



**Downtown Investment Authority
Hybrid Virtual In-Person Meeting
Wednesday, September 18, 2024
2:00 PM**

MEMBERS:

Patrick Krechowski, Esq., Board Chair
Sondra Fetner, Esq.
Micah Heavener
Scott Wohlers
Jill Caffey

Carol Worsham
Jim Citrano
Melinda Powers, Esq.
John Hirabayashi

I. CALL TO ORDER

II. PUBLIC COMMENTS

III. COMMUNITY REDEVELOPMENT AGENCY

- A. Form 8B: Voting Conflict Disclosures
- B. August 21st, 2024, Community Redevelopment Agency Meeting Minutes Approval
- C. Consent Agenda
 - a. Resolution 2024-09-02 Dorothy's Downtown
 - b. Resolution 2024-09-03 Prudential Club
- D. Resolution 2024-09-01 324 North Broad Street Façade Stabilization
- E. Resolution 2024-09-05 RD River City (Related) Modification

IV. DOWNTOWN INVESTMENT AUTHORITY

- A. August 21st, 2024, Downtown Investment Authority Board Meeting Minutes Approval
- B. Resolution 2024-09-04 Bob Carle Appreciation (*under separate cover*)
- C. Resolution 2024-09-06 Commending John Silveira's Service to RAM

V. OLD BUSINESS

- A. Report on costs and timing of requested studies on riverfront parcels

VI. NEW BUSINESS

VII. CEO INFORMATIONAL BRIEFING

- A. CEO Monthly Update

VIII. CHAIRMAN REPORT

IX. OTHER MATTERS TO BE ADDED AT THE DISCRETION OF THE CHAIR

X. ADJOURN

PHYSICAL LOCATION

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

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TAB III.B

**AUGUST 21ST, 2024 COMMUNITY REDEVELOPMENT AGENCY MEETING
MINUTES APPROVAL**



Community Redevelopment Agency
Downtown Investment Authority Hybrid Meeting
Wednesday, August 21st, 2024, 2:00 p.m.

Community Redevelopment Agency Hybrid Meeting
MEETING MINUTES

DIA Board Members: Patrick Krechowski, Esq.; Sondra Fetner, Esq.; Melinda B. Powers, Esq.; Scott Wohlers, Jim Citrano; Carol Worsham; and Micah Heavener

Mayor's Office: None

Council Members: None

DIA Staff: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Director of Operations; Allan DeVault, Project Manager; Wanda James-Crowley, Financial Analyst; and Ava Hill, Administrative Assistant

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER

The CRA meeting was called to order at 2:03 pm by Patrick Krechowski, Board Chair. This was followed by the Pledge of Allegiance and introductions.

II. PUBLIC COMMENTS

The following people 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:

John Nooney Parking Issues

III. COMMUNITY REDEVELOPMENT AGENCY

A. FORM 8B: VOTING CONFLICT DISCLOSURES

Board Member Scott Wohlers declared a voting conflict on 2024-08-02 Flamingo Coffee. Board Member Jim Citrano also declared a voting conflict on 2024-08-06 Rise Doro ERR Grant and asked that the resolution be pulled from the consent agenda for voting purposes. Board Chair Krechowski agreed to pull the resolution from the consent agenda.

B. JULY 17TH, 2024, COMMUNITY REDEVELOPMENT AGENCY MEETING MINUTES APPROVAL



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Board Chair Krechowski called for a motion on the meeting minutes as presented.

Motion: Board Member Heavener motioned to approve the meeting minutes.
Second: Board Member Citrano seconded the motion.

Board Chair Krechowski called for a vote on the meeting minutes.

Vote: Aye: 7 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 7-0-0

C. CONSENT AGENDA

Board Chair Krechowski removed 2024-08-06 from the consent agenda and then called for a motion.

Motion: Board Member Worsham motioned to approve the consent agenda.
Second: Board Member Powers seconded the motion.

Board Chair Krechowski called for a vote on the consent agenda.

Vote: Aye: 7 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 7-0-0

D. RESOLUTION 2024-08-06 RISE DORO ERR GRANT

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY (“C.R.A.”) FOR THE COMBINED NORTHBANK COMMUNITY REDEVELOPMENT AREA AUTHORIZING THE FUNDING OF AN EMERGENCY RAPID RESPONSE GRANT IN THE AMOUNT OF ONE MILLION DOLLARS (\$1,000,000) TO JACKSONVILLE PROPERTIES I, LLC (“DEVELOPER”) FOR DEMOLITION AND REMOVAL OF THE FIRE DAMAGED BUILDING KNOWN AS THE “RISE-DORO” THROUGH THE C.R.A.; PROVIDING PARTIAL FUNDING FOR THIS GRANT THROUGH THE TRANSFER OF THREE HUNDRED FIFTY THOUSAND DOLLARS (\$350,000) FROM DOWNTOWN DEVELOPMENT LOANS AS ILLUSTRATED BY EXHIBIT ‘A’; AUTHORIZING THE DIA CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION AND FURTHER AUTHORIZING THE CEO TO MAKE NON-



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SUBSTANTIVE CHANGES TO EXHIBIT ‘A’ AS MAY BE REQUIRED BY THE BUDGET OR ACCOUNTING OFFICES; PROVIDING AN EFFECTIVE DATE.

CEO Boyer mentioned that the only issue with the resolution was that there was a scrivener’s error in the resolution and advised that it would be corrected on the executed copy. Board Member Citrano explained the nature of his voting conflict and added that he’d complete a Form 8B Voting Disclosure Form.

John Sawyer advised that Board Member Citrano would be able to vote if he submits a Form 8B.

Board Chair Krechowski called for a motion on the resolution.

Motion: Board Member Worsham motioned to approve the resolution.
Seconded: Board Member Heavener seconded the motion.

Seeing no discussion, Board Chair Krechowski called for a vote on the resolution.

Vote: Aye: 7 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 7-0-0

E. RESOLUTION 2024-08-02 FLAMINGO COFFEE

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE SOUTHBANK COMMUNITY DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM GRANT TO THE FLAMINGO COFFEE ROASTERS, LLC (“GRANTEE”) TO ESTABLISH AND OPERATE A FOOD AND BEVERAGE BUSINESS IN A PROPERTY OWNED BY HANANIA RIVERPLACE, LLC LOCATED AT 1200 RIVERPLACE BOULEVARD JACKSONVILLE, FL 32207; 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 SOUTHSIDE CRA PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.

Allan DeVault introduced the applicants and added that they’d be available for questions. Using the resolution's exhibit and staff report, he explained that the purpose for the resolution, its location, size and concept, hours of operation, the scoring rubric, and the square footage limiter.



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Paul Carr introduced himself and shared his dream of opening a business. He added that he and his partner love downtown and that they are thankful for the opportunity to work with the City of Jacksonville.

Board Chair Krechowski called for a motion on the resolution.

Motion: Board Member Worsham motioned to approve the resolution.

Seconded: Board Member Fetner seconded the motion.

Board Chair Krechowski opened the floor for discussion.

Board Member Wohlers explained the nature of his voting conflict is that Paul Carr is his brother-in-law and that he'd abstain from voting on the resolution.

Board Chair Krechowski mentioned that he was looking forward to the project.

Board Member Citrano asked if the project would be on the first floor of the building. Paul Carr responded that it would be on the first floor.

Seeing no further discussion, Board Chair Krechowski called for a vote on the resolution.

Vote: Aye: 6 Nay: 0 Abstain: 1

MOTION PASSED UNANIMOUSLY 6-0-1

E. RESOLUTION 2024-08-07 NORTHBANK INVESTMENT POOL EARNINGS

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY (“C.R.A.”) OF THE COMBINED NORTHBANK COMMUNITY REDEVELOPMENT AREA TRANSFERRING UNALLOCATED PLAN AUTHORIZED EXPENDITURE EXPENSE BUDGET CREATED BY THE APPROPRIATION OF INVESTMENT POOL EARNINGS BY CITY COUNCIL PURSUANT TO CHAPTER 106, JACKSONVILLE CODE OF ORDINANCES; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO EFFECTUATE BUDGET TRANSFER CONSISTENT EXHIBITS ‘A’ AND ‘B’ AS WELL AS SECTION 2 OF THIS RESOLUTION; INSTRUCTING ITS C.E.O. TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION AND FURTHER AUTHORIZING THE CEO TO MAKE NON-SUBSTANTICE CHANGES TO EXHIBIT ‘A’ AND EXHIBIT ‘B’ AS MAY BE REQUIRED BY THE BUDGET OR ACCOUNTING OFFICES; PROVIDING AN EFFECTIVE DATE.



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CEO Boyer explained that the resolution came out of the Finance and Budget Committee meeting. She mentioned that Exhibit B of the resolution was amended so the funding use would be for the Music Heritage Garden Projection Tower. She also discussed the Snyder Memorial Church, and the Doro Emergency Rapid Response Grant.

Seeing no discussion, Board Chair Krechowski called for a motion on the resolution.

Motion: Board Member Wohlers motioned to approve the resolution.
Seconded: Board Member Citrano seconded the motion.

Board Chair Krechowski then called for a vote on the resolution.

Vote: Aye: 7 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 7-0-0

E. RESOLUTION 2024-08-15 GATEWAY N-4 N-8 AND N-11 ALLOCATIONS

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) EXERCISING ITS AUTHORITY TO NEGOTIATE, ASSIGN AND ALLOCATE DEVELOPMENT RIGHTS WITHIN THE CENTRAL BUSINESS DISTRICT PURSUANT TO CHAPTER 55, JACKSONVILLE CODE OF ORDINANCES; CUMULATIVELY ALLOCATING UP TO ONE THOUSAND THIRTY-FIVE (1,035) RESIDENTIAL UNITS, EIGHTY-TWO THOUSAND ONE HUNDRED (82,100) SQUARE FEET OF COMMERCIAL RETAIL, AND THIRTY-FIVE THOUSAND (35,000) SQUARE FEET OF OFFICE IN ACCORDANCE WITH SECTION 2 OF THIS RESOLUTION; ESTABLISHING PERFORMANCE REQUIREMENTS AND CLAWBACK PROVISIONS; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE CONTRACTS AND DOCUMENTS AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.

Guy Parola explained that the resolution is a companion to the Gateway Jax resolutions and that it is for the allocation of development rights. He then cited the number of units for multifamily units, commercial retail units, and the square footage for offices. He explained that the only reason the resolution was not consent was because an error with the numbers and that it was corrected.

Board Chair Krechowski called for a motion on the resolution.

Motion: Board Member Powers motioned to approve the resolution.
Seconded: Board Member Wohlers seconded the motion.



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Board Chair Krechowski then called for a vote on the resolution.

Vote: Aye: 7 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 7-0-0

IV. ADJOURNMENT

Board Chair Krechowski adjourned the CRA meeting at 2:20 PM.

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 Ava Hill at avah@coj.net to acquire a recording of the meeting. And

TAB III.C.a

RESOLUTION 2024-09-02 DOROTHY'S DOWNTOWN

RESOLUTION 2024-09-02

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 THE HIDDEN DISTRICT, LLC AND 21 E ADAMS ST, LLC (“GRANTEES”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A FORGIVABLE LOAN AGREEMENT AND RELATED SECURITY DOCUMENTS; AUTHORIZING THE DIA CEO TO EXECUTE SUCH AGREEMENTS; AND FINDING THAT THE DEVELOPMENT PLAN IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN, INCLUDING THE NORTHBANK CRA PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Grantees submitted a Retail Enhancement Program application to the DIA under the Targeted Retail Activation: Food and Beverage Establishments Program to facilitate the development of a restaurant venue in the Elbow District of the Cathedral Hill neighborhood in Downtown Jacksonville to be known as Dorothy’s Downtown (“the Project”); 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 DIA hereby finds that the Project furthers the following Goal(s) of the BID Plan:

Goal 3) Increase and diversify the number and type of retail, food and beverage, and entertainment establishments within Downtown.

Goal 4) Increase the vibrancy of Downtown for residents and visitors through arts, culture, history, sports, theater, events, parks and attractions; and

WHEREAS, the Retail Enhancement and Property Disposition Committee, at their meeting of September 12, 2024, 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 Grantees in making renovations for the purposes of establishing the Project the DIA proposes to provide 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 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.

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 the Food and Beverage Retail Enhancement Program Targeted Retail Activation: Food And Beverage Establishments Grant (FAB-REP) and the Sidewalk Enhancement Grant in a total amount not to exceed \$173,055 from the Downtown Northbank TID, Forgivable Loans account to Grantees 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

Patrick Krechowski, Chairman

Date

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

Exhibit A:

**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**

Project Name: Dorothy’s Downtown

Co-Applicants: The Hidden District, LLC (“Tenant”)
21 E Adams St, LLC (“Landlord”)

Total Build Out and Equipment Costs: \$353,168
Eligible Costs under FAB-REP program: \$334,761

Maximum Eligible Funding: \$167,380 50% of Eligible FAB-REP Costs

Sidewalk Enhancement Eligible Costs: \$7,094

Maximum Eligible Funding: \$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 to 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 amount may be reduced by up to 10% with 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.
- Maintain operating hours materially consistent with the days and hours as represented 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 six (6) months of DIA board approval 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:

Sunday through Thursday	11:00 am to 9:00 pm
Friday & Saturday	11:00 am to 10:00 pm
- 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 as may be required and as found in the Redevelopment Agreement or other documentation prepared to establish the obligations for this award.

Conditions:

This Term Sheet is limited by the following conditions:

1. Downtown Investment Authority to receive copies of 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.

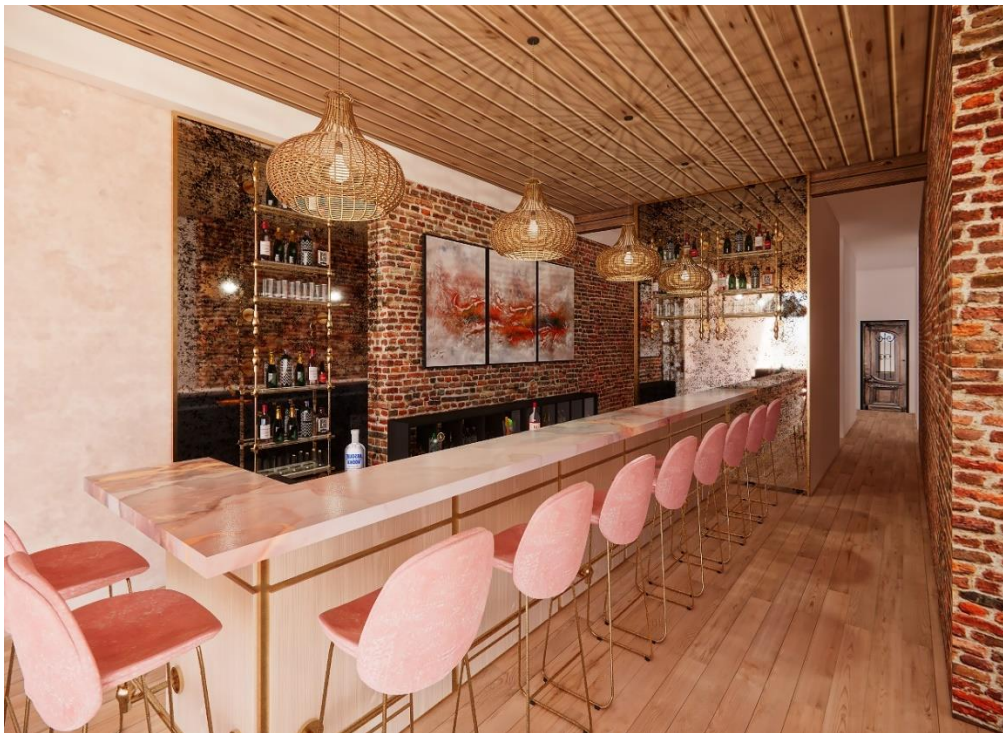
Budgets as Submitted, Figure 1:

	Submitted Expenditures		
	Budget items	Non-Eligible	Eligible
Main Contractor			
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	
Interiors			
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
Kitchen Equipment	\$ 26,740	\$ 11,756	\$ 14,984
Signage	\$10,352		\$10,352
HVAC system	\$20,963		\$20,963
Trench and Floor drains	\$10,499		\$10,499
Total	\$ 353,167	\$ 18,406	\$ 334,761
50% of Eligible			\$167,380

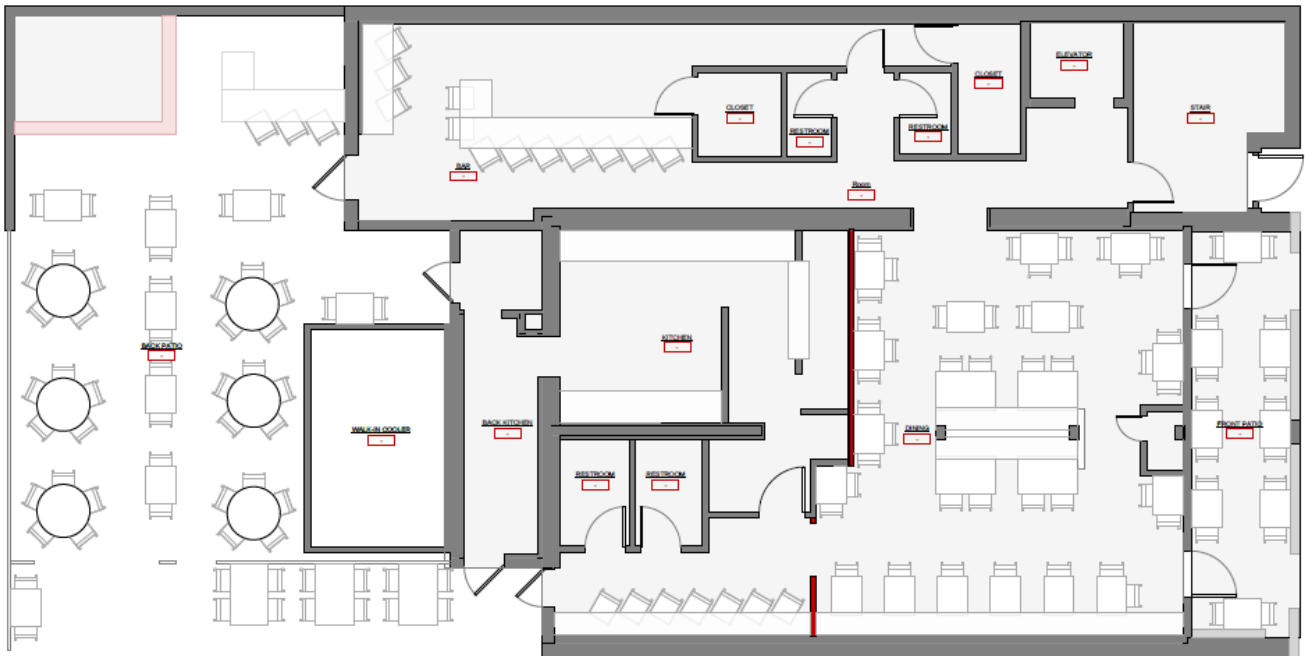
Sidewalk Enhancement Grant, Figure 2:

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

Renderings, Figure 3:



Floor Plan, Figure 4:



SUPPLEMENTAL INFORMATION

RESOLUTION 2024-09-02 DOROTHY'S DOWNTOWN STAFF REPORT



Downtown Investment Authority

**STAFF REPORT
DIA RETAIL ENHANCEMENT PROGRAM
TARGETED RETAIL ACTIVATION:
FOOD AND BEVERAGE RETAIL ENHANCEMENT PROGRAM (FAB-REP)**

The Hidden District, LLC (dba Dorothy’s Downtown)

September 12, 2024

**Project name: DOROTHY’S DOWNTOWN
21 EAST ADAMS STREET**

**Co-Applicants: THE HIDDEN DISTRICT, LLC (“Tenant”)
D/B/A DOROTHY’S DOWNTOWN
Felicia Luke, Owner/Operator
Jorge Gonzalez, Owner/Operator

21 E ADAMS ST, LLC (Landlord)
Elias Hionides, Managing Member**

**Project Location: 21 East Adams Street
Jacksonville, Florida 32202**

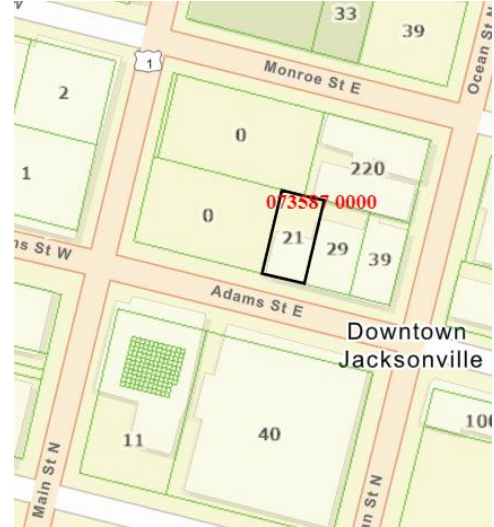
Funding Eligibility:

Type	Total
FAB-REP	\$167,380
Sidewalk Enhancement Grant	\$ 5,675
Total	\$173,055

Project Description:

The co-applicants, The Hidden District LLC and 21 E Adams LLC, have applied for funding under the Food and Beverage Retail Enhancement Program Grant (FAB-REP) to update and build out a restaurant at 21 E Adams Street. This space previously housed the Burrito Gallery and is on Adams between Ocean and Main Street.

The Hidden District, LLC currently owns and operates The District SPR in Historic Springfield which opened in 2020. The team behind the District SPR looks to play on that success with a new, Upscale Creole dining experience called Dorothy's Downtown. The menu at this location is decidedly more upscale than the District, with dinner items to include Blackened Wild Salmon, Fried Chicken & Creole, and Ribeyes, Double Cut Porkchops and Rack of Elk from the grill. Indochine, their neighbor upstairs, will continue to operate on the second floor.

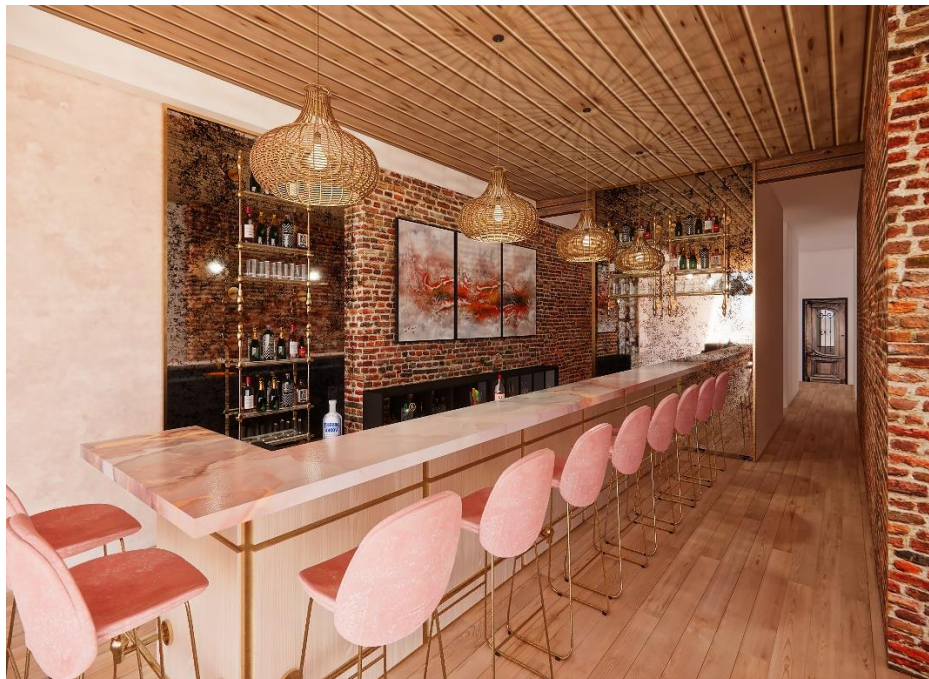


The building at 21 East Adams is also under new ownership who has plans for more updates to the entire building. Built in 1910, it is in the Northwest part of one Targeted Food and Beverage Retail Enhancement Area known as the Elbow.

Business Plan Summary:

The District SPR was founded in the Fall of 2020. Despite opening at 50% capacity, it quickly began to thrive in the Historic neighborhood bringing in diners from all of Jacksonville and South Georgia. The District has a history of success for its food, service and atmosphere becoming a destination mainly in the evenings and on the weekends for brunch. It's widely known for its unique atmosphere which features an art deco indoor dining room and the popular Peacock Garden with the Luna Tent.

The same chef and ownership team look to open Dorothy's Downtown to continue that success. After going through a major renovation, the new venture will open in the old Burrito Gallery space at 21 E Adams Street. They bring along The District's unique atmosphere with a permanently covered patio in the back to accommodate outdoor dining.



The restaurant will feature menus for brunch, lunch, and dinner and while they share a few dishes they also reflect a Creole influence with a blend of fresh seafood and higher end chop cuts. There are also a few holdover favorites from the District. (see figure 1 for the menus)

Current customers of The District will be brought Downtown for a more upscale experience in the

vibrant Elbow District where a new market will discover what’s made the District team so successful. Dorothy’s will have a strong presence on social media themselves while continuing to be a beacon for other’s Instagram accounts. Already veterans of busy brunches, Dorothy’s looks to continue that success with an upscale business and leisure weekday lunch.

Project Development Team:

Felecia Luke, Owner/Operator, has operated The District SPR since 2020. She is involved with daily operations, bar inventory and ensuring compliance with city, state, and health department codes. She has 36 years in the hospitality industry and has experience opening 19 new franchise restaurants. With 12 years as an Area Director and overseeing 46 restaurants, she understands P+L, budgets, and the necessary adjustments needed to control costs and improve profitability.

Jorge Gonzalez, Owner/Operator, has operated The District SPR since 2020. Jorge works closely with Chef Marvin Barnes to consistently execute high quality dishes and service. He moved to Jacksonville in 2018 from Seattle, Washington where he had 20 years of restaurant experience from casual neighborhood restaurants to high end waterfront restaurants.



Sharon Ashley McCaskey, Owner/Financial Officer oversees the financials for The District SPR since 2020. President of McLuke Business Services with 28 years accounting experience, she handles all aspects of payroll/payables/insurance/financial reporting.

Marvin Barnes, Executive Chef at The District SPR, he has 39 years experience in the culinary arts. Earning his first culinary degree during his 11 years in the Military and his 2nd culinary degree in San Diego, CA. His local experience at The Fox, River City Brewing Company, Wyndam, Crowne Plaza, and The University Club. Marvin enjoys visiting tables and interacting with guests to ensure customer satisfaction. He handles all aspects of the kitchen, including hiring, training and scheduling employees, controlling food cost and inventory as well as creating systems in place to streamline service.

