

RESOLUTION 2024-05-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE NORTHBANK COMMUNITY DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM GRANT TO BABY GOT BRUNCH, LLC (“BABY GOT BRUNCH” OR “GRANTEE”), TO ESTABLISH A FOOD AND BEVERAGE BUSINESS IN A PROPERTY OWNED BY THE APPLICANT LOCATED AT 610 NORTH JULIA STREET JACKSONVILLE FL 32202; 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 DIA is authorized to utilize the Northbank Tax Increment District funds, in accordance with the CRA Plan, to foster the redevelopment of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, Grantee submitted an application to the DIA under the Basic Retail Enhancement Program (“REP) to facilitate the development of a restaurant and bar establishment in the NorthCore neighborhood 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 Northbank; and

WHEREAS, maximum funding under the Basic REP program is limited to the lesser of 50% of eligible development costs or \$20 per square foot of eligible space, and

WHEREAS, proposed maximum REP funding for the Grantee is based upon the \$20 per square foot of eligible space approach; and

WHEREAS, to assist Grantee with build out costs for the purpose of establishing the Players Grille (“the Project”) the DIA proposes to provide a Grant (forgivable loan secured by a note) in an amount not to exceed NINETY-SIX THOUSAND SIX HUNDRED TWENTY DOLLARS and 00/100 (\$96,620.00) 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 \$96,620.00 from the Downtown 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 Cirano, Chairman

5/15/24
Date

VOTE: In Favor: 8 Opposed: 0 Abstained: 0

Exhibit A:

**BASIC RETAIL ENHANCEMENT PROGRAM GRANT
TERM SHEET**

**Baby Got Brunch LLC
610 N Julia Street
Jacksonville FL 32202**

Project Name:	Baby Got Brunch
Applicant/Grantee:	Baby Got Brunch, LLC Marcus Stroud, Owner
Total Build Out Costs (estimate):	\$763,485
Total Eligible Costs (Build out only):	\$581,056
Eligible Funding:	\$ 96,620

Project: Tenant improvements for an approximately 4,800 square foot brunch themed restaurant located in the NorthCore District of the Northbank CRA. The property is owned by the applicant through MS Real Estate Ventures, LLC, -and is a commercial condominium space attached to 311 W. Ashley, also known as City Place Condominiums. Baby Got Brunch will be the sole tenant of the single story attached building.

To be eligible for total loan forgiveness, the applicant is required to remain in business in the location at these service levels for a minimum of three (3) years.

City Funding: No more than **\$96,620**, through the Northbank CRA, as follows:

Basic Retail Enhancement Program Grant: \$96,620 from the Retail Enhancement Program funding of the Northbank CRA. The award will be structured as a forgivable, 0% interest grant (forgivable loan secured by a note) that will be forgiven and reduced at a rate of approximately 33.33% per year on each anniversary of the Loan Disbursement Date 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 compliance 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 \$581,056 and listed in Figure 1 below. Such costs will exclude soft costs such as General

Conditions, General Requirements, Overhead, Insurance, and similar expenditures not contributing to the hard costs of construction.

- B) The total minimum construction costs shall also exclude costs incurred for furniture and any equipment not affixed to the property. Any equipment affixed to the property included in this total must remain on the property through the compliance period of the forgivable loan agreement.

Performance Schedule:

- A) Redevelopment Agreement to be executed within six (6) months of the DIA Board Approval Date which shall establish the Redevelopment Agreement Effective Date.
- B) Commencement of Construction: Within three (3) 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 twelve (12) months following the Commencement of Construction Date, as defined above, Grantee shall provide evidence of completion of construction, payment of all subcontractors, material providers, and laborers, 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 three (3) 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 establish business operations following the description as outlined in the application and as Project above. The build out shall be materially consistent with the renderings and images included below in Figure 2.
- 2. All rehabilitation work and design features must comply with all applicable city codes, ordinances, the established Downtown Development Review Board Guidelines and the Downtown Zoning Overlay.
- 3. Personal Guaranty of payment and performance obligations in the event of default to be provided by Marcus Stroud on behalf of the Tenant.
- 4. Per Basic REP guidelines, the award will be structured as:
 - a. 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.
 - b. 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.
 - c. The total principal balance will be forgiven and reduced at a rate of approximately 33.33% per year on each anniversary of the Loan Disbursement Date.
 - d. At the end of thirty-six months, the Grant shall be entirely forgiven on the condition that the business remains in operation as proposed, 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, 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. Applicant to provide evidence of Substantial Completion, as required above: and,
2. Downtown Investment Authority to receive copies of any necessary permits, invoices, cancelled checks or documentation from other methods of payment, and other items as may be requested by the DIA in its sole discretion as evidence of eligible expenditures materially consistent with the budget presented as Figure 1; and

B) Throughout the Compliance Period:

1. Continuing operation of the Project as a restaurant 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.
4. 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.

Figure 1 – Construction Budget as Submitted:

	All Build-out Costs	Eligible?	Non-Eligible	Eligible
General Conditions	\$ 51,440.00	n	\$ 51,440.00	\$ -
General Requirements	\$ 5,401.00	n	\$ 5,401.00	\$ -
Demolition	\$ 22,000.00	y	\$ -	\$ 22,000.00
Concrete	\$ 18,550.00	y	\$ -	\$ 18,550.00
Metal Framing & Structural Steel	\$ 17,225.00	y	\$ -	\$ 17,225.00
Thermal	\$ 12,240.00	y	\$ -	\$ 12,240.00
Doors & Windows	\$ 12,550.00	y	\$ -	\$ 12,550.00
Finishes	\$ 96,881.00	y	\$ -	\$ 96,881.00
Mechanical		y	\$ -	\$ -
Plumbing	\$ 96,302.00	y	\$ -	\$ 96,302.00
HVAC (includes exhaust hood install)	\$ 143,292.00	y	\$ -	\$ 143,292.00
Sprinkler System	\$ 13,221.00	y	\$ -	\$ 13,221.00
Electrical		y	\$ -	\$ -
Electrical gear/wiring & power distribution (includes light package)	\$ 140,250.00	y	\$ -	\$ 140,250.00
Fire Alarm System	\$ 8,545.00	y	\$ -	\$ 8,545.00
General Contractor Admin & Overhead	\$ 32,427.00	n	\$ 32,427.00	\$ -
General Contractor Insurance Expense	\$ 10,885.00	n	\$ 10,885.00	\$ -
General Contractor Profit/Fee	\$ 82,276.00	n	\$ 82,276.00	\$ -
	\$ 763,485.00		\$ 182,429.00	\$ 581,056.00

Figure 2 – Renderings and Floorplan as Submitted:



