

## **RESOLUTION 2025-01-01**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMBINED NORTHBANK COMMUNITY REDEVELOPMENT AGENCY (“GRANTOR”) MODIFYING THE REQUIRED HOURS OF OPERATION FOR THAT TERM SHEET RELATING TO DOROTHY’S DOWNTOWN AS PREVIOUSLY APPROVED BY THE DIA VIA RESOLUTION 2024-09-02; AUTHORIZING THE DIA CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING ENTERING INTO A REDEVELOPMENT AGREEMENT OR FUNCTIONAL EQUIVALENT WITH THE HIDDEN DISTRICT, LLC AND 21 E ADAMS ST, LLC (“GRANTEES”); PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Grantees submitted a Retail Enhancement Program application to the DIA under the Targeted Retail Activation: Food and Beverage Establishments Program (“FAB-REP”) to facilitate the development of a restaurant venue in the Elbow District of the Cathedral Hill neighborhood in the Downtown Northbank Jacksonville Community Redevelopment Area to be known as Dorothy’s Downtown (“the Project”); and

**WHEREAS**, the DIA Retail Enhancement and Property Disposition approved Resolution 2024-09-02 at their regularly scheduled meeting in September of 2024 authorizing a Forgivable Loan secured by a note for the Food and Beverage Retail Enhancement Program funding not to exceed \$167,380 and a Grant Agreement for the Sidewalk Enhancement Program funding not to exceed \$5,675 with total funding limited to ONE HUNDRED SEVENTY-THREE THOUSAND FIFTY-FIVE DOLLARS and 00/100 (\$173,055) to the Grantees; and

**WHEREAS**, the DIA Board approved Resolution 2024-09-02 via consent agenda at their regularly scheduled meeting in September 2024; and

**WHEREAS**, following approval by the DIA Board and upon review of the loan documents, the operator recognized that the hours of operation previously communicated and captured therein represent their target goals for periods open and are beyond what they can commit to from the day of opening; and

**WHEREAS**, the applicant requested that the terms be changed to require be open Wednesday through Sunday evening for dinner and phase in lunch and brunch at a later time; and

**WHEREAS**, these hours of operation still satisfy the FAB-REP minimum guidelines that expressly state the to be eligible “Establishment must be open not less than 5 days per week which must include either breakfast or dinner/evening hours” and that Dinner is further defined as “Dinner/Evening hours: staying open at least until 9:00 pm, including either Friday or Saturday evening”; and

**WHEREAS**, the applicant has agreed to be open until 9:00 pm, Wednesday through Sunday evenings, at minimum.

**WHEREAS**, as a result of the modifications, the scoring rubric was adjusted, reducing the overall score from 42 to 39; and

**WHEREAS**, the Retail Enhancement Guidelines require a minimum score of 30 on the rubric to be referred to the REPD Committee for funding consideration and the applicant still exceeds that minimum,

**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 modification of the terms in accordance with the term sheet attached hereto as Redlined 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

  
\_\_\_\_\_  
Patrick Krechowski, Esq., Chairman

1/31/25  
Date

VOTE: In Favor: 7 Opposed: 0 Abstained: 0

**Exhibit A v2:**

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

**The Hidden District, LLC (dba Dorothy's Downtown)  
21 East Adams Street**

<b>Project Name:</b>		Dorothy's Downtown
<b>Co-Applicants:</b>		The Hidden District, LLC ("Tenant") 21 E Adams St, LLC ("Landlord")
<b>Total Build Out and Equipment Costs:</b>	\$353,168	
<b>Eligible Costs under FAB-REP program:</b>	\$334,761	
<b>Maximum Eligible Funding:</b>	\$167,380	50% of Eligible FAB-REP Costs
<b>Sidewalk Enhancement Eligible Costs:</b>	\$7,094	
<b>Maximum Eligible Funding:</b>	\$5,675	80% of Eligible FAB-REP Costs

**Project:** Tenant improvements to the first floor of 21 E Adams Street, RE# 073587-0000, located in the Elbow District of the Cathedral Hill neighborhood owned by 21 E Adams St, LLC, in accordance with the application received. Funding will facilitate the development of an upscale southern creole restaurant classified as a Type 2 establishment per FAB-REP Guidelines and submitted documents.

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 \$173,055, 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.

(A) FAB-REP Forgivable Loan:

- Maximum funding of \$167,380 from the Downtown Northbank Combined CRA.
- The grant will be structured as a forgivable, 0% interest loan that will amortize at the rate of 20% on each anniversary date of the closing for 5 years so long as no event of default exists. Each co-applicant will be a party to that forgivable note and loan agreement.

- The co-applicants acknowledge that these loan funds are awarded and shall be used in accordance with the Retail Enhancement Program Targeted Retail Activation: Food and Beverage Establishments guidelines.
- The forgivable loan will be secured by a personal guarantee of Felicia Luke on behalf of the Tenant and Elias Hionides on behalf of the Landlord in the event of a default under the program or funding agreement.

