

RESOLUTION 2022-04-09

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 FOOD AND BEVERAGE RETAIL ENHANCEMENT GRANT (FAB-REP) FOR DOWNTOWN BAR CONCEPT, LLC AND SHOPPES OF LAKESIDE, INC. AS CO-APPLICANTS, A SIDEWALK ENHANCEMENT GRANT TO DOWNTOWN BAR CONCEPT, LLC AS THE SOLE APPLICANT, AND A FAÇADE GRANT FOR SHOPPES OF LAKESIDE, INC. AS THE SOLE APPLICANT, WITH EACH AWARD TO FACILITATE RENOVATION OF THE PROPERTY LOCATED AT 100 E. ADAMS STREET FOR USE AS HARDWICKS BAR; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE FORGIVABLE LOAN AGREEMENT(S) OR EQUIVALENT; AUTHORIZING THE DIA CEO TO EXECUTE SUCH AGREEMENT(S); AND FINDING THAT THE PROPOSED RENOVATION OF 100 EAST ADAMS STREET AND EXTENDING A SIDEWALK CAFÉ GRANT FURTHERS THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN, INCLUDING THE NORTHBANK CRA PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Property Owner, Shoppes Of Lakeside, Inc. and the Business Owner, Downtown Bar Concept, LLC (jointly and severally “Applicants”), seek jointly to renovate approximately 3,479 square feet of the building located at 100 E. Adams Street (RE# 073463-0000) to establish a new business to be known as Hardwicks Bar; and

WHEREAS, the Applicants applied jointly to the DIA for funding under the Targeted Retail Activation: Food and Beverage Establishments Program (FAB-REP) as adopted by DIA pursuant to Resolution 2020-06-01; and

WHEREAS, the Business Owner submitted an application for a Sidewalk Enhancement Grant to the DIA under the under the Targeted Retail Activation: Food and Beverage Establishments Program; and

WHEREAS, the Property Owner submitted an application to the DIA for funding under the Façade Grant Program as adopted by DIA pursuant to Resolution 2020-06-02;

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

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

WHEREAS, there are sufficient funds available within the Northbank CRA approved budgets for Retail Enhancement and Façade Grants to fund these requests; and

WHEREAS, to assist the applicants in activating Downtown by creating a consistent theme and image that conveys a sense of the excitement and activity Downtown, focuses efforts on drawing diversity to Downtown, and while also adding an additional sidewalk service area to the Elbow District, DIA staff recommends that the DIA approve a combination of the Food and Beverage Retail Enhancement Grant (FAB REP) in an amount not to exceed \$100,000, a Sidewalk Enhancement Grant in an amount not to exceed \$15,000, and a Façade Grant in an amount not to exceed \$48,000, with total funding limited to \$163,000 (ONE HUNDRED SIXTY-THREE THOUSAND DOLLARS) for Applicants in accordance with the terms of the established programs and the Term Sheet attached hereto as Exhibit A; and

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

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA hereby finds that the Project is supported by the following Goal(s) and Strategic Objective(s) of the BID Plan:

Goal 1) Reinforce Downtown as the City's unique epicenter for business, history, culture, education, and entertainment.

- Increase the opportunities for Downtown employment.
- Protect and revitalize historic assets.
- Support expansion of entertainment and restaurant facilities.
- Increase venues, workspaces, and residential opportunities focusing on the Target Area.
- Create a consistent theme and image that conveys a sense of the excitement and activity Downtown.
- Focus efforts on drawing many diverse attractions rather than a small number of large ones.

Goal 2) Increase rental and owner-occupied housing downtown, targeting key demographic groups seeking a more urban lifestyle.

- Leverage land contributions, infrastructure investments, incentive grants, and low-interest loans.

- Promote and attract neighborhood retail to support downtown residents.
- Goal 3) Simplify the approval process for downtown development and improve departmental and agency coordination.
- Initiate public/private partnerships.
 - Identify cooperative property owners/developers and develop key pilot initiatives

Section 3. The DIA hereby approves the award of the Food and Beverage Retail Enhancement Grant (FAB-REP), the Sidewalk Enhancement Grant, and the Façade Grant in a total amount not to exceed \$163,000 from the Combined Northbank CRA to the Applicants to be provided in accordance with the applicable Program guidelines and the Term Sheet attached hereto as Exhibit A.

Section 4. The Chief Executive Officer of the DIA is hereby authorized to negotiate and execute the Forgivable Loan Agreement(s) or their equivalent and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

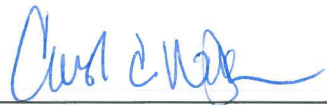
Section 5. The Effective Date of this Resolution is the date of execution of this Resolution by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY



 Witness



 Carol Worsham, Vice Chair



 Date

VOTE: In Favor: 6 Opposed: 0 Abstained: 0

EXHIBIT A - TERM SHEET
Hardwicks Bar
FAB-REP Forgivable Loan, Sidewalk Enhancement Grant, Façade Grant

Project Name: **Hardwicks Bar**

(A) Co-applicants (FAB-REP): **Downtown Bar Concept, LLC (Business Owner/Tenant)**
 Mr. Elias Hionides Managing Partner
 Mr. Richard Trendel Broker Partner

Shoppes of Lakeside, Inc. (Property Owner/Landlord)
 Mr. Chris Hiondes, President
 Ms. Sylvia Jacobs, Registered Agent listed as the point of contact

Total Rehabilitation Costs (estimate):	\$596,156	
Eligible FAB-REP Costs:	\$359,742	
Co-applicant Contribution:	\$259,742	72.2% of Eligible FAB-REP Costs
Maximum FAB-REP Funding:	\$100,000	27.8% of Eligible FAB-REP Costs

