

RESOLUTION 2021-12-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AMENDING THE TARGETED RETAIL ACTIVATION: FOOD AND BEVERAGE ESTABLISHMENTS PROGRAM (“FAB-REP”) GUIDELINES, AS A PART OF THE DOWNTOWN RETAIL ENHANCEMENT FORGIVABLE LOAN PROGRAM, AND THE SIDEWALK ENHANCEMENT FORGIVABLE LOAN FOUND THEREIN, BY MODIFYING AND FORMALIZING THE REQUIREMENTS OF THE STAND-ALONE SIDEWALK ENHANCEMENT FORGIVABLE LOAN, THE SPECIFICS OF WHICH ARE INCLUDED HERETO AS EXHIBIT ‘A’; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER (“CEO”) TO TAKE ALL NECESSARY ACTION TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Downtown Investment Authority (“DIA”) has been designated by the City of Jacksonville as the Community Redevelopment Agency (“CRA”) for community redevelopment areas within the boundaries of Downtown pursuant to Ordinance 2012-364-E; and

WHEREAS, via Ordinance 2014-0560, the City Council adopted a *North Bank Community Redevelopment Area Plan* for Downtown; and

WHEREAS, included as a specific project within the North Bank Community Redevelopment Area Plan is a Downtown Retail Enhancement Grant Program (“REP”); and

WHEREAS, the REP is designed to create momentum in the critical task of recruiting and retaining restaurant and retail businesses and creative office space in the Northbank Core Retail Enhancement Area; and

WHEREAS, pursuant to Resolution 2020-06-01, the DIA adopted the Targeted Food and Beverage Program, a subset of the REP Program, (the “FAB REP Program”) to recruit food and beverage businesses to locate in specific dining districts within the Northbank Core Retail Enhancement Area and further authorized the Sidewalk Enhancement Forgivable Loan to encourage more outdoor dining activity and place making in accordance with the guidelines attached to Resolution 2020-06-01 (the “Current FAB-REP Guidelines”);

WHEREAS, the Current FAB-REP Guidelines require that the Business Owner and the Property Owner shall submit a joint application for funding under the program and must each contribute at least 25% of the cost of eligible improvements or provide a rent concession equal to such amount; and

WHEREAS, the Targeted Retail Activation: Food and Beverage Establishments Forgivable Loan Program includes an incentive funding opportunity known as the Sidewalk Enhancement Forgivable Loan to encourage more outdoor dining activity and place making; and

WHEREAS, the Sidewalk Enhancement Forgivable Loan may be undertaken as part of a broader FAB-REP application or may be applied for by eligible businesses without a request for further funding under the REP or the FAB-REP as separate stand-alone funding (a "Stand-alone Sidewalk Enhancement Forgivable Loan"); and

WHEREAS, it is the desire and intent of the DIA to modify and formalize the requirements of the Stand-alone Sidewalk Enhancement Forgivable Loan to allow for the Business Owner to apply for this funding individually, and that such Business Owner may be an existing business meeting other requirements defined further in the amended and restated guidelines attached as Exhibit 'A' hereto (the "Amended and Restated FAB-REP Guidelines"); and

WHEREAS, the interests of the City and the DIA can be best maintained through the administration of the Stand-alone Sidewalk Enhancement Forgivable Loan as a recoverable grant, and

WHEREAS, these amendments shall serve retroactively to any applications received prior to adoption of this Resolution 2021-12-02, 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 amends and restates the Current FAB-REP Guidelines and adopts the Amended and Restated Guidelines attached hereto as Exhibit 'A' as the FAB-REP Guidelines, and hereby implements a Stand-alone Sidewalk Enhancement Forgivable Loan as set forth in Exhibit 'A'.

Section 3. The DIA instructs its CEO to take all necessary action to effectuate the purposes of this Resolution.