Operating Plan and Employment Summary:

Dorothy’s Downtown will be a full-service restaurant with a cocktail, beer and wine list. They will employ employee servers, bartenders, a host team and back of the house crew led by Chef Marvin Barnes. The proposed hours of operation, which surpass minimum FAB-REP program requirements and provide additional weekend hours to existing Downtown options, are as follows:

Day of the Week	Open	Close
Sunday thru Thursday	11:00 am	9:00 pm
Friday and Saturday	11:00 am	10:00 pm

Target Market:

Dorothy's Downtown has a built in fanbase with the popularity of The District SPR. Being known for creating a vibrant atmosphere and having a unique-to-the-Urbancore cuisine concept, Dorothy's is set to become a major draw to Downtown. They will serve an upscale, full-service lunch for the weekday business crowd and the comfortable atmosphere and outdoor dining will be a great dinner addition for Downtown residents, event and concert attendees, and food lovers from the region. It all ends on the weekend with a full



brunch menu, specialty cocktails and mocktails for the Instagram crowd.

Marketing Summary:

As does The District SPR, Dorothy's Downtown will rely on a strong reputation, word of mouth and social media to market their experience. Their Instagram has over 23,000 followers which they contribute not only to their food and service, but the unique atmosphere that will be replicated in Downtown. They also work regularly with or are featured on a number of local social media channels including *904 Happy Hour* and *Stuff to Do in Jacksonville*.

Operating Budget:

Dorothy's Downtown provided a well thought out and detailed 3-year Projected Operating Proforma that was partially based on their four years of operation at The District in Springfield but also guided by the particular space, size and operating plan. Their sales projections are reasonable in showing \$361 per square of indoor and outdoor space. With a permanent covering on the back patio and the team's experience in capitalizing on outdoor settings, that projection and their growth estimates over the first three (3) years are also appropriate. Their costs of goods sold, labor and other expenses related to sales projections are also in line with industry standard.

Property Consideration:

Dorothy's Downtown will be in the bottom floor of 21 East Adams Street, former home to the original Burrito Gallery. After an 18-year run, the owners closed the business and have sold the building giving the new owners the opportunity to update and renovate the second-generation space.

In addition to 2,877 square feet of interior space, Dorothy's will have 2,420 square feet of covered patio in the rear of the building as well as a small patio in front on Adams Street. In keeping with their success of the outdoor space at The District, Dorothy's will overhaul the patio area with new tile, wrought iron paneling, and a fixed, cantilevered canopy.

The interior will also see a major renovation and updates to plumbing, wiring, and HVAC work in addition to interior design updates like tile, chandeliers, wall coverings and a mural.

Development Budget:

Dorothy’s Downtown provided a construction budget from Glory Homes, Inc a CBC# 059741 also based in the Springfield neighborhood, who will perform most of the work. G&H Reclaim from Callahan will provide additional interior finishes to include tile, banquette seating and wall finishes. There is additional HVAC and drainage work being initiated by the building owner. There are additional costs, including start-up and operating capital, FF&E and others that normally do not contribute to eligible costs. The contribution levels from the applicants, also shown below, cover the operator/landlord partnership requirements of the FAB REP program.

	Submitted Expenditures		
	Budget items	Non-Eligible	Eligible
Main Contractor			
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	
Interiors			
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
Kitchen Equipment	\$ 26,741	\$ 11,756	\$ 14,984
Signage	\$10,352		\$10,352
HVAC system	\$20,963		\$20,963
Trench and Floor drains	\$10,499		\$10,499
Total	\$ 353,168	\$ 18,406	\$ 334,761
Sidewalk Enhancement	\$7,094		\$7,094

FAB-REP Considerations:

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

- 1) Funding Limitation Per Square Foot:

- a. Dorothy's is a Type II establishment under FAB-REP guidelines which limits funding to \$50 per square foot.
- b. The FAB REP guidelines also offer a \$10 per square foot "Historic Boost" for improvements in a contributing structure, which 21 East Adams does qualify for.
- c. The FAB REP guidelines also offers support for Supplemental space only if that space will see the benefits of the renovation and eligible expenses.

DIA staff calculates the total possible funding via square footage as:

- Main dining room – 2,877 sq ft \$50 = \$172,620
- Historic Boost – 2,877 sq ft x \$10 = \$28,770
- Supplemental space – 2,420 sq ft x \$25 = \$78,650
- Total funding eligibility calculated by this measure - **\$294,425**

2) Budget Limitation: Build Out and Equipment Budget Limitation: FAB-REP guidelines limit funding to 50% of eligible costs, totaling \$334,761 in this project. At a 50% margin, funding eligibility by this measure is **\$167,380**.

3) Guideline cap for a Type II project is **\$200,000**.

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 DIA funding capped at \$167,380 by way of the budget calculation (2 above), a minimum of \$83,690 toward eligible costs must be funded by each party. Per information provided by the co-applicants, the Business Owner (The Hidden District LLC) will provide funding of 25% of eligible costs in addition to other start up and building soft costs. The Property Owner (21 E Adams Street LLC) will provide the same through direct funding to certain eligible costs as well as 5 months of free rent.

Sidewalk Enhancement Grant Considerations:

Per the BID strategy, additional funds will be available to FAB-REP grant recipients as a Sidewalk Enhancement Grant to reimburse up to 80% of eligible outdoor dining improvement costs but not to exceed \$15,000. Dorothy's has provided a separate budget to utilize this grant to create outdoor spaces that enhance the sidewalk experience along Adams Street. This includes tables, chairs, umbrellas, and heavy-duty planter boxes. The applicant proposes to bring in the equipment at the end of service every night.

The Owner estimates this at the cost of \$7,094, of which the grant offers 80% of the cost ($\$7,094 \times 80\%$) = \$5,675. Therefore, the funding is \$5,675.

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 42, the subject proposal qualifies for consideration by the REPD Committee. 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
The concept and plan show great short-term profit potential as a fun concept unique to NE Florida. The revenue projections are reasonable, and the expense projections, as a percentage of revenue, are accurate for this type of concept		
The plan shows how the business will target a clearly defined market and its competitive edge	5	4
The District has a strong following which Dorothy's Downtown will benefit from. The menus, service and atmosphere have shown popular to a diverse and dedicated base. It will also provide an upscale lunch for Downtown workers and visitors.		
The plan shows that the management team has the skills and experience to make the business successful	10	8
The ownership team has been working together for 4 years at The District. The main operators have previous background in restaurants, from fine dining to multi-unit. The Chef has a very extensive background in cooking around Northeast Florida.		
The plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture	10	6
The applicants will contribute over 50% of the submitted eligible costs in addition to financing additional furnishings, start-up inventory and working capital.		
Number of FTE job positions created in excess of the required two (2) positions	5	4
Dorothy's Downtown expects to hire 25 full and 8 part time positions across the front and back of the house.		
TOTAL	40	29

- 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
21 E Adams Street	5	4
Historic Property	5	4
Dorothy's Downtown will occupy a recently vacated space in the Targeted Food and Beverage Retail Enhancement Area. Ensuing that these important sidewalk locations in this area are full of a diverse blend of eating establishments is important to the Downtown and achieves many of the CRA and BID goals.		
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
Upscale, full-service restaurant Type II	5	4
Dorothy's Downtown will be an upscale venue that will cater to a more leisurely diner. This results in moderate volume but a higher check average which will contribute to the tax base in a meaningful way. They expect to see almost \$2M sales volume the first year.		
Total	5	4
Total	55	42

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

Goal 3: Increase and diversify the number and type of retail, food and beverage, and entertainment establishments within Downtown.

Goal 5. Improve the perception and reality of safety, cleanliness, and maintenance in Downtown Jacksonville for residents, workers, and visitors.

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.

Program Eligibility:

Based on the information presented in this staff report, DIA staff finds the proposed project eligible for funding under the application submitted based on the following calculations:

Type	Total
FAB-REP Forgivable Loan	\$ 167,380
Sidewalk Enhancement Grant	\$5,675

FAB-REP Additional Conditions:

1. No interest shall accrue upon the principal of the total FAB-REP forgivable loan amount with principal forgiven over a five (5) year period.
2. In the absence of default, the 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, subject to applicable cure periods.

5. Further approvals of exterior improvements may be required by the Downtown Development Review Board.

See the Term Sheet, Exhibit A to Resolution 2024-09-02, for additional information on proposed terms and conditions.

Figure 1: Menu

DINNER	
FIRST	SECOND
BEIGNETS 10 COCOA POWDERED SUGAR & ESPRESSO DIPPING SAUCE	DOROTHY'S BBQ SHRIMP & GRITS 25 CAJUN GRAVY & SMOKED GOUDA
OYSTERS ROCKERFELLA 22 SPINACH CREAM & HOLLANDAISE	FRIED CHICKEN & GUMBO 28 ANDOULLIE SAUSAGE & YELLOW RICE
CRAB CAKE 13 CAJUN REMOULADE	BLACKENED WILD SALMON 28 BURRE BLANC & ASPARAGUS RISOTTO
FRENCH ONION SOUP 12 FOCCACIA & PROVELONE	SHORT RIB 26 CHEFS SELECTION
CAESAR SALAD 13 ANCHOVIES, EGGS & PARMESAN	VEGAN SAUSAGE ETOUFFEE 18 MUSHROOMS & YELLOW RICE
DEVEILED EGGS 9 GARLIC AIOLI & CANDIED BACON	
A LA CARTE	STEAKS & CHOPS
WHIPPED YUKON GOLD 10	FILET MIGNON (6oz) 38 COWBOY BUTTER, DEMI GLAZE & YUKON GOLD
ASPARAGUS + PARMESAN +12	RIBEYE (14oz) 45 CHIMICHURRI, DEMI GLAZE & YUKON GOLD
GARLIC SPINACH 10	DOUBLE CUT PORK CHOP 42 MANGO CHUTNEY & GARLIC SPINACH
SMOKED GOUDA GRITS 10	LAMB CHOPS 34 MINT CHIMICHURRI & ASPARAGUS + PARMESAN
CHIMICHURRI 4	RACK OF ELK 48 SHISHITO PEPPERS & CAMELIZED ONION PUREE
MANGO CHUTNEY 4	
MINT CHIMICHURRI 4	

BRUNCH

APPETIZERS

BEIGNETS 10
COCOA POWDERED SUGAR
& ESPRESSO

CRAB BEIGNETS 16
CREAMY HORSERADISH & CAJUN REMOULADE

CRAB CAKE 13
CAJUN REMOULADE

DEVILED EGGS 9
GARLIC AIOLI & CANDIED BACON

KUNG PAO BRUSSELS SPROUTS 10
BACON, PARMESAN & CASHEWS

CREOLE GUMBO 12
CHICKEN + SAUSAGE & YELLOW RICE

CAESAR SALAD 13
ACHOVIES, EGG & PARMESAN

HOUSE SALAD 14
HEIRLOOM LETTUCE, BUTTERMILK RANCH,
CUCUMBERS, TOMATOES & SUNFLOWER SEEDS

ENTREES

STEAK & EGGS 38
CHIMICHURRI, DEMI GLAZE & FRITES

SHORT RIB HASH 26
EGGS, POTATOES & [INSERT PREP]

FRIED CHICKEN+
RED BEANS & RICE 20
LOUISIANA HOT SAUCE HONEY

CHICKEN & WAFFLES 22
SUGAR PEARL BELGIUM WAFFLE & BOURBON
Caramel + WALNUTS

CROQUE MADAME 18
HAM, MORNAY, CHEESE & BRIOCHE
OVER EASY EGG + BACON

BREAKFAST RISOTTO 20
POACHED EGGS, HOLLANDAISE,
BACON GREMOLATA & PARMESAN

VEGAN ETOUFEE 18
VEGAN EGGS

ALA CARTE

WAFFLE DU JOUR 14

3 EGGS 6

BUTTERMILK BISCUITS (2) 6

SMOKED GOUDA GRITS 6

BACON 6

SEAFOOD & GRITS

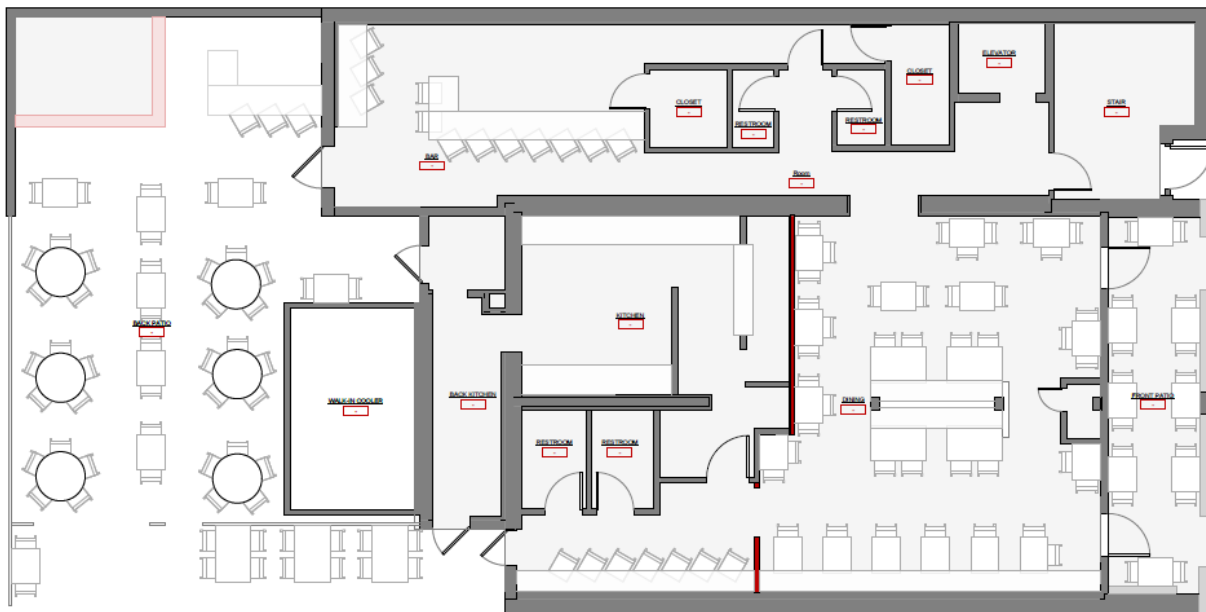
SERVED WITH SMOKED GOUDA GRITS

DOROTHY'S BBQ SHRIMP (5) & GRITS 25

BLACKENED WILD SALMON (6OZ) 28

SHRIMP (4) + SALMON (4OZ) & GRITS 36

Figure 2: Renderings and Floor Plan:



TAB III.C.b

RESOLUTION 2024-09-03 PRUDENTIAL CLUB

RESOLUTION 2024-09-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE SOUTHBANK COMMUNITY REDEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM GRANT TO PLAYERS GROUP, LLC (“PRUDENTIAL CLUB” OR “GRANTEE”), TO ESTABLISH A RESTAURANT, LOUNGE AND PATIO GARDEN BUSINESS IN A PROPERTY LOCATED AT 1430 PRUDENTIAL DRIVE JACKSONVILLE, FL 32207 WHERE APPLICANT ALSO OWNS THE BUILDING; 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 SOUTHSIDE CRA PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, Grantee submitted an application to the DIA under the Core Retail Enhancement Program (“REP Program”) to facilitate the development of a restaurant, lounge and patio garden establishment in the Southbank 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 Southbank; and

WHEREAS, to assist Grantee with build out costs for the purpose of establishing the Prudential Club (the “Project”) the DIA proposes to provide a Grant (forgivable loan secured by a note) in an amount not to exceed THREE HUNDRED FORTY-FIVE THOUSAND THREE HUNDRED FOURTEEN and 00/100 DOLLARS (\$345,314.00) to the Grantee; and

WHEREAS, the financial assistance to the Project will be in the form of the terms and incentives identified 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 Program Grant in the amount of \$345,314.00 from the Downtown Southside 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

Patrick Krechowski, Chairman

Date

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

Exhibit A:

**BASIC RETAIL ENHANCEMENT PROGRAM GRANT
TERM SHEET**

**Players Group LLC
1430 Prudential Drive
Jacksonville FL 32207**

Project Name: Prudential Club

Applicant/Grantee: **Players Group, LLC**
Philip Visali, CEO
Dominic Raices, CFO

Total Build Out Costs (estimate): \$2,107,583
Total Eligible Build Out Costs: \$2,092,260

Eligible Funding: **\$ 345,314** – 16% of Eligible Build out costs

Project: Tenant improvements of 1430 Prudential Drive, RE# 080992 0010, located on the Southbank District of the Southside CRA and owned by the applicant. The funding will facilitate the development of an upscale restaurant, lounge and patio garden in accordance with the application received.

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 **\$345,314**, through the Southside 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.

Core Retail Enhancement Program Grant: \$345,314 from the Retail Enhancement Program funding of the Southside CRA. The award will be structured as a forgivable, 0% interest grant (forgivable loan secured by a note) that will amortize at 33.33% each year following closing for three (3) years, with the full remaining balance forgiven at the end of the third year, 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 Core Retail Enhancement Program guidelines.

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

- A) The Minimum Build Out and Equipment Costs incurred through completion to remain eligible for the Core REP Grant is \$2,092,260. 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 the Eligible Costs is below in Figure 1.
- B) Minimum Build Out and Equipment Costs may be reduced by up to 10% with a commensurate reduction in REP funding, where such funding shall not to exceed 50% of such revised total.
- C) The total Minimum Build Out and Equipment 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) Retail Enhancement Loan Agreement to be executed within six (6) months of the DIA Board Approval Date which shall establish the Redevelopment 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 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 Philip Visali on behalf of the Tenant.
- 4. Per Core 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. Applicant to provide evidence of business articles of incorporation, and licensure prior to funding; and,
3. 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:

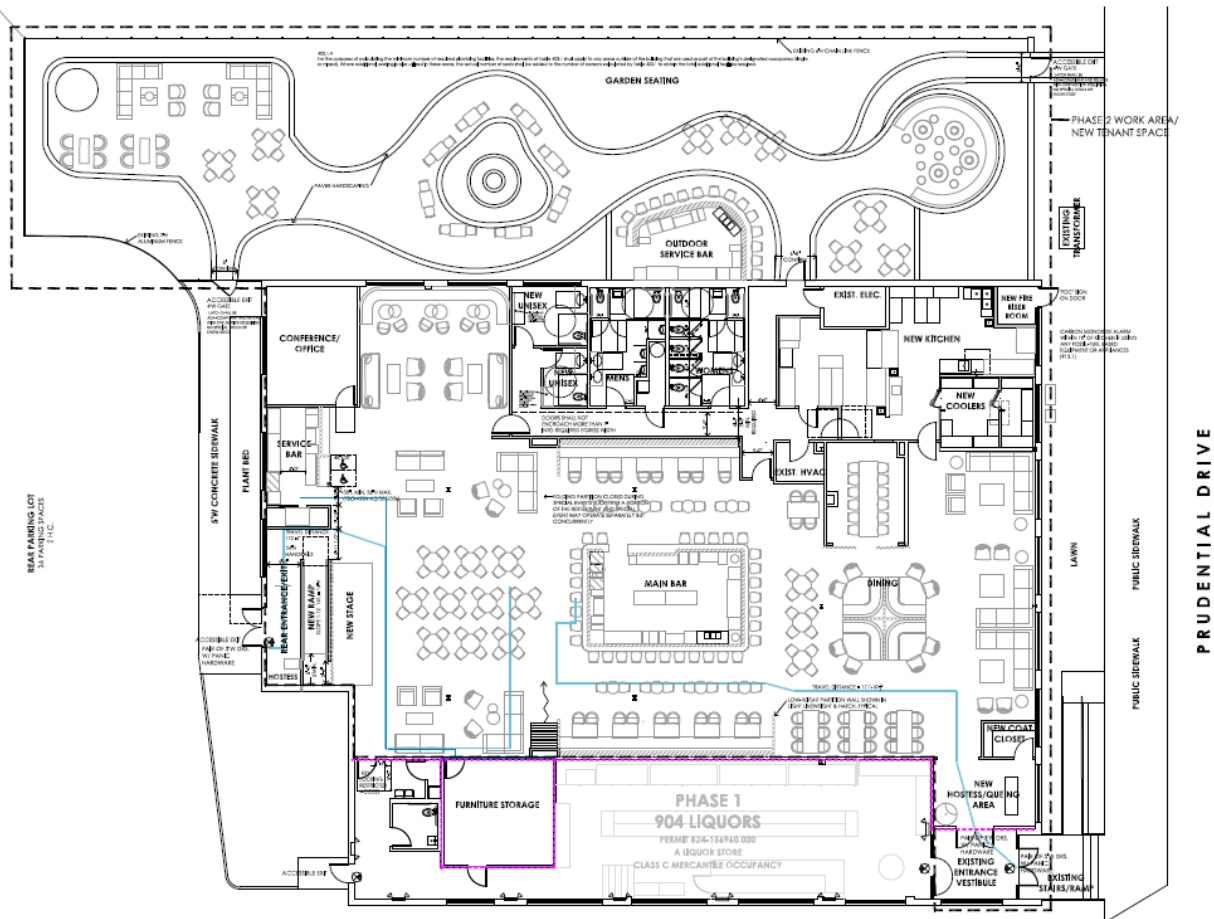
1. Continuing operation of the Project as a restaurant, lounge and patio garden as found in the business plan submitted with the application is required during the term of the agreement; and
2. Annual financial summary and reporting is required to demonstrate compliance with terms and conditions as approved; 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 and Equipment Budget as Submitted:

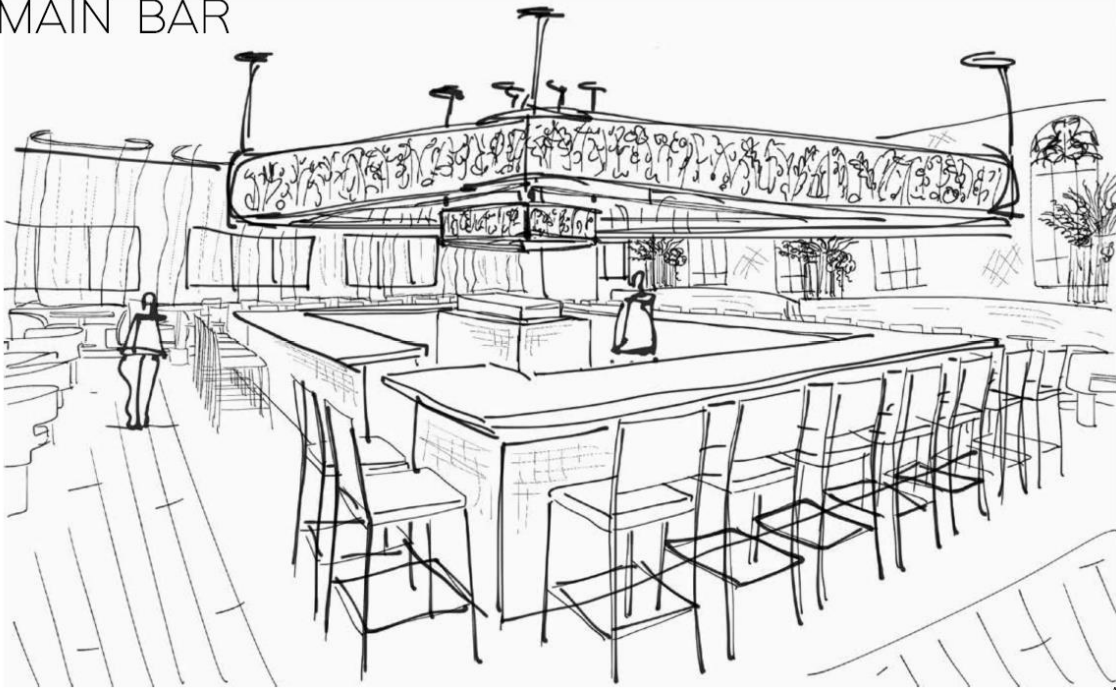
DEMO WORK	\$294,000.00
WEATHER ENGINEER	\$285,000.00
WATSON ELECTRIC	\$250,000.00
WATSON PLUMBING	\$180,000.00
STEEL WORK	\$14,500.00
ACOUSTI ENGINEERING	\$150,000.00
CONCRETE WORK	\$29,000.00
CUT WALL NEW GATE	\$3,500.00
INSIDE BUILD OUT	250,000.00
NANAWALL- GLASS WALL	\$17,000.00
PARKING LOT	\$9,100.00
ALL FLOORING \$ 101,000.00	\$101,000.00
BUILD FIRE ROOM	\$19,000.00
ENTRY WAY FLOORS	\$10,000.00
STALLS FOR BATHROOM	\$21,638.34
NEW FENCE	\$18,000.00
PERMIT	\$7,500.00
ELECTRIC ENGINEERING	\$20,400.00
MP ENGINEER	\$21,000.00
SPRINKLER	\$52,500.00
PLAN REVIEW	\$5,223.00
COURT YARD RENOVATIONS	\$115,000.00
INSPECTIONS	\$2,600.00
PHASE TWO TOTAL	\$1,875,961.34

Combi Oven	\$ 22,941.84
Rapid Cook Oven	\$ 28,126.92
Kitchen Under Counter Refrigeration (2)	\$ 9,161.48
Kitchen Prep Tables (2)	\$ 915.20
Kitchen Hand Sinks (3)	\$ 549.96
Kitchen Sinks w/Faucets	\$ 2,529.38
Cappucino	\$ 17,415.00
Frozen Yogurt	\$ 12,645.00
Hot Food Well	\$ 3,634.78
Ice Cuber - standup	\$ 13,582.43
Bar Undercounter Refrigeration (4)	\$ 18,325.90
Walk in Cooler/Freezer	\$ 25,907.20
Bar Dishwashers (4)	\$ 17,726.60
Kitchen Dishmachine	\$ 9,024.36
Glass Chiller	\$ 2,414.39
Bar Ice Bins (6)	\$ 12,347.99
Bar 3 Comp Sinks (3)	\$ 5,906.44
Bar Drainboard	\$ 856.26
Bar Hand Sinks (2)	\$ 2,553.46
Bottle Storage Unit (5)	\$ 4,359.25
Bottle Storage Racks (6)	\$ 4,474.92
Glass Sanitizer/Chiller (2)	\$ 9,392.76
Glass Racks (6)	\$ 6,830.22
Total Equipment	\$ 231,621.74

Figure 2 – Renderings and Floorplan as Submitted:



MAIN BAR



SUPPLEMENTAL INFORMATION
RESOLUTION 2024-09-03 PRUDENTIAL CLUB STAFF REPORT



Downtown Investment Authority

DIA CORE RETAIL ENHANCEMENT PROGRAM

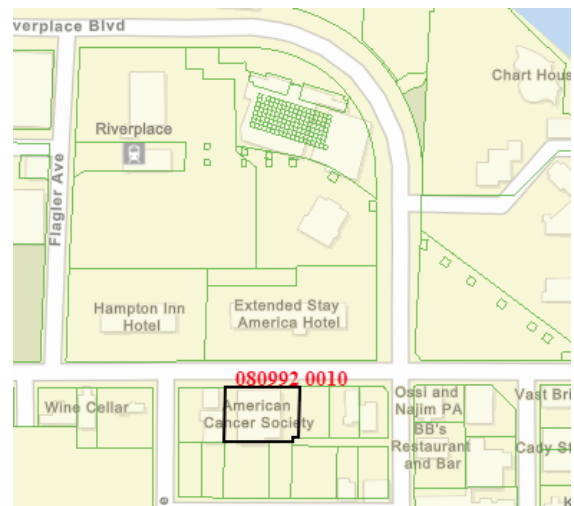
“Prudential Club”
1430 Prudential Drive
Players Group, LLC
September 12, 2024

Project Name/Location:	Prudential Club 1430 Prudential Drive
Applicant:	Players Group, LLC (“Tenant”) Philip Visali, CEO Dominic Raices, CFO
Project Location:	1430 Prudential Drive Jacksonville FL 32207
Total Build Out Costs (estimate):	\$2,107,583
Total Eligible Build Out Costs:	\$2,092,260
Eligible Funding:	\$ 345,314 – 16% of Eligible Build out costs

Project Description:

The applicant, Players Group LLC, an entity managed by Philip Visali proposes an upscale restaurant, lounge and garden patio in a building they own at 1430 Prudential Drive.