**Minimum Build Out and Equipment Costs (FAB-REP Forgivable Loan):**

- The Minimum Build Out and Equipment Costs incurred through completion to remain eligible for the FAB-REP Forgivable Loan are \$334,761. Such costs will exclude soft costs such as General Conditions, General Requirements, Overhead, Insurance, and similar expenditures not contributing to the hard costs of construction. The budget establishing Eligible Costs is summarized below in Figure 1.
- Minimum Build Out and Equipment Costs may be reduced by up to 10% with a commensurate reduction in FAB-REP funding, where such funding shall not exceed 50% of such revised total.
- The total Minimum Build Out and Equipment Costs shall also exclude costs incurred for furniture and any equipment not affixed to the property as determined by the DIA in its sole discretion. Any equipment affixed to the property included in this total must remain on the property through the compliance period of the forgivable loan agreement.
- The minimum contribution from each co-applicant towards the Minimum Build Out and Equipment Costs shall be \$83,690. However, such an amount may be reduced by up to 10% with a reduction in Minimum Build Out and Equipment Costs but must be equal to 25% of the final Minimum Build Out and Equipment Costs as submitted with the funding request and approved by the DIA.

**(B) Sidewalk Enhancement Grant:**

- Maximum funding limited to the lesser of \$5,675 or 80% of actual eligible costs incurred for equipment to be used in providing outdoor seating and activation as supported by invoices that have been approved by the DIA.
- The grant will amortize at the rate of 20% on each anniversary date of the closing so long as no event of default exists with total forgiveness on the fifth anniversary date.
- The applicant must provide evidence that the lease for the subject property and operation of the subject business is in effect for a period of not less than five years.
- The applicant must provide written authorization from the landlord allowing the use of outdoor space for the intended purpose.
- Funding requires evidence of the issuance of a Sidewalk Café permit to the Grantee that would allow the use of the subject sidewalk for the intended purpose.
- Maintain an operating business consistent with the business type as presented in the application.
- Property acquired through the Sidewalk Enhancement Grant proceeds, and listed in Figure 2, must be secured at the end of each day.

**Performance Schedule:**

- A) Retail Enhancement Loan Agreement to be executed within three (3) months of receipt of draft agreements which shall establish the Retail Enhancement Loan Agreement Effective Date. The DIA Board approval shall terminate if the Retail Enhancement Loan Agreement Effective Date is not met within the timeline established, subject to approved extensions as provided below.

- B) Commencement of Construction: Within three (3) months following the Retail Enhancement Loan 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 Retail Enhancement Loan 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 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, business plan and as Project above. The build out should be materially consistent with the renderings and floor plan included in Figure 3 and Figure 4 below.
- 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. Per FAB-REP guidelines, the award will be structured as:
  - a) Zero interest, forgivable loan 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) The total principal balance will amortize 20% each year of the compliance period.
  - d) At the end of five years, the loan 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.

- 4. Minimum Hours of Operation to be maintained as:

**Dorothy's Downtown Hours of Operation:**

Wednesday through Thursday	3:00 pm to 9:00 pm
Friday & Saturday	3:00 pm to 10:00 pm
Sunday	3:00 pm to 9:00 pm

\* The applicant does plan on serving lunch and brunch after stabilizing dinner service and hiring more staff

- 5. Minimum number of employees: A minimum of two (2) full-time equivalent employees, defined as working a minimum of 35 hours per week, shall be required for the term of this agreement. This may include owner-operators.
- 6. Personal Guaranty of payment and performance obligations in the event of default to be provided by Felicia Luke on behalf of the Tenant and Elias Hionides on behalf of the Landlord.
- 7. Additional terms and conditions may be required and as found in the Redevelopment Agreement or other documentation prepared to establish the obligations for this award.

**Conditions:**

This Term Sheet is limited by the following conditions:

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

Budgets as Submitted, Figure 1:

	<b>Submitted Expenditures</b>		
	<b>Budget items</b>	<b>Non-Eligible</b>	<b>Eligible</b>
<b>Main Contractor</b>			
Demo, Framing, Drywall	\$20,804		\$20,804
Additions, Trim, Painting, Floors	\$146,384		\$146,384
Plumbing – Bars, Kitchen, Bathroom	\$5,531		\$5,531
Electrical	\$8,120		\$8,120
Duct work, Misc materials	\$6,434		\$6,434
Specialty glass and Canopy	\$45,750		\$45,750
Research, Permitting	\$ 6,650	\$ 6,650	
<b>Interiors</b>			
Wall coverings & Mural	\$18,000		\$18,000
Custom Banquette	\$20,000		\$20,000
Light fixtures	\$4,000		\$4,000
Sales tax	\$2,940		\$2,940
<b>Kitchen Equipment</b>	\$ 26,740	\$ 11,756	\$ 14,984
<b>Signage</b>	\$10,352		\$10,352
<b>HVAC system</b>	\$20,963		\$20,963
<b>Trench and Floor drains</b>	\$10,499		\$10,499
<b>Total</b>	<b>\$ 353,167</b>	<b>\$ 18,406</b>	<b>\$ 334,761</b>
<b>50% of Eligible</b>			<b>\$167,380</b>

Sidewalk Enhancement Grant, Figure 2:

<b>Sidewalk Enhancement Costs</b>	
Planters	\$1,572
Umbrellas	\$972
White tables and bases	\$1,582
Chairs	\$1,400
Freight	\$1,073
Tax	\$495
Total:	\$7,094
<b>80% of eligible</b>	<b>\$5,675</b>



Renderings, Figure 3:



Floor Plan, Figure 4:

