

RESOLUTION 2024-08-02

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE SOUTHBANK COMMUNITY DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM GRANT TO THE FLAMINGO COFFEE ROASTERS, LLC (“GRANTEE”) TO ESTABLISH AND OPERATE A FOOD AND BEVERAGE BUSINESS IN A PROPERTY OWNED BY HANANIA RIVERPLACE, LLC LOCATED AT 1200 RIVERPLACE BOULEVARD JACKSONVILLE, FL 32207; 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 SOUTHSIDE CRA PLAN (“BID PLAN”) AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Grantee submitted an application to the DIA under the Core Retail Enhancement Program to facilitate the development of a coffee shop, beer and wine bar, and restaurant establishment in the Southbank 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 Southbank; and

WHEREAS, the DIA is authorized to utilize the Southside Tax Increment District funds, in accordance with the CRA Plan, to foster the redevelopment of the Southside Community Redevelopment Area; and

WHEREAS, to assist the Grantee with build out costs for the purpose of establishing Flamingo Coffee Southbank (“the Project”) the DIA proposes to provide a Grant (forgivable loan secured by a note) in an amount not to exceed FIFTY-THREE THOUSAND FOUR HUNDRED THIRTY DOLLARS and 00/100 (\$53,430.00) 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 \$53,430.00 from the Southside 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



Patrick Krechowski, Esq., Chair



Date

VOTE: In Favor: 6 Opposed: 0 Abstained: 1

Exhibit A:

**CORE RETAIL ENHANCEMENT PROGRAM GRANT
TERM SHEET**

**FLAMINGO COFFEE ROASTERS, LLC
1200 Riverplace Blvd.
Jacksonville FL 32207**

Project Name: FLAMINGO COFFEE SOUTHBANK

Applicant/Grantee: FLAMINGO COFFEE ROASTERS, LLC "Tenant"
Mr. Donald Webb - COO
Mr. Paul Carr - CEO

Total Build Out: \$ 157,950
Total Eligible Costs: \$ 152,950

Eligible Funding: \$53,430

Project: Tenant improvements for an approximately 1,781 square foot coffee, beer, and wine bar and restaurant located in the Southbank District of the Southside CRA. The property is owned by HANANIA RIVERPLACE, LLC and will be leased by Tenant for a period of seventy-two (72) full calendar months following the Commencement Date.

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 \$53,340, through the Southside 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.

Core Retail Enhancement Program Grant: \$53,340 from the Retail Enhancement Program funding of the Southside CRA. The award will be structured as a forgivable, 0% interest grant (forgivable loan secured by a note) that will amortize at 33.33% each year following closing for three (3) years, with the full remaining balance forgiven at the end of the third year, 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 Core Retail Enhancement Program guidelines.

Minimum Capital Contribution:

- A) The minimum total capital contribution through completion to remain eligible for the Basic REP Grant is \$142,000 and listed in Figure 1 below. 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.
- B) 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.

Performance Schedule:

- A) Redevelopment Agreement to be executed within thirty (30) days of the DIA Board Approval Date which shall establish the Redevelopment Agreement Effective Date.
- B) Commencement of Construction: Within six (6) 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 twelve (12) months following the Commencement of Construction Date, as defined above, Grantee shall provide evidence of completion of construction, payment of all subcontractors, material providers, and laborers, 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 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 shall be materially consistent with the renderings and images included below in Figure 2.
- 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. Personal Guaranty of payment and performance obligations in the event of default to be provided by Donald Webb on behalf of the Tenant.
- 4. Per Core REP guidelines, the award will be structured as:
 - a. 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.

- b. 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.
- c. The total principal balance will amortize at 33.33% per year following closing for three (3) years, with the full remaining balance forgiven at the end of the third year, so long as no event of default exists.
- d. At the end of thirty-six months, the Grant shall be entirely forgiven on the condition that the business remains in operation as proposed, 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, 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. Applicant to provide evidence of Substantial Completion, as required above; and,
2. Applicant to provide evidence of business articles of incorporation, and licensure prior to funding; and,
3. Applicant to provide executed lease with landlord, Hanania Riverplace, LLC prior to funding; and,
4. Downtown Investment Authority to receive copies of all necessary permits and invoices and other documentation as may be requested in evidence of eligible expenditures.

B) Throughout the Compliance Period:

1. Continuing operation of the Project as a coffee, beer, and wine bar and restaurant 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 for a minimum of thirty-two (32) operating hours per week during which the doors must be open at all times.
4. 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:



Flamingo Coffee Southbank Construction Budget

Architectural Drawings	(Non Eligible) \$5,000
Electrical	\$26,000
Plumbing	\$18,000
HVAC	\$16,500
Framing/Drywall	\$45,000
Tile	\$9,500
Flooring	\$10,500
Millwork	\$6,750
Storefront Door	\$8,000
Interior Doors	\$3,500
Lighting	\$2,200
Trim	\$3,500
Fire Alarm	\$3,500
	TOTAL \$157,950

Figure 2 – Renderings and Floorplan as Submitted:

