Downtown Investment Authority
Retail Enhancement and Property Disposition Committee
Hybrid In-person/Virtual Meeting
Thursday, May 15th, 2025, at 10:00 AM

RE&PD AGENDA

MEMBERS:

Jill Caffey, Committee Chair (Excused)
Micah Heavener
Sondra Fetner, Esq.
John Hirabayashi
Carrie Bailey

I. CALL TO ORDER

II. PUBLIC COMMENTS

III. FORM 8B: VOTING CONFLICT DISCLOSURES

IV. APRIL 10th, 2025, RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE MEETING MINUTES APPROVAL

V. RESOLUTION 2025-05-01: KEANES IRISH PUB FAB REP

VI. RESOLUTION 2025-05-02: APEX LEASE TERMINATION

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

VIII. 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:

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https://us02web.zoom.us/j/81447313912?pwd=8CGgXeO9lJepk9r9n9J2RWttE9Ps0B.1

Downtown Investment Authority
Retail Enhancement and Property Disposition Committee
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Webinar ID: 814 4731 3912
Passcode: 679409

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International numbers available: https://us02web.zoom.us/u/kehlYuwSql

TAB IV.

APRIL 10th, 2025, RETAIL ENHANCEMENT AND PROPERTY DISPOSITION COMMITTEE MEETING MINUTES APPROVAL

Retail Enhancement and Property Disposition Committee Meeting
MEETING MINUTES

Retail Enhancement and Property Disposition Committee Members (CM) in Attendance:
Jill Caffey, (Chair); Micah Heavener; Sondra Fetner, John Hirabayashi

DIA Board Members in Attendance: Cameron Hopper

DIA Staff Present: Lori Boyer, Chief Executive Officer; Steve Kelley, Director of Downtown Real Estate and Development; Allan DeVault, Project Manager; Wade McArthur, Property Disposition Manager; Guy Parola, Director of Operations; Ava Hill, Administrative Assistant

Office of General Counsel: John Sawyer, Esq.

Council Members Present: None

I. CALL TO ORDER

Committee Chair Jill Caffey called the Retail Enhancement and Property Disposition Committee Meeting to order at 10:03 a.m. and asked for introductions from the Board and Staff.

II. PUBLIC COMMENTS

There were no comments.

III. FORM 8B: VOTING CONFLICT DISCLOSURES

There were no voting conflict disclosures.

IV. FEBRUARY 13TH, 2025, RETAIL ENHANCEMENT AND PROPERTY DISPOSTION COMMITTEE MEETING MINUTES APPROVAL

Committee Chair Caffey called for a motion on the meeting minutes.

Motion: Committee Member Heavener moved to approve the meeting minutes.
Seconded: Committee Member Fetner seconded the motion.

Committee Chair Caffey called for a vote.

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANIMOUSLY 4-0-0

V. RESOLUTION 2025-04-13 HTG NEGOTIATED DISPOSITION

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY ("DIA") INSTRUCTING ITS CHIEF EXECUTIVE OFFICER ("CEO") TO ISSUE A 30-DAY NOTICE OF DISPOSITION IN ACCORDANCE WITH FLORIDA STATUTES AND THE NEGOTIATED DISPOSITION POLICY APPROVED BY ORDINANCE 2022-372-E; AUTHORIZING THE PUBLICATION OF A NOTICE OF DISPOSITION FOR THE FEE SIMPLE DISPOSITION OF APPROXIMATELY 0.21 ACRES OF CITY OWNED PROPERTY AS DEPICTED ON EXHIBIT A ATTACHED HERETO AND IDENTIFIED BY DUVAL COUNTY TAX PARCEL NUMBERS RE# 073558-0000, RE# 073561-0000, AND RE# 073560-0000 ("THE PROPERTY"); EXPRESSING THE INTENTION, ABSENT HIGHER RESPONSIVE OFFERS, TO DISPOSE OF SAID PROPERTY IN ACCORDANCE WITH THE NEGOTIATED TERMS ATTACHED HERETO AS EXHIBIT B, AND ESTABLISHING THE TERMS OF THE PUBLISHED NOTICE OF DISPOSITION ATTACHED HERETO AS EXHIBIT C; AND FINDING THAT THIS RESOLUTION FURTHERS THE BUSINESS INVESTMENT AND DEVELOPMENT ("BID") PLAN, INCLUDING THE COMMUNITY REDEVELOPMENT AREA PLAN; AUTHORIZING THE CEO OF THE DIA TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

Mr. Wade McArthur explained that the developer, who will eventually be a special purpose entity formed by Housing Trust Group (HTG) and Cathedral District Jax, proposed a 7-story, $36.5 million mixed-use project with 85 residential units—75 affordable—and 1,200 sq ft of retail space. They requested DIA convey three lots (0.21 acres) at no cost, which were appraised at $271,000 and previously cleared using $200,000 in CRA funds. The project site would be combined with four adjacent lots under contract. The developer pledged not to seek tax exemption, and the property would include deed restrictions and a reverter clause. If no competing bids arise, the property would be conveyed as outlined in the resolution. CEO Boyer suggested to the committee to motion on the red-lined copy of the resolution that was provided separate from the agenda packet.

Mr. Spencer Sorefleet, HTG, introduced himself to the committee and thanked everyone for taking up their project.

Committee Chair Caffey opened the floor for discussion.

Committee Member Heavener how much the loan was anticipated to be. CEO Boyer responded that it should be around $600,000 to $700,000, slightly more or less.

Committee Member Heavener also asked if City's financial exposure was limited to the land contribution and the $600K–$700K loan, with no other incentives expected. CEO Boyer responded that he was correct and that the only expected incentives would be the land contribution and a projected $610,000 affordable housing support loan.

Committee Chair Caffey called for a motion on the red-lined resolution.

Motion: Committee Member Heavener moved to approve the red-lined resolution.
Seconded: Committee Member Heavener seconded the motion.

Committee Chair Caffey opened the floor for discussion
Committee Member Fetner pointed out that the red-lined additions she suggested to the resolution had to do with the Live Local Act and then explained her concerns. She asked if the resolution or

staff report could include verbiage clarifying that the decision to forgo tax-exempt status was initiated by the developer, not the board. CEO Boyer responded that it was an amendment that could be offered.

Motion: Committee Member Fetner moved to amend the term sheet on the restriction of use provision to say "per HTG request, the property will be deed restricted to ensure the property will remain on the tax rolls.
Seconded: Committee Member Heavener seconded the motion.

Committee Chair Caffey called for a vote on the amended.

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANOMOUSLY 4-0-0

Seeing no further discussion, Committee Chair Caffey called for a vote on the amended resolution.

Vote: Aye: 4 Nay: 0 Abstain: 0

THE MOTION PASSED UNANOMOUSLY 4-0-0

VI. RESOLUTION 2025-04-14 APEX LEASE TERMINATION

RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY ("DIA") AS THE COMMUNITY REDEVELOPMENT AGENCY ("CRA") FOR THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO BUY OUT AND TERMINATE THE LEASEHOLD INTEREST OF ARLINGTON PRINTING AND STATIONERS, INC. AND APEX BUILDING OF JACKSONVILLE, LTD. ("APEX" OR "LESSEE") IN ITS LEASE WITH THE CITY OF JACKSONVILLE AND DOWNTOWN INVESTMENT AUTHORITY (AS SUCCESSOR IN INTEREST TO THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION AS SUCCESSOR IN INTEREST TO THE JACKSONVILLE DOWNTOWN DEVELOPMENT AUTHORITY) ("LESSOR") ON APPROXIMATELY .75 ACRES OF PROPERTY WITHIN A LARGER CITY-OWNED PARCEL AT 200 N LEE STREET (AS MORE FULLY DEFINED IN EXHIBIT A TO THIS RESOLUTION) IN ORDER TO PROVIDE MARKETABLE TITLE TO THE FEE SIMPLE INTEREST IN THE PARCEL FOR FUTURE USE BY THE DIA CONSISTENT WITH GOALS ESTABLISHED IN THE DIA BID AND CRA PLAN; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

Mr. Steve Kelly explained that resolution approved the purchase and termination of a ground lease with Apex Color, a printing company operating from a 30,000 sq ft building at 200 N. Lee Street on city-owned land in the LaVilla district. The lease, originally signed in 1997 for 30 years at $0.20/sq ft (approx. $7,000/year), allowed rent offsets through maintenance expenses, resulting in no net income to the CRA. With just over two years remaining, the DIA negotiated a $950,000 buyout, aligning the property with the LaVilla redevelopment strategy, which envisions multifamily housing or regional offices. The buyout would restore full control of the site for future redevelopment consistent with the CRA and BID plans.

