

RESOLUTION 2022-11-05

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE COMBINED NORTHBANK COMMUNITY DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM FORGIVABLE LOAN TO MATHERS JAX, LLC AND 120 E FORSYTH, LLC (“GRANTEES”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A 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 “speakeasy” style night club with limited menu offerings in the Elbow District of the Central Core in Downtown Jacksonville; and

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

WHEREAS, the Retail Enhancement and Property Disposition Committee, at their meeting of November 16, 2022, 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 Mathers Social Gathering - Jacksonville (“the Project”) the DIA proposes to provide a Forgivable Loan in an amount not to exceed ONE HUNDRED THOUSAND DOLLARS and 00/100 (\$100,000) 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; and

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

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

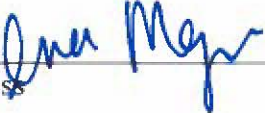
Section 2. The DIA hereby approves the award of a Retail Enhancement Grant in the amount of \$100,000 from the Combined Northbank TID to Grantees to be provided in accordance with the term sheet attached hereto as Exhibit A.

Section 4. 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 5. The Effective Date of this Resolution is the date of execution of this Resolution by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY



Witness



Carol Worsham, Chairman



Date

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

Exhibit A

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

**Mathers Jax, LLC
120 E. Forsyth Street, Jacksonville FL 32202**

Project Name: Mathers Social Gathering - Jacksonville

Co-Applicants: Mathers Jax, LLC ("Tenant")
120 E Forsyth, LLC ("Landlord")

Total Development Costs (estimate): \$810,385

Co-applicant Contribution (Debt and Equity): \$710,385

Recommended Funding: \$100,000

Project: Tenant improvements to the second floor of 120 E. Forsyth Street, RE#073451-0000, located in the Elbow District of the Central Core District of Downtown Jacksonville, owned by 120 E Forsyth, LLC, in accordance with the application received. Funding will facilitate the development of a "speakeasy" style night club with limited menu offerings classified as a Type 2 establishment per FAB-REP Guidelines.

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 \$100,000, 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.

FAB-REP Forgivable Loan: **\$100,000 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 so long as no event of default exists. Each co-applicant will be a party to that forgivable note and loan agreement.

The co-applicants acknowledge that these loan funds are awarded and shall be used in accordance with the Retail Enhancement Program Targeted Retail Activation: Food and Beverage Establishments guidelines.

The forgivable loan will be secured by a personal guarantee of Mr. Romi Mawardi on behalf of Tenant and Mr. Keith Mawardi on behalf of Landlord in the event of a default under the program or funding agreement.

Minimum Capital Contribution:

- The minimum total capital contribution through completion to remain eligible for the FAB-REP Forgivable Loan is \$ 800,000 (Direct costs of capital improvements to the property only as found in the General Contractor contract or equipment or build-out costs otherwise approved in underwriting).

Performance Schedule:

- A) Redevelopment Agreement to be executed within thirty (30) days of the Bill Effective Date which shall establish the Redevelopment Agreement Effective Date.
- B) Commencement of Construction: Within twelve (12) months following the Redevelopment Agreement Effective Date, Applicant commits to commencement of construction, meaning receipt of all required approvals, permitting, and closing on all required financing to allow the start of construction activities and has actually commenced buildout type work.
- C) Substantial Completion: Within twenty-four (24) months following the Redevelopment Agreement Effective Date as defined above.
- D) The DIA CEO will have the authority to extend this Performance Schedule, in the CEO's discretion, for up to six (6) months for good cause shown by the Developer / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

Additional Commitments:

1. Per FAB-REP guidelines, the award will be structured as:
 - a) Zero-interest, forgivable loan, payable upon completion of the work and receipt by DIA of invoices for goods and services rendered and proof that recipients paid for such goods and services.
 - b) No interest shall accrue upon the principal of the total loan amount, with the principal forgiven over a five (5) year period.
 - c) Total principal balance will amortize 20% each year of the compliance period.
 - d) At end of five years, the loan shall be forgiven in its entirety on the condition that the improvements are installed and maintained in reasonably good condition, all taxes are maintained in current status with no tax certificates, and no City Code violations are incurred during the compliance period.
 - e) If it is determined that the recipient(s) is in default, interest and full payment of the grant may be demanded.

2. Minimum Hours of Operation to be maintained as:

Mathers Hours of Operation:

Tuesday through Saturday

4 pm to 12 am (Midnight)

Sundays and Mondays are generally reserved for Private Events. DIA will have the authority to modify the required hours of operation in the event market conditions require same.

3. Minimum number of employees:
 - a) Full time Job Creation: Must create and maintain not less than three (3) full-time (35 hours per week) staff positions, which may include owner-operators.
4. Personal Guaranty of payment and performance obligations in the event of default to be provided by Mr. Romi Mawardi on behalf of Tenant and Mr. Keith Mawardi on behalf of Landlord.
5. Additional terms and conditions as may be required and as found in the Redevelopment Agreement or other documentation prepared to establish the obligations for this award.

Conditions:

This Term Sheet is limited by the following conditions:

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