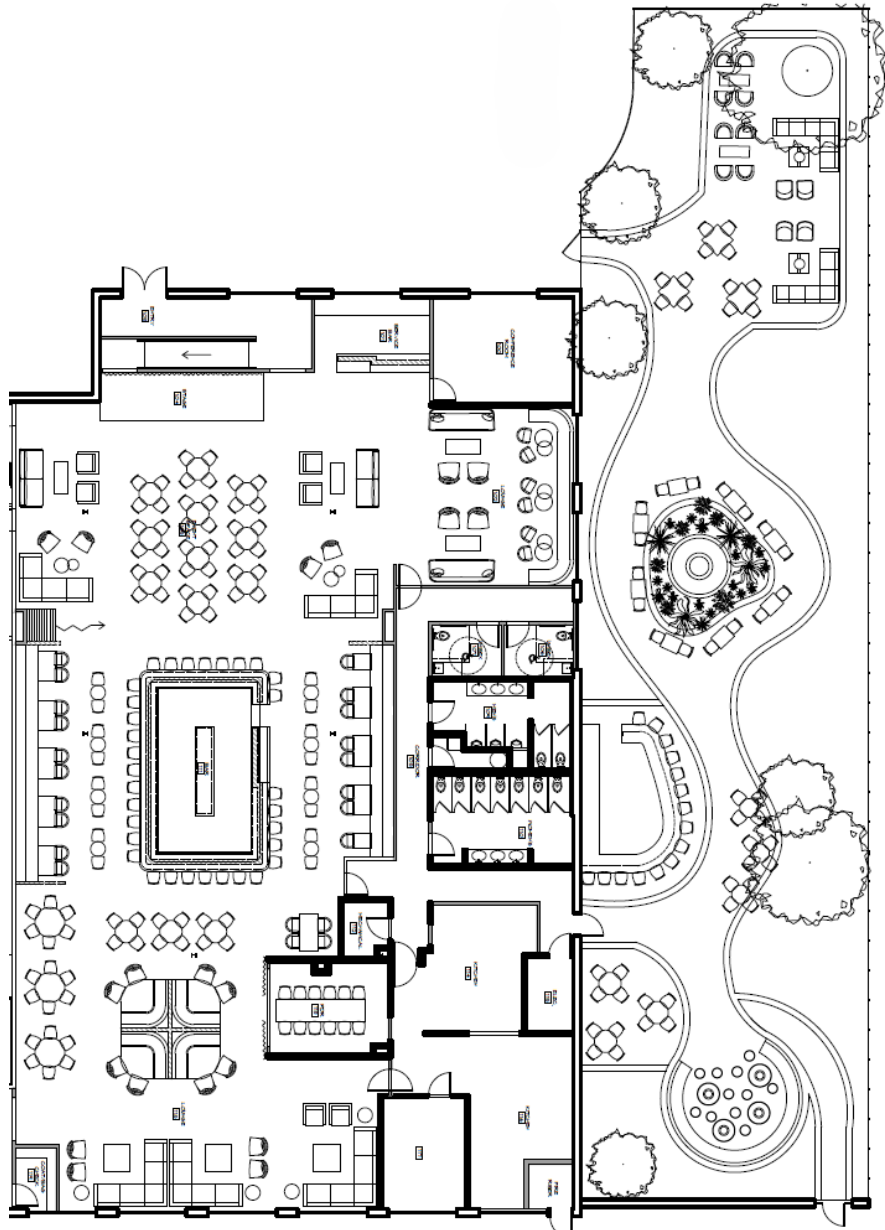
After successfully building up and selling the WE Insure, Inc. insurance brokerage/franchise company, the Visali purchased the original Players Grille in Miramar Plaza in 2022 though later sold it in 2024 retaining the name right. Since that time, he has opened a new Players Grilles in Mandarin and have another soon to open in the Brooklyn neighborhood with support from the DIA in the form of a \$72,430 Basic REP Grant. The Prudential Club concept will be decidedly more upscale and includes a 9,000 square foot lounge and dining area, a large outdoor garden patio also



accessible to the sidewalk, and an upscale beer, wine and spirits retail store in the same building but in a separate suite. Just the dining lounge and gardens are the subject of this report and recommended incentive.

Business Plan Summary:

The Prudential Club will cover 9,000 square feet of indoor space that will include a kitchen, central main bar, multiple seating types and arrangements, and a small stage for musical performances and comedy, as well as associated office and storage rooms. There will also be a retractable divider to close off a section of the main dining room for wine or whisky dinners, special events, performances, and private rentals. Prudential Club will also incorporate the existing, but outdated, 6,800 square foot Cancer Survivors Patio that was from a former building use in the 1990's by the American Cancer Society. That area will also see extensive renovation to include the addition of an outdoor, 15-seat, full-service bar with cover, new fencing and pavers, and additional dining and lounge seating for 75 plus.



The lounge and patio will be open for lunch and dinner seven days a week, to include happy hour and late nights, and offer a full menu along with a wine, craft beers and specialty cocktails. The associated package store will have its own hours.

Key Personnel/Project Development Team:

Philip and Megan Visali: The Visali’s were founders and owners of WE Insure, Inc., a successful insurance brokerage/franchise company previously headquartered on the Southbank of Downtown Jacksonville. After building it to \$250 million in annual insurance premiums, they sold the business in October of 2021. One year later they purchased the existing Players Grille and remain very active in the growing restaurant group.

Domonic Raices: Mr. Raices served as the CFO of WE Insure, Inc. and serves in the same capacity at the Players Grille. He has over 30 years of experience in finance and is a CPA. Mr. Raices is very involved with the expansion and development.

Dave Morecy: Mr. Morecy serves as the Director of Operations for Players Grille. Most recently, he was the owner and operator of four Wing-it locations for over 20 years and brings experience in budgeting, inventory control, employee management, marketing, and overall operations management from his time with Wing-it and also as the ex-CEO of Bono’s Barbeque Corporation.

Additional Management and staff:

Between all operations of the Prudential Club, the restaurant and lounge, patio, and attached package store, they will employ five (5) full and 58 part time staff members.

Operating Plan:

As previously mentioned, the Prudential Club and its kitchen will be open for lunch and dinner serving a menu with upscale tapas, entrees and desserts. While they work in the kitchen with their chef and he hires a team, those details will be come clearer but a example menu is attached below as figure 1.

The operating hours as proposed will vary and are as follow:

Weekly Schedule	Open	Close
Monday – Wednesday	11:00 AM	10:00 PM
Thursday	11:00 AM	11:00 PM
Friday & Saturday	11:00 AM	2:00 AM
Sunday	11:00 AM	11:00 PM

Target Market and Market Summary:

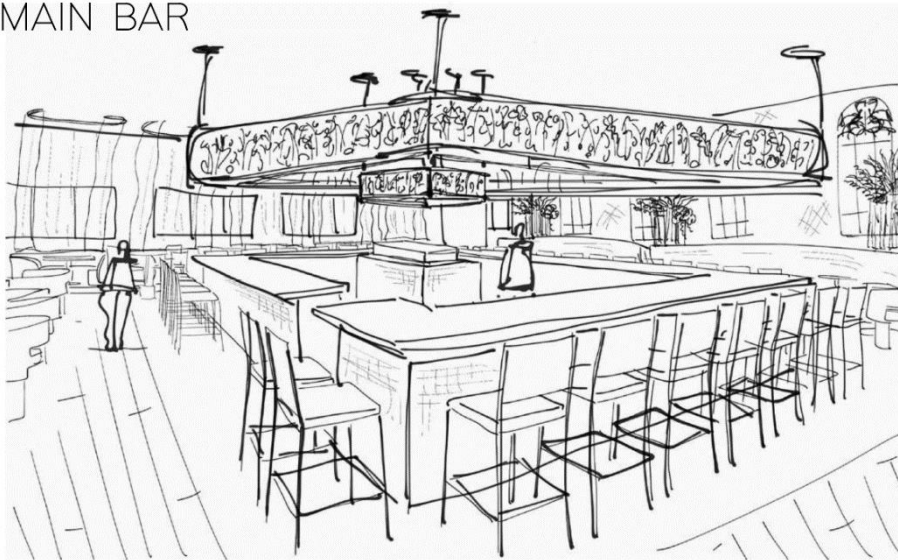
Prudential Club is located on the Southbank, a 5-minute walk for thousands of office workers, almost 750 luxury residential units and hundreds of hotel rooms including Hampton Inn and Extended Stay America directly across Prudential Drive from the proposed location, along with the Doubletree, Marriott and Hilton Garden Inn all within close proximity. This will be the focus

initially but it's size and unique atmosphere will be a draw from all the Urbancore neighborhoods and beyond with its central location and easy access.

The site is also centrally located among existing restaurants and nightlife including City Grille & Raw Bar one block to the west, and bb's restaurant and bar one block to the east. SoBA Apartments and the proposed Lofts of Southside Apartments are immediate neighbors to the Prudential Club, to the south and east, respectively.

Operating Budget:

MAIN BAR



The applicant provided three years of projected profit and loss statements. The projected revenue of \$8M in year one for the entire operation, including package retail sales, is aggressive but the sales per square foot in the restaurant of approximately \$460 is in line with other Southbank operations and establishments

similar in size and upscale atmosphere.

They estimated 31% cost of goods sold and approximately 26% in labor cost, both standard for this type of operation. While they intend on having a great menu available for lunch and dinner, the proforma shows they expect to derive a majority of their revenue from alcohol sales which is a low cost and labor model.

Property Consideration and Development Budget:

The building at 1430 Prudential was built in 1954 primarily as an office with a private parking lot behind it, accessible from Home Street. It served that purpose until 2022 with tenants including, We Insure and the American Cancer Society.

Because this is a major change in use of the building, it requires extensive renovations to accommodate the infrastructure needed to house a food and beverage establishment and retail store. The construction budget alone is over \$480,000 for the phase 1 package store, which is not being considered for incentive funding, and estimated at \$1,875,000 for the restaurant, lounge and patio. Additionally, they expect to spend over \$230,000 for the restaurant and bar equipment on top of additional furniture, fixtures and small equipment. The patio itself attributes \$145,107 to the overall budget and discussed separately in the eligible funding below.

Core REP Consideration:

The Retail Enhancement Program offers different funding levels based on location, and in a few cases, type of operation. Eligible Grant expenditures for this program include a variety of construction improvements to the interior and exterior of the building and permanent improvements that will remain with the structure. The Prudential Club is in the Core Retail Enhancement Area which limits eligible businesses and properties to the lesser of \$30 per square foot or 50% of eligible costs.

Type	Eligible Square Foot (interior)	Total Budget Calculation	Total Maximum Funding Recommended
Core REP	9,092 sf X \$30 sf = \$272,760	\$2,107,582 X 50% = \$1,053,791	\$272,760

Additionally, because it's location at the sidewalk which will further activate the Southbank area, and the importance to the concept and investment being made in the patio itself, staff recommends it be considered for funding as supplemental space the lesser of \$15 per square foot or 50% of eligible costs.

Type	Eligible Square Foot (patio)	Total Patio Costs (extracted from above)	Total Maximum Funding Recommended
Core REP (Supplemental)	6800 sf X \$15 sf = \$102,000	\$145,107 X 50% = \$72,554	\$72,554

Scoring Rubric Recommendation:

The primary criteria for approval of any retail incentive is the feasibility of the business plan. A successful business plan will be one that conveys the most promising combination of relevant experience, financial feasibility, product and market research, growth potential and job creation. Per program guidelines, 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 the application and business plan on the following categories:

- 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
Applicant is proposing a high-end build out that should create a lot of interest from residents, visitors, and other patrons in the Southbank area. Projections are aggressive, but it is likely that the proposed model will fit well with existing restaurants and night life in the area and will provide a lounge/nightclub experience not currently found in Downtown Jacksonville.		

The plan shows how the business will target a clearly defined market and its competitive edge	5	4
The target market for the project includes local residents, visitors staying in the local hotels, and others that visit popular restaurants in the Southbank neighborhood. The unique indoor/outdoor, high-end atmosphere being created by the applicant will attract attention and bring people in from beyond the local neighborhood, and will provide patrons to downtown concerts and sporting events a new alternative for before- and after-event enjoyment.		
The plan shows that the management team has the skills and experience to make the business successful	10	7
The ownership and financial team have great business experience and have successfully opened and operated one Player's Grille with another underway. The addition of a very experienced Operations Manager contributes greatly to the probable success of this venture and operations overall.		
The plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture	10	10
With total build out and equipment costs in excess of \$2,245,000, not including the cost of the building that is owned by the applicant, the investment towards this venture is significant.		
Number of FTE job positions created in excess of the required two (2) positions	5	3
The business plan shows an expectation to hire five full time staff and fifty-eight part time employees. A higher score would be warranted if more full-time positions were proposed for the business.		
TOTAL	40	31

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
1430 Prudential Drive	5	4
Historic Property	5	N/A
The building was built in 1954 but does not have historic status or designation. This change of use from empty office to an upscale and active food and beverage use meets several of the BID and CRA goals and will increase pedestrian traffic in that part of Downtown. Property taxes, including tangible personal property tax, is expected to increase meaningfully following the change in use and investment made in the property.		
TOTAL	10	4

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
Lounge/Restaurant	5	4
This business will generate Local Option Sales Tax (LOST) with a strong food and beverage business not currently provided by operations of the property today. With estimated first year sales of over \$8 Million the local option sales tax increase could be as high as \$80,000.		
TOTAL	5	4
TOTALS	55	39

With a score of 39, the subject proposal qualifies for consideration by the REPD Committee. Staff review of the application also indicates the proposed project meets the Redevelopment Goals within Downtown Jacksonville as outlined below:

Goal 3: Increase and diversify the number and type of retail, food and beverage, and entertainment establishments within Downtown.

Goal 5. Improve the perception and reality of safety, cleanliness, and maintenance in Downtown Jacksonville for residents, workers, and visitors.

Property Tax Consideration:

Property taxes are current on the property, and the building is within the Southbank neighborhood with no nuisance liens or City Code violations are recorded on the property.

REP Additional Conditions:

1. No interest shall accrue upon the principal of the total Core REP forgivable loan amount with principal forgiven over a three (3) year period.
2. In the absence of default, the total principal balance will amortize 33% each year of the compliance period.
3. At the end of three 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, subject to applicable cure periods.
5. Further approvals of exterior improvements, including signage, may be required by the Downtown Development Review Board.

See the Term Sheet, Exhibit A to Resolution 2024-09-03, for additional information on proposed terms and conditions.

Figure 1. Menu Example



Figure 2. – Construction and Equipment Budget as submitted:

DEMO WORK	\$294,000.00
WEATHER ENGINEER	\$285,000.00
WATSON ELECTRIC	\$250,000.00
WATSON PLUMBING	\$180,000.00
STEEL WORK	\$14,500.00
ACOUSTI ENGINEERING	\$150,000.00
CONCRETE WORK	\$29,000.00
CUT WALL NEW GATE	\$3,500.00
INSIDE BUILD OUT	250,000.00
NANAWALL- GLASS WALL	\$17,000.00
PARKING LOT	\$9,100.00
ALL FLOORING \$ 101,000.00	\$101,000.00
BUILD FIRE ROOM	\$19,000.00
ENTRY WAY FLOORS	\$10,000.00
STALLS FOR BATHROOM	\$21,638.34
NEW FENCE	\$18,000.00
PERMIT	\$7,500.00
ELECTRIC ENGINEERING	\$20,400.00
MP ENGINEER	\$21,000.00
SPRINKLER	\$52,500.00
PLAN REVIEW	\$5,223.00
COURT YARD RENOVATIONS	\$115,000.00
INSPECTIONS	\$2,600.00
PHASE TWO TOTAL	\$1,875,961.34

Combi Oven	\$ 22,941.84
Rapid Cook Oven	\$ 28,126.92
Kitchen Under Counter Refrigeration (2)	\$ 9,161.48
Kitchen Prep Tables (2)	\$ 915.20
Kitchen Hand Sinks (3)	\$ 549.96
Kitchen Sinks w/Faucets	\$ 2,529.38
Cappucino	\$ 17,415.00
Frozen Yogurt	\$ 12,645.00
Hot Food Well	\$ 3,634.78
Ice Cuber - standup	\$ 13,582.43
Bar Undercounter Refrigeration (4)	\$ 18,325.90
Walk in Cooler/Freezer	\$ 25,907.20
Bar Dishwashers (4)	\$ 17,726.60
Kitchen Dishmachine	\$ 9,024.36
Glass Chiller	\$ 2,414.39
Bar Ice Bins (6)	\$ 12,347.99
Bar 3 Comp Sinks (3)	\$ 5,906.44
Bar Drainboard	\$ 856.26
Bar Hand Sinks (2)	\$ 2,553.46
Bottle Storage Unit (5)	\$ 4,359.25
Bottle Storage Racks (6)	\$ 4,474.92
Glass Sanitizer/Chiller (2)	\$ 9,392.76
Glass Racks (6)	\$ 6,830.22
Total Equipment	\$ 231,621.74

TAB III.D

RESOLUTION 2024-09-01 NORTH BROAD STREET FAÇADE STABILIZATION

RESOLUTION 2024-09-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY (“C.R.A.”) OF THE COMBINED NORTHBANK COMMUNITY REDEVELOPMENT AREA TRANSFERRING ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$195,000) COMBRISED OF FY 24-25 UNALLOCATED PLAN AUTHORIZED EXPENDITURE EXPENSE BUDGET TO A NEW C.R.A. CAPITAL PROJECT “324 NORTH BROAD STREET FAÇADE STABILIZATION AND BUILDING DEMOLITION”; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO EFFECTUATE BUDGET TRANSFER CONSISTENT EXHIBIT ‘A’; INSTRUCTING ITS C.E.O. TO TAKE ALL NECESSARY ACTIONS TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION AND FURTHER AUTHORIZING THE CEO TO MAKE NON-SUBSTANTICE CHANGES TO EXHIBIT ‘A’ AS MAY BE REQUIRED BY THE BUDGET OR ACCOUNTING OFFICES; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Downtown Investment Authority (“DIA”) is the C.R.A. for the Combined Northbank Community Redevelopment Area; and

WHEREAS, as part of the FY 24-25 Combined Northbank Community Redevelopment Area budget, City Council appropriated \$436,746 to Unallocated Plan Authorized Expenditures; and

WHEREAS, in its inventory of City owned properties assigned to DIA is a dilapidated structure in such disrepair that it requires immediate partial demolition and façade stabilization; and

WHEREAS, the abovementioned structure addressed as 324 North Broad Street is part of three, zero lot line buildings that combined contribute to the historic façade along Broad Street; and

WHEREAS, the DIA desires to preserve and stabilize the building’s façade and demolish the remaining structure; and

WHEREAS, the DIA is in possession of a \$177,232 cost proposal for performing the façade stabilization and partial demolition; and

WHEREAS, to account for unforeseen additional costs associated with the work to be performed, the DIA desires to include a ten percent (10%) contingency bringing the total reallocation of Unallocated Plan Authorized Expenditure to the “324 North Broad Street Façade Stabilization And Building Demolition” project to \$195,000; and

WHEREAS, the DIA may transfer budget from Unallocated Plan Authorized Expenditures to programs and projects without further action by City Council,

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 reallocates one hundred ninety-five thousand dollars (\$195,000) of FY 24-25 Unallocated Plan Authorized Expenditures budget to:

(Exhibit 'A') 324 North Broad Street Façade Stabilization And Building Demolition"

Section 3. The DIA hereby instructs its CEO to submit budget transfers in forms substantially similar to Exhibit 'A', and further authorizes its CEO to make non-substantive edits as may be directed by the Budget or Accounting Offices.

Section 4. The DIA hereby authorizes its CEO to take all actions necessary to effectuate the intent of this Resolution.

Section 5. This Resolution 2024-09-01 shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Patrick Krechowski, Esq., Chair

Date

VOTE: In Favor: ____ Opposed: ____ Abstained: ____

DRAFT

CRA Budget Transfer Form
City of Jacksonville, Florida
COMMUNITY REDEVELOPMENT AGENCY

DOWNTOWN INVESTMENT AUTHORITY
Name of Community Redevelopment Agency

YES
Plan Capital Project (Yes or No)
(if applicable fill out CRA Capital Project Form)

7
Council District (s)

Description of Expenditure Request:

PARTIAL DEMOLITION AND FAÇADE STABILIZATION OF A DILAPIDATED STRUCTURE THAT IS POSING AN IMMEDIATE HAZARD TO ITS ADJOINING PROPERTIES. PROJECT INCLUDES ENGINEERING AND CONSTRUCTION/DEMOLITION TOGETHER WITH ANY ASSOCIATED ACTIVITY OR EXPENSES THAT MAY BE REQUIRED (E.G. ASBESTOS SURVEY, PERMIT FEES)

\$195,000.00
Total Amount of Expenditure Request

OCTOBER 31 2024
Anticipated Expenditure Commencement Date

DECEMBER 31 2024
Anticipated Expenditure Completion Date

Applicable Approved CRA Budget Line Item For Expenditure

Available Funds in Approved CRA Budget Line Item

Date Rec'd.	Date Fwd.	CRA Board Administrator Approval

BUDGET OFFICE

ACCOUNTING DIVISION

Date Rec'd.	Date Fwd.	Budget Officer Approval

Date Rec'd.	Date Fwd.	Comptroller Approval

Budget Office and Accounting approval required to verify available funds and for any necessary finance activity / line item changes.

CRA BOARD APPROVAL

Date Rec'd.	Date Fwd.	CRA Board Chair Approval

\$195,000.00
Expenditure Amount Approved by CRA Board

R-2024-08-07
CRA Board Resolution Number

09/18/24
Resolution Date

TAB III.E

RESOLUTION 2024-09-05 RD RIVER CITY (RELATED) MODIFICATION

RESOLUTION 2024-09-05

A MODIFICATION AND RESTATEMENT OF RESOLUTION 2024-05-05 OF THE DOWNTOWN INVESTMENT AUTHORITY RECOMMENDING CITY COUNCIL APPROVAL OF A MULTIFAMILY REV GRANT AND A COMPLETION GRANT WITH A TOTAL MAXIMUM INDEBTEDNESS OF FIFTY-EIGHT MILLION, SEVEN HUNDRED NINETY-EIGHT THOUSAND DOLLARS AND NO/100 CENTS (\$58,798,000.00) FOR RD RIVER CITY BREWERY, LLC IN THE SOUTHSIDE COMMUNITY REDEVELOPMENT AREA, AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, INCLUDING THE EXECUTION OF A REDEVELOPMENT AGREEMENT, OR FUNCTIONAL EQUIVALENT; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Downtown Investment Authority (“DIA”) is the Community Redevelopment Agency for the Southside Community Redevelopment Area; and

WHEREAS, the DIA is authorized per section 55.108(8)-(9)(b) *Economic Development* of the City Ordinance Code, to implement the DIA Business Investment and Development Plan (“BID Plan”), to utilize incentives and economic development programs in furtherance of goals set forth in the BID Strategy for the benefit of Downtown Jacksonville; and

WHEREAS, RD River City Brewery, LLC, an affiliate of Related Development, LLC (“Related” or “Developer”), has assembled property located within the Southside Community Redevelopment Area on which Related plans to construct a luxury high-rise ICON branded mixed-use development to include a minimum of 390 residential units together with a minimum 4,000 square foot (indoor heated/cooled space) waterfront restaurant and other associated amenities adjacent to the Southbank Riverwalk and St. John’s River Park (the “Project”); and

WHEREAS, the development of the Project will result in a minimum private capital investment in total development costs of TWO HUNDRED TWO MILLION SEVEN HUNDRED FORTY-SIX THOUSAND AND 00/100 DOLLARS (\$202,746,000.00) that will increase the county ad valorem tax base over the useful life of the assets, and will add to the residential tenancy, retail space, and parking options in Downtown Jacksonville; and

WHEREAS, the DIA Board met on May 15, 2024, and approved to forward Resolution 2024-05-05 to the Jacksonville City Council recommending approval of a Multifamily REV Grant with maximum indebtedness of NINETEEN MILLION SEVEN HUNDRED NINETY-EIGHT THOUSAND AND 00/100 DOLLARS (\$19,798,000.00), and a Completion Grant with maximum funding totaling THIRTY-NINE MILLION AND 00/100 DOLLARS (\$39,000,000.00); and

WHEREAS, negotiation of the agreements brought forth structural considerations and modifications to the terms originally proposed that will better ensure Developer’s access to debt capital, minimize certain risks to the City, and improve the efficiency of the administration of the incentives; and

WHEREAS, following the modifications proposed, Developer will remain compliant with the 30-year high-rise underwriting parameters as approved by the DIA Board in resolution 2024-05-04, will not reduce additional commitments as previously approved, and the ROI as calculated will remain unchanged at 1.13X; and

WHEREAS, Multifamily REV Grant annual payments and REV Grant annual payments will be funded through the Downtown Northbank Redevelopment Trust Fund; and

WHEREAS, Completion Grant amounts will be funded through the City of Jacksonville General Fund and will require future appropriation from City Council after Developer meets requirements outlined in the revised Term Sheet attached hereto as Exhibit A.

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 authorizes the CEO of the Downtown Investment Authority to modify terms found in the Redevelopment Agreement with the Developer and related documents substantially in accordance with the term sheet that identify approvals as modified attached hereto as Exhibit A.

Section 3. The DIA Board hereby authorizes the CEO of the Downtown Investment Authority to initiate legislation for approval by City Council of a Redevelopment Agreement, or functional equivalents and associated agreements in accordance with the purposes of this Resolution.

Section 4. This Resolution, 2024-09-05, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

Patrick Krechowski, Chairman

Date

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

Exhibit A**Resolution 2024-09-05****Summary of Terms and Conditions****BACKGROUND**

The City of Jacksonville (“COJ”) and the Jacksonville Economic Development Council (“JEDC”) entered into a Ground Lease with Maritime Concepts, LLC (“Maritime”) as its tenant on July 31, 1998, as amended, for a term of 99 years commencing August 1, 1998 (“Ground Lease”) for the property commonly known as the River City Brewing Company and its associated parking lot (“Property”). Maritime sold its interest in the Property and all improvements to RD River City Brewery, LLC (hereafter, “Related”) including its rights in the Submerged Land Lease (“SLL”) with the State of Florida (“State”).

The Downtown Investment Authority (“DIA”) (as successor to the JEDC) and COJ approved Related’s offer to acquire the Property and construct new improvements thereon pursuant to Ordinance 2021-253 on June 8, 2021. The terms of the original Redevelopment Agreement, executed on June 29, 2021, expired on or about January 11, 2023. This Exhibit represents the basis for a new Redevelopment Agreement (“RDA”) as detailed below.

RELATED OBLIGATIONS

1. Related shall design and construct, using Type 1 or Type 2 construction materials and techniques, a mixed-use Icon product featuring a world class residential tower with no fewer than 390 units and associated amenities, a minimum 4,000 square foot (indoor heated/cooled space) waterfront restaurant open to the public with additional outdoor dining, a Ship Store and parking with approximately five-hundred fifty (550) parking spaces including thirty (30) dedicated public parking spaces for use as parking for the MOSH site or adjacent park (“Dedicated Parking Spaces”), and public realm improvements including expansion of the St. Johns River Park and Riverwalk substantially as depicted in Exhibit 1 and in accordance with the final DDRB approval granted October 17, 2023 (the “Project”). The Project is anticipated to be delivered simultaneously with Riverwalk and Sidewalk improvements described herein.
3. Related shall make a Minimum Capital Investment of \$202,746,000 (including acquisition), with a minimum Direct Development Cost of \$173,597,000. Related shall cause the General Contractor to secure a payment and performance bond in an amount equal to the contract price and shall use commercially reasonable efforts to add COJ/DIA as an additional obligee. COJ/DIA shall bear any costs of being named as an additional obligee. Related will also provide its construction lender with a typical completion guarantee for the satisfactory completion of all the Project contemplated by the RDA, and Related shall provide the DIA with written notice of same. Related will provide COJ the Repayment Guarantee in the event that the Project is not completed by the Guarantee Date (each as defined below).
4. Related shall construct, as part of the Project, a structured parking garage on a portion of the Property with approximately five-hundred fifty (550) parking spaces including thirty (30) dedicated public parking spaces (“MOSH Parking Spaces”). Related will ensure that the Dedicated Parking Spaces shall be available for use by the general public visiting the COJ’s tenant MOSH or use by the general public as COJ may direct. During construction of the Project, COJ shall ensure that the Dedicated Parking Spaces shall be provided under the Acosta Bridge or at some other mutually agreed upon location at their expense.

5. Related, and/or its assigns shall construct, and a professionally recognized property manager shall operate, a Ship Store with a minimum of 1,000 square feet to be located on the Property and proximate to the boat ramp as shown on the site plan. The Ship Store shall be open daily from 8am to 6pm to sell sundries, ice, and other necessities for patrons of the boat ramp during these hours for so long as the boat ramp remains in operation. Related shall spend a minimum of \$490,000 to complete the Ship Store.
6. Related shall manage and execute the re-construction of a 25' wide Riverwalk parcel, including a minimum 16' hardscape and additional landscaping ("Riverwalk") within Parcel I. The Riverwalk improvements, roughly 187 linear feet in length along the riverfront terminating at the circular overlook along the boat ramp after turning the corner on the west end, will include a minimum 16 foot wide paved pedestrian pathway with colorful paving patterns conforming to the Riverwalk Design Guidelines along with approximately 70% shade coverage, provided by both landscaping and shade sail elements consistent with the Riverwalk Plant palette and Riverwalk Design Guidelines. Plant material shall be irrigated to ensure viability. In addition, street furnishings including benches and trash receptacles and lighting fixtures meeting the Riverwalk Design Criteria will be included within the 25' wide strip but not encroaching into the 16' pathway. Signage conforming to the Riverwalk Wayfinding sign package shall be included where appropriate. The improvements will include necessary foundations, soil remediation, and other infrastructure required to install the above. The Riverwalk and Riverwalk Improvements shall be completed in accordance with plans approved by DIA, DDRB and COJ in accordance with the October 17, 2023, approval conditions and the DDRB approval prevails over any deviation found herein and once finalized shall be deemed to be consistent with the adopted Riverwalk Design Standards, and jointly agreed to by Related. The Riverwalk shall be open and available for public use and enjoyment located landward of the riverside edge of the bulkhead along the Saint Johns River and within property described in Parcel I. Once completed, COJ shall retain ownership and all maintenance obligations of the Riverwalk, including the bulkhead. COJ shall maintain the Riverwalk and bulkhead in a Class "A" condition and Related shall have the right of self-help and the ability to seek reimbursement from COJ in accordance with terms to be included in the RDA. In addition, any self-help action taken by Related, as approved by COJ, shall be deducted from the Annual Contribution.
7. Related shall manage and execute the re-construction of a sidewalk running southward from the circular overlook along the boat ramp consistent in width with final plans approved by DDRB on October 17, 2023 but with no less than 7 feet of clear pedestrian zone at any point (to be legally described) available for public use and enjoyment ("Sidewalk") located landward of the riverside edge of the bulkhead adjacent to, and just east of, the boat ramp (to be legally described) that connects the Riverwalk to the boat ramp along and within the western boundary of the property described as Parcel C.
8. Upon execution of the RDA, Related, DIA and COJ shall enter into documents terminating all easements and other ancillary agreements (except deeds) that were executed as part of the closing, or pursuant to, the June 29, 2021, Redevelopment Agreement.
9. Once the Project is completed, Related shall deed an approximately 4,201 square foot parcel, located adjacent to and south of the former Parcel B, to COJ to permit the expansion of St. Johns River Park and Friendship Fountain. Related shall also dedicate an easement for an approximately 400 square foot parcel to be used for the potential future fuel tank location as depicted on the Site Plan. Such

easement will remain in place so long as fuel is being offered for sale to public boaters at the marina, with such decision as will be made by the City of Jacksonville in its sole discretion.

10. Related agrees to pursue all approvals with commercially reasonable efforts and to meet the following Performance Schedule:

FINAL DESIGN to be completed one hundred eighty (180) days after the execution of the RDA or thirty (30) days after the Certificate of Completion is issued for the Bulkhead Project, but no later than May 30, 2025.

PERMITTING to start, applying for permit approvals for the Horizontal Improvements, not less than sixty (60) days after Final Design is completed, and shall have submitted for all permit approvals to commence construction of the Horizontal Improvements by ~~but to be completed~~ no later than July 31, 2025.

COMMENCE CONSTRUCTION of the Horizontal Improvements to start no later than the later of one hundred twenty (120) days after Permitting is completed, and (ii) December 15, 2025; provided, however, that the December 15, 2025, date shall be extended by one day for every day after November 1, 2025, that the City fails to place the Completion Grant into escrow. Developer shall Commence Construction of the Vertical Improvements on or before the date which is thirty-six (36) months after Developer Commences Construction of the Horizontal Improvements and construction of the Improvements shall proceed without any Impermissible Delays through Substantial Completion thereof.

COMPLETE CONSTRUCTION forty (40) months after Commencement of Construction, but no later than April 30, 2029

In the event Related fails to meet the Construction Completion deadline above, subject to extensions for items outside Related's control or otherwise permitted herein (including any default by Related's ~~General Contractor~~), the REV Grant shall be reduced by 5% for every two (2) month delay and forfeited if construction is not completed within two (2) years of the established completion date, as may be extended. If the Rev Grant is forfeited pursuant to the immediately preceding sentence (the "Guarantee Date") then the City may, at any time prior to Related obtaining a certificate of occupancy (or its equivalent) for the improvement, by written notice to Related (the "Guaranty Demand Notice") exercise Related's corporate repayment guarantee which will cause the repayment to the City those portions of the Completion Grant released from escrow to Related and the escrow agent will refund the City the balance of funds in the escrow account (the "Repayment Guarantee"). Notwithstanding the foregoing, guarantor's liability under the Payment Guaranty will be capped at \$1,000,000 if, at the time of Developer's receipt of a Guaranty Demand Notice, Developer Substantially Completed the Residential Improvements and Parking Garage Improvements and has obtained a temporary

certificate of occupancy (or its equivalent) therefor such that such improvements are available for use in accordance with their intended purpose.

Such Repayment Guarantee is a guaranty of payment and performance and not of collection and will be further supported by an attestation from Related's chief financial officer that demonstrates its financial capacity to fulfill the full, faithful and punctual payment and performance of the guaranteed obligations stating that the Guarantor has a cash liquidity balance equal to or greater than \$40,000,000, and net worth (prepared in accordance with GAAP and net of book value of goodwill and unamortized debt discount) equal to or greater than \$150,000,000, with attestations provided to the City at the time of execution of the Redevelopment Agreement and on a quarterly basis thereafter until the expiration or termination of this Guaranty.

Related shall be entitled to extensions of the above deadlines for force majeure or delays caused by COJ or the inaction of COJ. In addition, the outside dates contemplated in the timeline above assume Bulkhead Project will be completed by December 31, 2024. Related shall be entitled to a day-for-day extension for all subsequent deadlines if the Bulkhead Project is not completed by December 31, 2024. As is customary, the CEO of DIA shall have the authority to grant extensions of the Performance Schedule not to exceed six (6) months in the aggregate. The DIA Board may grant additional extensions of the Performance Schedule not to exceed an additional six (6) months in the aggregate.

INCENTIVES

1. DIA to provide a 75% REV Grant for the Project for fifteen (15) years, or the expiration of the Southside CRA, whichever occurs first unless COJ assumes the Southside CRA obligations (the "Rev Grant Period"). The Maximum Indebtedness for the Multifamily REV Grant shall be \$19,798,000.
2. DIA to request that COJ provide Related a completion grant in the amount of \$39,000,000 ("Completion Grant").
3. Upon Related's submittal of its application for building permit the DIA will work with the City to escrow the full amount of the Completion Grant, in a manner sufficient to satisfy Related's lenders. All interest on funds held in escrow shall be the exclusive benefit to the City of Jacksonville only.
4. The full amount of the Completion Grant will be made available for construction funding after the project commences vertical construction, with the first draw made on a pari-passu basis with the Senior Construction Lender ~~to reconcile with the proportion of payments made over the first three months of funding simultaneous to its first draw payment.~~ Thereafter, the Completion Grant will be funded on a pari-passu basis with the Senior Construction Lender, with payments made on a ~~three-month semi-annual~~ **three-month** basis (no more than a single payment made by COJ in any ~~three-month six-month~~ **three-month** period) ~~to reconcile with the proportion of payments made over the intervening three months of funding.~~ However, pari passu calculations for City funding requests shall be based on actual payments made by the Senior Construction Lender, as supported by draw requests, inspection reports from a third-party inspector and the architect's certification of progress made or materials delivered, in proportion to the initial construction loan commitment of the Senior Commercial Lender. Any protective advances required at any point during the Construction Phase shall be the sole requirement of the Senior Lender.

5. If the Project is not completed by Guarantee Date, then the Completion Grant repayment shall be secured by (i) the Repayment Guarantee and (ii) adding the City as an additional insured on Related's builders risk policy for the Project, subordinate to the lender's interest. The City will receive a copy of the bank draw and bank inspector's report with the monthly draw requests to the escrow agent. Upon Related obtaining a CO for all residential units in the Project then the obligations under the Repayment Guarantee shall have been fully satisfied and the Repayment Guarantee shall terminate, and all obligations thereunder will expire, and the balance of the Completion Grant escrow will be released to Related.
6. Consistent with and pursuant to Chapter 55, Part 2, *Ordinance Code*, Developer may apply for and upon approval of such application and payment of the applicable fee the City shall convey any Water Quality Compensatory Credit(s) as necessary for the construction of the Improvements in accordance with this Agreement.

COJ BULKHEAD RECONSTRUCTION

There currently exists a bulkhead along the northern boundary of the Property ("Bulkhead"). COJ has agreed to reconstruct the Bulkhead consistent with current resilience recommendations ("Bulkhead Project"). COJ shall maintain the Bulkhead, in a Class "A" condition. In the event the Bulkhead is not maintained by COJ, Related shall have the right of self-help and the ability to seek reimbursement from COJ all in accordance with terms to be included in the RDA. Any self-help action taken by Related, as approved by COJ, shall be deducted from the Annual Contribution (as defined below).

ADDITIONAL RELATED COMMITMENTS SUMMARY

Related agrees to fund the following additional commitments in conjunction with the development proposal:

1. Approximately \$490,000 to complete the Ship Store, which shall provide restroom facilities for boaters and shall remain in operation so long as the Marina or Boat Ramp are in operation.
2. Approximately \$250,000 of the costs to construct the Riverwalk above standard requirements.
3. \$319,200 which represents the value of the land just south of the former Parcel B to expand St. Johns River Park and Friendship Fountain (4,201sf x \$76/sf)
4. \$30,400 the value of the land subject to an easement for the fuel tanks (400sf x \$76/sf)
5. Related will provide a minimum of approximately \$98,117 per year during the Rev Grant Period, but not to exceed 30 years, (escalated at 2% annually) for contract maintenance services to maintain St. Johns River Park and Friendship Fountain above the standard maintenance obligations of COJ, the first contribution will be not later than the calendar year after the Project receives its final CO ("Annual Contributions").
6. Any self-help action taken by Related, as approved by COJ, shall be deducted from the Annual Contributions.

ADDITIONAL REQUIREMENTS:

COJ/DIA shall grant to Related a right of first refusal ("ROFR") for a period of ten (10) years from the Effective Date of the RDA to purchase the MOSH site in the event such site is made available for private commercial redevelopment to be more fully defined in the RDA. The ROFR shall require Related to match not only the cash purchase price to be paid for the land but also to commit to construction of commercial improvements of equal value and similar use as to that proposed, on the same or shorter performance schedule, resulting in a similar tax revenue to COJ. Such right of first refusal shall not be applicable to any sale, lease or redevelopment for civic use, park space or other use in which the public is invited to visit such as a museum, aquarium, gallery, etc. The CEO shall be authorized to further negotiate the terms of the ROFR with Related

and shall bring any material changes to the Board for approval. The ROFR shall terminate at the earlier of a sale of the property or the 10th Anniversary of the Effective Date of the RDA.

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EXHIBIT 1 – SITE PLAN AND ELEVATION

- 1 Planted entry median
- 2 Riverwalk trail connection
- 3 Entry court
- 4 Arrival / Drop-off
- 5 Riverwalk waterfront promenade w/ seating
- 6 Overlook w/ shade sail canopies
- 7 Resort style pool w/ sun shelf
- 8 Beach club w/ fire pit
- 9 Restaurant patio
- 10 Summer kitchen / stand up board storage
- 11 Informal social space with hammocks and outdoor movie screen
- 12 Florida-Friendly riverwalk landscape
- 13 4' aluminum picket fence
- 14 Reconfigured boat ramp access
- 15 Streetscape (Riverplace Blvd. design palette)
- 16 Project monument sign
- 17 Riverwalk connection -Covered walkway to restaurant
- 18 Boat ramp
- 19 Leasing office
- 20 Water feature
- 21 Courtyard south
- 22 Access ramp
- 23 Garage entry
- 24 Public restaurant access
- 25 Spa
- 26 Flex / Yoga lawn
- 27 Fuel tanks
- 28 Transformer
- 29 Dock master/ Marina store
- 30 Service/ Back of house





East Elevation



West Elevation

SUPPLEMENTAL INFORMATION
RESOLUTION 2024-09-05 RD RIVER CITY (RELATED) MODIFICATION
STAFF REPORT

RESOLUTION 2024-09-05 - MODIFICATION TO RELATED APPROVAL

STAFF REPORT

RD River City Brewery, LLC, an affiliate of Related Development, LLC is proposing to construct, using Type 1 or Type 2 construction materials and techniques, a luxury high-rise ICON branded mixed-use development with no fewer than 390 units and associated amenities, a minimum 4,000 square foot (indoor heated/cooled space) waterfront restaurant open to the public with additional outdoor dining, a Ship Store, and parking with approximately five-hundred fifty (550) parking spaces including thirty (30) dedicated public parking spaces for use as parking for the MOSH site or adjacent park (the "Project"). Additionally, Related has made commitments to benefit the City including creation of a Ship's Store for the convenience of boater's using the adjacent boat ramp and marina (subject to future construction), \$250,000 towards Riverwalk improvements, return of a parcel of approximately 4,201 sf for incorporation into St. John's River park, and approximately \$100,000 each year for 30 years towards maintenance of the park and Friendship Fountain.

Incentives as outlined further below, and not being changed by these modifications, were approved by the DIA Board in Resolution 2024-05-05 at its meeting May 15, 2024. The modifications proposed were brought about by negotiation of the Redevelopment Agreement with the Developer and are seen as mutually beneficial when viewed comprehensively. The modifications, as detailed further below, cover the following areas from the previous approval:

1. Reducing the time period for truing up the City's pari-passu contribution towards construction costs with the Senior Construction Lender from six months to three months.
2. Clarifying dates found within the Performance Schedule and splitting the Commencement Date into requirements for both Horizontal and Vertical Construction.
3. Providing greater detail relating to the satisfaction and release of Completion Grant Guarantee, providing for a \$1 million continuing guarantee if Riverwalk Improvements are not completed simultaneous with Residential Improvements and Garage Improvements.
4. Adding liquidity and net worth covenants and testing in support of the Developer's Completion Grant Guarantee.

Incentives Approved and Not Changing

1. Maximum Indebtedness for the Multifamily REV Grant shall be \$19,798,000 structured as a 75% REV Grant for fifteen (15) years funded through the Southside CRA TIF, or by the City should the CRA expire prior to the fifteenth year.
2. A \$39,000,000 Completion Grant to be fully appropriated and funded into escrow by the City commensurate with financial closing, to be released during construction of the project pari passu with Senior Construction lender advances. *Note: Despite the expressed willingness by the Developer to negotiate terms by which the Completion grant would be reduced subject to improvement in the economy (i.e. the lowering of cost of capital), proposals made supported by models to that effect were declined by the Developer for incorporation into the agreement.*

Modifications Proposed: The following modifications were negotiated by DIA Staff during the drafting of the Redevelopment Agreement and are captured in the RDA as filed. As such, they are presented in Resolution 2024-09-05 for additional consideration by the DIA Board.

Pari-passu Funding of the Completion Grant

As originally approved, the \$39,000,000 Completion grant would be fully funded by the City commensurate with the financial closing and released on a pari passu basis with the senior construction lender on a frequency of not more than semi-annual fundings. After discussion with the Developer, drawing on requirements of construction lenders in the market, it was determined that the frequency of payments as approved would limit the number of potential lenders that might work with that schedule. Instead, the City's fundings are proposed to occur at each three-month cycle, allowing for an additional thirty days to release the funds following review of the draw requests, inspection reports, lien release and waivers, and other information as prepared by the construction loan administration department of the senior construction lender. DIA will have 15 days to review that information and request clarifications or additional information, and any amounts protested would be held back from funding until resolved to DIA satisfaction.

Clarification of the Performance Schedule

The Performance Schedule as originally approved was found to have ambiguities as originally drafted which were modified to achieve clarity and the original intent of those dates. No dates were pushed back from the original approval. A weakness was also identified in that Commencement was not well defined and left the City with only Impermissible Delays through the required Completion Date, as may be drawn out for two years while the REV Grant percentage reduces 5% each two months. Developer agreed to define the initial Commencement Date to mean Horizontal Improvements and to add a date for commencement of Vertical Improvements at 36 months from the commencement of Horizontal Improvements. This shortens the outside time of potential default under the Performance Schedule from 64 months for failure to complete to a potential default under the agreement at 36 months for failure to commence Vertical Improvements.

Clarification of Timing for the Release of the Completion Guaranty

The Completion Guarantee is structured as a Repayment Guarantee of payment and performance, and not of collection. The Developer makes the argument that small finishing work to the grounds and riverwalk should not restrict release of the Completion Guaranty if the major components of the project have been finalized and been awarded C/O allowing for use of the property as intended. In negotiating this point, the agreement clarifies that if at the time the Residential Improvements and the Garage Improvements achieve their Certificate of Occupancy, the completion guaranty shall be reduced to \$1,000,000 if the work on the Riverwalk has not been completed, which would then be governed by the outside completion date for all the improvements.

Addition of Liquidity and Tangible Net Worth Covenants

In negotiating the points above relating to the release of the Completion Guaranty, further benefit to the City was provided by Developer's willingness to add covenants for the maintenance of a Cash Liquidity Balance

equal to or greater than \$40,000,000, and Net Worth equal to or greater than \$150,000,000. The CFO for related will provide an attestation to the amounts at the time of closing and on a quarterly basis thereafter. Definitions of these terms are conservative and structured in accordance with GAAP and are the equivalent of what Related would provide to a construction lender.

Minimum Developer Equity

Minimum Developer Equity was initially proposed, underwritten, and is currently documented in the legislation as filed as \$67,000,000; however, this requirement was not included in Resolution 2024-

05-05 as approved by the Board. In final negotiations during the preparation of the Redevelopment Agreement, and despite unwillingness to incorporate a reduction in the Completion Grant based on improving economic conditions, the Developer questioned the equity amount and negotiated to have it reduced. If approved, this amount would then equal 29.6% of the proposed developed cost and would maintain compliance with the requirement that the completion grant may not be greater than 65% of equity, and total incentives may not exceed 100% of equity. The Developer proposes to pursue an amendment in City Council committee hearings to seek this reduction and is presented to the DIA Board in this staff report for consideration, as it is not addressed directly in resolution 2024-09-05.

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TAB IV.A
AUGUST 21ST, 2024 DOWNTOWN INVESTMENT AUTHORITY MEETING MINUTES
APPROVAL



Downtown Investment Authority
Downtown Investment Authority Hybrid Meeting
Wednesday, August 21st, 2024, 2:00 p.m.

Downtown Investment Authority Hybrid Meeting
MEETING MINUTES

DIA Board Members: Patrick Krechowski, Esq.; Sondra Fetner, Esq.; Melinda B. Powers, Esq.; Scott Wohlers, Jim Citrano; Carol Worsham; and Micah Heavener

Mayor’s Office: None

Council Members: None

DIA Staff: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Guy Parola, Director of Operations; Allan DeVault, Project Manager; Wanda James-Crowley, Financial Analyst; and Ava Hill, Administrative Assistant

Office of General Counsel: John Sawyer, Esq.

I. CALL TO ORDER

Board Chair Krechowski called to order the Downtown Investment Authority Meeting at 2:20 PM.

II. DOWNTOWN INVESTMENT AUTHORITY

A. AUGUST 21ST, 28TH, 2024, DOWNTOWN INVESTMENT AUTHORITY MEETING MINUTES APPROVAL

Board Chair Krechowski called for a motion to approve the meeting minutes as presented.

Motion: Board Member Citrano motioned to approve the meeting minutes.
Second: Board Member Wohlers seconded the motion.

Seeing no discussion, Board Chair Krechowski called for a vote.

Vote: Aye: 7 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 7-0-0

A. CONSENT AGENDA

Board Chair Krechowski called for a motion on the consent agenda.



Downtown Investment Authority
Downtown Investment Authority Hybrid Meeting
Wednesday, August 21st, 2024, 2:00 p.m.

Motion: Board Member Worsham motioned to approve the consent agenda.

Second: Board Member Powers seconded the motion.

Seeing no discussion, Board Chair Krechowski called for a vote on the consent agenda.

Vote: Aye: 7 Nay: 0 Abstain: 0

MOTION PASSED UNANIMOUSLY 7-0-0

III. CEO INFORMATIONAL BRIEFING

A. OLD AND NEW BUSINESS

There was no old or new business

B. DOWNTOWN PROJECT UPDATE AND CEO REPORT

Using a PowerPoint presentation, CEO Boyer provided project updates and then reviewed the following items:

- Special Committee on Downtown
- Budget
- Professional Services contracts
- Capital Projects updates
- Development Updates
- August 26th DIA Board Workshop

Board Chair Krechowski mentioned that he would like to hear from JEA and the Chief Resilience Officer during the next workshop. CEO Boyer agreed. He also mentioned that the Board's position concerning the restaurant is that DIA doesn't want to be in the restaurant business but should remain in control of city property.

Board Member Citrano mentioned that he voted against the restaurant and added that the Board's original idea was to maintain control of the property and that the worst-case scenario would be to relinquish its control.

Board Member Fetner mentioned that she could attend the next special committee meeting if there would also be a backup and that she just needed to know the meeting time. CEO Boyer advised that she would send everyone an email with the meeting time.



Downtown Investment Authority
Downtown Investment Authority Hybrid Meeting
Wednesday, August 21st, 2024, 2:00 p.m.

Board Chair Krechowski asked Board Member Fetner to coordinate a Governance meeting for the following month to start discussions on the CEO search.

ADJOURNMENT

Seeing no further discussion, Board Chair Krechowski adjourned the DIA meeting at 3:06 PM.

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 Ava Hill at avah@coj.net to acquire a recording of the meeting.

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TAB IV.B

RESOLUTION 2024-09-04 BOB CARLE APPRECIATION

(UNDER SEPARATE COVER)

TAB IV.C

RESOLUTION 2024-09-06 COMMENDING JOHN SILVEIRA'S SERVICE TO RAM

RESOLUTION 2024-09-06

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) COMMENDING MR. JOHN SILVEIRA FOR HIS SERVICE TO DOWNTOWN AS THE MARKET DIRECTOR FOR THE RIVERSIDE ARTS MARKET; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Riverside Arts Market (“RAM”) started in 2009, and for the past fifteen years RAM has grown from a small, seasonal market to a year-round market with a diverse selection of artisans and producers; and

WHEREAS, RAM sees over 4,000 weekly visitors and is a valuable contributor to the vibrancy of Downtown and Riverside; and

WHEREAS, in 2016, Mr. Silveira brought his extensive experience in farmers and arts markets from the San Francisco Bay area to Jacksonville, helping to grow RAM from sixty vendors to over 150 weekly vendors; and

WHEREAS, Mr. Silveira and his team sift through over a thousand applicants, selecting local vendors with locally sourced food, produce and art; and

WHEREAS, the DIA recognizes that Mr. Silveira in no small part contributed to the success of RAM,

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

Section 1. The Downtown Investment Authority commends of Mr. Silveira on his contributions to the success of RAM.

Section 2. This Resolution 2024-09-06 shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS: **DOWNTOWN INVESTMENT AUTHORITY**

Patrick Krechowski, Chair

Date

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