Committee Chair Caffey opened the floor for discussion.

Committee Member Hirabayashi asked why we feel we need to negotiate to buy this lease out and what did the contract say, as far as the lease terms. CEO Boyer responded that the lease allows the business to continue operating if it can be assigned, with no specific requirement to keep operations going. She continued that there would be ongoing discussions about assigning the lease or a potential buyout at market value. Mr. Kelley added that Member Hirabayashi was correct that the lease does call for conveyance of the vertical construction of the building located on the site, which would be owned by the lessee at the termination of the lease, but that they are not under a requirement to terminate the lease at this point.

Committee Member Fetner asked if the assignment allowed for the reconstruction of the building or the property. CEO Boyer responded that it was something that would be subject to approval of what would have to go through DDRB, but because they own the building, nothing was prohibiting them from reconstructing the interior.

Committee Member Heavener asked if DIA would receive around $50,000 in incremental tax revenue after the increase of property taxes from $20,000 to $70,000. CEO Boyer asked Mr. Kelly to clarify what the $70,000 was based on. Mr. Kelley responded full property at 4.3 million. CEO Boyer then responded that it was based on the property being fully in private hands and that the appraisal reflects its current value as an operating, privately owned, business parcel.

Committee Member Fetner asked who would be responsible for the property and maintaining that it's a safe place while the city well, DIA owns it. CEO Boyer responded that DIA had not gotten that far and then explained. Committee Member Fetner mentioned that she wanted to make sure that the property would continue to be a safe place.

Committee Chair Caffey asked DIA knew what the condition of the building was. Mr. Steve Kelley responded that he did not believe that DIA was contemplating leasing the building and that it is in very good shape.

Committee Member Hirabayashi asked where DIA's $950,000 payment would come from, and how it would impact the budget. CEO Boyer responded that it would not affect DIA's ability to carry out any currently planned projects and that the funds would be transferred or come from surplus allocations for programs that haven't received any applications.

Committee Member Hirabayashi asked if this resolution was approved by the Committee and Board, would that be the final approval required for that action. CEO Boyer responded that he was correct.

Committee Chair Caffey called for a motion on the resolution.

Motion: Committee Member Heavener moved to approve the resolution.
Seconded: Committee Member Fetner seconded the motion, but only for discussion.

Committee Chair Caffey opened the floor for discussion.

Committee Member Fetner expressed that she was having difficulty balancing her frustration with the 30-year lease, which she believed was not in the best interest of the city. She also mentioned her concern that there was no plan for what would happen once DIA acquires the property. Because

Member Fetner referenced the Related project, CEO Boyer outlined the details of that situation and then explained how this project differed from the Related project.

Committee Member Hirabayashi mentioned the 30-year lease, how it felt like a hostage situation, and how he struggled with still having to pay out $950,000. CEO Boyer responded that she didn't think that so much and then explained why she didn't.

Committee Member Fetner asked if there was a legal document that explained the lease. CEO Boyer responded that there is a memo that she could provide even though it would not answer most of the questions being asked.

Committee Chair Caffey expressed that she would love to see all the economics of all the options available to them.

Board Member Hooper asked if there were any other deal structures provided by the lessee. Steve Kelley responded that there were none.

Committee Member Hirabayashi mentioned that he liked the idea of coming back from a strategic standpoint and looking at what the endgame would be, what the bigger picture is, seeing something in writing from a contractual standpoint that says DIA has very few options other than the buyout.

Committee Chair Caffey asked what the procedure was to withdraw the motion.

Mr. John Sawyer explained that the motion needed to be withdrawn by Committee Member Heavener who made the motion and if there were no objections, the motion would be withdrawn.

Motion: Committee Member Heavener moved to withdraw his motion to approve the resolution.

Seeing that there were no objections, Committee Chair Caffey advised that the item would be brought up at the Board meeting and then brought back to the committee to review and discuss the deliverables mentioned.

VII. DISCUSSION: SNYDER MEMORIAL DISPOSITION

CEO Boyer mentioned the need for clearer communication on property dispositions due to public confusion and misinformation. She also mentioned the importance of open discussions to clarify DIA's plans and timelines. She recommended making Snyder Memorial Church the first property for disposition, noting it's ready for redevelopment and strong interest. She asked the Committee whether to proceed now or wait for a broker, which would delay the process by at least 90 days. Regarding the Ford on Bay site, CEO Boyer suggested waiting until fall, after market conditions improve and the optimization study is complete, before issuing a public RFP. Unsolicited proposals would not be accepted in the meantime. Other properties, including the SAC Seafood site and 324 North Broad Street, were mentioned as ongoing challenges. CEO Boyer then asked for Committee input on how to proceed with the disposition timeline.

Committee Chair Caffey opened the floor for discussion.

Committee Member Fetner asked what it would look like for this committee to see the proposals that have come in on Snyder so they're aligning with what the market is suggesting from the start.

CEO Boyer responded that the request would be appropriate to an extent if Snyder was developing the RFP, but some of the content would be confidential. She added that she would be happy to provide the names of people that expressed interest.

Committee Member Fetner also asked if any part of the property would be able to be reconstructed. She mentioned the back of the church, having 2 stories of classrooms or offices and asked if the intention was for that part to remain in the same condition. Mr. Guy Parola mentioned that the 1917 addition makes the building over 100 years old. He stressed the need to find a viable use that could fund the whole structure and then invited others to tour it for better understanding.

Committee Member Fetner also asked if both buildings were protected as local landmarks. Mr. Parola responded yes.

Committee Member Fetner also if Mr. DeVault had a chance to assess the building from the perspective of a restaurant operator. Mr. Allan DeVault responded yes and that he has been inside the building in the past 3 to 4 months, and he did see its potential for a food and beverage operation, though some work would be needed.

Committee Chair Caffey asked regarding the offers if they were reasonable enough for that Board to consider at this stage. Mr. Kelley responded that he hadn't seen any true offers. He mentioned some of the offers but clarified that no one had submitted a formal unsolicited proposal with cost estimates, proposed acquisition prices, or anything substantive.

Committee Chair Caffey also asked what the reason would be to not list the property at this point. CEO Boyer responded that the only reason to delay preparing and issuing the RFP would be if they believed a broker could provide added value through broader outreach, such as distribution across their Southeast network.
.
Committee Member Fetner suggested the RFP or notice be more flexible to allow the developers or the respondents to be creative and not stuck with strict metrics.

Board Member Hooper expressed that the building was beautiful and mentioned a church in Ireland called St. Nicholas where events her held called tunes. He mentioned that there were some concepts that could be done in this building.

Committee Chair Caffey asked if an answer was needed that day on how to move forward. CEO Boyer noted that no one had definitively insisted on waiting for the broker and mentioned that the property could be on the agenda for discussion the following month. However, due to the aggressive schedule with Gateway and UF, and the need to work on potential deals for the APEX property, it may be delayed by a month.

VII. <u>ADJOURNMENT</u>

Seeing no further discussion, Committee Chair Caffey adjourned the meeting at 11:39 am.

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.

TAB V.

RESOLUTION 2025-05-01: KEANES IRISH PUB FAB REP

RESOLUTION 2025-05-01

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY ("DIA") ACTING AS THE COMBINED NORTHBANK COMMUNITY REDEVELOPMENT AGENCY ("GRANTOR") APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM TARGETED RETAIL ACTIVATION: FOOD AND BEVERAGE ESTABLISHMENTS GRANT (FAB-REP) TO 323 E BAY STREET, LLC AND BAY STREET WAREHOUSING, 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 pub venue in the Elbow District of the Central Core neighborhood in Downtown Jacksonville to be known as Keane's Irish Pub ("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 May 15, 2025, 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 TWO HUNDRED THOUSAND DOLLARS and 00/100 ($200,000) 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) in an amount not to exceed $200,000 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, Esq., 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)**

**Keane's Irish Pub
315 East Bay Street**

Project Name:		Keane's Irish Pub
Co-Applicants:		323 E Bay Street, LLC ("Tenant") Bay Street Warehousing, LLC ("Landlord")
Total Build Out:	$418,000	
Eligible Costs under FAB-REP program:	$418,000	
Maximum Eligible Funding:	$200,000	Maximum Eligibility for a Type II Establishment

Project: Tenant improvements to the first floor of 315 E Bay Street, RE# 073361-0000, located in the Elbow District of the Central Core neighborhood owned by Bay Street Warehousing, LLC, in accordance with the application received. Funding will facilitate the development of an Irish Pub style 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 $200,000 through the Downtown Northbank Combined CRA, as follows:

Infrastructure: No City of Jacksonville or CRA infrastructure funding or support is requested.
Land: No City of Jacksonville or CRA land or building is requested.
Loans: No City of Jacksonville or CRA loans have been requested.

(A) FAB-REP Forgivable Loan**:**

- Maximum funding of $200,000 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 business operations as proposed in the business plan continue uninterrupted (unless otherwise modified with DIA approval), subject to force majeure, and no uncured 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 Eric Hoyt on behalf of the Tenant and *a representative* 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 Costs incurred through completion to remain eligible for the FAB-REP Forgivable Loan is $400,000. 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 Costs may be reduced by up to 10% with a commensurate reduction in FAB-REP funding, where such funding shall not exceed 50% of such revised total.
- The total Minimum Build Out Costs shall also exclude costs incurred for furniture, wall decorations, tableware, supplies, 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, notwithstanding any provisions in the lease stating otherwise.
- The minimum contribution from each co-applicant towards the Minimum Build Out Costs shall be $100,000. 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 Costs as submitted with the funding request and approved by the DIA.

Performance Schedule:

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

B) Commencement of Construction: Within three (3) months following the Retail Enhancement Loan Agreement Effective Date, Applicant commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities and has actually commenced buildout type work.

C) Substantial Completion: Within nine (9) 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) Business operations, consistent with the business plan provided, to commence not later than twelve (12) months following the Retail Enhancement Loan Agreement Effective Date, subject to force majeure and extensions provided herein.

E) 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. Prior to submission of request for disbursement under the Retail Enhancement Loan Agreement, 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 rendering(s) and floor plan included in Figure 2 and Figure 3 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, establishment of business operations, 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, so long as business operations have continued uninterrupted, subject to force majeure, and no uncured event of default exists.
   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, so long as business operations have continued uninterrupted, subject to force majeure, 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, subject to cure periods to be defined in the Retail Enhancement Loan Agreement, full repayment of the forgivable loan plus a default rate of interest may be demanded.
4. Minimum Hours of Operation to be maintained as:

   Keane's Irish Pub Hours of Operation:

Monday through Friday	4:00 pm to 10:00 pm
Saturday & Sunday	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 Eric Hoyt on behalf of the Tenant and *a representative* 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. Borrower shall submit a proper contractor's final affidavit and full and complete releases of liens from each contractor, subcontractor and supplier confirming final payment has been made for all materials supplied and labor furnished in connection with the Project; and
3. No progress payments shall be made by the DIA during the term of construction, and no payment shall be made prior to the satisfaction of conditions outlined herein; and

4. Annual sales and reporting required to demonstrate compliance with terms and conditions as approved; and
5. 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.

Budget as Submitted, Figure 1:

1ST IMPRESSIONS CONTRACTORS INC.
ROOFING • PLUMBING • HVAC • RENOVATIONS
9651 Hood Road Suite 4, Jacksonville, FL 32257
Office (904)233-1116 ♦ Fax (904)725-0352
Email: Info@1stImpressionsContractors.com
Licenses: CBC1254813 & CCC1327776

4/04/2025

PROPOSAL DESIGNED FOR

Keane's Irish Pub

Job Site:
Job Site: 315 E Bay St Jacksonville, FL 32202

WE HEREBY SUBMIT SPECIFICATIONS & ESTIMATES FOR THE FOLLOWING:

Pub Renovation

Scope of Work and Cost Breakdown:

1. Demolition and Site Preparation
   a. Description: Removal of existing structures, site clearing, and cleaning.
   b. Cost Estimate: $30,000

2. Structural and Interior Work
   a. Framing and Drywall Installation: $50,000
   b. Insulation: $15,000
   c. Flooring Installation: $40,000
   d. Doors and Windows Installation: $20,000

3. Mechanical and Electrical Systems
   a. Electrical Wiring and Lighting Fixtures: $35,000
   b. Plumbing Systems: $25,000
   c. HVAC Installation: $40,000
   d. Kitchen Vent Hood Installation: $38,000

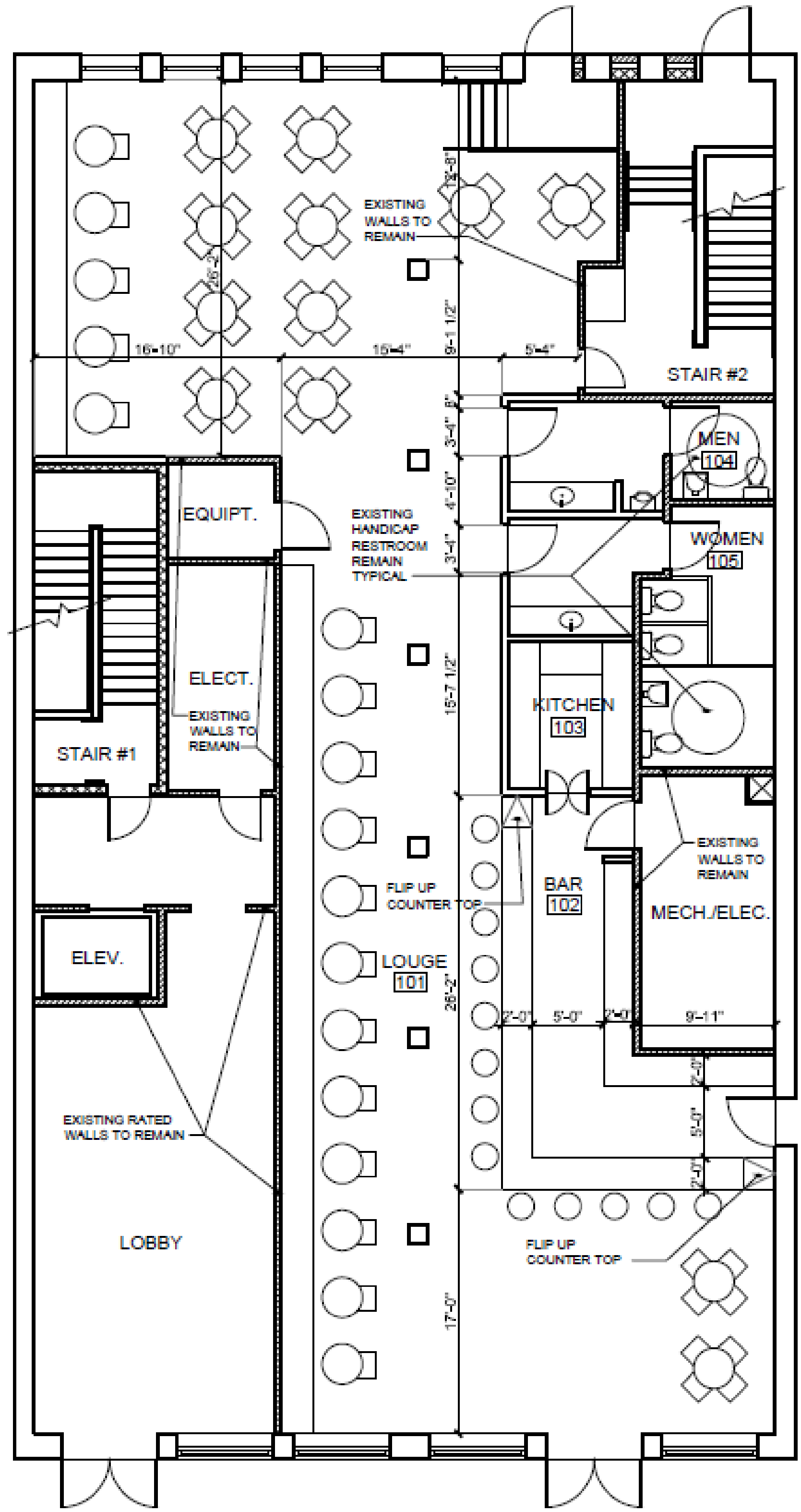
4. Custom Features
   a. Bar Area Construction: $50,000
   b. Liquor Display Design and Installation: $20,000
   c. Custom Cabinetry and Shelving: $25,000