Section 4. The Effective Date of this Resolution is the date upon execution of the Resolution by the Chairman of the DIA.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY

X Zavier Chisholm

W. Braxton Gillam, Esq., Chairman

12/15/21
Date

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

Exhibit A

**DOWNTOWN JACKSONVILLE
RETAIL ENHANCEMENT PROGRAM
TARGETED RETAIL ACTIVATION: FOOD AND BEVERAGE ESTABLISHMENTS
FORGIVABLE LOAN PROGRAM GUIDELINES AS AMENDED**

Program Purpose and Benefit

Targeted Retail Activation: Food and Beverage Establishments ("FAB-REP") expands upon the Retail Enhancement Program to revitalize business corridors and underutilized or vacant buildings with a focus on food and beverage establishments within the Northbank Core Retail Enhancement Area.

The FAB-REP creates two distinct districts that provide concentrated areas of dining, and entertainment opportunities that are visible from the street, open beyond workday hours, and utilize unique place making efforts such as creative lighting, interesting public art and inviting outdoor spaces.

These activated streets will provide the urban lifestyle that many Downtown residents seek and also promote small businesses by cultivating vibrant retail districts that will attract visitors. Further, by encouraging the location of restaurant and beverage establishments within these specific districts, patrons and business owners alike will benefit from the variety of options and the unique, walkable, and visually connected areas.

Operating as an enhanced incentive to the Downtown Retail Enhancement Grant Program, the Targeted Retail Activation: Food and Beverage Districts ("FAB-REP"), is designed to incentivize the investment and concentrated location of food and beverage establishments in two target areas: **The Elbow** and the **Hogan x Laura Districts**. These target areas were chosen based on the following factors:

1. Existing building stock within the area which can readily be used and/or converted for the targeted street front uses (first and certain second floors eligible);
2. Proximity to public parking garages that are not utilized extensively at night, which provide an opportunity for ample parking for patrons at free or reduced rates as the market develops;
3. Existing concentration of restaurants, bars, and entertainment venues;
4. Existing sidewalk width or ROW convertible to expanded sidewalk;
5. Streets designated within the adopted CRA plan for conversion to two-way creating a slower speed, providing greater visibility of street front establishments, and creating a more pedestrian friendly environment; and
6. Impact on two City owned sites proposed for redevelopment- Former Courthouse/City Hall annex adjacent to the Elbow and The Landing development parcel at the waterfront of Laura and Hogan.

The Elbow: The Downtown bar and entertainment area already branded as The Elbow, with a focus on the following street frontages, which are described and depicted in the map below:

- Street frontage facing **Adams St.** from the middle of the block traveling east from Main St. and terminating at the west side of Newnan St.
- Street frontage facing **Forsyth St.** from the middle of the block traveling east from Main Street on the north side, continuing east from Ocean St. and terminating at the west side of Liberty St., with only the south side of Forsyth St. traveling east from Newnan St. included.
- Street frontage facing **Ocean St.** traveling south to Forsyth St and terminating at the middle of the block between Bay St. and Independent Dr., with only the east side of Bay Street between Forsyth St. and Bay St. included
- Street frontage facing **Bay St.** traveling east from Ocean St. and terminating at the west side of Liberty St., with only the north side of Bay St. traveling east from Newnan St. included.

**Frontage on Adams St., Forsyth St., and Bay St. is important as Main and Ocean will remain one-way and will be less walkable, however, connections that activate the frontage between districts could be considered.

