Further, *“The concept also offers a sustainable and resilient approach to small business entrepreneurship in these ever-changing times. Smaller indoor dining spaces and more shaded outdoor spaces offer flexible and shared use with less energy cost.”* Parking in the new elevated structure reduces the asphalt footprint within the block and dockless mobility zones allow for shared transportation opportunities.”

Specific strengths and benefits captured in the overall business plan as instrumental to the success of the overall enterprise include:

- *“An excellent team of hospitality professionals delivering exceptional food and customer experience powered by mature operational processes and a seasoned leadership team.”*
- *“Our unique selling proposition is a chef-driven well-designed and well-executed menu, exceptional service and responsibly sourced food that creates a profitable and sustainable operations in the long run.”*
- Reduced occupancy cost by owning and operating the real estate from which SoGro and Alder & Oak are operated.
- Centrally located in the major Brooklyn growth corridor of Downtown Jacksonville, and along a strip of Riverside Avenue already known for multiple restaurant options.
- Access the Florida Blue garage provided on nights and weekends.
- Offering meals during three dayparts (breakfast, lunch and dinner) along with the Sky Bar to offer an additional revenue source following the popularity and trend for outdoor spaces to relax over drinks with friends while overlooking the neighborhood scenery.

The site for development is currently underutilized as a vacant lot at the high-traffic-count intersection of Forest Street and Riverside Avenue. The overall project upon completion is proposed to activate the street frontage at the busy intersection and provide a *“meeting place for customers between westside and southside neighborhoods and a gateway to the Emerald Trail and Riverwalk.”*

Cronk Duke Architecture designed The Hub in line with the vision set forth by the founders of RHIG by creating urban courtyards where people are drawn together and with buildings that are intended to foster continued development in the surrounding neighborhood. The design is purposeful in its intention to engage pedestrian traffic.

Marketing will incorporate digital efforts reaching target audiences via Search Engine Optimization and paid advertising. RHIG will effectively leverage the 100,000 Instagram followers of its existing brands to create awareness of the new SoGro location and the creation of a new brand in Alder & Oak. RHIG also employs Ashby-Social for growth-oriented media campaigns with an initial budget of \$10,000 for start-up marketing costs.

Operations and management for SoGro and Alder & Oak will be handled by a common “leadership team” as indicated by the business plan submitted. Focus is placed on achieving efficiency, ensuring high levels of customer service, and pursuit of established operational goals that leverage successful operations at other restaurant locations. The owners have developed a defined hiring, onboarding, and training process that establishes expectations and minimizes inefficiencies which has proven critical to their success and improves “buy-in” and employee retention. Operational processes are based on corporate values that translate into accountability for food costs and labor costs that are responsive to market conditions and consumer demands. Employees are offered incentives for performance, cross-training opportunities, and shift scheduling to accommodate needs efficiently. A budget of \$10,000 is established for pre-opening hiring and training.

Each business will incorporate proven digital technology including Point of Sale, Kitchen Display System, and accounting solutions through Quick Books Online. Use of technology allows seamless centralized operations between front of house and back of house including tableside service from the point of order to time of checkout. Data is captured in real time that may be accessed and managed remotely from anywhere, anytime.

On a combined basis, Southern grounds and Alder & Oak are proposed to generate 60 full time jobs and 20 part time jobs.

The **Development Plan** for The Hub includes \$7.3 million in total development costs centered in a \$5.0 million construction budget. Soft costs and combined opening operating expenses for SoGro and Alder & Oak total \$210,000 including opening capital of \$100,000, inventory of \$35,000, small wares of \$50,000 and other costs totaling \$25,000.

APPLICANT #2 – ALDER & OAK

Alder and Oak LLC (“Alder & Oak”) applied for funding through a Basic Retail Enhancement Program Grant (BREP) to establish a upscale, full service restaurant/bar with wood-fired food preparation to compliment the breakfast and lunch offerings found at SoGro. The operation would include 2,600 square feet of air-conditioned space for interior dining, and 3,220 square feet of covered open-air dining in a finished courtyard also serving as a music venue and event space.

Business Plan Summary:

As provided in the business plan, *“Alder & Oak will be a farm fresh concept that delivers a wood fired, small plates concept inspired by local farms, the seasons, and our coastal Florida seafood.”* The bar menu will be made unique by offering *“prohibition style cocktails”* reflecting



the creativity required to skirt laws during the prohibition era. The menu will feature wood fired cooking methods incorporating *“humble ingredients to include carrots, beets, and chicken, Mediterranean flavors and an “ethos of seasonality and sustainability.”* While maintaining the community focus, the experience is proposed to be elevated through *“savored meals, libations, and welcoming space bringing people coming together for conversations.”*

Pro Forma:

The business plan provides projections for Alder & Oak at two levels: base case and stressed with revenues projected 10% below the base case. Base operations project revenue of \$2.2 million in the first year (\$375 sf including indoor and outdoor space) improving to \$2.8 million through year three (\$482 sf). With Cost of Goods Sold estimated at 31% of sales, and Labor slightly higher at 38.5%, and rent fixed at \$252,000 annually, Operating Income is projected to range from \$14,700 initially and increase to \$177,600 by year three. The stress case reduces Revenue by 10%, maintains the variable margins, and holds the fixed cost steady, resulting in Net Operating Loss of \$46,700 in year one, improving Operating Income to \$98,600 in year three.