5. Finishing Touches
   a. Painting and Wall Treatments: $15,000
   b. Fixtures and Hardware: $10,000
   c. Cleaning and Final Preparations: $5,000

Total to complete: $418,000.00

Rendering Figure 2 (Stock image showing design inspiration):

Floor Plan, Figure 3:



SUPPLEMENTAL INFORMATION

RESOLUTION 2025-05-01: KEANES IRISH PUB FAB REP STAFF REPORT

Downtown Investment Authority

STAFF REPORT
DIA RETAIL ENHANCEMENT PROGRAM
TARGETED RETAIL ACTIVATION:
FOOD AND BEVERAGE RETAIL ENHANCEMENT PROGRAM (FAB-REP)
Keane's Irish Pub

May 15, 2024

Project name: **KEANE'S IRISH PUB**
315 EAST BAY STREET

Co-Applicants: **323 E Bay Street, LLC ("Tenant")**
D/B/A Keane's Irish Pub
Evan Rajta, Owner/Operator

Bay Street Warehousing, LLC (Landlord)
Jessica Lee Miller, Managing Member

Project Location: **315 W Bay Street**
Jacksonville, Florida 32202

Funding Eligibility:

Type	Total
FAB-REP	$200,000

Project Description:

The co-applicants, 323 E Bay Street LLC and Bay Street Warehousing LLC, have applied for funding under the Retail Enhancement Program Targeted Retail Activation: Food and Beverage Establishments Grant (FAB-REP) to update and build out a restaurant and pub at 315 East Bay Street. This space was previously home to Justice Pub and is on Bay Street between Liberty and Market Street.

The Members of 323 E Bay St, LLC currently own and operate Decca Live, a live music venue and rooftop bar located next door to the subject location, which opened in January 2025. Building on their recent success in the Elbow District, they are proposing a classic Irish Pub at

315 E Bay with a kitchen to provide another dining option for their and other patrons of the Elbow District.

Business Plan Summary:

Figure 1 Stock image showing design inspiration

After many years of restaurant and nightclub operations from Arlington to the Beaches, the ownership and management team of the newly opened Decca Live are expanding their footprint in Downtown's Elbow District with Keanes, an Irish Pub at 315 East Bay Street. The creation of Keanes Irish Pub also brings a unique concept and food menu to the evolving offerings of the East Bay Street portion of the nightlife entertainment district.

The concept will have an authentic Pub feel with a welcoming atmosphere, classic pub fare, curated selection of cocktails, local craft beer and traditional Irish food favorites. The layout will remain predominantly the same but with the addition of a kitchen and hood to produce a compact but well themed Pub menu. The DJ booth will be removed to make way for a small space for live music. Banquet and lounge seating will be added to create a more relaxed feel. The space will include a full bar with stool seating, an adjacent lounge area with low booths and chairs and a dining room in the back with stone-top tables.

Project Development Team:

Manjola Rajta, Owner, has 20+ years in hospitality as the Owner of Jamrock, Pure Night Club, First Street Ocean Grille, Salt Jax Beach and Decca Live

Evan Rajta, Lead Operations, has operated Lux, Jamrock, Pure Night Club, First Street Ocean Grille, Salt Jax Beach and Decca Live.

Brianna Badea, General Manager has 15+ years of hospitality experience at Pure Night Club, First Street Ocean Grille, Surfing Sombrero, Salt Jax Beach and Decca Live.

Bailey Ames, Bar Manager has 8+ years of hospitality experience as AGM of First Street Ocean Grille, Salt Jax Beach and Decca Live

Matt Grant, Bar Manager with 15+ years of hospitality service at Pure Night Club, First Street Ocean Grille, Salt Jax Beach and Decca Live.

Operating Plan and Employment Summary:

Keane's will be a pub-style restaurant with a cocktail, beer and wine list. They will employee servers, bartenders, a host team and back of the house staff. Their expected opening staff will include 4 full time and 8 part time members plus management and support from the current Decca Live team. 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
Monday thru Friday	**4:00 pm**	**10:00 pm**
Saturday and Sunday	**11:00 am**	**10:00 pm**

Target Market:

Keane's market includes both locals and visitors. A block away from the Hyatt hotel with 900+ hotel rooms, Keane's will be a popular venue with visitors to our Downtown. They will also serve as a neighborhood hotspot with Downtown employees and residents looking for a few drinks after work with colleagues or a hearty dinner. As can be seen across the country, everyone feels at home and enjoys a classic Irish Pub.

Marketing Summary:

Downtown has not had an Irish Pub since 2019 when Fionn McCools closed in the Jacksonville Landing just before it's demolition. Additionally, with only one other Irish Pub in the entire Urbancore, Keane's will benefit from a largely untapped market and set itself apart from other Downton venues with traditional décor, Irish-inspired dishes, live music and specialty events celebrating Irish culture.

Keane's will share its strong branding and identity via social media where they are very active with their new concept, Decca Live, which has over 16,000 Instagram followers just 2 months after opening. Like in previous and current food and beverage concepts, they will leverage their strong partnerships to collaborate with local event organizers and businesses to host joint promotions. Additionally, outside of St. Patrick's Day and other Irish themed events, they plan to have live music, trivia nights and local brewery collaborations.

Operating Budget:

Keane's Irish Pub provided a detailed and reasonable 3-year Projected Operating Proforma that was partially based on their previous experience in full-service restaurants. The sales projections are quite conservative in showing, initially, $155 per square feet in sales, growing to over $200 per square foot, based on being open dinner only Monday – Friday and lunch and dinner on the weekends. Additionally, their costs of goods sold, labor and other expenses related to sales projections are also in line with industry standard for a pub type concept.

Property Consideration:

Keane's will occupy the bottom floor of the Hutchison-Suddath building at 315 East Bay Street, which is a local landmark. The building was built in 1907, or 1910 depending on the source, for the Hutchison Shoe Company. In 1931, the Suddath Company purchased the building, and it is still owned today by descendants from the family business.

The approximately 3,850 square foot space was most recently a beer and wine bar with no food service. There are offices on the upper levels.

Development Budget:

Keane's Irish Pub provided a construction budget from 1st Impressions Contractors who has been licensed in the State of Florida for almost 20 years. There are additional costs, including kitchen and bar equipment, start-up and operating capital, FF&E and others that can contribute to eligible costs, however the construction costs alone fulfill the minimum applicant investment requirements for the FAB REP grant. **See Figure 1 below for Construction Budget.**

FAB-REP Considerations:

FAB-REP considers 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. Keane'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 $20 per square foot "Historic Boost" for improvements in a local landmark, which 315 East Bay does qualify for.

   DIA staff calculates the total possible funding via square footage as:
   - Interior restaurant space – 3,848 sq ft $50 = $192,400
   - Historic Boost – 3,848 sq ft x $20 = $76,960
   - Total funding eligibility calculated by this measure - **$269,360**
2) Budget Limitation: Build Out Budget Limitation: FAB-REP guidelines limit funding to 50% of eligible costs. The construction budget alone is $418,000 for this project, not including equipment and fixtures. At a 50% margin, funding eligibility by this measure is **$209,000**.
3) Guideline cap for a Type II project is **$200,000. This is the limit as the lesser of the three.**

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 $200,000 by way of the Establishment Type Cap calculation (3 above), a minimum of $100,00 toward eligible costs must be funded by each party. Per information provided by the co-applicants, the Landlord (Bay Street Warehousing LLC) will provide over $160,000 in rent concessions over the life of the initial five (5) year lease term by charging between 40-60% of market rate in addition to covering taxes and insurance. The Tenant (323 E Bay Street LLC) will provide at least $218,000 toward the construction cost plus overruns, in addition to the FF&E and additional startup costs.

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 37, 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**	**6**
The concept and plan show good short term profit potential on realistic revenue projections. The projected costs may be a little low but considering the type of concept, they are easily managed.		
The plan shows how the business will target a clearly defined market and its competitive edge	**5**	**4**
With the opening of the sister operation Decca Live, the Bay Street corridor is seeing an expansion of its customer base and type. There are currently no Irish Pubs in Downtown Jacksonville, so Keane's fills an untapped niche in a growing market.		
The plan shows that the management team has the skills and experience to make the business successful	**10**	**9**
The ownership and management team all have extensive background in the restaurant and bar business, especially those that leverage the later night crowd.		
The plan shows that the entrepreneur has made or will make a personal (equity) investment in the business venture	**10**	**7**
The applicants will contribute just over 50% of the submitted eligible construction costs in addition to additional furnishings, start-up inventory and working capital. All costs will be provided by the owning partners with no loans.		
Number of FTE job positions created in excess of the required two (2) positions	**5**	**2**
Keane's expects to hire 4 full and 8 part time positions across the front and back of the house.		
TOTAL	**40**	**28**

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**
315 E Bay Street	**5**	**2**
Historic Property	**5**	**4**

While the Keane's renovation will provide a much needed update and upgrade to the current condition of the first floor and the new lease, though discounted for the initial term, will provide a more consistent revenue stream for the building owner, it will not have an appreciable effect on the property taxes. The building is a local landmark.		
Total	**10**	**6**

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**
Pub style restaurant Type II	**5**	**3**
Keane's will be a pub style concept with a compact menu of food and beverage options. The projected revenue, and resulting sales taxes, is modest but will also be a good addition to the Bay Street offerings.		
Total	**5**	**3**
Total	**55**	**37**

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	$ 200,000

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 2025-0-xx, for additional information on proposed terms and conditions.

Figure 1 Construction Budget

1ST IMPRESSIONS CONTRACTORS INC.
ROOFING • PLUMBING • HVAC • RENOVATIONS
9651 Hood Road Suite 4, Jacksonville, FL 32257
Office (904)233-1116 ♦ Fax (904)725-0352
Email: Info@1stImpressionsContractors.com
Licenses: CBC1254813 & CCC1327776

4/04/2025

PROPOSAL DESIGNED FOR

Keane's Irish Pub

Job Site:
Job Site: 315 E Bay St Jacksonville, FL 32202

WE HEREBY SUBMIT SPECIFICATIONS & ESTIMATES FOR THE FOLLOWING:

Pub Renovation

Scope of Work and Cost Breakdown:

1. Demolition and Site Preparation
   a. Description: Removal of existing structures, site clearing, and cleaning.
   b. Cost Estimate: $30,000

2. Structural and Interior Work
   a. Framing and Drywall Installation: $50,000
   b. Insulation: $15,000
   c. Flooring Installation: $40,000
   d. Doors and Windows Installation: $20,000

3. Mechanical and Electrical Systems
   a. Electrical Wiring and Lighting Fixtures: $35,000
   b. Plumbing Systems: $25,000
   c. HVAC Installation: $40,000
   d. Kitchen Vent Hood Installation: $38,000

4. Custom Features
   a. Bar Area Construction: $50,000
   b. Liquor Display Design and Installation: $20,000
   c. Custom Cabinetry and Shelving: $25,000

5. Finishing Touches
   a. Painting and Wall Treatments: $15,000
   b. Fixtures and Hardware: $10,000
   c. Cleaning and Final Preparations: $5,000

Total to complete: $418,000.00

TAB VI.

RESOLUTION 2025-05-02: APEX LEASE TERMINATION

RESOLUTION 2025-05-02

RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY ("DIA") AS THE COMMUNITY REDEVELOPMENT AGENCY ("CRA") FOR THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO BUY OUT AND TERMINATE THE LEASEHOLD INTEREST OF ARLINGTON PRINTING AND STATIONERS, INC. AND APEX BUILDING OF JACKSONVILLE, LTD. ("APEX" OR "LESSEE") IN ITS LEASE WITH THE CITY OF JACKSONVILLE AND DOWNTOWN INVESTMENT AUTHORITY (AS SUCCESSOR IN INTEREST TO THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION AS SUCCESSOR IN INTEREST TO THE JACKSONVILLE DOWNTOWN DEVELOPMENT AUTHORITY) ("LESSOR") ON APPROXIMATELY .75 ACRES OF PROPERTY WITHIN A LARGER CITY-OWNED PARCEL AT 200 N LEE STREET (AS MORE FULLY DEFINED IN EXHIBIT A TO THIS RESOLUTION) IN ORDER TO PROVIDE MARKETABLE TITLE TO THE FEE SIMPLE INTEREST IN THE PARCEL FOR FUTURE USE BY THE DIA CONSISTENT WITH GOALS ESTABLISHED IN THE DIA BID AND CRA PLAN; INSTRUCTING ITS CHIEF EXECUTIVE OFFICER TO TAKE ALL ACTION NECESSARY TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Downtown Investment Authority ("DIA") is the Community Redevelopment Agency ("CRA") for the Downtown Northbank Community Redevelopment Area pursuant to Ordinance 2012-0364, which further recognizes the DIA as successor in interest to the Jacksonville Economic Development Commission ("JEDC"), which in turn, JEDC is the successor by special act of the Florida legislature and law to the Jacksonville Downtown Development Authority ("JDDA"); and

WHEREAS, Sections 163.345 and 163.380 of the Florida Statutes charges the DIA, as CRA for the Northbank Community Redevelopment Area, with the responsibility to carry out and effectuate the purposes of the BID and CRA plan approved by the Jacksonville City Council and to manage City owned property in the public interest for uses in accordance with the community redevelopment plan giving consideration to the long-term benefits and to pursue the rehabilitation or redevelopment of the community redevelopment area by private enterprise; and

WHEREAS, Section 55.108(a)(20), Jacksonville Code of Ordinances authorizes the DIA to "…acquire and dispose of City owned Downtown property acquired for or intended to be used for community redevelopment purposes…" when acting in its capacity as the CRA for any community redevelopment area; and

WHEREAS, Section 55.115, Jacksonville Code of Ordinances provides that the DIA "…control the use, negotiate, lease, sell, dedicate, grant, or otherwise dispose of any of the City's Downtown assets and properties managed by the Authority, or any interest therein, including easements and licenses, with or without consideration." when acting in its capacity as the CRA for any community redevelopment area; and

WHEREAS, a Lease Agreement for Redevelopment of Land ("Lease") was entered into on July 28, 1997, between City of Jacksonville and the Jacksonville Downtown Development Authority (and therefor the Downtown Investment Authority as successor in interest) as "Lessor" and the commonly owned entities Arlington Printing and Stationers, Inc. and Apex Building of Jacksonville, Ltd. as "Lessee," wherein the initial term of the Lease was for a period of thirty years and provides Lessee with the option to acquire fee simple to the site at the current market value or otherwise renew the lease for an additional 30 year term under the existing terms of $0.20 per square foot with responsibility for property taxes, sales taxes on the lease, and maintenance of the Property; and

WHEREAS, DIA has determined that continuing the lease through the remainder of the term and potentially for another 30 years at the rate of $0.20 per square foot, or $6,563.80 plus sales tax annually, is not in the best long-term interest of the Downtown Northbank Community Redevelopment Area; and

WHEREAS, after a long and storied history of operating in the printing business in LaVilla, the Ghelerter family seeks to cease operations, liquidate the business, and has agreed to terminate the Lease; and

WHEREAS, Section 163.358 of the Florida Statute provides the DIA as CRA for the Downtown Northbank Community Redevelopment Area the "…power to approve the acquisition, demolition, removal, or disposal of property…" and the DIA finds it in the best interest of the CRA to terminate the lease to reestablish marketable title to the fee simple interest in the parcel for future uses consistent with goals established in the DIA BID and CRA plan; and

WHEREAS, the DIA, as Lessor, has negotiated to buy out the leased interest and purchase option and terminate the lease with APEX, as Lessee, for the stipulated sum of $950,000.00, using funds allocated for such purpose in the Downtown Northbank CRA Trust Fund consistent with terms and conditions found in Exhibit B to this Resolution 2025-05-02.

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. By approval of this Resolution, the DIA in its capacity as the CRA for the Downtown Northbank Community Redevelopment Area authorizes the payment of $950,000.00 (NINE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS) from the Downtown Northbank CRA Trust Fund for the termination of the lease between the City of Jacksonville and the DIA as Lessor and Arlington Printing and Stationers, Inc. and Apex Building of Jacksonville, Ltd. as Lessee, subject to terms and conditions found in Exhibit B to this Resolution 2025-05-02.

Section 3. The CEO is authorized and instructed to take all necessary action to effectuate the purpose of this Resolution, including negotiation and execution of a lease termination agreement or equivalent document.

Section 4. This Resolution 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: ______

EXHIBIT A – THE PROPERTY

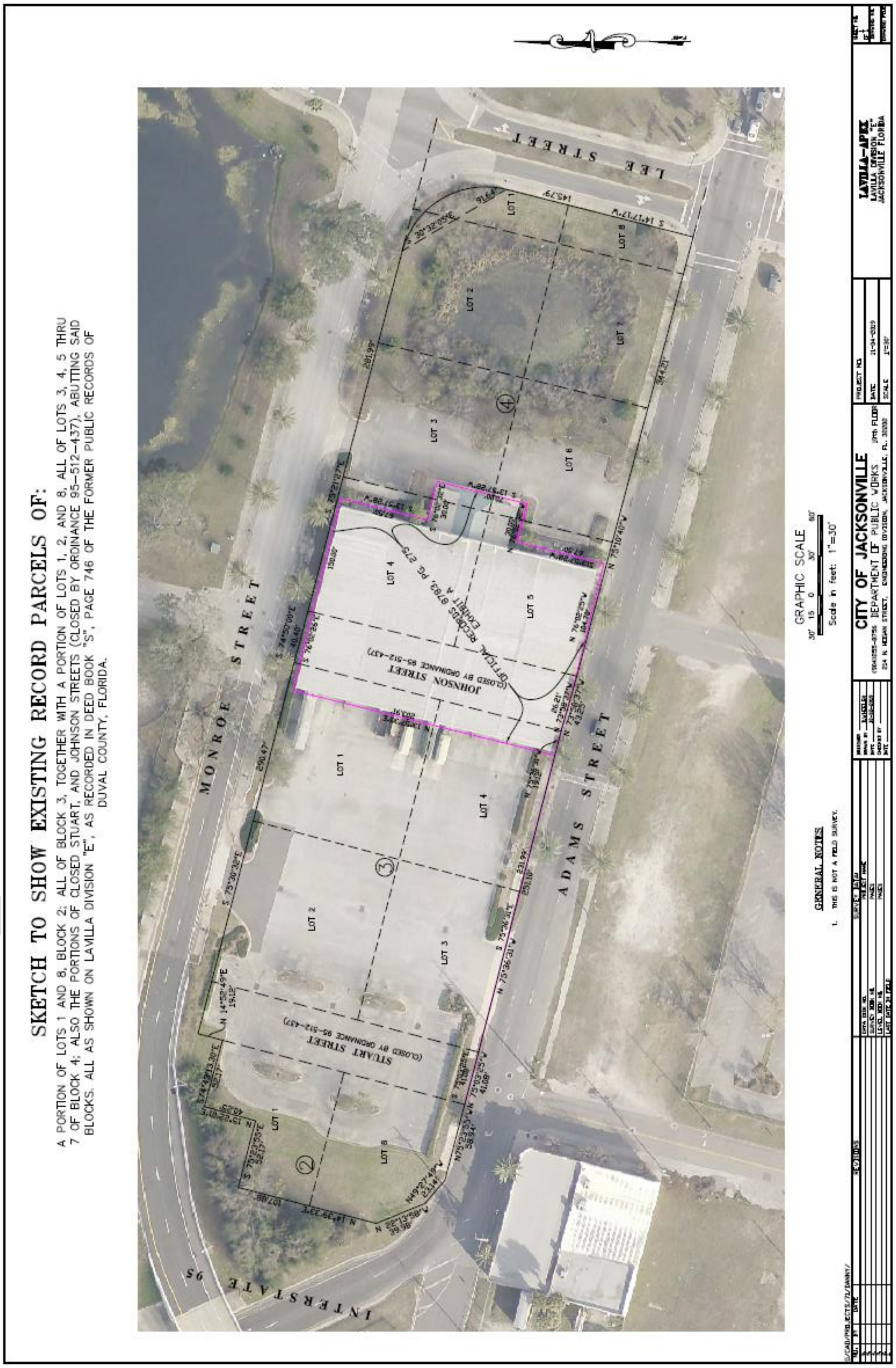


Exhibit B

TERM SHEET FOR TERMINATION OF LEASED FEE INTEREST BY AND AMONG

City of Jacksonville, Downtown Investment Authority as Lessor

and

Arlington Printing and Stationers, Inc. and Apex Building of Jacksonville, Ltd. as Lessee

Consideration:	Consideration of $950,000.00 (NINE HUNDRED FIFTY THOUSAND and 00/100 DOLLARS) to be paid by the City of Jacksonville, Downtown Investment Authority, as Lessor, in a single payment upon execution of the Lease Termination Agreement by the Parties to effectuate termination of the leased fee interest of the Property as further detailed in Exhibit A to DIA Resolution 2025-05-02 to, and for the benefit of, Arlington Printing and Stationers, Inc. and Apex Building of Jacksonville, Ltd. as Lessee (and jointly with City of Jacksonville, Downtown Investment Authority, the “Parties”) to include termination of all rights of Lessee under the lease entered into July 28, 1997, and amended three times, as recorded in Book 8783, Pages 182-275 of the Official Records of Duval County, Florida, including the option to purchase granted therein.
Responsibilities of Lessee:	Upon execution of the Lease Termination Agreement, Lessee shall return the Property to City free and clear of any liens, mortgages, or any other encumbrances, recorded or unrecorded, including but not limited to a notice of termination of lease agreement in recordable form, in form and substance acceptable to the DIA, surrender all rights thereto, and Lessee shall indemnify the City from and agree to reimburse the City for any and all costs or fees associated with the clearing of the title to the Property as may be necessary. Lessee shall be responsible for all lease obligations to the City up to the date of closing on the agreement which conveys the leased fee interest to the DIA, including payment of all Duval County property taxes and Tangible Property Taxes including pro ration of property taxes for calendar year 2025, State of Florida and Duval County sales taxes, and continuing maintenance of the Property.

Environmental:

Lessee shall be responsible for the removal of all environmentally sensitive chemicals or materials found on the Property prior to closing.

Lessee shall be responsible for any environmental clean-up activities required as a result of contamination that occurred during the Lease term which commenced July 28, 1997, and shall indemnify City from any such responsibilities.

Execution:

Execution of a Lease Termination Agreement by and among the Parties shall occur upon a mutually agreeable date within 90 days of approval by the DIA Board.

Lessee shall pay, on the date of Closing of the lease termination, the premium for an owner’s title policy, all recording costs, any documentary stamps on the deed, and any and all other costs related to any loan obtained by Lessee in connection with such Parcel or improvements thereon, the cost of any inspections, the cost of surveys, Lessee's attorney's fees, title agent fees, and all other closing costs.

SUPPLEMENTAL INFORMATION

RESOLUTION 2025-05-02: APEX LEASE TERMINATION STAFF REPORT

LEASE BUYOUT AND TERMINATION

ARLINGTON PRINTING AND STATIONERS, INC. AND APEX BUILDING OF JACKSONVILLE, LTD.

