

RESOLUTION 2018-11-04

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) AUTHORIZING THE CEO TO NEGOTIATE AND EXECUTE FORGIVABLE LOAN DOCUMENTS WITH BHLANI & SONS – 4, INC (D/B/A TOSSGREEN) (“APPLICANT”); PROVIDING AN EFFECTIVE DATE.

WHEREAS, The Downtown Investment Authority (“DIA”) has been designated by the City of Jacksonville as the Community Redevelopment Agency for community redevelopment areas within the boundaries of Downtown pursuant to Chapter 55, Jacksonville Ordinance Code; and

WHEREAS, the DIA has been designated the Economic Development Agency for the Downtown area of Jacksonville pursuant to Chapter 55, Jacksonville Ordinance Code; and

WHEREAS, the DIA seeks to assist the Applicant in establishing a TossGreen restaurant in Brooklyn in Downtown Jacksonville; and

WHEREAS, the DIA has proposed an incentive to the Applicant to locate the restaurant the TIAA Building at 501 Riverside Ave, in the Brooklyn neighborhood of Downtown Jacksonville (the “Location”); and

WHEREAS, the proposed DIA incentive would be a Forgivable Loan to help defray the costs of the tenant improvements needed to create the restaurant retail space at the Location; and

WHEREAS, the proposed Forgivable Loan would be in an Amount of \$33,080 and funded from the Downtown Development Fund and shall be in accordance with the terms of the Term Sheet attached to this Resolution 2018-11-04 as Exhibit “A”; and

WHEREAS, the incentive effectuated by adoption of this Resolution further the following BID Plan Redevelopment Goals:

Redevelopment Goal 1: Reinforce Downtown as the City’s unique epicenter for business, history, culture, education, and entertainment.

Redevelopment Goal 5: Emphasizing the St Johns River and increasing and improving River usage and Riverfront activation.

Redevelopment Goal 7: Maintain a clean and safe 24-7 Downtown for residents, workers, and visitors; 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.

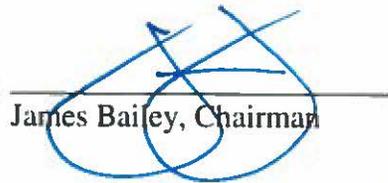
Section 2. The DIA authorizes the CEO to negotiate and execute Forgivable Loan Documents with Bhalani & Sons – 4, INC, subject to the terms and conditions set forth in the Term Sheet attached to this resolution as Exhibit “A”.

Section 3. The DIA hereby finds that the adoption of Resolution 2018-11-04 furthers Bid Plan Redevelopment Goals 1, 3, and 6.

Section 4. This Resolution, 2018-11-04, Shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY


James Bailey, Chairman

Nov 14, 2018
Date

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



Downtown Investment Authority

TERM SHEET

Project Name: TossGreen Brooklyn Location

Developer/ Applicant: Bhalani & Sons -4 INC, d/b/a TossGreen.

Project Location: 501 Riverside Ave., Suite 102, Jacksonville FL.

The Project:

TossGreen is a fast casual dining establishment, focused on healthy made from Scratch food. The Owners have two (2) existing locations: St. Johns Town Center and Downtown at 76 North Hogan St. The Tinseltown (South Side Blvd.) location is currently “down” for refurbishment and other tenant improvements. The existing downtown location received a DIA funded Retail Enhancement Grant of \$31,460. Additional detail regarding the project, including the business plan for TossGreen, is in the DIA Board Packet. For the November 2018 meeting. The proposed project site lies outside the current DIA Retail Enhancement Program boundaries.

The Project Budget (related to the funding requested of the DIA) is as follows, additional details provided in Exhibit A to this term sheet:

Tenant Improvements	Landlord Provided incentive	Request of DIA
\$294,834	\$31,425	\$33,080

City Funding: is requesting **\$33,080** (through the City of Jacksonville Downtown Investment Authority) as follows:

Infrastructure: No city of Jacksonville infrastructure improvements are contemplated.

Land: No City of Jacksonville land is committed to the project.

REV Grant: No REV Grant from the City of Jacksonville is contemplated by the project.

Grants: No Grants from the City of Jacksonville are contemplated for this project.

Parking: No Parking Incentives are contemplated by this project.

Loans: Up to \$33,080 in Loans described as follows:

No more than \$33,080 from the Downtown Economic Development Fund. The Loan will be used to fund the improvements as detailed on the attached Project Budget sheet. The Loan will have a stated term of 5 years, with the expectation that the loan will be

forgiven prior to that date as described below. The Loan will be at 0.0% interest and will be due in full at maturity. Loan funding will be on a reimbursement basis; no reimbursement can occur until TossGreen has taken occupancy of the leased space, and completed the tenant improvements.

Loan Forgiveness:

The Loan will be forgiven at a rate of 20% per year of which the project complies with the employment and square footage requirements. The loan will require at least 7 FTE employees to be documented each year

Default:

Particular default provisions in the Loan Agreement will be negotiated between the parties before the loan documents are executed. One required instance of default, which must be included in the Loan Agreement and other loan documents pertains to TossGreen ceasing operations at the proposed location before the loan has been forgiven in its entirety. Should TossGreen or its parent company (or if TossGreen or its Parent Company indicates, in writing or by action, that the retail location will fail to be compliant with the requirements for space, and staff), the loan shall accelerate and the unforgiven loan balance as of the date of termination shall be due to the DIA within 120 days from the date of termination of operations.

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Conditions: This Term Sheet is limited by the following conditions:

These proposed financial terms are subject to the approval of the Downtown Investment Authority.

There will be additional terms, conditions, rights, responsibilities, warranties and obligations for both parties to be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary). Failure to agree upon and execute a written contract (or contracts) for these proposed financing terms, and any additional terms which have been agreed upon, by the expiration date of this Term Sheet will result in the nullification of all obligations of both parties.

This Term Sheet expires and becomes void, if not executed by the Parties upon December 31, 2018.

Additionally, this Term Sheet expires and all the terms contained within become void, upon February 28, 2019, unless extended in writing by the parties or replaced by a Forgivable Loan Funding Agreement, Note, and Personal Guarantees of the Forgivable Loan Recipient.

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(Signature Page to Follow)

DIA – TossGreen Brooklyn location Incentive Term Sheet
November 8, 2018

Offered on behalf of the City of Jacksonville Downtown Investment authority by:

Brian Hughes its CEO

Date: _____

Accepted on behalf of Bhalani & Sons -4, INC. by:

Print Name:

Its (print Officer Title): _____

Date: _____

DIA – TossGreen Brooklyn location Incentive Term Sheet
November 8, 2018

Exhibit A

Project Name	Tossgreen Downtown
REP Application #:	

Project Item Description	Tenant Funded	Landlord Funded*	DIA REP Funded
Consulting Fees - General Contractor	\$6,500.00	\$3,000.00	\$0.00
Electrical	\$10,000.00	\$6,000.00	\$6,000.00
Plumbing	\$3,000.00	\$2,000.00	\$2,000.00
Mechanical	\$13,000.00	\$7,000.00	\$7,000.00
Carpentry	\$4,200.00	\$1,000.00	\$1,000.00
Drywall, Paint, Flooring (excluding construction material)	\$8,000.00	\$7,500.00	\$7,500.00
General - dumpster allocation, Xray, core drill, sprinkler system rework (if needed), lift, scaffolding etc	\$3,000.00	\$2,000.00	\$2,000.00
Construction Material - Dry Wall Frame, Paint, Wood, Tiles etc	\$5,000.00	\$1,000.00	\$1,000.00
Architect (including MEP)	\$6,650.00	\$1,500.00	\$0.00
Interior design / 3D rendering	\$1,225.00	\$425.00	\$0.00
Menuboard Design	\$1,000.00		\$0.00
Picture/Poster Printing and Installation	\$2,000.00		\$0.00
Butcher block for serving wall	\$5,550.00	\$0.00	\$0.00
Plan Approval Fees	\$600.00		\$0.00
External Signage	\$7,000.00		\$5,434.00
Construction Contingency	\$4,000.00		\$0.00
Walk-In Cooler	\$7,000.00		
Custom Equipments	\$70,000.00		
POS	\$6,000.00		
Chairs/Tables	\$10,000.00		
Electrical Light Fixtures	\$3,354.00		\$1,146.00
Security Camera	\$1,200.00		
Cookware Equipments (Combi oven, rice cooker, grill etc)	\$17,000.00		
Kitchen Smallware	\$6,000.00		
Patio seating with umbrella	\$3,000.00		
Inventory	\$5,000.00		
Dry shelving, containers, 3 compartment sink, veg sink, prep tables etc	\$3,000.00		
Audio system with installation	\$1,500.00		\$0.00
Salad dryer	\$2,200.00		
Operating expenses for 3 months	\$14,350.00		
Total	\$230,329.00	\$31,425.00	\$33,080.00