An arm’s length lease is proposed to be entered into between Hospitality Hub, LLC (or its assigns) as Landlord and Alder & Oak – Brooklyn LLC as Tenant with the base lease rate equal to the greater of \$21,000 monthly (\$43.30 sf), or 7% of Monthly Gross Revenue, plus 50% of triple net costs (CAM, taxes, and insurance). Gross revenue of Alder & Oak would have to reach approximately \$300,000 monthly (\$3.6 million annually) before rent would increase following the 7% requirement. The lease term is for ten years with two, five-year option periods, and no escalator is shown. The Tenant is required to pay their own Tenant Improvement costs and no rent abatement is provided beyond time for buildout; however, because the Landlord and Tenant are common entities, support during start-up is neither expected nor required by program guidelines.

Eligibility:

The application is determined to meet requirements of the Basic Retail Enhancement Grant Program by its location within the Brooklyn District, the nature of the business as a restaurant, where *“new street level spaces in ground up construction that are either at least 5,000 sq ft or in corner locations wherever located within Downtown shall be eligible.”*

Retail Enhancement Scoring Rubric:

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	8
The plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture	10	8
Number of FTE job positions created in excess of the required two (2) positions	5	5
TOTAL	40	33

While thorough, the business plan pro forma was prepared at too high of a level to conduct more in-depth analysis but was considered appropriate for the level of request made. Further, it did not offer specific information on the individuals who would be serving in key roles such as business manager (on site), or kitchen manager, which is offset by the success of the ownership team in establishing and operating multiple restaurant brands in multiple locations across Jacksonville. Equity in the overall development costs of The Hub is proposed at more than \$1,000,000 including property acquisition at a cost of \$285,000 and soft costs incurred more than \$333,875. Between SoGro and Alder & Oak the number of FTE is projected to total 60 full-time and 20 part-time employees.

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
400 Riverside Avenue (Vacant Parcel)	5	5
Historic Property	5	0
Total	10	5

The parcel where The Hub is being developed is located at the high-traffic count intersection of Riverside Avenue and Forest Drive. Development of this site and the intended use is proposed to activate the corner and bridge the active spaces existing and proposed within proximity of this location. New construction is eligible for funding on this program if greater than 5,000 square feet or at corner locations. With the property leased at 100%, ad valorem will be maximized at the site.

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
New business location	5	5
Total	5	5

The annual Local Option Sales Tax related solely to Alder & Oak in its first year of operation is projected to equal \$22,000 from sales revenue and \$2,520 from the commercial lease. Over a ten-year period, LOST generated is anticipated to total more than \$266,000.

Total	55	43
--------------	-----------	-----------

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 43, the subject proposal qualifies for consideration by the REPD Committee.

Program Funding Considerations

Funding under the Basic Retail Enhancement Program is limited to the lesser of \$20 per square foot or 50% of eligible costs, as defined by program guidelines.

Build out costs and equipment submitted total \$642,016 as summarized below.

<u>Build Out Costs</u>	<u>Submitted</u>	<u>Eligible</u>
Superstructure	\$ 4,230	\$ 4,230
Interior Carpentry and Painting	110,424	110,424
Mechanical Systems	231,678	231,678
Electrical	76,509	76,509
Specialties	33,652	33,652
General Requirements	75,551	
Soft Costs and Fees	<u>90,150</u>	
SUB-TOTAL	\$ 622,193	\$ 456,493
<u>Equipment</u>	<u>Submitted</u>	<u>Eligible</u>
Small or movable	\$ 55,113	
Built in	<u>75,533</u>	<u>75,533</u>
SUB-TOTAL	\$ 130,646	\$ 75,533
TOTAL	\$ 752,839	\$ 532,026
		X 50%
Maximum Eligible Funding		\$ 266,013
<u>TOTAL SQUARE FOOTAGE</u>	<u>\$ Sq Ft</u>	<u>Eligible</u>
Ground Floor Interior	2,600	\$ 52,000
Ground Floor Exterior (Supplemental)	<u>3,220</u>	<u>32,200</u>
TOTAL	5,820	\$ 84,200

Based on these underwriting criteria, the scoring rubric, and eligibility calculations, the maximum funding proposed for the applicant Southern Grounds Coffee Brooklyn, LLC is **\$84,200**.