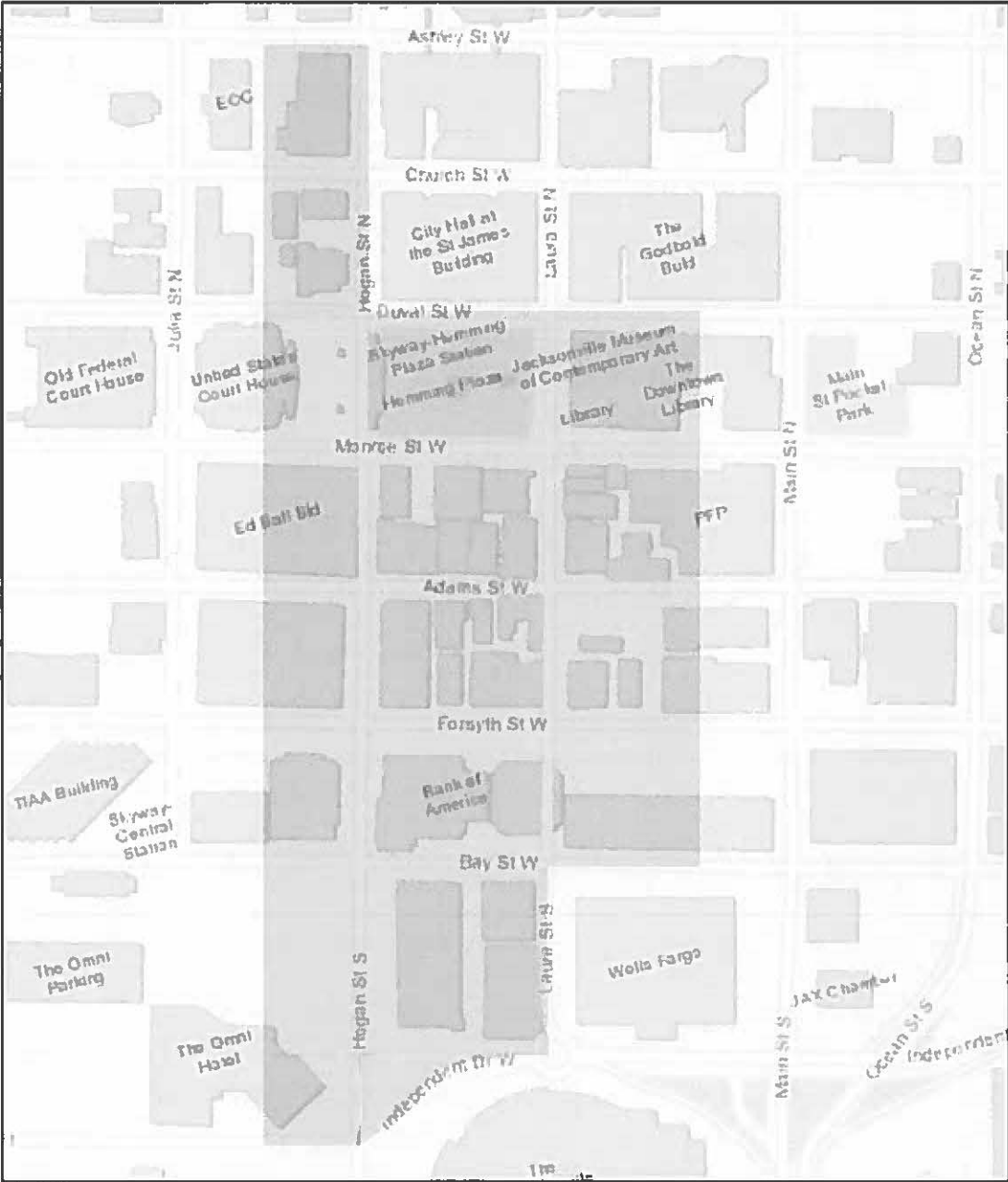
The Elbow FAB-REP District:



Hogan x Laura Districts: Already home to several restaurants and bars, with a focus on the following street frontages, which are described and depicted in the map below:

- Street frontage facing **Hogan St.** beginning at Ashley St. on the west side of Hogan St., including both sides of the street at Duval St., and terminating at Water St.
- Street frontage facing **Laura St.** beginning at Duval St., continuing south on Laura St. until Bay St. on both sides of the street, and continuing on the west side of Laura St. and terminating at Independence Dr.
- Street frontage facing **Monroe St., Adams St., and Forsyth St.** beginning at the middle of the block between Julia St. and Hogan Street on both sides of the street, and terminating at the middle of the block between Laura St. and Main St.
- Street frontage facing **Bay St.** beginning at the middle of the block between Julia St. and Hogan Street on both sides of the street, and terminating at Laura St.
- Street frontage facing **Bay St.** beginning at Laura St. and continuing east on the north side of Bay St. and terminating at the middle of the block between Laura St. and Main St.
- Street frontage facing **Water St., and Independence Dr.** beginning at the middle of the block between Julia St. and Hogan St. continuing east on the north side of Water St., and Independence Dr. and terminating Laura St.

