



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

**Hybrid Virtual In-Person Meeting
Monday, April 17, 2023 at 10:00 a.m.**

RE&PD AGENDA

Oliver Barakat, Chair
Jim Citrano, Vice Chair

Carol Worsham, Ex Officio
Joe Hassan

- I. CALL TO ORDER
- II. PUBLIC COMMENTS
- III. RESOLUTION 2023-04-01: WAYPOINT FAB-REP
- IV. RESOLUTION 2023-04-06: PAGEMASTER INN FAB-REP
- V. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR
- VI. ADJOURN

MEETING LOCATION

Physical Location

Jacksonville Public Library-Main Library/Downtown
303 North Laura Street
Multipurpose Room (located in the Conference Center)
Jacksonville, Florida 32202

PLEASE NOTE: The multipurpose room will **not be accessible through the Main Street entrance**. The Main Street entrance will be closed. Please use the Laura Street entrance to enter the building.

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.



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

**Hybrid Virtual In-Person Meeting
Monday, April 17, 2023 at 10:00 a.m.**

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/u/keg325N2hY>

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

RESOLUTION 2023-04-01

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.

WHEREAS the Grantee submitted a Retail Enhancement Program - Food and Beverage Retail Enhancement Grant (FAB REP) application to the DIA under the Targeted Retail Activation: Food and Beverage Establishments Program adopted by DIA pursuant to Resolution 2020-06-01; and

WHEREAS, the application, business plan, and supporting documentation were reviewed by the DIA staff, found to be consistent with the BID Plan and CRA Plan for Downtown Northbank; and

WHEREAS, scoring criteria found within the Retail Enhancement Program guidelines require a minimum 30 out of 55 points possible for the proposed project to be referred to the REPD Committee for funding consideration, and DIA Staff calculated a score of 41 for the subject application; 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 there are sufficient funds available within the Northbank CRA approved budget for Retail Enhancement to fund this request; and

WHEREAS, to assist the Grantees in making renovations for the purposes establishing Waypoint Liquors & Pub (“the Project”) DIA staff recommends that the DIA approve a Grant in an amount not to exceed ONE HUNDRED THOUSAND DOLLARS and 00/100 (\$100,000.00)

to the Grantee in accordance with the terms of the FAB-REP program and the Term Sheet found attached 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 THREE: Increase and diversify retail, food and beverage, and entertainment.

- Facilitate adaptive reuse of vacant and underutilized storefronts for retail, food and beverage and entertainment establishments.
- Increase the number of retail, food and beverage, and entertainment establishments that are open for business weekends and other times outside of weekday business hours.
- Support expansion and growth of existing entertainment and restaurant facilities with emphasis on broadening days and hours of operation.
- Facilitate the restoration and rehabilitation of Downtown's historic building stock for use by retail/beverage/entertainment establishments.
- Contribute to resiliency, flexibility, and responsiveness to change in utilization of Downtown commercial retail space through innovation and creativity in policies and permitting, and by incentivizing the repurposing of unoccupied storefront space, where appropriate.

GOAL FOUR: Increase the vibrancy of Downtown.

- Create and promote a consistent brand for Downtown that conveys a sense of excitement and within the boundary of Downtown foster distinct neighborhood identities that evoke a unique sense of place.
- Increase awareness of Downtown's history and its historic structures.
- Market and promote Downtown programming and visitor attractions.
- Provide regular, routine, and accessible events and programming for Downtown workers, residents, and visitors.

Section 3. The DIA hereby approves the award of a Retail Enhancement Grant in the amount of \$100,000 from the Combined Northbank CRA to the Grantee to be provided in accordance with the Retail Enhancement Program FAB-REP guidelines.

Section 4. This award is subject to each of the following prior to reimbursement for eligible expenditures as may be submitted:

- a) Funding for FAB REP is set to \$100,000.00 in support of \$572,300.00 in actual minimum eligible costs incurred as supported by invoices or other documentation, as required,
- b) Evidence that the lease for the subject property and operation of the subject business has been entered into or renewed for a period of not less than five years.

Section 5. 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 6. 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

Carol Worsham, Chairman

Date

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

Exhibit A:

**RETAIL ENHANCEMENT PROGRAM
TARGETED RETAIL ACTIVATION: FOOD AND BEVERAGE
ESTABLISHMENTS GRANT PROGRAM TERM SHEET
(FAB-REP)**

**Waypoint Liquors & Pub
333 East Bay Street**

Project Name:	Waypoint Liquors & Pub
Co-Applicants:	Liberty Bay Operations, LLC, LLC ("Tenant") Liberty Bay Properties, LLC ("Landlord")
Total Eligible Development Costs (estimate):	\$635,890
Co-applicant Contribution (Debt and Equity):	\$535,890
Recommended Funding:	\$100,000

Project: Tenant improvements to the first floor of 333 East Bay Street, RE# 073363-0000, owned by Liberty Bay Properties, LLC, in accordance with the application received. Funding will facilitate the development of a "Pub" style night club classified as a Type 3 establishment per FAB-REP Guidelines.

The applicant also agrees 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.

City Funding: No more than \$100,000, 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.

FAB-REP Grant: **\$100,000 from the Downtown Northbank Combined CRA.** The award will be structured as a forgivable, 0% interest grant that will amortize at the rate of 20% on each anniversary date of the closing for 5 years so long as no event of default exists. Each co-applicant will be a party to that forgivable grant agreement.

The co-applicants acknowledge that these Grant funds are awarded and shall be used in accordance with the Retail Enhancement Program Targeted Retail Activation: Food and Beverage Establishments guidelines.

The Grant will be secured by a personal guarantee of Mr. Jon Mroz on behalf of the Tenant and Landlord in the event of a default under the program or funding agreement.

Minimum Capital Contribution:

- The minimum total capital contribution through completion to remain eligible for the FAB-REP Grant is \$572,300 (Eligible direct costs of capital improvements to the property only as found in the General Contractor contract or equipment or build-out costs otherwise approved in underwriting).

Performance Schedule:

- A) Redevelopment Agreement to be executed within thirty (30) days of the Bill Effective Date which shall establish the Redevelopment Agreement Effective Date (To be captured in the Ordinance).
- B) Commencement of Construction: Within six (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 commenced buildout type work.
- C) Substantial Completion: Within eighteen (18) months following the Redevelopment Agreement Effective Date as defined above.
- 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 Developer / Applicant. Any extensions to the Commencement Date shall simultaneously have the same effect of extending the Completion Date.

Additional Commitments:

1. Per FAB-REP guidelines, the award will be structured as:
 - a) Zero-interest, Grant agreement, payable upon 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.
 - b) No interest shall accrue upon the principal of the total grant amount, with the principal forgiven over a five (5) year period.
 - c) The total principal balance will amortize 20% each year of the compliance period.
 - d) At the end of five years, 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.
 - e) Budgets and expenditures incurred showing the separation between the package store (ineligible) vs the pub/bar space (eligible) must be made available.
 - f) If it is determined that the recipient(s) is in default, interest and full payment of the grant may be demanded.

2. Minimum Hours of Operation to be maintained as:

Waypoint Hours of Operation:

Tuesday through Sunday

6 pm to 12 am

3. Personal Guaranties of payment and performance obligations in the event of default to be provided by Mr. Jon Mroz on behalf of the Tenant and Landlord.

Conditions:

This Term Sheet is limited by the following conditions:

A. Prior to funding:

1. Tenant and Landlord are each to demonstrate financial contribution of not less than \$158,973 in combination of equity or debt obligation (in the case of the Tenant) and tenant improvement allowance or rent abatement (in the case of the Landlord); 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 quieter pub space to attract a broad mix of customers in accordance with the concept as found in the business plan submitted with the application is required during the term of the agreement; and
2. Requirement that the package store and pub are operated independently of one another is required during the term of the agreement; and
3. Annual financial summary and reporting is required to demonstrate compliance with terms and conditions as approved; and
4. 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
333 E Bay Street (Waypoint) FAB REP Staff Report

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

STAFF REPORT

**Waypoint Liquors & Pub
April 17, 2023**

Project name: Waypoint Liquors & Pub

Co-Applicants: Liberty Bay Operations, LLC (“Tenant”)
Mr. Jon Mroz, Managing Member

Liberty Bay Properties, LLC (“Landlord”)
Mr. Jon Mroz, Managing Member

Project Location: 333 East Bay Street
Jacksonville, FL 32202

Total Development Costs: \$821,359

Eligible Development Costs: \$635,890

Funding Recommendations:

Type	Total
FAB-REP	\$100,000

Project Description:

The co-applicants, Liberty Bay Operations LLC (“Tenant”), and Liberty Bay Properties, LLC (“Landlord”), have applied for funding under the Food and Beverage Retail Enhancement Grant (FAB-REP) to renovate and further activate space at 333 East Bay Street (RE# 073363-0000). Currently, the ground floor of 333 E. Bay Street has three tenants, Live Bar, Element Bistro, and Myth all of which are venues owned and operated by Liberty Bay Operations, LLC. In addition, the property owner and Landlord, Liberty Bay Properties LLC, was approved for funding under the Downtown Preservation and Revitalization Program by the DIA Board at its meeting held March 15, 2023, to rehabilitate the building from which these commonly owned entities operate.

The tenant plans to rehabilitate a 4,800-square-foot portion on the first floor of the two-story building into a pub space that will also incorporate a package store. Package stores are not eligible for funding under Retail Enhancement Program guidelines which leads to the exclusion of that space from underwriting considerations. In the pub portion of the operation, the tenant plans a bar area with restrooms, which qualifies as Type III space under FAB-REP Guidelines in the Elbow District along Bay Street.

The space fronting Bay Street will serve as the primary entrance to the pub area, and a secondary entrance to the pub is found on Liberty Street. The package store is found in a walled off section within the overall square footage, adjacent to Bay Street and will have its own entrance on Bay Street which allows it to operate hours that are independent of the pub operations. Waypoint’s hours of operation are going to vary for each stand-alone entity.

Waypoint Pub plans to operate Monday through Sunday: 6 PM to 2 AM.

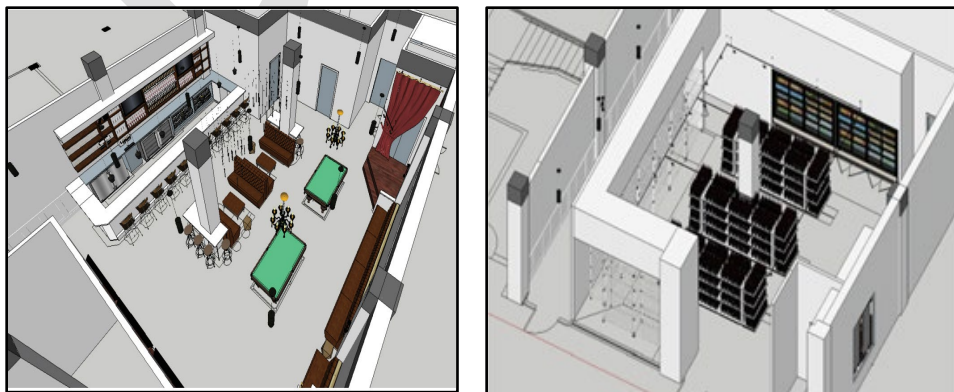
Waypoint Liquors plans to be open:
Monday through Thursday: 11 AM to 11 PM
Friday and Saturday: 10 AM to 2 AM
Sunday: 2 PM to 9 PM

Figure 1. 333 East Bay Street



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 Liberty Bay Properties LLC, which is owned by Jon Mroz who is listed as the Managing Member of the applicant also. Property taxes have been confirmed to have been paid for the 2022 tax year at the subject location as required.

Figure 2. Rendering of Bar and Retail Space



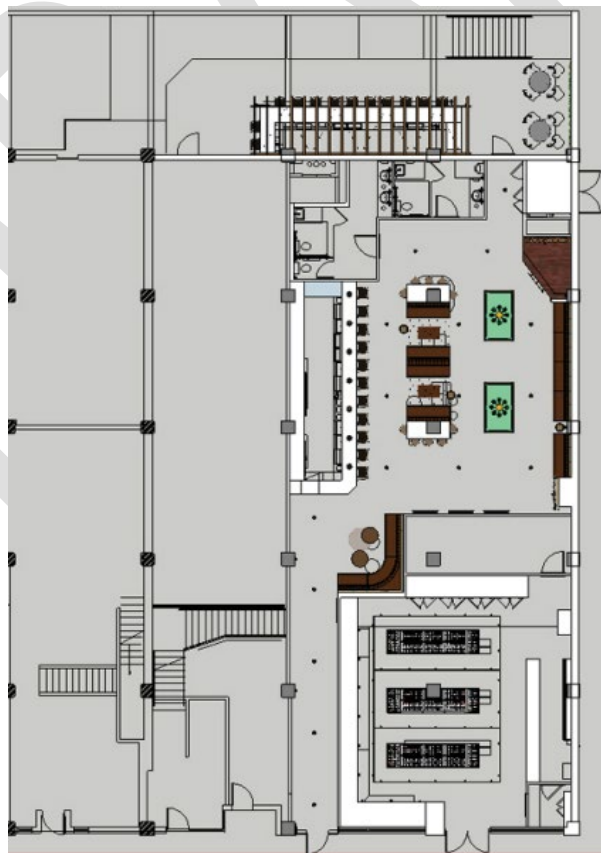
Business Plan and Bio:

Waypoint Liquors & Pub will be the fourth business interest of Liberty Bay Operations LLC in the Downtown Jacksonville market. Owner, Jon Mroz, and his partners have experience in the restaurant and bar industry and currently operate three venues in Downtown Jacksonville operating from the same property: Live Bar, Element Bistro, and Myth. In accordance with program guidelines, the pub operation is expected to provide additional diversity to the Elbow entertainment district along Bay Street, with quieter ambience and less overall energy than the nightclubs operated at the same site.

Waypoint Liquors and Pub intends to double as an option for a new addition to the nightlife activity in downtown Jacksonville, located in the Elbow District, near the stadium and next door to other nightlife establishments. Waypoint Liquors and Pub intends to offer the option of patronizing their pub-styled bar with pool tables or shopping their selection of spirits in the package store. Staff is aware that the package store and bar will operate out of the same building and proposes incentives only for the pub space in compliance with Retail Enhancement Program guidelines.

Jon Mroz, who specializes in management, marketing, and training staff, will also manage sound, lighting, inventory, finance, and licensing. Madison Ferra and Blake Henderson will serve as General Managers, tasked with handling inventory and the day-to-day operations. Along with the management team Waypoint plans to employ up to twenty-five full-time employees between the pub and package store.

Figure 2. Floor Plan of the Bar and Retail Package Store Space



Operating Plan:

Waypoint Liquors and Pub's business plan states that they intend to capitalize on the growing residential and tourist market in downtown Jacksonville. The focus of the business will be to provide a safe option for the residents of Jacksonville to shop, enjoy various games, play pool, and enjoy a crafted cocktail.

Waypoint's marketing plan focuses on four different target markets. The first focus of their target market is reaching the residents of downtown. Waypoint plans to offer happy hour, and late-night services to attend to the needs of the residents of downtown. Appealing to this market, Waypoint states that servicing the residents of downtown will give them word of mouth promotion, further brand recognition, and create loyal customers.

The second focus of their target market is the downtown office workforce. The focus will be to provide a quick service option that provides entertainment, and attentive customer service. To reach the office workforce market, they plan to create a social media presence, utilizing the pages of their established businesses, and Google's pay-per-click advertising resources.

The third market that Waypoint will focus on is the nightlife crowd. Waypoint plans to attract guests that attend the restaurants and bars in the immediate area that would be looking for a new venue to attend. The fourth market that we will be targeting will be the outdoor patio space for various functions, including parties and shows. Waypoint plans to offer its pub space to promote the event space rental option through media, articles, press releases, and newspapers.

Project Development Team:

Liberty Bay Operations, LLC (Owner) The company was incorporated in 2016. Owner, Jon Mroz, and his partners have a combined 80 years' experience in the restaurant and bar industry. Mroz specializes in management in marketing and has reportedly turned nearly a dozen failing bars into success stories. Per the bio provided, Mroz has a "unique approach to training his staff, he has been able to get even the toughest cases to come together as a team preventing the near closure of businesses to end up thriving." Additionally, Mroz reports owning several online marketing companies that he started from scratch and turned into multi-million-dollar organizations. Mroz will oversee marketing, sound, lighting, inventory, finance, and licensing.

Nine Oaks Development (Consultant) Founded by Jason Perry, Nine Oaks is a full-service real estate development and project management firm covering all facets of the development process including land acquisition, budgeting, project design and engineering, construction management, structuring and finance. Nine Oaks is currently involved in several large projects in Downtown Jacksonville, including MOSH, Furchgott's Adaptive Reuse, 604 Hogan Street, and 100 E Adams Street. Joe Grippi is the lead on The Republic project.

Emerald C's Development, Inc (Construction Manager) Emerald C's Development is a full-service commercial construction company and licensed General Contractor located in the Sports and Entertainment District of Jacksonville, FL. The firm specializes in commercial interior buildouts, tenant improvements, and site renovations. Emerald C's is an award winning, woman owned business and has

been providing commercial construction services for clients across Northeast Florida for more than ten years in the corporate/office, health care, industrial, production, education, recreation, and retail markets.

Hota Design Studio, LLC (Architect) Hota Design Studio. LLC is an award-winning collaborative design studio consisting of licensed and accredited design professionals. The firm offers turnkey Interior Design services ranging from conceptual development to construction documentation and procurement. Hota Designs combined experience provides the firm with knowledge and resources to fulfill the demands of project types ranging from tenant build-out and hospitality to military and higher education.

Development Budget:

Figure 3 on the following page shows the buildout costs taken from construction estimates provided by Emerald C's Development, Inc. of Jacksonville, FL. Total project costs for both the pub and package store are presented as \$1,056,845.

Staff reviewed the construction budget and eliminated the line items attributable to the package store. The budget for the bar space has been broken down to \$821,359 of which staff has determined \$653,890 to be eligible expenses. The applicant is seeking funds through the Food and Beverage Retail Enhancement program.

Waypoint Liquor & Pub Budget

Construction Costs		FAB-REP Eligible?	Amount	Package Store	Amount	Lounge/Pub	Amount	Total
Demolition	\$ 11,426	Yes	\$ 11,426	No	\$ 2,000	Yes	\$ 9,426	\$ 9,426
Concrete	\$ 46,250	Yes	\$ 46,250	No	\$ -	Yes	\$ 46,250	\$ 46,250
Masonry/Block	\$ 850	No		No	\$ 850	No	\$ -	
Dumpsters	\$ 8,400	No		No	\$ 2,000	No	\$ 6,400	
Structural Metal Supports	\$ 19,500	Yes	\$ 19,500	No	\$ 1,500	Yes	\$ 18,000	\$ 18,000
Carpentry & Millwork	\$ 182,000	Yes	\$ 182,000	No	\$ 18,120	Yes	\$ 163,880	\$ 163,880
Wood Base, Decking, Blcoking, & Backing	\$ 12,650	Yes	\$ 12,650	No	\$ 1,116	Yes	\$ 11,534	\$ 11,534
Bench Seating w/ Leather	\$ 63,000	No		No	\$ -	No	\$ 63,000	
Doors, Frames, & Hardware	\$ 14,284	Yes	\$ 14,284	No	\$ 4,891	Yes	\$ 9,393	\$ 9,393
Windows, Glass, & Glazing	\$ 15,500	Yes	\$ 15,500	No	\$ 15,500	Yes	\$ -	\$ -
Drywall, Insulation, & Metal Studs	\$ 65,629	Yes	\$ 65,629	No	\$ 18,303	Yes	\$ 47,326	\$ 47,326
Acoustical Ceilings	\$ 6,081	Yes	\$ 6,081	No	\$ -	Yes	\$ 6,081	\$ 6,081
Painting	\$ 35,000	Yes	\$ 35,000	No	\$ 13,000	Yes	\$ 22,000	\$ 22,000
Floor Prep	\$ 5,000	No		No	\$ 1,500	No	\$ 3,500	
Flooring	\$ 36,000	Yes	\$ 36,000	No	\$ 8,000	Yes	\$ 29,000	\$ 29,000
Specialties & Toilet Partitions	\$ 16,951	No		No	\$ 400	No	\$ 16,551	
Green Wall - Allowance	\$ 6,500	No		No	\$ -	No	\$ 6,500	
Plumbing	\$ 75,000	Yes	\$ 75,000	No	\$ 2,000	Yes	\$ 73,000	\$ 73,000
Fire Sprinkler	\$ 15,000	Yes	\$ 15,000	No	\$ 3,000	Yes	\$ 12,000	\$ 12,000
Mechanical	\$ 115,000	Yes	\$ 115,000	No	\$ 60,000	Yes	\$ 72,000	\$ 72,000
Electrical	\$ 150,000	Yes	\$ 150,000	No	\$ 40,000	Yes	\$ 110,000	\$ 110,000
Data Cabling	\$ -	No		No	\$ -	No	\$ -	
Fire Alarm	\$ 10,000	Yes	\$ 10,000	No	\$ 4,000	Yes	\$ 6,000	\$ 6,000
Contingency	\$ 20,000	No		No	\$ 8,000	No	\$ 12,000	
Cleanup	\$ 3,120	No		No	\$ 1,231	No	\$ 1,889	
Plan Review & Permit Fees	\$ 14,115	No		No	\$ 5,500	No	\$ 8,615	
Project Management & Supervision	\$ 24,000	No		No	\$ 9,500	No	\$ 14,500	
General Conditions, Temp Protection, Parking, etc	\$ 6,450	No		No	\$ 2,546	No	\$ 3,904	
Insurance	\$ 10,000	No		No	\$ 4,000	No	\$ 6,000	
Fee	\$ 69,139	No		No	\$ 27,789	No	\$ 42,610	
Total Construction Costs	\$ 1,056,845		\$ 809,320		\$ 254,746		\$ 821,359	\$ 635,890

Total Eligible Costs for FAB-REP	\$635,890
---	------------------

Figure 3. Total Construction Budget and Pub space budget

Operating Budget:

The pro forma operating budget provided with the application suggests the Business Owner should generate revenue of \$1.3 million in the first full year of operation, representing sales averaging \$3,680 per day between both businesses with a net profit of \$465,031 per the proforma. While the sales level appears achievable, the net profit potential calculated at 35.6%, combined, appears optimistic. Net profit margin for bars is estimated at 10-15%, while net profit margin for package stores is shown to range between 20 and 30%.

Information from BNG Payments (<https://bngpayments.net/blog/bar-revenue-per-square-foot/>) suggest that the average sales for an active bar should approach \$300 to \$400 per square foot. Subtracting the 885 square foot package store from the 4,800 square foot overall site provides net square footage of 3,915 for the pub alone, which suggests annual sales of \$783,000 to \$1,175,400. With net profit margin estimated at 10-15%, the profit potential for the pub operation ranges between \$78,300 and \$176,175, again suggesting the profit margin shown in the business plan is significantly higher than industry averages.

Terms of the lease call for a triple net lease where the Tenant shall pay \$3,577.12 monthly plus \$227.88 (Tenant's Proportionate Share of Operating Expenses) plus \$285.38 (7.5% Sales Tax) for a total of \$4,090.38 per month to Landlord as rent. The base rent rate equates to \$10.22 per sq ft which provides an annual total of \$49,084 per year and is considered below market for the City Center of Downtown Jacksonville.

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. Staff recommends the project as a Type III qualifying establishment. Per the BID plan guidelines bar/lounges are limited to Type III funding:

1) Funding Limitation Per Square Foot: Funding is limited to \$40 per square foot, with this project eligible for a \$20 boost per square foot as a Local Historic Landmark structure in the Downtown Jacksonville National Historic District for a total of \$60 per square foot. By this approach, 4,800 eligible square feet reduced by the 885 square feet occupied by the package store provides maximum funding of $(3,915 \times \$60) = \$234,900$.

2) Construction Budget Limitation: FAB-REP guidelines limit funding to 50% of eligible costs, totaling \$635,890 in this project. At a 50% margin, funding eligibility by this measure is \$317,945.

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 \$635,890

this would provide a minimum of \$158,973 for each party (25% of the total). Because the Landlord and Tenant are commonly owned entities, the non-DIA portion of the capital requirements may be met through any combination of contributions from each party so long as the minimum combined contribution of \$317,946 is maintained. However, the limitation on proposed funding at \$100,000 per FAB-REP guidelines, the owner/tenant contribution for eligible expenses will total \$535,890 combined, and will total \$721,359 for the pub when non-eligible costs are included, and \$956,845 for the overall project including 100% of the costs for the package store component.

Type Recommendation:

In accordance with the FAB-REP guidelines, staff recommend Waypoint for a type III establishment. Waypoint intends to focus solely on providing their customers with an option of wine, cocktails, and spirits and has not provided any information in their business plan to provide food options prepared out of its own establishment. Because Waypoint will have no food service this would only make Waypoint eligible for Type III. The hours of operation for waypoint Pub spaces differ from the package store and because staff has determined that the pub space is the only incentivized space seeking funds for FAB-REP only the hours of operation for that space will be listed as a requirement in the Redevelopment Agreement. As stated in the staff report, Waypoint Pub will be open every day from 6:00 pm until 2:00 am. FAB REP guidelines state that all Type III establishments that are open during dinner hours must stay open until 9:00 pm for a minimum of five days making Waypoint eligible for FAB REP Type III. The business plan has provided the staffing selection for the pub space showing that Waypoint plans to hire 4 full time managers, 4 full time bartenders, 6 part time bartenders, 4 full time back of house employees, 2 part time back of house employees, 1 full time maintenance man, 2 full time waitresses, and 2 part time waitresses for a total of 25 personnel.

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.

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. A minimum score of 30 points out of 55 points possible is required to have the proposed project referred to the REPD Committee for funding consideration. With a score of 41, the subject proposal qualifies for consideration by the REPD Committee. Staff has scored Waypoint on the following categories defined in their business plan. Retail Enhancement Scoring 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	7
Waypoint provided various financial statements to back the revenue and expenses that they plan to generate during their operations. The revenue from sales of their products		

seem to be in line with industry averages and their expenses show a good balance. The profit margin is higher than the industry average and questionable, however they provide revenue including the packaging store as well as the bar space.		
The plan shows how the business will target a clearly defined market and its competitive edge	5	3
Waypoint is unique in that it will offer a packing store as well as a bar space. The bar space is intended to provide an alternative to the high energy dance clubs co-located within the building, which may bring a broader patronage into the area, but is yet to be proven		
The plan shows that the management team has the skills and experience to make the business successful	10	8
The management team has many years of experience and a vested interest in Downtown Jacksonville, currently operating other establishments within the same property. In the business plan the management team does reflect on being capable of properly operating this type of retail entity.		
The plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture	10	8
Ownership has invested over 60% in the completion of this project. The ownership entity will also be serving as the landlord and the tenant and has invested equity on both sides of ownership with the tenant portion at a minimum of 25%.		
Number of FTE job positions created in excess of the required two (2) positions	5	4
Job creation proposed exceeds rubric with 25 additional staff in personnel.		
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
333 East Bay Street (1909)	5	4
Historic Property	5	4
The size of the property and its underutilized status suggests that tenancy will contribute to increased ad valorem on the site. The property itself was built in 1909 and has local landmark status, making it eligible for the historic boost.		
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/Lounge Type III	5	3
As noted above, the sales projections indicate a moderate contribution to local option sales tax approaching \$13,000 annually.		

Total	5	3
Total	55	41

Staff Recommendation:

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

- GOAL THREE: Increase and diversify retail, food and beverage, and entertainment.
 - ✓ Facilitate adaptive reuse of vacant and underutilized storefronts for retail, food and beverage and entertainment establishments.
 - ✓ Increase the number of retail, food and beverage, and entertainment establishments that are open for business weekends and other times outside of weekday business hours.
 - ✓ Support expansion and growth of existing entertainment and restaurant facilities with emphasis on broadening days and hours of operation.
 - ✓ Facilitate the restoration and rehabilitation of Downtown’s historic building stock for use by retail/beverage/entertainment establishments.
 - ✓ Contribute to resiliency, flexibility, and responsiveness to change in utilization of Downtown commercial retail space through innovation and creativity in policies and permitting, and by incentivizing the repurposing of unoccupied storefront space, where appropriate.
- GOAL FOUR: Increase the vibrancy of Downtown.
 - ✓ Create and promote a consistent brand for Downtown that conveys a sense of excitement and within the boundary of Downtown foster distinct neighborhood identities that evoke a unique sense of place.
 - ✓ Increase awareness of Downtown’s history and its historic structures.
 - ✓ Market and promote Downtown programming and visitor attractions.
 - ✓ Provide regular, routine, and accessible events and programming for Downtown workers, residents, and visitors.

Type	Total
FAB-REP Forgivable Loan	\$100,000
Total	\$100,000

FAB-REP Additional Conditions

1. No interest shall accrue upon the principal of the total FAB-REP forgivable loan amount with the 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 2023-04-01, for additional information on proposed terms and conditions.

DRAFT

TAB IV.

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

RESOLUTION 2023-04-06

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.

WHEREAS the Grantee submitted a Retail Enhancement Program - Food and Beverage Retail Enhancement Grant (FAB-REP) application to the DIA under the Targeted Retail Activation: Food and Beverage Establishments Program adopted by DIA pursuant to Resolution 2020-06-01; and

WHEREAS, the application, business plan, and supporting documentation were reviewed by the DIA staff and found to be consistent with the BID Strategy and CRA Plan for Downtown Northbank; and

WHEREAS, scoring criteria found within the Retail Enhancement Program guidelines require a minimum 30 out of 55 points possible for the proposed project to be referred to the REPD Committee for funding consideration, and DIA Staff calculated a score of 36 for the subject application; 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 there are sufficient funds available within the Northbank CRA approved budget for Retail Enhancement to fund this request; and

WHEREAS, to assist the Grantees in making renovations for the purposes establishing Pagemaster Inn & Tavern (“the Project”) DIA staff recommends that the DIA approve a Grant in an amount not to exceed ONE HUNDRED SEVENTY-ONE THOUSAND SEVEN HUNDRED TEN DOLLARS and 00/100 (\$171,710.00) to the Grantee in accordance with the terms of the FAB-REP program and the Term Sheet found attached 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 THREE: Increase and diversify retail, food and beverage, and entertainment.

- Facilitate adaptive reuse of vacant and underutilized storefronts for retail, food and beverage and entertainment establishments.
- Increase the number of retail, food and beverage, and entertainment establishments that are open for business weekends and other times outside of weekday business hours.
- Support expansion and growth of existing entertainment and restaurant facilities with emphasis on broadening days and hours of operation.
- Facilitate the restoration and rehabilitation of Downtown’s historic building stock for use by retail/beverage/entertainment establishments.
- Contribute to resiliency, flexibility, and responsiveness to change in utilization of Downtown commercial retail space through innovation and creativity in policies and permitting, and by incentivizing the repurposing of unoccupied storefront space, where appropriate.

GOAL FOUR: Increase the vibrancy of Downtown.

- Create and promote a consistent brand for Downtown that conveys a sense of excitement and within the boundary of Downtown foster distinct neighborhood identities that evoke a unique sense of place.
- Increase awareness of Downtown’s history and its historic structures.
- Market and promote Downtown programming and visitor attractions.
- Provide regular, routine, and accessible events and programming for Downtown workers, residents, and visitors.

Section 3. The DIA hereby approves the award of the Food and Beverage Retail Enhancement Grant (FAB-REP) in the amount of \$171,710.00 from the Combined Northbank CRA to the Grantee to be provided in accordance with the Retail Enhancement Program FAB-REP guidelines.

Section 4. This award is subject to each of the following prior to reimbursement for eligible expenditures as may be submitted:

- a) Funding for FAB-REP is set to \$171,710.00 in support of \$469,680.00 in required minimum eligible costs incurred as supported by invoices or other documentation, as required,

- b) Evidence that the lease for the subject property and operation of the subject business has been entered into or renewed for a period of not less than five years.

Section 5. The Chief Executive Officer is hereby authorized to negotiate and execute the Grant Agreement or equivalent and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

Section 6. The Effective Date of this Resolution is the date of execution of this Resolution by the Chair of the DIA Board.

*** SIGNATURES FOUND ON THE FOLLOWING PAGE ***

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Witness

Carol Worsham., Chair

Date

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

Exhibit A:

**RETAIL ENHANCEMENT PROGRAM
TARGETED RETAIL ACTIVATION: FOOD AND BEVERAGE
ESTABLISHMENTS GRANT PROGRAM TERM SHEET
(FAB-REP)**

**Pagemaster Inn and Tavern
333 East Bay Street, Jacksonville FL 32202**

Project Name:	Pagemaster Inn and Tavern
Co-Applicants:	Pagemaster Inn, LLC (“Tenant”) Liberty Bay Properties, LLC (“Landlord”)
Total Eligible Development Costs (estimate):	\$521,868
Co-applicant Contribution (Debt and Equity):	\$350,158
Recommended Funding:	\$171,710

Project: Tenant improvements to the first floor of 333 East Bay Street, RE# 073363-0000, owned by Liberty Bay Properties, LLC, in accordance with the application received. Funding will facilitate the development of a “Speakeasy” bar/restaurant offering a full menu and fantasy novels and board games classified as a Type 2 establishment per FAB-REP Guidelines.

The applicant also agrees 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.

City Funding: No more than \$171,710, 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.

FAB-REP Grant: **\$171,710 from the Downtown Northbank Combined CRA.** The Grant 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 Grant funds are awarded and shall be used in accordance with the Retail Enhancement Program Targeted Retail Activation: Food and Beverage Establishments guidelines.

The Grant will be secured by a personal guarantee of Mr. Jordan Creel on behalf of the Tenant and Mr. Jon Mroz on behalf of the Landlord in the event of a default under the program or funding agreement.

Minimum Capital Contribution:

- The minimum total capital contribution through completion to remain eligible for the FAB-REP Grant is \$469,680 (Eligible direct costs of capital improvements to the property only as found in the General Contractor contract or equipment or build-out costs otherwise approved in underwriting).

Performance Schedule:

- A) Redevelopment Agreement to be executed within thirty (30) days of the Bill Effective Date which shall establish the Redevelopment Agreement Effective Date (To be captured in the Ordinance).
- B) Commencement of Construction: Within six (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 commenced buildout type work.
- C) Substantial Completion: Within eighteen (18) months following the Redevelopment Agreement Effective Date as defined above.
- 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 Developer / Applicant. Any extensions to the Commencement Date shall simultaneously have the same effect of extending the Completion Date.

Additional Terms:

- Per FAB-REP guidelines, the award will be structured as:
 - a) Zero-interest, Grant agreement, payable upon 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.
 - b) No interest shall accrue upon the principal of the total loan amount, with the principal forgiven over a five (5) year period.
 - c) Total principal balance will amortize 20% each year of the compliance period.
 - d) At the end of five years, 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.
 - e) If it is determined that the recipient(s) is in default, interest and full payment of the grant may be demanded.
- Minimum Hours of Operation to be maintained as:
Pagemaster Hours of Operation:

Tuesday through Thursday	10 am to 10 pm
Friday and Saturday	10 am to 12 am

- Personal Guaranty of payment and performance obligations in the event of default to be provided by Mr. Jordan Creel (Tenant) and Mr. Jon (Landlord).

Conditions:

This Term Sheet is limited by the following conditions:

- A. Prior to funding:
 1. Tenant and Landlord are each to demonstrate financial contribution of not less than \$130,467 in combination of equity or debt obligation (in the case of the Tenant) and tenant improvement allowance or rent abatement (in the case of the Landlord); 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 bar/restaurant/bookstore in accordance with the unique theme and concept as found in the business plan submitted with the application is required during the term of the agreement; and
 2. Requirement that the restaurant be operated during all open hours offering a full menu of food options as found in the business plan submitted with the application is required during the term of the agreement; and
 3. Annual financial summary and reporting is required to demonstrate compliance with terms and conditions as approved; and
 4. 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
PAGEMASTER STAFF REPORT



Downtown Investment Authority

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

**Pagemaster Inn, LLC
April 17, 2023**

Co-applicants

**Pagemaster Inn, LLC (“Tenant”)
D/B/A Pagemaster Inn and Tavern.
Mr. Jordan Creel (Managing Partner)**

**Liberty Bay Properties, LLC (“Landlord”)
Mr. Jon Mroz (Managing Member)**

Project Location:

**333 E. BAY STREET
Jacksonville, Florida 32202**

Project Description:

The co-applicants, Pagemaster Inn, LLC (“Pagemaster” or “Tenant”), and Liberty Bay Properties, LLC (“Landlord”), have applied for funding under the Food and Beverage Retail Enhancement Program (FAB-REP) to renovate tenant space at 333 E. Bay Street. This property is owned by Liberty Bay Properties, LLC where Mr. Jon Mroz is the Managing Member. Pagemaster plans to renovate the interior 3,303 sq ft space into a combination retail and bar/restaurant operation. The location will comprise a retail storefront that specializes in selling fantasy novels, games, and memorabilia with an attached speakeasy that will sell beverages and liquor along with unique food pairings.

Pagemaster plans to section off the interior with a lobby space that will serve as the bookstore and entrance to the tavern-style speakeasy. The entrance to the speakeasy will be lined with floating bookshelves covering many of the walls, tavern-style chandeliers hanging from the ceiling, and natural wood and brick accents that will be visible throughout the space.

Of the 3,303 total square footage, the bookstore occupies 850 square feet and is considered ineligible for funding under the FAB-REP program. As such, the remaining 2,453 square feet occupied by the food and beverage operation is evaluated for funding under FAB-REP. The

combination of food and beverage offerings with a varied menu available during all open hours in addition to the bar/lounge concept qualifies this project as Type II following FAB-REP guidelines as detailed further below.

Business Plan and Bio:

Pagemaster Inn and Tavern will operate as a themed experience for their patrons doubling as a bookstore and tavern-styled speakeasy serving patrons from the Downtown neighborhoods.

A 10-seat bar with multiple high-tops is a part of the restaurant/bar's seating plan that includes a dining area and an open seating area linked to a private room. 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. Property taxes have been confirmed to have been paid for the 2022 tax year at the subject location as required.

Jordan Creel and partner Vanizia Wilson bring their first brick and mortar establishment downtown. The subject property allows the expansion of the food truck and catering business operated Wilson and her husband and other partners known as "Food Addictz on the Run." Vanizia Wilson, shown as Manager of "Food Addictz on the Run" in state filings, will be heading the kitchen and staff at Pagemaster. The restaurant will serve Southern style menu offerings modified to fit the theme of the business. Jordan Creel brings over 15 years of business experience to Pagemasters, including serving as an Account Manager for Enterprise Fleet Management since January 2017, and approximately four years in management at Enterprise prior to his current role. Jordan will manage staff and finances for the storefront and assist in the managing of the tavern space. Pagemaster plans on hiring additional staff of ten members and three additional management staff members to assist in the day-to-day operation.

Pagemaster Inn LLC states that its target market is twofold, the first being those interested in fictional books and fantasy novels. The second will be for those who enjoy dining in a themed food and beverage establishment that specializes in what Pagemaster describes as an experience that "brings them into the vibrant world of their favorite characters." Their marketing plans include focusing on millennials, which Pagemaster identifies as its primary target audience and the age group most likely to patronize the establishment. Pagemaster states that based on the Jacksonville population statistics, this makes the company's geographic scope roughly 250,000 potential customers.

While the front lobby area of Pagemasters will allow their patrons to partake in novels and board games, the tavern-styled bar area creates eligibility for FAB-REP for that portion of the business. The plans indicate a full bar and kitchen area buildout that will serve a full menu from open to

close. The menu includes small plate items such as chicken wings, salads, and charcuterie boards as well as large plate items such as pasta, fish, and pot roast dishes. Because of the limited service, and limited menu offered, the operation is classified as a Type II establishment using FAB-REP guidelines.

Target Market:

As indicated in its business plan Pagemaster has a clearly defined target market. Pagemaster will focus on young professionals in the downtown market by offering a place to dine during the lunch and dinner meal periods. For the neighboring communities, they plan to attract young millennials 21 to 26 who enjoy works of fiction and fantasy to patronize the establishment. This is the first type of establishment to offer a bookstore with a lunch/dinner and bar space downtown.

Promotional Plan:

With the emergence of entertainment venues in Downtown Jacksonville, Pagemaster identifies as a venue that specializes in immersing its customers in the fictional works of novels and movies as they enjoy themed food and beverages from those works. Pagemaster Inn and Tavern has identified customer experience and word-of-mouth advertising as the primary method of promotion in the business plan submitted.

Operating hours proposed in the business plan, which meets criteria established within FAB-REP guidelines and add a new element of nightlife in the Elbow District of Central Core, are as follows:

Weekly Schedule	Open	Close
Monday	Closed	Closed
Tuesday	10:00 am	10:00 pm
Wednesday	10:00 am	10:00 pm
Thursday	10:00 am	10:00 pm
Friday	10:00 am	12:00 am
Saturday	10:00 am	12:00 am
Sunday	Closed	Closed

Operating Pro Forma

The pro forma operating budget provided with the application suggests the Business Owner should generate revenue of \$1,007,500 in the first full year of operation, representing sales averaging \$2,760 per day between both businesses with Pagemaster projecting a net profit margin at 35.9% ($\$361,915/\$1,007,500 \times 100$). While the sales level appears achievable, the net profit potential calculated at 35.9%, combined, appears optimistic. Net profit margin for bars is estimated at 10-15%, while net profit margin for bookstores is shown to average 40%.

Information from BNG Payments (<https://bngpayments.net/blog/bar-revenue-per-square-foot/>) suggest that the average sales for an active bar should approach \$300 to \$400 per square foot. Subtracting the 850 square foot package store from the 3,303 square foot overall site provides net square footage of 2,453 for the bar alone, which suggests annual sales of \$735,900 to \$981,200. With net profit margin estimated at 10-15%, the profit potential for the pub operation ranges between \$73,590 and \$147,180, again suggesting the profit margin shown in the business plan is higher than industry averages.

Property Consideration:

The property on 333 East Bay Street is located in the entertainment district known as “The Elbow” has a total of 3,303 square feet in a two-story building with an entrance on Bay Street. Local venues in the area persist of various restaurants, bars, and nightlight venues such as Justice Pub, D and G Deli, and Ruby Beach Brewing. Pagemasters will be the first retail bookstore with bar space with offerings of drinks and food. Buildout costs presented below are taken from a stipulated sum construction contract provided by the Hota Design Studio LLC of Jacksonville, FL. Total construction costs of \$638,242.

FAB-REP Consideration:

Total eligible costs equal \$521,868 for the FAB-REP portion of the cost breakdown. Per Type II requirements, the eligibility of funding is $\$521,868 \times 50\% = \$260,934$, which would exceed the cap for Type II projects of \$200,000.

Total eligible square feet equal 2,453 sq ft for the FAB-REP portion of the cost breakdown per type II, the eligibility of funds are at \$50 per sq ft $2,453 \text{ sq ft} \times \$50 = \$122,650$ plus the additional \$20 for building being a Local Historic Landmark which equates to $2,453 \times \$70 = \$171,710$.

The maximum is not to exceed \$200,000 which is below the maximum limitation of 50% of eligible costs but exceeds the maximum funding amount based on square footage. As such, the \$171,710 calculated by the maximum per square footage is the funding amount proposed.

Type Recommendation:

In accordance with the FAB-REP guidelines, staff recommend Pagemaster for a Type II establishment. Program guidelines require that Type II establishments provide limited service; order at the counter, self-clearing of tables, partial or full kitchen, with on-site preparation and consumption of food. Must be open a minimum of five days per week for either breakfast (by 7:00 a.m.) or dinner/evening hours (until at least 9:00 p.m.). By providing a full menu consisting of lunch and dinner fare ranging from prepared salads to full course meals, Pagemaster meets the requirements of a Type II establishment.

The hours of operation for Pagemaster ranges from Tuesday thru Thursday 10:00 am to 10:00 pm and Friday thru Saturday 10:00 am to 12:00 am which meets the requirement in the program guidelines which state the establishment must be open five days a week and because they are open after 9:00 pm Pagemaster is eligible for FAB-REP Type II. Staff determines that by proposing to hire ten staff and three additional management personnel, Pagemaster exceeds the minimum requirement of two staff.

Pagemaster Budget

Construction Costs		FAB-REP Eligible?	Amount
General Requirements	\$ 5,000	No	
Site Construction	\$ 7,943	Yes	\$ 7,943
Metals	\$ 26,705	Yes	\$ 26,705
Wood and Plastics	\$ 32,653	Yes	\$ 32,653
Doors and Windows	\$ 16,695	Yes	\$ 16,695
Finishes	\$ 136,810	Yes	\$ 136,810
Specialties	\$ 5,000	No	
Mechanical	\$ 211,062	Yes	\$ 211,062
Electrical	\$ 90,000	Yes	\$ 90,000
Overhead	\$ 53,187	No	
Profit	\$ 53,187	No	
Total Construction Costs	\$ 638,242		\$ 521,868

Total Eligible Costs for FAB-REP	\$521,868
---	------------------

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.

Scoring Rubric Recommendation:

The primary criteria for approval for any retail incentive will be the feasibility of the business plan. A successful business plan will be the one that conveys the most promising combination of relevant experience, financial feasibility, product and market research, growth potential and job creation. A minimum score of 30 points out of 55 points possible is required to have the proposed project referred to the REPD Committee for funding consideration. Staff scored Pagemaster on the following categories defined in their business plan.

- 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	5
Pagemaster’s pro forma is considered optimistic considering this will be their first brick and mortar establishment in the city. Ownership has projected revenue and profits over industry average for the		

establishment on a per square foot basis. They do, however, have experience in the food service industry and they will rely on a multitude of products that could supplement their revenue.		
The plan shows how the business will target a clearly defined market and its competitive edge	5	4
Pagemaster is targeting a defined market focused on young millennials 21 to 26 who enjoy works of fiction and fantasy to patronize the establishment.		
The plan shows that the management team has the skills and experience to make the business successful	10	6
The owners have experience operating in a food truck environment, but this is their first experience operating from a brick-and-mortar establishment. They propose to hire additional management staff.		
The plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture	10	6
The required capital contribution of the landlord and tenant in combination is \$350,158, or 67.1% of eligible costs, which may be met by a combination of debt and equity.		
Number of FTE job positions created in excess of the required two (2) positions	5	4
The business plan calls for the addition of 10 staff and 3 management employees.		
TOTAL	40	25

- 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
333 E BAY Street (1909)	5	4
Historic Property	5	4
The size of the property and its underutilized status suggests that tenancy will contribute to increased ad valorem on the site. The property itself was built in 1909 and has local landmark status, making it eligible for the historic boost.		
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/Restaurant Type II	5	3
As noted above, the sales projections indicate a moderate contribution to local option sales tax approaching \$10,000 annually.		
TOTAL	5	3

TOTAL	55	36
--------------	-----------	-----------

Staff Recommendation:

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

- GOAL THREE: Increase and diversify retail, food and beverage, and entertainment.
 - ✓ Facilitate adaptive reuse of vacant and underutilized storefronts for retail, food and beverage and entertainment establishments.
 - ✓ Increase the number of retail, food and beverage, and entertainment establishments that are open for business weekends and other times outside of weekday business hours.
 - ✓ Support expansion and growth of existing entertainment and restaurant facilities with emphasis on broadening days and hours of operation.
 - ✓ Facilitate the restoration and rehabilitation of Downtown’s historic building stock for use by retail/beverage/entertainment establishments.
 - ✓ Contribute to resiliency, flexibility, and responsiveness to change in utilization of Downtown commercial retail space through innovation and creativity in policies and permitting, and by incentivizing the repurposing of unoccupied storefront space, where appropriate.
- GOAL FOUR: Increase the vibrancy of Downtown.
 - ✓ Create and promote a consistent brand for Downtown that conveys a sense of excitement and within the boundary of Downtown foster distinct neighborhood identities that evoke a unique sense of place.
 - ✓ Increase awareness of Downtown’s history and its historic structures.
 - ✓ Market and promote Downtown programming and visitor attractions.
 - ✓ Provide regular, routine, and accessible events and programming for Downtown workers, residents, and visitors.

Based on the eligibility requirements reviewed above, the funding recommendation of \$171,710 is based on the following calculations:

Type	Eligible Square Foot	Eligible Cost	Max Funding for Type II	Lesser of Three Approaches
Bar/Restaurant Type II	2,453 SF X \$70 sf = \$171,710	\$521,868 X .5 = \$260,934	\$200,000	\$171,710