May 15, 2025

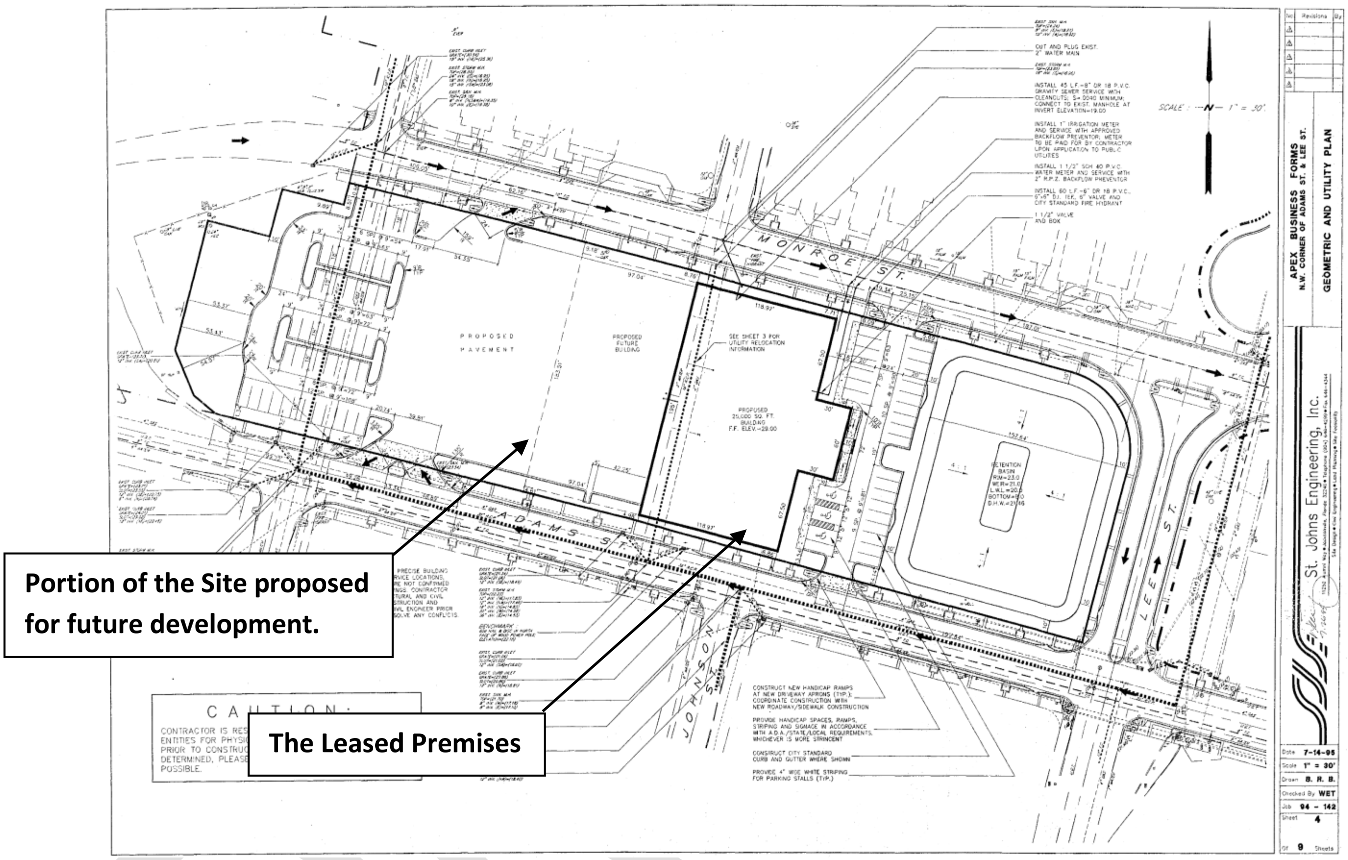
City of Jacksonville, Downtown Investment Authority	**Lessor**
Arlington Printing and Stationers, Inc. and Apex Building of Jacksonville, Ltd.	**Lessee**
Consideration	**$950,000**

<u>Lease Background</u>:
The City of Jacksonville and Jacksonville Downtown Development Authority as "Lessor" (and the DIA as successor in interest) entered into a Lease Agreement for Redevelopment of Land (the "Lease") in the LaVilla District of the Downtown Northbank CRA July 28th, 1997, with Arlington Printers and Stationers, Inc., and Apex Building of Jacksonville, Ltd., as "Lessee." Under the terms of the Lease, Lessee was required to build and operate a light manufacturing print facility on the City owned property. Following completion of the building, lease payments started August 19, 1997, which per the terms of the second amendment serves as the start of the 30-year term.

Terms of the Lease call for payment of $0.20 per foot for the property comprising approximately .75 acres or 32,670 square feet for a period of thirty years. Accordingly, Lease payments totaling $6,563.80, plus state sales tax of $426.65 provide a total annual rental charge of $6,990.45. The lessee is directly responsible for utilities, insurance, and property taxes. Further, the lessee is entitled to rental offset for expenditures made on maintenance of the surrounding City owned property. Invoices and other supporting documentation of such costs have completely offset the rental payments to the DIA, leaving the lessee with responsibility only for the sales tax portion of the required payments.

In addition to the 32,670 square foot premises, the Lease purports to grants some rights of use to the entire larger site upon which the building is located and the option to acquire fee simple title to the property during the lease term for its fair market value. Lessee's option to buy the property outright would be valued at the appraised value at the time of proposed acquisition, as engaged by the DIA.

The .75-acre Premises runs from Adams to Monroe in the middle of the overall 3.62-acre site between I-95 and Lee Street. At the time of Lease initiation, it was contemplated that Lessee would build additional buildings and lease or acquire more of the site over time as depicted in this exhibit from the lease.



From the third amendment to the lease:

1. The Lease is hereby modified and amended such that the legal description of the Premises (originally described on **Exhibit "A2"** of the Lease) shall be amended in its entirety to read as described on **Exhibit "A"** hereto, and all references to the "Premises" in the Lease are hereby amended accordingly. The parties all acknowledge and agree that the location of the Premises, as modified, is within the boundaries of the "Site" as defined by the Lease and that the legal description of the Site has not changed.

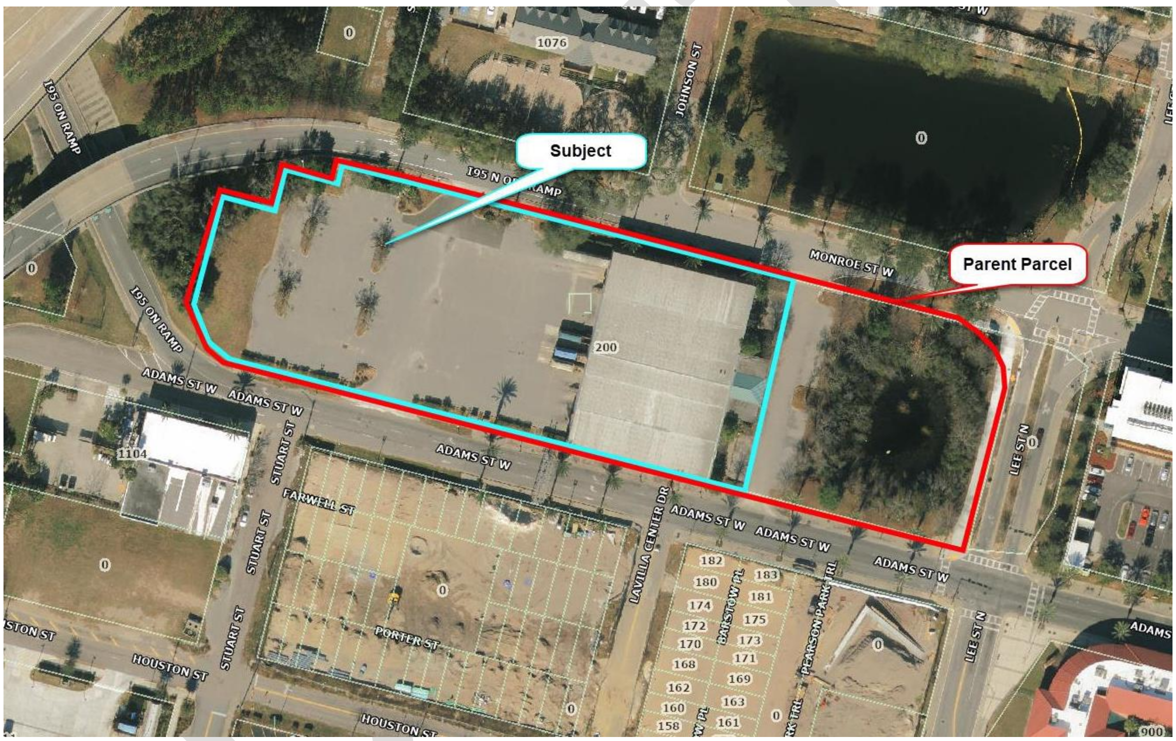
The Lessee also has the opportunity to renew the lease under the existing terms for another (30) thirty-year period. The lease is assignable, with DIA approval, but restricts use for the same purpose (a printing operation) unless another use is approved by Lessor, which approval cannot be unreasonably withheld. Demand for traditional print operations has dropped significantly in recent years. Further, the print operations undertaken by Apex specialized in business forms, multi-copy documents, and continuous checks, all of which have seen demand diminish in recent years as e-commerce and digital printing have become the norm.