Hogan x Laura FAB-REP District:



I. Qualifying Establishments:

- a. The Type of establishment will determine the appropriate incentive level.
 - **Type 1:** Generally, full service (i.e., wait staff, table bussers), full menu, full kitchen, non-disposable serve-ware. Must be open a minimum of five days per week for dinner until at least 9 p.m.
 - **Type 2:** Generally, limited service; order at the counter, self-clearing of tables, partial or full kitchen, buffet line, with on-site preparation and consumption

of food. Must be open a minimum of five days per week for either breakfast (by 7:00 a.m.) or dinner/evening hours (until at least 9:00 p.m.).

- **Type 3:** Generally, no kitchen or minimal kitchen, counter service only, limited menu or beverage only. Must be open a minimum of five days per week for either breakfast (by 7:00 a.m.) or dinner/evening hours (until at least 9:00 p.m.).

b. The below table provides various classifications of establishments and the most likely type from the descriptions above. The DIA has the discretion to determine the type of establishment if it is not listed here or it is not clearly defined.

Establishment	Type:
Fine Dining Restaurant	1
Contemporary Casual Restaurant	1 or 2
Casual/Family Style Restaurant	1 or 2
Fast Casual Restaurant	2
Fast Food Restaurant	2 or 3
Café or Deli Restaurant	2 or 3
Pizza Parlor	2 or 3
Coffee Shop	3
Ice Cream Shop	3
Pastry Shop/ Bakery	3
Craft Brewery Tap Room	3
Craft Distillery Tasting Room	3
Bar/Lounge	3
Entertainment Venue, such as music hall or movie theater	3

II. General Program Requirements

a. Applicants:

i. Business Owner and the Property Owner would submit a joint application for a FAB-REP Loan, indicating both the Business Owner and Property Owner’s investments towards the eligible improvements.

1. The Business Owner and Property Owner must each contribute at least 25% of the cost of eligible improvements or provide a rent concession equal to such amount. Funding received through the Downtown Historic Preservation & Revitalization Trust Fund ("HPTF"), or the related portion paid by the Business Owner or the Property Owner, is not eligible for consideration towards the required contribution to the cost of eligible improvements under FAB-REP.

2. Inclusion of the Business Owner in the Application Process creates alignment between incentive and performance as they are the principal beneficiary of the improvements in the immediate future.
 3. Inclusion of the Property Owner in the Application Process creates “buy-in” from the Property Owner as many of the eligible improvements will directly benefit him or her longer than the lease agreement with the Business Owner.
- ii. The Business Owner and the Property Owner will execute the same FAB-REP Grant Agreement that will identify specific responsibilities for each.
1. The amount of grant funds secured by the note will reflect the total FAB-REP Grant awarded by the DIA, irrespective of the Property Owner contribution.
 2. The DIA reserves the right to determine if a personal guarantee or other form of security is necessary for the note. The decision will be based on the creditworthiness of the Business Owner and/or the Property Owner.
 3. If the Business Owner is also the Property Owner, the DIA may request security in the form of a subordinate mortgage or lien on the property.
 4. Property Owner will have a cure period of 180 days should the Business Owner abandon the lease during the compliance period of the forgivable loan.

b. Grant Funding

i. Improvement Incentive amounts

1. Funding under the FAB-REP program will be determined by the Type of establishment and limited to 50% of eligible costs, as outlined in Section III(e).

