

**RESOLUTION 2024-04-08**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE DOWNTOWN ECONOMIC DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM FOOD AND BEVERAGE RETAIL ENHANCEMENT (FAB-REP) FORGIVABLE LOAN TO URBAN DOUGH, LLC AND VYSTAR CREDIT UNION, LLC (“GRANTEES”) AS CO-APPLICANTS AND A SIDEWALK ENHANCEMENT GRANT TO URBAN DOUGH, LLC AS THE SOLE APPLICANT; 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 restaurant venue in the Hogan x Laura District of the Central Core in Downtown Jacksonville; and

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

**WHEREAS**, each 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 April 11, 2024, voted to recommend approval of the applications to the DIA Board; and

**WHEREAS**, the DIA is authorized to utilize the Downtown Economic Development Fund Forgivable Loan funds, to foster the redevelopment of the Downtown Northbank; and

**WHEREAS**, to assist the Grantees in making renovations for the purposes of Urban Dough, LLC of Jacksonville (“the Project”) the DIA proposes to provide a Forgivable Loan secured by a note for the Food and Beverage Retail Enhancement Program not to exceed \$192,350 and the Sidewalk Enhancement Program not to exceed \$15,000 with total funding limited to TWO HUNDRED SEVEN THOUSAND THREE HUNDRED FIFTY DOLLARS and 00/100 (\$207,350) 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 the Food and Beverage Retail Enhancement Grant (FAB-REP) and the Sidewalk Enhancement Grant in a total amount not to exceed \$207,350 from the Downtown Economic Development Fund, Forgivable Loans account to Grantees to be provided in accordance with the term sheet attached hereto as Exhibit A.

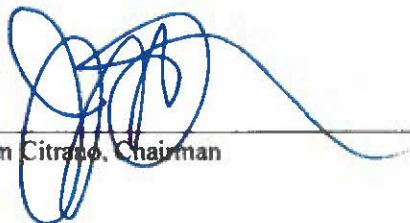
**Section 3.** The Chief Executive Officer is hereby authorized to negotiate and execute the contracts necessary to document this approval and otherwise take all additional actions necessary to effectuate the purposes of this Resolution.

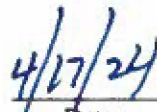
**Section 4.** The Effective Date of this Resolution is the date of execution of this Resolution by the Chair of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Jim Citrano, Chairman

  
\_\_\_\_\_  
Date

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

**EXHIBIT A: TERM SHEET**

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

**Pizza Dynamo  
61 North Laura Street**

**Project Name:** Pizza Dynamo

**Co-Applicants:** Urban Dough, LLC ("Tenant")  
VyStar Credit Union ("Landlord")

<b>Total Build Out and Equipment Costs:</b>	\$1,638,276	
<b>Eligible Costs under FAB-REP program:</b>	\$1,005,351	
<b>Maximum Eligible Funding:</b>	\$192,325	19.1% of Eligible FAB-REP Costs

<b>Sidewalk Enhancement Costs:</b>	\$19,657	
<b>Eligible Costs under FAB-REP program:</b>	\$19,657	
<b>Maximum Eligible Funding:</b>	\$15,000	76.3% of Eligible SEG Costs

**Project:** Tenant improvements to the Laura Street retail location of the recently built VyStar Parking Garage, RE#s 073669 0000 and 073670 0000, located in the Hogan x Laura District of the Central Core District, owned by VyStar Credit Union, in accordance with the application received. Funding will facilitate the development of a fast casual pizza restaurant 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 \$207,325, through the Downtown Economic Development Fund Forgivable Loan fund, as follows:

**FAB-REP Forgivable Loan :**

- Maximum funding of \$192,325 from the Downtown Economic Development Fund Forgivable Loan fund.
- The grant will be structured as a forgivable loan, with 0% interest that will amortize at the rate of 20% on each anniversary date of the closing for 5 years so long as no event of default exists. Each co-applicant will be a party to that forgivable note and loan agreement.
- The co-applicants acknowledge that these loan funds are awarded and shall be used in accordance with the Retail Enhancement Program Targeted Retail Activation: Food and Beverage Establishments guidelines.
- The forgivable loan will be secured by a personal guarantee of Jeremy Gatto on behalf of the Tenant in the event of a default under the program or funding agreement.

Minimum Construction Costs (FAB-REP Forgivable Loan):

- The minimum construction costs incurred through completion to remain eligible for the FAB-REP Forgivable Loan are \$1,005,000. 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 total minimum construction costs shall also exclude costs incurred for furniture and any equipment not affixed to the property. Any equipment affixed to the property included in this total must remain on the property through the compliance period of the forgivable loan agreement.
- The minimum contribution from each co-applicant towards the minimum build-out and equipment costs shall be \$100,000.

(A) Sidewalk Enhancement Grant:

- Maximum funding limited to the lesser of 80% of actual costs incurred for equipment to be used in providing outdoor seating and activation as supported by invoices that have been approved by the DIA or \$15,000.
- The forgivable loan will amortize at the rate of 20% on each anniversary date of the closing so long as no event of default exists with total forgiveness on the fifth anniversary date.
- The applicant must provide evidence that the lease for the subject property and operation of the subject business is in effect for a period of not less than five years.
- Funding requires evidence of the issuance of a Sidewalk Café permit to the Grantee that would allow the use of the subject sidewalk for the intended purpose.
- Maintain an operating business consistent with the business type as presented in the application.
- Maintain operating hours materially consistent with the days and hours as represented in the application.
- Property acquired through the Sidewalk Enhancement Grant proceeds, and listed in Figure 2, must be secured at the end of each day.

**Performance Schedule:**

1. Retail Enhancement Loan Agreement to be executed within six (6) months of DIA board approval which shall establish the Retail Enhancement Loan Agreement Effective Date.
2. 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.
3. Substantial Completion: Within twelve (12) months following the Retail Enhancement Loan Agreement Effective Date as defined above.
4. The DIA CEO will have the authority to extend this Performance Schedule, at the CEO's discretion, for up to three (3) months for good cause shown by the Applicant. Any extensions to the Commencement Date shall simultaneously have the same effect as extending the Completion Date.

**Additional Commitments:**

1. Applicant shall establish business operations following the description as outlined in the application and as Project above. The build out should be materially consistent with the renderings and images included in 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 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 (except as may be required in section e. below), with the principal forgiven over a five (5) year period.
  - c) The total principal balance will amortize 20% each year of the compliance period.
  - d) At the end of five years, the loan shall be entirely forgiven on the condition that the improvements are installed and maintained in reasonably good condition, all taxes are maintained in current status with no tax certificates, and no City Code violations are incurred during the compliance period.
  - e) If it is determined that the recipient(s) is in default, interest and full payment of the grant may be demanded.
4. Minimum Hours of Operation to be maintained as:  
Pour Taproom Hours of Operation:

Sunday	12:00 pm to 8:00 pm
Monday through Thursday	11:00 am to 9:00 pm
Friday and Saturday	11:00 am to 10:00 pm
5. Minimum number of employees: A minimum of two (2) full-time equivalent employees, defined as working a minimum of 35 hours per week, shall be required for the term of this agreement. This may include owner-operators.
6. Personal Guaranty of payment and performance obligations in the event of default to be provided by Jeremy Gatto on behalf of the Tenant.
7. Additional terms and conditions as may be required and as found in the Redevelopment Agreement or other documentation prepared to establish the obligations for this award.

**Conditions:**

This Term Sheet is limited by the following conditions:

1. Downtown Investment Authority to receive copies of any necessary permits, invoices, cancelled checks or documentation from other methods of payment, and other items as may be requested by the DIA in its sole discretion as evidence of eligible expenditures; and
2. Annual 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.

Figure 1. Construction Budget as Submitted:

Construction Budget			
Description	Total Cost	Non - Eligible	Eligible
FOUNDATIONS	\$11,463		\$11,463
SUB-STRUCTURE	\$85,616		\$85,616
SUPERSTRUCTURE	\$349,541		\$349,541
SKIN	\$30,000		\$30,000
INTERIOR	\$763,754		\$763,754
CONVEYING SYSTEMS	\$32,500		\$32,500
FIRE SUPPRESSION SYSTEMS	\$39,401		\$39,401
PLUMBING	\$168,000		\$168,000
HVAC	\$612,543		\$612,543
ELECTRICAL	\$458,816		\$458,816
SPECIALTIES	\$84,317		\$84,317
SITWORK	\$50,000	\$50,000	
GENERAL REQUIREMENTS	\$482,093	\$482,093	
SPECIAL CONSTRUCTION	\$9,710		\$9,710
<b>SUBTOTAL</b>	<b>\$3,177,754</b>		
SOFT COSTS	\$498,596	\$498,596	
<b>Total</b>	<b>\$3,676,350</b>	<b>\$1,030,689</b>	<b>\$2,645,661</b>

	Non - Eligible	Eligible
Pour Taproom		
62% <sup>1</sup>	\$639,027.18	\$1,640,309.82
Urban Dough		
38%	\$391,661.82	\$1,005,351.18

<sup>1</sup> – For the benefit of a separate but related project.

Equipment Budget as submitted:

	Total Costs	Eligible Costs
Low Voltage wiring, equipment & install	\$50,351	\$33,703
Kitchen Equipment	\$160,660	\$44,108
FF&E	\$17,565	\$11,523
Signage	\$12,688	\$12,688
<b>Total</b>	<b>\$ 241,264</b>	<b>\$ 102,022</b>

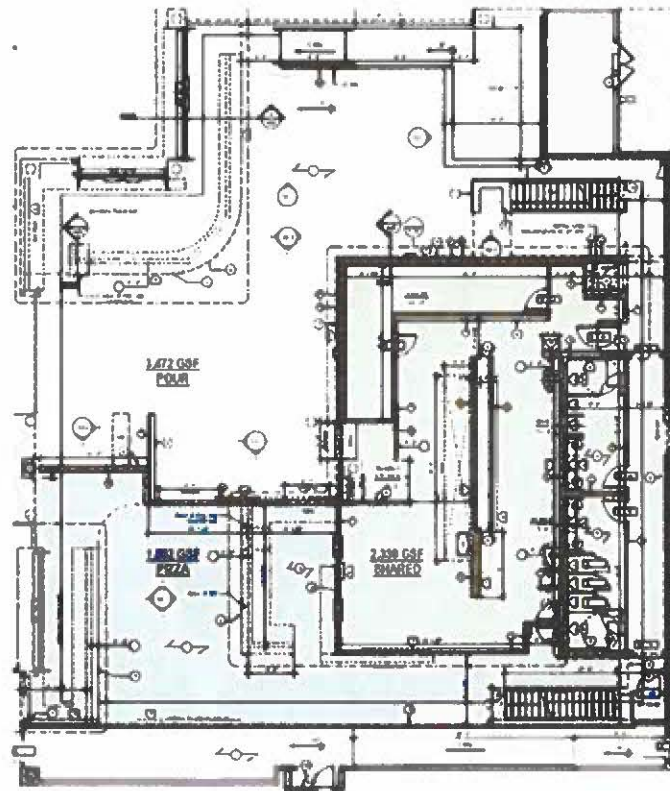
Figure 2. Sidewalk Budget as Submitted:

36" Square Table Top	\$149.00	4	\$596.00
Steel Outdoor Table Base	\$179.00	4	\$716.00
Bar Height Stool	\$119.99	8	\$959.92
Outdoor Chair	\$82.99	12	\$995.88
Planter Boxes	\$300.00	13	\$3,900.00
Outdoor Tower Patio Heater	\$780.90	2	\$1,561.80
Umbrella	\$1,927.00	1	\$11,927.00
		<b>Total</b>	<b>\$ 20,656.60</b>

Figure 3. Renderings and Floorplans as Submitted:

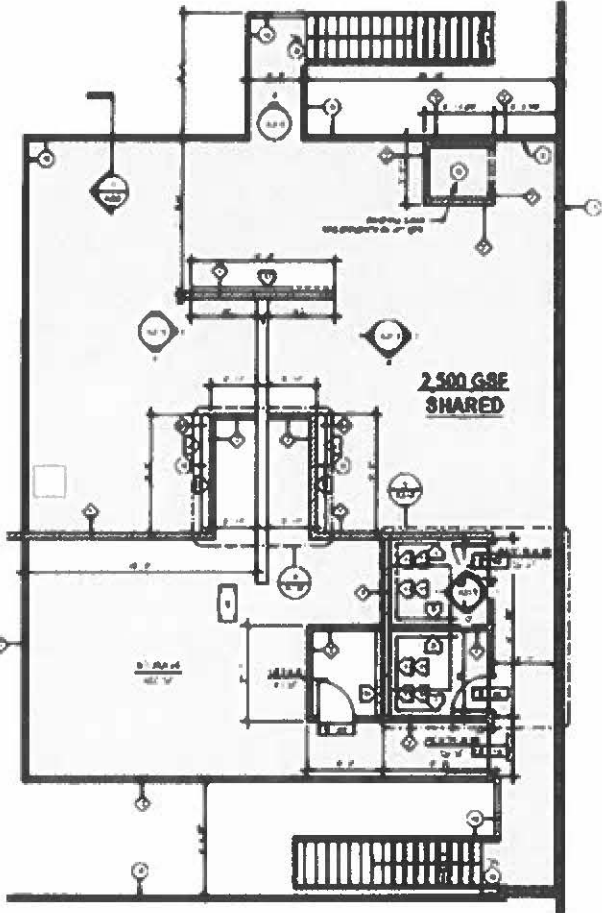


*Dining Room*



*Main Dining Room and Kitchen*





2 MEZZANINE - FLOOR PLAN

Mezzanine, Office & Storage