

**City of New Port Richey
Community Redevelopment Agency (CRA) Commercial Real Estate Redevelopment
Grant Application**

1. Name of Property Owner: 5800 MAIN, LLC
 Name of Co-Owner: NA
 Name of Tenant (if not property owner): NA
 Business Name: NA
 Property Address: 5800 MAIN ST Zip Code: 34652
 Mailing address: 5742 MAIN ST. NEW PORT RICHEY, FL 34652
 E-mail address: STARKEY.F@gmail.com
 Parcel ID #: 05-26-16-0030-07700-0020

2. Description of the Improvement(s):
 Attach a drawing or rendering of the planned improvements, as well as any additional descriptive material.

3. Current Photos of the property or structure must be attached to this application.

4. Total Redevelopment Project Costs (5800 Main LLC & Wright's).. \$ 1,206,550

5. Attach estimates or project cost list.

I. Acquisition Costs & Significant Building Upgrades	\$ <u>514,850</u>
II. Interior and Leasehold Improvements	\$ <u>55,000</u>
III. Building Façade & Exterior Grounds	\$ <u>308,500</u>
Other: <u>CONTINGENCY</u>	\$ <u>41,350</u>
Total Redevelopment Project Costs ...	\$ <u>919,700</u>
Eligible Amount (20% of Project Costs).....	\$ <u>183,940</u>
Requested Amount	\$ <u>150,000</u>

IV. Job Creation and Retention Loan

Term of Lease _____
 Number of Jobs Created/Retained _____
 Eligible Amount \$ _____
 Requested Amount \$ _____

Total Amount Requested \$ 150,000

6. The undersigned applicant agrees to utilize any grant funds received in strict conformance with the provisions set forth by the CRA Commercial Real Estate Redevelopment Grant Program.
7. All Grant Applications must receive approval by The City of New Port Richey CRA.
8. All Applicants that are awarded a grant understand that when submitting for reimbursement that "cash receipts" will not be accepted due to auditing requirements. (NO EXCEPTIONS) You must pay for materials/services by personal check, money order or by credit card.
9. Work can be completed by either a contractor (specializing in the area that is applied for,) or by the applicant themselves. If an applicant chooses to perform their own work, they may not request reimbursement for their own labor or major tool purchases.
10. Available to Property Owners and Tenants (with permission of Property Owner) in the CRA zoning districts. Tenants must have a minimum three-year lease. Property must be current in water/sewer/garbage, and tax bills and without City liens. All businesses on the property must have a Business Tax Receipt.

11. Execution by Applicant:

Frank [Signature] April 17, 2017 813.294.8029

(Applicant's Signature)

(Date)

(Phone #)

(Co-Applicant Signature) (Date)

(Phone #)

(Printed Name)

12. Action by CRA: _____

Date Received: 04/17/2017 Date Approved by City _____

Only completed applications will be accepted. I have attached the following:

xxxxxxx	Application	Yes	Current
	Photos		
xxxxxxx	Estimates/Bids		Drawings (if req.)

Business Improvement Grant Application 5800 Main Street

Applicant: 5800 Main, LLC
5742 Main Street
New Port Richey, FL 34652

Property Address: 5800 Main Street

Introduction

We are pleased to present to the CRA an exciting prospect for the future of downtown New Port Richey. 5800 Main Street is a large and important building to the downtown. We hope to return it to its role as an anchor for daily life downtown, and create a touchstone for more redevelopment in the area. This is a critical undertaking that will have wide-reaching benefits, making it a key project worthy of the City's support.

5800 Main, LLC is a partnership between People Places, LLC and Jose Cardenas, LLC. Through our various development projects and civic activities we have demonstrated our commitment to revitalizing New Port Richey. 5800 Main furthers that commitment and contributes to the synergy that is so vital to jumpstarting an urban renaissance.

Property Description

5800 Main is a 9,652 square foot one-story commercial building. Built in 1955, and expanded to its current size in the 1960s, this building was originally home to Potter Brothers' "Foodliner" IGA grocery store. It served as a grocery store into the early 1980s and has since housed a variety of businesses, including a restaurant, country/western dance hall, gym and, for the last 15 years or so, as an antique mall.

The age of the building presents a few challenges. Asbestos was found in floor coverings and roofing material, necessitating remediation. Over the course of time, with multiple owners and various uses, the building has undergone a number of renovations of various quality.