Establishment Type	Price per Square Foot	Cap of Eligible Costs
Type 1:	\$65/Sq. Ft	50% of eligible costs, not to exceed \$400,000
Type 2:	\$50/Sq. Ft.	50% of eligible costs, not to exceed \$200,000
Type 3:	\$40/ Sq. Ft.	50% of eligible costs, not to exceed \$100,000

ii. Historic Preservation/Adaptive Reuse Boost

For properties designated as a local landmark (per the Jacksonville Historic Preservation Section of the Planning & Development Department), applicant can receive an additional \$20 per square foot boost to the grant award (still subject to cap). Any changes to the exterior of local landmarks will need to be approved by the Jacksonville Historic Preservation Section or Jacksonville Historic Preservation Commission.

Costs included in an application for funding, or previously approved for funding, through the Downtown Historic Preservation & Revitalization Trust Fund ("HPTF") at any level may not be included for consideration in the FAB-REP or for purposes of the boost, whether covered by the HPTF grant or not. Such costs must be separately identifiable in the construction budget presented at the time of application.

For properties designated as a contributing structure to the Downtown Historic District (per the National Park Service) but not a local landmark, the applicant can, subject to DIA approval, receive an additional \$10 per square foot boost to their grant (still subject to cap). While DIA encourages preservation of the historic façade of contributing structures, it is an intent of the FAB-REP to promote ground floor activation. To that end, the replacement of storefront plate glass windows with window opening systems or similar modifications that promote greater street front visibility and access will not disqualify an applicant from receiving the boost.

iii. Sidewalk Enhancement Forgivable loan

In an effort to encourage more outdoor dining activity and place making, a Sidewalk Enhancement loan may be awarded, subject to the following conditions and limitations:

- Additional funds will be available to FAB-REP loan recipients, to ~~cover~~ reimburse up to 80% of eligible outdoor dining improvement costs, but not to exceed \$15,000. A separate budget must be provided. The funds can be used for the cost of creating outdoor spaces that enhance the sidewalk experience, such as tables, chairs, and other furniture, lighting, greenery, umbrellas, and awnings.
- All Sidewalk Loan recipients must hold a valid Sidewalk Café permit to be eligible for the grant.
- Application for the Sidewalk Enhancement Loan must include a plan to protect the improvements including all equipment and fixtures for the five-year compliance period, subject to approval by DIA staff.
- DIA reserves the right to inspect the improvements during the compliance period. In the event operator fails to use the improvements

as intended or fail to secure and maintain the improvements in good repair as agreed, including but not limited to loss of or irreparable damage (beyond normal wear and tear), the DIA may declare the recipient in default. The recipient will then have a period of thirty days to cure such default or DIA may withhold amortization of funds awarded under this Sidewalk Enhancement Grant.

- As an alternative to the REP or FAB-REP, qualifying Business Owners already established or new qualifying Business Owners within the FAB-REP districts, may apply for a Stand-alone Sidewalk Enhancement Forgivable Loan to reimburse up to 80% of eligible outdoor dining improvement costs, but in an amount not to exceed \$5,000, without requiring participation by the Property Owner as a co-applicant. Further, administration of any Stand-alone Sidewalk Enhancement Forgivable Loan will be made as a recoverable grant with claw back provisions for a term of three years. Approval shall be based on applicant eligibility, DIA staff approval of the proposed improvements, evidence of a valid lease with a minimum of three years remaining, and documented approval of the improvements by the landlord. Application Requirements and Project Evaluation Criteria of the REP shall not apply to applicants for a Stand-alone Sidewalk Enhancement Forgivable Loan. However, a separate application and budget must be provided, and other requirements as found under the Sidewalk Enhancement Forgivable Loan program, to the extent not contrary to this paragraph, shall apply to the Stand-alone Sidewalk Enhancement Forgivable Loan.

iv. Type of Funding

1. 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.
 - a. No interest shall accrue upon the principal of the total loan amount with principal forgiven over a five (5) year period.
 - b. Total principal balance will amortize 20% each year of the compliance period.
 - c. At end of five years, the 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.
 - d. If it is determined that recipient(s) is in default, interest and full payment of the grant may be demanded.