(B) Applicant (Sidewalk Enhancement Grant): **Downtown Bar Concept, LLC**

Eligible Sidewalk Enhancement Costs:	\$ 21,900	
Maximum Sidewalk Enhancement Grant Funding:	\$ 15,000	68.5% of Eligible Sidewalk Enhancement Costs

(C) Applicant (Façade Grant): **Shoppes of Lakeside, Inc.**

Eligible Façade Improvement Costs:	\$ 61,568	
Maximum Façade Grant Funding:	\$ 30,784	50% of Eligible Façade Improvement Costs

Maximum Total DIA Project Funding: **\$145,784**

Project: Renovations to 100 East Adam Street in accordance with the application received, subject to DIA Board approval, in order to facilitate the operation of a Type III Bar in the premises substantially in accordance with the site layout, equipment outfitting, and design elements found in the business plan submitted with the application. The Business Owner also agrees to minimum employment levels, 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.

DIA Funding: No more than **\$145,784**, through the Downtown Northbank Combined CRA, as follows:

Type	Total
FAB-REP	\$100,000
Sidewalk Enhancement Grant	\$ 15,000
Façade Grant	\$ 30,784
Total	\$145,784

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 further City of Jacksonville or CRA loans have been requested.

(A) FAB-REP Forgivable Loan (grant with clawback):

- Maximum funding of \$100,000 from the Downtown Northbank Combined CRA.
- Funding will be structured as a grant with a clawback that will amortize at the rate of 20% on each anniversary date of the closing so long as no event of default exists. Each co-applicant will be a party to that grant agreement.
- The co-applicants acknowledge that these grant funds are awarded and shall be used in accordance with the Retail Enhancement Program Targeted Retail Activation: Food and Beverage Establishments guidelines.
- The grant will be secured by a personal guarantee from the managing member of each of the co-applicants in the event of a default under the program or funding agreement.

Minimum Construction Costs (FAB-REP Grant):

- The minimum construction costs incurred through completion to remain eligible for the FAB-REP Forgivable Loan are \$359,742. 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 total minimum construction costs shall also exclude costs incurred for furniture and any equipment not affixed to the property. Any equipment affixed to the property included in this total must remain on the property through the compliance period of the grant agreement.
- Minimum contribution from each co-applicant towards the minimum construction costs shall be \$89,936.

(B) Sidewalk Enhancement Grant:

- Maximum funding limited to the lesser of 80% of actual costs incurred for equipment to be used in providing outdoor seating and activation as supported by invoices that have been approved by the DIA or \$15,000.
- The grant will amortize at the rate of 33.3% on each anniversary date of the closing so long as no event of default exists with total forgiveness on the third anniversary date.
- 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 three years.
- 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 required herein.
- Property acquired through the Sidewalk Enhancement Grant proceeds must be secured at the end of each day.

(C) Façade Grant:

- Maximum funding limited to the lesser of 50% of actual costs incurred as supported by invoices that have been approved by the DIA or \$15,000.
- The Grant will be funded upon submission of a funding request form following completion of the work.
- Work shall be inspected for compliance with the application as submitted, and all invoices must be submitted for satisfactory review and approval by DIA Staff.
- The Grant approval is contingent upon the following:
 1. Only work on the street-facing storefront as outlined in the application submitted is eligible for reimbursement.
 2. Applicant must be in good standing with the City (no unpaid taxes, Municipal Code Compliance outstanding citation on any property of applicant, outstanding defaults on any City contract, or previous uncured grant defaults or non-compliance).
 3. The property being improved may not have any outstanding liens or violations.
 4. Applicant must not be engaged in an active lawsuit with or have an unresolved claim from or against the City or its agencies that is related to the property from which the grant is sought or other similar rehabilitation grants.
 5. Applicant agrees to utilize City-approved JSEBs for renovation work associated with the grant where possible.
 6. Must maintain the improvements in good repair.
 7. If at any point the space is not occupied, the Property Owner shall utilize its best efforts to continue to activate the streetscape. This can be accomplished through temporarily attaching art to the windows, utilizing the storefront space as an art installation or exhibition, or other creative efforts to address street activation.

Performance Schedule:

1. Redevelopment Agreement(s) or appropriate grant agreement to be executed no later than 45 days following delivery of the initial draft of that Redevelopment Agreement.
2. Commencement of Construction for the FAB-REP and Façade Improvements: Within six (6) months following the Redevelopment Agreement Effective Date, Applicant commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities and has actually broken ground to begin work.
3. Substantial Completion: Within eighteen (18) months following Commencement of Construction as defined above.
4. The DIA CEO will have authority to extend this Performance Schedule, in the CEO's sole discretion, for up to six (6) cumulative months for good cause shown by the Developer / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

5. Expenditures for Sidewalk Enhancement Grant improvements must be made and submitted for reimbursement within 6 months of Substantial Completion of the FAB-REP and Façade improvements.

Annual Reporting Requirements (FAB-REP Grant):

1. Minimum Hours of Operation to be maintained as:

Weekly Schedule	Open	Closed
Monday	4:00 PM	12:00 AM
Tuesday	4:00 PM	12:00 AM
Wednesday	4:00 PM	12:00 AM
Thursday	4:00 PM	12:00 AM
Friday	4:00 PM	12:00 AM
Saturday	12:00 PM	12:00 AM
Sunday	12:00 PM	12:00 AM

DIA will have the authority to modify the required hours of operation in the event market conditions require the same.

2. 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.
3. 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 all necessary permits and invoices as evidence of eligible expenditures; and
2. Annual reporting required to demonstrate compliance with terms and conditions as approved which shall also provide information on the actual employee count for the year; 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.