CRA interest in the site

DIA has long had an interest in pursuing redevelopment of the site as part on the overall redevelopment vision for LaVilla. Given the proximity to the University of Florida ("UF") graduate campus, currently under consideration of approval by the Jacksonville City Council, the site is well situated to be further developed in a manner contributing to the growth of that campus. Specific negotiations have been undertaken with the owner of a parcel within a key component of the UF Campus to exchange sites with the City for portion of the subject parcel, to fulfill the City's commitment to acquiring that Additional Convention Center Parcel for further conveyance to UF.

The overall site now fronts on the Emerald Trail along Lee Street and Johnson Common townhomes are to the south. Southeast of the building is the recently completed Lift Ev'ry Voice and Sing Park, which is envisioned to become a cultural destination, but has minimal parking nearby. In the DIA master plan, we contemplate use of the retention pond area for a future neighborhood restaurant//jazz club with parking behind that would also serve as parking for the park. In February of 2020, this concept was discussed by the Finance and Budget Committee, DIA received an estimate for pond filling from Public Works and close to $400,000 of the Downtown Economic Development fund was set aside for this use. However, the various rights of the Lessee have hindered our ability to advance the project.

In addition, the DIA has had several developers express interest in the site for residential development purposes. Currently the site is in DIA inventory subject to the Apex lease and generates no tax revenue on the site itself, only on the building improvements. As a result, the DIA had an appraisal prepared of that portion of the site. The area valued is shown in the light blue outline below.



Value Considerations:

- The Duval County Property Appraiser valued the 30,000 square foot building at $1,041,396 on a standalone basis in 2024, or just over $30 per square foot. This valuation of the real property being surrendered by the terms of the Lease is a primary consideration in the amount negotiated with the Lessee for termination of the Lease.

- An appraisal of the land only portion of the site was prepared by Colliers International Valuation & Advisory Services which provides an “as is” fee simple value estimate of $3.23 million.

- Should the Lessee execute the renewal option on the lease, the Net Present Value of that renewal with payments established at the current rate of $0.20 per square foot, or $6,534 annually, is estimated at approximately $107,000. (Discount rate = 4.5%)

- Property taxes are currently paid on the improvements only, as the ground lease does not create taxable interest. Property taxes for 2024 total $18,699 for all levies ($11,785 for City/County portion) and are proposed to drop to $16,180 ($10,249 City/ County) for 2025, as the taxable value per the Duval County Property Appraiser decreases from $1,041,396 to $905,672. Assuming a 2% growth rate and The NPV of the City/County portion of property taxes over the remaining 32.3-year term (if the renewal option were elected) is approximately $221,000. (Discount rate = 4.5%)

- Ultimately, the decision before the DIA Board is found in expending $950,000 to regain fee-simple ownership interest in the property where the property may then be used to fulfill requirements in the UF land assemblage or other purposes in which the land alone is valued at $3.23 million before consideration of holding costs of maintenance and foregone property taxes until the time the property is put back into productive use through further disposition.

Additional Acquisition Considerations

The original proposal that led to the Lease as structured anticipated two phases of building construction resulting in a 40,000 square foot office/warehouse with 24-hour operation which was not fulfilled during the initial 28 years of operation.

Per Florida Statute, the DIA, as the CRA for the Downtown Northbank Community Redevelopment Area, has a responsibility to undertake activities consistent with the BID and CRA Plan as approved by the City Council for the long-term benefit of the community. Continuing to operate under the lease as currently structured restricts the DIA from higher and better uses for the City owned site during a period when growth and demand for properties is increasing considering the adjacent activity at Johnson Commons, the Emerald Trail, the LaVilla Heritage Trail, and the proposed University of Florida graduate campus. DIA has not negotiated a redevelopment proposal for the site but anticipates the ability to repurpose the site for uses consistent with the goals of the BID and CRA Plan and the LaVilla Neighborhood Strategy that calls for a regional office or multi-family housing development in this area as part of the area referred to as the “Park Blocks” given its proximity to Lift Ev’ry Voice and Sing Park.

Property taxes and Tangible personal Property tax payments on the subject property are current and the Lessee is considered in compliance with the terms of the lease, although this statement provided in this staff report is not considered an estoppel to that effect.

Prior to entering into any formal agreement with Lessee, the DIA would have a title search completed at Lessees expense to confirm that there are no other liens on the Premises and that all are removed or paid at termination.

APEX LEASE REVIEW

APEX Business Forms: Lease Agreement July 28, 1997

Addendum Number 1 to Lease July 28, 1997
Addendum Number 2 to Lease July 28, 1997
Addendum Number 3 to Lease November 18, 1997

In the definitions section of the original Lease Agreement, "premises" is defined as follows;

(q) "premises shall mean that certain parcel of land described by metes and bounds in Exhibit A(2), together with all of the buildings, parking lots, walks, fixtures deemed to be part of the realty, all plumbing, electrical, heating, air conditioning and ventilating systems, boilers, outdoor statuary, and each and every other type of physical improvement located at, on, or affixed to said premises."

Exhibit A(2) in the original Lease Agreement specifically provides a metes and bounds "Description of Premises" which totals 28,538.9 square feet.

However, Addendum Number 3 to Lease replaces Exhibit A(2) with a new Exhibit A with a slightly different metes and bounds description, which ends with "containing .75 acres, more or less". The Addendum also states;

1. The Lease is hereby modified and amended such that the legal description of the Premises (originally described on Exhibit "A2" of the Lease) shall be amended in its entirety to read as described on **Exhibit "A"** hereto, and all references to the "premises" in the Lease are hereby amended accordingly.

Three quarters of an acre (32,670 square feet) is consistent with an annual rent invoice sent to APEX from the city's Real Estate Division in 2001, which billed APEX for 32,819 square feet (at .20/square foot) or $6,563.80, plus state sales Tax ($426.65) for a total annual rental charge of $6,990.45. I believe the Council Auditor's calculation of 112,000 square feet (which includes parking lot space) is flawed because of Addendum Number 3 to Lease (and the language above).

Section 7.8 of the original Lease Agreement provides credit against rentals payable for all costs incurred by the Lessee in maintaining Lessor property as described in Exhibit G, Schedule of Rentals/Credits. Exhibit G reads as follows;

"A credit is authorized for maintenance of the public site surrounding the premises as described in Exhibit A. This credit is authorized on a dollar for dollar basis expended toward landscape maintenance, litter pickup, etc. on public property or rights of way. This credit is to be given against any lease payments calculated in Section 3.3 of this lease agreement."

For the partial lease year of December 1998 to August 1999, APEX submitted grounds maintenance invoices totaling $9,550. For the lease year August 19, 1999 to August 18, 2000, APEX submitted ground maintenance invoices ($11,700) and irrigation maintenance invoices ($740) totaling $12,440. In both instances, the “credit” greatly exceeded the actual rent due amount and APEX only paid the state sales tax amount(s).

I think rent based on 32,819 square feet is accurate, thereby making the annual rent due of $6,563.80 accurate as well. Assuming the grounds maintenance and irrigation costs from 1999-2000 are also accurate, it is unlikely those costs have decreased since and that APEX is unlikely to owe annual rent.

However, it appears that even in instances in which “credits” exceed the annual total rent, the state sales tax should have been paid by APEX. Section 3.4 of the original Lease agreement states;

“Lessor will also pay from time to time as provided in this Lease as additional rental all other amounts and obligations which Lease herein assumes or agrees to pay together with any tax, including the state sales tax, which is or shall be imposed on Lessee’s payment of rent hereunder.”

In closing, APEX should have also provided an annual accounting of (and receipts for) the “credit” against rental payments. Similarly, Section 8.4 of the original Lease Agreement requires proof of insurance naming the city as an additional insured and that the Lessee “use its best efforts to promptly provide Lessor with copies of renewal policies.”