

RESOLUTION 2024-09-03

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE SOUTHBANK COMMUNITY REDEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF A RETAIL ENHANCEMENT PROGRAM GRANT TO PLAYERS GROUP, LLC (“PRUDENTIAL CLUB” OR “GRANTEE”), TO ESTABLISH A RESTAURANT, LOUNGE AND PATIO GARDEN BUSINESS IN A PROPERTY LOCATED AT 1430 PRUDENTIAL DRIVE JACKSONVILLE, FL 32207 WHERE APPLICANT ALSO OWNS THE BUILDING; 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 DIA is authorized to utilize the Southbank Tax Increment District funds, in accordance with the CRA Plan, to foster the redevelopment of the Southside Community Redevelopment Area; and

WHEREAS, Grantee submitted an application to the DIA under the Core Retail Enhancement Program (“REP Program”) to facilitate the development of a restaurant, lounge and patio garden establishment in the Southbank neighborhood 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, to assist Grantee with build out costs for the purpose of establishing the Prudential Club (the “Project”) the DIA proposes to provide a Grant (forgivable loan secured by a note) in an amount not to exceed THREE HUNDRED FORTY-FIVE THOUSAND THREE HUNDRED FOURTEEN and 00/100 DOLLARS (\$345,314.00) to the Grantee; and

WHEREAS, the financial assistance to the Project will be in the form of the terms and incentives identified 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 Program Grant in the amount of \$345,314.00 from the Downtown 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, Chairman



Date

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

Exhibit A:

**BASIC RETAIL ENHANCEMENT PROGRAM GRANT
TERM SHEET**

**Players Group LLC
1430 Prudential Drive
Jacksonville FL 32207**

Project Name:	Prudential Club
Applicant/Grantee:	Players Group, LLC Philip Visali, CEO Dominic Raices, CFO
Total Build Out Costs (estimate):	\$2,107,583
Total Eligible Build Out Costs:	\$2,092,260

Eligible Funding: **\$ 345,314 – 16% of Eligible Build out costs**

Project: Tenant improvements of 1430 Prudential Drive, RE# 080992 0010, located on the Southbank District of the Southside CRA and owned by the applicant. The funding will facilitate the development of an upscale restaurant, lounge and patio garden in accordance with the application received.

To be eligible for total loan forgiveness, the applicant is required to remain in business in the location at these service levels for a minimum of three (3) years.

City Funding: No more than **\$345,314**, 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: \$345,314 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 compliance with the Core Retail Enhancement Program guidelines.

Minimum Build Out and Equipment Costs (REP Forgivable Loan):

- A) The Minimum Build Out and Equipment Costs incurred through completion to remain eligible for the Core REP Grant is \$2,092,260. 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 budget establishing the Eligible Costs is below in Figure 1.
- B) Minimum Build Out and Equipment Costs may be reduced by up to 10% with a commensurate reduction in REP funding, where such funding shall not to exceed 50% of such revised total.
- C) The total Minimum Build Out and Equipment 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) Retail Enhancement Loan Agreement to be executed within six (6) months of the DIA Board Approval Date which shall establish the Redevelopment Agreement Effective Date. The DIA Board approval shall terminate if the Retail Enhancement Loan Agreement Effective Date is not met within the timeline established, subject to approved extensions as provided below.
- B) Commencement of Construction: Within three (3) 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 Philip Visali 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 be forgiven and reduced at a rate of approximately 33.33% per year on each anniversary of the Loan Disbursement Date.
- 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:

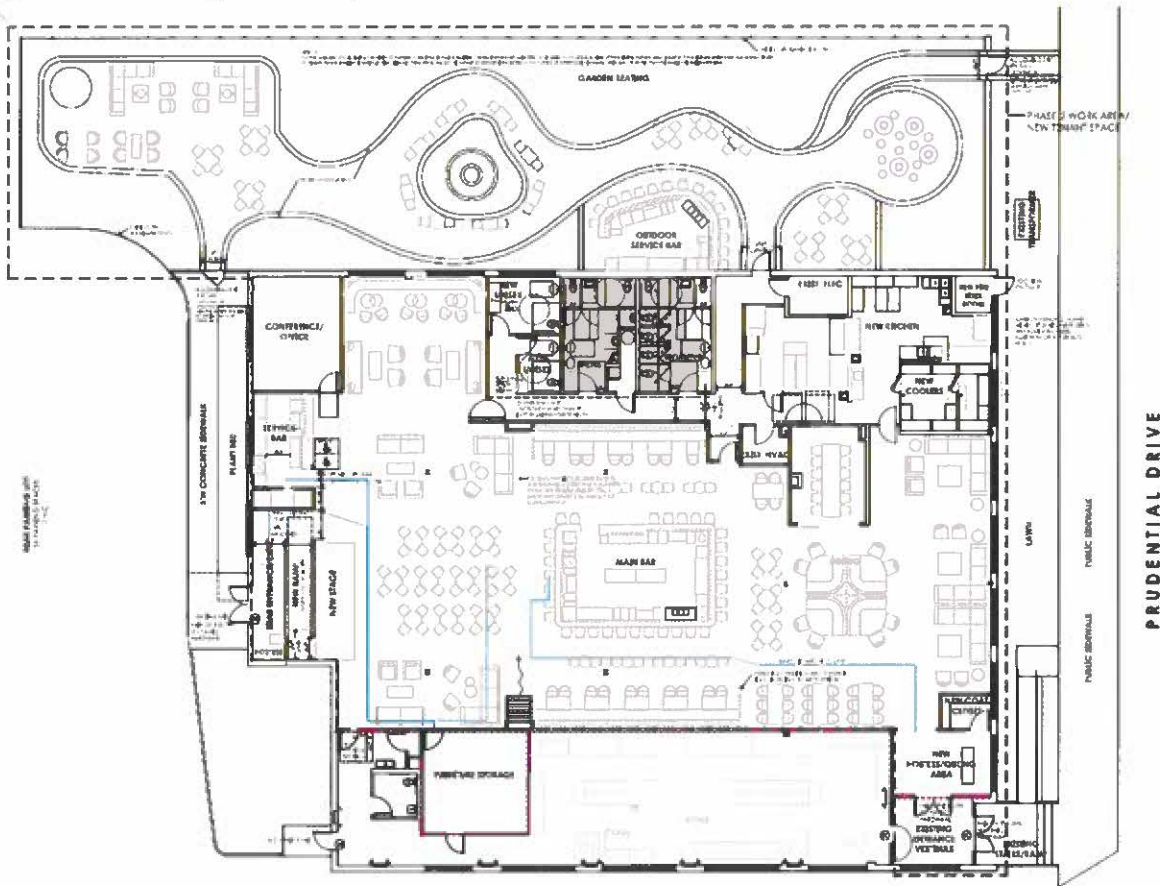
- A) Prior to funding:
 1. Applicant to provide evidence of Substantial Completion, as required above: and,
 2. Applicant to provide evidence of business articles of incorporation, and licensure prior to funding; and,
 3. Downtown Investment Authority to receive copies of any necessary permits, invoices, 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 materially consistent with the budget presented as Figure 1; and
- B) Throughout the Compliance Period:
 1. Continuing operation of the Project as a restaurant, lounge and patio garden 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.
 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 and Equipment Budget as Submitted:

DEMO WORK	\$294,000.00
WEATHER ENGINEER	\$285,000.00
WATSON ELECTRIC	\$250,000.00
WATSON PLUMBING	\$180,000.00
STEEL WORK	\$14,500.00
ACOUSTI ENGINEERING	\$150,000.00
CONCRETE WORK	\$29,000.00
CUT WALL NEW GATE	\$3,500.00
INSIDE BUILD OUT	250,000.00
NANAWALL- GLASS WALL	\$17,000.00
PARKING LOT	\$9,100.00
ALL FLOORING \$ 101,000.00	\$101,000.00
BUILD FIRE ROOM	\$19,000.00
ENTRY WAY FLOORS	\$10,000.00
STALLS FOR BATHROOM	\$21,638.34
NEW FENCE	\$18,000.00
PERMIT	\$7,500.00
ELECTRIC ENGINEERING	\$20,400.00
MP ENGINEER	\$21,000.00
SPRINKLER	\$52,500.00
PLAN REVIEW	\$5,223.00
COURT YARD RENOVATIONS	\$115,000.00
INSPECTIONS	\$2,600.00
PHASE TWO TOTAL	\$1,875,961.34

Combi Oven	\$ 22,941.84
Rapid Cook Oven	\$ 28,126.92
Kitchen Under Counter Refrigeration (2)	\$ 9,161.48
Kitchen Prep Tables (2)	\$ 915.20
Kitchen Hand Sinks (3)	\$ 549.96
Kitchen Sinks w/Faucets	\$ 2,529.38
Cappucino	\$ 17,415.00
Frozen Yogurt	\$ 12,645.00
Hot Food Well	\$ 3,634.78
Ice Cuber - standup	\$ 13,582.43
Bar Undercounter Refrigeration (4)	\$ 18,325.90
Walk in Cooler/Freezer	\$ 25,907.20
Bar Dishwashers (4)	\$ 17,726.60
Kitchen Dishmachine	\$ 9,024.36
Glass Chiller	\$ 2,414.39
Bar Ice Bins (6)	\$ 12,347.99
Bar 3 Comp Sinks (3)	\$ 5,906.44
Bar Drainboard	\$ 856.26
Bar Hand Sinks (2)	\$ 2,553.46
Bottle Storage Unit (5)	\$ 4,359.25
Bottle Storage Racks (6)	\$ 4,474.92
Glass Sanitizer/Chiller (2)	\$ 9,392.76
Glass Racks (6)	\$ 6,830.22
Total Equipment	\$ 231,621.74

Figure 2 – Renderings and Floorplan as Submitted:



MAIN BAR

