



COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING
CITY OF NEW PORT RICHEY
NEW PORT RICHEY CITY HALL COUNCIL CHAMBERS
5919 MAIN STREET, NEW PORT RICHEY, FLORIDA
May 16, 2017
IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL MEETING

AGENDA

ANY PERSON DESIRING TO APPEAL ANY DECISION MADE BY THE CITY COUNCIL, WITH RESPECT TO ANY MATTER CONSIDERED AT ANY MEETING OR HEARING, WILL NEED A RECORD OF THE PROCEEDINGS AND MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED. THE LAW DOES NOT REQUIRE THE CITY CLERK TO TRANSCRIBE VERBATIM MINUTES; THEREFORE, THE APPLICANT MUST MAKE THE NECESSARY ARRANGEMENTS WITH A PRIVATE REPORTER (OR PRIVATE REPORTING FIRM) AND BEAR THE RESULTING EXPENSE. (F.S. 286.0105)

**ORDER OF
BUSINESS**

- 1 Call to Order - Roll Call
- 2 Approval of the May 2, 2017 CRA Minutes - Page 2
- 3 Business Incubator Lease - Page 5
- 4 5800 Main St. Redevelopment Grant Application - Page 14
- 5 Resolution 2017-19 Hacienda Special Category Grant 2018/19 - Page 49
- 6 Adjournment

Agendas may be viewed on the City's website: www.citynpr.org This meeting is open to the public. In accordance with the Americans with Disabilities Act of 1990 and Section 286.26, Florida Statutes, all persons with disabilities needing special accommodations to participate in this meeting should contact the City Clerk, 727-853-1024, not later than four days prior to said proceeding.



NEW PORT RICHEY

5919 MAIN STREET . NEW PORT RICHEY, FL 34652 . 727.853.1016

TO: Members of the Community Redevelopment Agency
FROM: Judy Meyers, City Clerk
DATE: 5/16/2017
RE: Approval of the May 2, 2017 CRA Minutes - Page 2

REQUEST:

The request is for the Board of Directors to approve the minutes from the May 2, 2017 CRA meeting.

DISCUSSION:

The City's CRA Board of Directors met for a regularly scheduled meeting on May 2, 2017. The minutes from that meeting are attached for the Board's review and approval.

RECOMMENDATION:

Staff recommends that the Board of Directors approve the minutes from the May 2, 2017 CRA meeting as submitted.

BUDGET/ FISCAL IMPACT:

No funding is required for this item.

ATTACHMENTS:

Description	Type
May 2, 2017 CRA Minutes	Backup Material



MINUTES OF THE COMMUNITY REDEVELOPMENT AGENCY BOARD MEETING
CITY OF NEW PORT RICHEY
NEW PORT RICHEY CITY HALL COUNCIL CHAMBERS
5919 MAIN STREET, NEW PORT RICHEY, FLORIDA
May 2, 2017
IMMEDIATELY FOLLOWING THE REGULAR CITY COUNCIL MEETING

MINUTES

ORDER OF
BUSINESS

1 Call to Order - Roll Call

The meeting was called to order by Chairman Rob Marlowe at 9:17 pm. Those in attendance were Director Judy DeBella Thomas, Director Jeff Starkey and Director Chopper Davis. Director Bill Phillips was excused.

Also in attendance were Executive Director Debbie Manns, City Attorney Timothy Driscoll, City Clerk Judy Meyers, Development Director Lisa Fierce, Economic Development Director Mario Iezzoni, Public Works Director Robert Rivera, Technology Solutions Director Bryan Weed and Assistant Fire Chief/Fire Marshal Adam Darling.

2 Approval of the April 4, 2017 CRA Minutes - Page 2

Motion was made to approve the minutes as presented. Motion made by Chopper Davis and seconded by Jeff Starkey. The Motion Passed. 4-0. Ayes: Davis, DeBella Thomas, Marlowe, Starkey Absent: Phillips

3 Former Smart Start Business Incubator - Consideration of Bid Award 2017 Front Roof Replacement Project - Page 6

Executive Director Manns introduced Public Works Director, Robert Rivera, who then presented the item to the Board. He stated that the purpose of this item was to approve the attached proposal from SC Signature Construction, Inc. in an amount not to exceed \$49,249 for the removal and replacement of the existing front roof at the Business Incubator. In November 2015, a report called for removal and replacement of the front roof. The bid was awarded in 2016 to Professional Roofing Systems, Incorporated. On 9/6/16 Construction Services contacted the contractor with a list of items to be corrected. Contractor refused and invoiced for the work. Another report was done in December 2016 and concluded substantial deficiencies. The contractor and bond company has been notified of the City's intent to remove and replace. A new bid and construction documents were completed. To date there is still no response from the first contractor. Mr. Rivera stated the funding for this item can be found in the CRA's capital budget. If approved, the Notice to Proceed would be a date of May 15th.

Upon opening the floor to public comment, no one came forward therefore Chairman Marlowe returned the floor to the Board. