

**RESOLUTION 2023-10-02**

**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 GRANT TO ALDER AND OAK BROOKLYN LLC (“GRANTEE”); AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A GRANT AGREEMENT (FORGIVABLE LOAN SECURED BY A NOTE); 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 Grantee submitted an application to the DIA under the Basic Retail Enhancement Program to facilitate the development of a full service restaurant and bar establishment in the Brooklyn District of Downtown Jacksonville; 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 Retail Enhancement and Property Disposition Committee, at their meeting of October 9, 2023, 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 Grantee with build out costs for the purpose of establishing Southern Grounds - Brooklyn (“the Project”) the DIA proposes to provide a Grant (forgivable loan secured by a note) in an amount not to exceed EIGHTY-FOUR THOUSAND TWO HUNDRED DOLLARS and 00/100 (\$84,200.00) to the Grantee; 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 \$84,200.00 from the Combined Northbank TID to the Grantee to be provided in accordance with the term sheet attached hereto as Exhibit A.

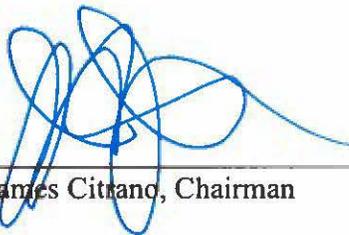
**Section 3.** The Chief Executive Officer is hereby authorized to negotiate and execute the contracts necessary to document this approval and otherwise take all additional actions necessary to effectuate the purposes of this Resolution.

**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

  
\_\_\_\_\_  
James Citrano, Chairman

10/18/23  
Date

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

**Exhibit A:**

**BASIC RETAIL ENHANCEMENT PROGRAM GRANT  
TERM SHEET**

**Alder & Oak - Brooklyn  
400 Riverside Avenue  
Jacksonville, FL 32204**

<b>Project Name:</b>	Alder & Oak - Brooklyn
<b>Applicant:</b>	Alder and Oak Brooklyn LLC Mark Janasik, Manager Shiju Zacharia, Manager
<b>Total Build Out and Equipment Costs (estimate):</b>	\$752,839
<b>Total Eligible Costs (estimate):</b>	\$532,026
<b>Recommended Funding:</b>	<b>\$ 84,200</b>

**Project:** Tenant improvements for an approximately 2,600 square feet air-conditioned space for interior dining, and approximately 3,220 square feet of covered open-air dining in a finished courtyard of a to-be-constructed project to be called "The Hub" on property located at 400 Riverside Avenue, owned by Hospitality Hub, LLC (or its assigns), in accordance with the application received.

The applicant is expected to remain in business in the location at these service levels for a minimum of three (3) years.

**City Funding:** No more than **\$84,200**, 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.

Basic Retail Enhancement Program Grant: **\$84,200 from the Downtown Northbank Combined CRA.** The award will be structured as a forgivable, 0% interest grant (forgivable loan secured by a note) that will amortize at the rate of 2.778% each month following closing for three (3) years so long as no event of default exists.

The Applicant acknowledges that these Grant funds are awarded and shall be used in accordance with the Basic Retail Enhancement Program guidelines.

Minimum Capital Contribution:

- A) The minimum total capital contribution through completion to remain eligible for the Basic REP Grant is \$532,000 (Eligible direct costs of capital improvements to the property only as found in the General Contractor contract or installed equipment or build-out costs otherwise approved in underwriting).

Performance Schedule:

- A) Redevelopment Agreement to be executed within one hundred twenty (120) days of the DIA Board Approval Date which shall establish the Redevelopment Agreement Effective Date.
- B) Commencement of Construction: Within three (3) months following completion of The Hub, as evidenced by a Certificate of Occupancy, 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 twelve (12) months following the Commencement of Construction Date, as defined above, Grantee shall provide evidence of completion of construction, and receipt of licensing necessary to conduct the business as outlined in the application submitted.
- D) The DIA CEO will have the authority to extend this Performance Schedule, at the CEO's discretion, for up to six (6) 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 provide documentation that it has met the square footage proposed for indoor and outdoor space in all material respects and that it has established business operations following the business description as outlined in Project above.
- 2. Per Basic REP guidelines, the award will be structured as:
  - 1. Zero-interest, Grant agreement, payable upon Substantial 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.
  - 2. No interest shall accrue upon the principal of the total grant amount, with the principal forgiven monthly in equal amounts monthly over a three (3) year period.
  - 3. The total principal balance will amortize 2.778% each month of the compliance period.
  - 4. At the end of thirty-six months, the Grant 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.

5. If it is determined that the recipient(s) is in default, full payment of any unamortized balance remaining on the grant may be demanded.

**Conditions:**

This Term Sheet is limited by the following conditions:

- A) Prior to funding:
  1. Grantee to provide evidence of Substantial Completion, as required above: and,
  2. Downtown Investment Authority to receive copies of all necessary permits and invoices and other documentation as may be requested in evidence of eligible expenditures; and
- B) Throughout the Compliance Period:
  1. Continuing operation of the Project as a full-service restaurant and bar as found in the business plan submitted with the application is required during the term of the agreement; and
  2. Annual financial summary and reporting is required to demonstrate compliance with terms and conditions as approved; and
  3. The Project will maintain not less than two full-time employees throughout the term of the agreement.

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.