- e. DIA may help arrange bridge financing with community lenders, to facilitate funding requirements during the construction or build-out phase of the project. However, it is not the responsibility of DIA to arrange such financing arrangement.

c. Recipient Eligibility:

- i. **Hours of Operation:** Establishment must be open not less than 5 days per week which must include either breakfast or dinner/evening hours, and specifically including at least one of the following operating periods:
 - 1. Breakfast: opening no later than 7:00 am
 - 2. Dinner/Evening hours: staying open at least until 9:00 pm, including either Friday or Saturday evening
 - 3. DIA will have the authority to modify the required hours of operation in the event market conditions require same.
- ii. **Availability of funding for the specific type:**
 - 1. In an effort to create a competitive and diverse mix of establishments in the FAB-REP districts, the DIA will target FAB-REP Grants to a specific number of establishments types each year. For Year 1 of the program, there will be a target of 14 grants, awarded on a first come, first serve basis, subject to available funds, and allocated as follows:
 - a. Type 1: not more than 3 in each district
 - b. Type 2: not more than 4 in each district
 - c. Type 3: not more than 3 in each district
 - 2. The DIA reserves the right to adjust this allocation at any time based on market conditions and grant demand. Further, the DIA will evaluate the applicant's business plan, proximity to other establishments, the contribution made to the diversity in the retail mix of the area proposed, the product offering, and price points, in relation to the existing or approved establishments in the FAB-REP district.
- iii. First floor spaces with access from the street or customers visible from the street are eligible. Situations where the upper floor space is related to the operations on the first floor and adds to the street activation may be considered as supplemental space on a case-by-case basis.
- iv. Second floor only spaces may be eligible if open rooftop, balcony, or deck where service is visible from street level and access from street level is provided via stairs or elevator accessible from the sidewalk.
- v. Supplemental space including outdoor seating areas, meeting space, banquet halls, and similar areas should not be included in the calculation

of eligible square feet. DIA may award an incentive for supplemental space at a reduced rate per square foot depending on the anticipated use and level of finish which must be separately identifiable in the construction budget presented at the time of application.

- vi. Applicant must provide a copy of a fully negotiated lease agreement with at least 5-year term operating during the entirety of the compliance period.
- vii. The scoring rubric found in the existing Retail Enhancement Program will be utilized in scoring applications.
- viii. In the event the recipient is unable to meet the above eligibility requirements, a Retail Enhancement Program Grant should be considered.

d. Eligible and Ineligible Improvements:

Eligible Improvements

To be considered eligible, the improvement must be directly related to the retail food or beverage establishment seeking the grant. Office, distribution, and costs associated with preparation or packaging of food or beverages to be consumed or distributed off-site are considered indirect improvements and not eligible for grant funds. Further, the use of FAB-REP grant funds may not be used for any portion of the cost of improvements submitted as part of an application or already approved for funding through an HPTF Grant. Such costs must be separately identifiable in the construction budget presented at the time of application.

The below list is not exhaustive but is illustrative of those improvements that otherwise would be considered eligible.

- Interior demolition and site preparation
- Code compliance, life safety and ADA
- Electrical, utility, and mechanical improvements (e.g., lighting, HVAC, elevator for establishment use only).
- Doors, windows, flooring, façade improvements (including awnings affixed to the building), and other interior and exterior improvements.
- Cooking, refrigeration, and ventilation systems, but not small appliances (e.g., microwave), fixtures, point-of-sale systems
- Other construction or improvements that would commonly be recognized as permanent or part of the interior or exterior of the tenant space

Ineligible Improvements

Generally, any non-permanent improvements or improvements that do not directly relate to food or beverage operation, or any improvement made without the necessary permits are not eligible for grant funds.

- Temporary or movable furniture such as tables, chairs
- China, tablecloths, silverware, etc.
- Small kitchen appliances (i.e., microwaves, toasters)
- Enhancements or improvements generally considered out of scale with the business plan included as part of the grant application. By way of example, an ice cream parlor would generally not require a wine cellar.
- Office equipment
- Moving expense
- Working capital
- Refinancing existing debts for prior improvements
- General periodic maintenance
- Soft costs (e.g., engineering and design, developer fees, etc.)
- New building construction or new building additions