The most recent owners, after making some much-needed early improvements like restoring the storefront glass and installing additional structural columns, later deferred maintenance on mechanical, electrical and plumbing systems. The roof, while still sound, is nearing the end of its expected service and needs to be replaced (and the asbestos abated). Roof fascia and a mechanical mezzanine are badly deteriorated; a canopy on the East side is sagging, and the parking lot asphalt is in poor condition. The Main Street façade has become lackluster and needs a "facelift" and additional entries to improve its visual appeal.

In spite of these challenges the positive attributes of the building are significant. It is large and can be divided in any number of ways to serve a variety of tenants. The roof structure is well built of high-quality lumber and some steel and shows no visible signs of termite damage, dry rot, leaks or major previous repairs. We plan to remove the ceiling and expose the structure, displaying the historical architectural character that is highly desirable today, while also raising the effective ceiling height. The Main Street façade boasts large glass storefronts across virtually the entire length. Additional storefront glass can be added to an existing but blocked-in lintel. Per City ordinance the building is not required to create additional parking spaces and it is well served by Main Street parking and the City parking lot to the southeast.

Renovation plans

- Interior:
 - Demo all casework, partitions, HVAC electrical, plumbing, flooring, ceiling
 - Asbestos assessment and abatement (flooring, mirrors, roof)
 - Expose roof structure
 - All new HVAC, electrical and plumbing
 - New roof with insulation board
 - Create a single set of bathrooms to be shared by all tenants. This increases the usable square footage for the building and removes the burden and expense of individual bathroom(s) for each tenant.
- Exterior:
 - New architectural elements (awnings, trim, parapets) to differentiate tenants
 - Add storefront windows in blank wall section
 - Add 1-2 business entries on Main Street
 - Allow outdoor seating on Main Street (by tenants) with wider awnings
 - Sidewalk artwork and merchandise displays
 - New paint
 - New entries and façade improvements on Railroad Square
 - Restore the mechanical mezzanine for refrigeration equipment for Wright's
 - All new electrical service
- Site:
 - Reconfigure side parking area to include new dumpster enclosure for Wright's
 - New dumpster enclosure for other tenants at west end of building
 - Request City to remove planters and streetlights on Railroad Square side

Leasing Plan

- Wright's Natural Market as anchor tenant – 3,500 square feet
 - Please see companion grant request for more details
- Recruit complementary retail businesses such as
 - healthy living (e.g. yoga, fitness studio, etc.)
 - specialty food stores (e.g. bakery, cheese shop, butcher)
 - restaurant
 - microbrewery
 - specialty retail
- Recruit established businesses in the region to either relocate or expand operations
- Gibbs Planning Group Market study from September 2016 identifies plenty of demand potential in each of these categories

Benefits of the project to the City

- Replaces a single business and one worker with multiple businesses with multiple employees each
- Revitalizes 100 feet of frontage on Main Street with updated architecture, multiple activated storefronts, sidewalk merchandising and outdoor seating
- Creates new activity on Railroad Square
- Introduces nearly \$1Million of new investment in Downtown

Evaluation Criteria

1. Economic Benefit to surrounding properties and redevelopment district:
 - a. Renovates and rehabilitates a major downtown building;
 - b. Reintroduces an anchor grocery store in downtown, a use which has been missing for over 30 years;
 - i. A grocery serves local residents, improving the quality and convenience of living in town, AND
 - ii. A grocery attracts regular customers to downtown, adding foot traffic for other businesses.
 - c. Improves the Walk Score for all residences within walking distance of the location. Numerous studies* confirm that locations with higher Walk Scores have the following benefits:
 - i. Increased home values of \$4,000 to \$34,000
 - ii. Increased office and retail rents and property values up to 9% for each 10 points in Walk Score
 - iii. *More information at WalkScore.com
2. Increase in taxable ad valorem value of the property
 - a. 2016 assessed value was \$261,853
 - b. Building upgrades and improvements totaling \$520,000 in addition to a purchase price of \$399,900 add up to a total investment of almost \$920,000.
 - c. Considering the total investment the assessed value and property tax will increase significantly
3. Amount of Square Footage improved
 - a. 9,692 square feet interior conditioned space
 - b. Approximately 750-900 square feet of canopies
 - c. Approximately 3600 square feet of site
4. How the project will spur additional private investment
 - a. An anchor grocery store drives foot traffic to nearby businesses, increasing sales and business viability.
 - b. Multiple additional businesses in the building add activity and “life” to Downtown and, by offering a wider variety of shopping options, help jump-start a virtuous cycle of business investment – customer satisfaction – increased sales – more business investment.
 - c. New business entrances on Railroad Square can further activate that street with pedestrian activity. This increased synergy with the existing businesses like Rose’s Bistro, Bootlegger’s and Fitzgerald’s would lead the way for other building owners to do likewise.
5. Will the Project have a substantial visual impact?
 - a. Yes, bigly. Please see conceptual renderings of proposed improvements.
 - b. 5800 Main comprises 25% of both the Main Street and Railroad Square frontage between Grand and Adams.
 - c. The Main Street façade will have multiple new canopies/awnings and doors rather than a single canopy and entrance. This variety adds visual interest to enhance the pedestrian experience, and visual “friction” which may cause drivers to slow down.
 - d. The Railroad Square side of the building will receive substantial improvement to make it more of a building “front” rather than just a service “rear” of the building. In addition to the secondary entrance to Wright’s Natural Market, the building may have 1 or 2 additional business front entrances facing Railroad Square, with signage and awnings/canopies.

6. Job creation and retention
 - a. Previously the entire building was occupied by a single business, with only one worker on site and with limited operating hours.
 - b. The building is planned to house 3 to 5 businesses in all, each with expanded retail operating hours.
 - c. Please see the grant request for Wright's Natural Market for specifics on that business's job creation and retention expectations.
 - d. The other businesses are anticipated to be relocations or expansions, and may be from within City limits or from outside.
7. Elimination of slum and blight
 - a. Basic maintenance of the building had been deferred for years. Water service had been cut off for quite some time and the P-traps dried out; the HVAC systems were nonfunctional; the roof was sound but reaching the end of its service life; weeds grew in the electrical service meters; interior moisture intrusion at the floor level had gone unchecked. Due to its blighted condition the building required major renovation.
 - b. The applicant's plans are not simply to renovate the building to a minimum level of service, but to significantly improve it aesthetically and functionally. Our goal is that 5800 Main will become the premium new retail offering in Downtown New Port Richey, and that it will spur other building owners and businesses to improve their properties, as well.
8. Track Record of firms involved
 - a. **Jose Cardenas LLC** was founded by Jose Cardenas as a company that focuses on the acquisition, renovation/design inspired by art and re-sale of high-end single-family residential properties. Jose is a Realtor with Berkshire Hathaway Homes Services, the Chairman of the Design Committee of the New Port Richey Main Street Organization, a class member of 2017 Leadership Pasco and a proud Rotarian. As part of Jose's commitment to the improvement of the downtown area, he organized the first "Spring in the park 2016" wine and cheese tasting event, the first of its kind in Sims Park, making it a successful fundraising event where residents enjoyed the natural beauty of the river. Because of this, Jose earned Rookie Rotarian of the year award. Currently Jose serves as the event coordinator for "Taste of Pasco" 2017 and most recently at the Pasco County MPO Board.
 - b. **People Places, LLC** principal Frank Starkey has deep experience developing Longleaf and entitling Starkey Ranch in Pasco County. Of particular relevance to this project Frank completed the Harvard Graduate School of Design's Executive Education course *Urban Retail Planning, Design and Management Practices*. He is widely respected in the New Urbanism field, having chaired the boards of both The Seaside Institute and National Town Builders Association; resource council and instructor with the Form Based Codes Institute; Developer in Residence at the University of Miami's Masters of Real Estate and Urbanism; advisory board for Rollins College's Masters in Civic Urbanism. In addition to this project People Places is developing the Residences at Orange Lake site, partnering on a new mixed-use building in downtown Winter Garden, and also with Jose Cardenas, developing new luxury residences in Fort Lauderdale.

Project Budget

Amounts in *italics* are already spent or contracted, totaling \$464,850. Other amounts are budget estimates and a 10% contingency is applied to those amounts.

Project Budget	
Building Purchase	\$399,900
Due Diligence	\$8,900
Cleanup	\$2,000
Survey	\$3,050
Exterior	\$50,000
raise parapet, façade	
new storefronts, doors	
attic repairs and rear façade	
Asbestos Abatement	\$27,000
Demo Awnings, AC, interior	\$12,000
Engineering/Permits	\$12,000
TOTAL Acquisition and Prep	\$514,850
Awnings	\$30,000
Paving and Striping	\$15,000
Dumpster Enclosures	\$10,000
TOTAL Façade and Site	\$55,000
Roof with insulation board	\$80,000
Interior Construction	\$70,000
framing, drywall,	
bath partitions, flooring repair	
New basic HVAC	\$60,000
Electrical	\$60,000
service upgrade, add'l meters	
Interior PVB	
Plumbing	\$30,000
Paint interior and exterior	\$8,500
TOTAL Interior & Leasehold	\$308,500
Contingency 10% of <i>uncontracted</i> costs	\$41,350
Total Investment	\$919,700
Funding Request	\$150,000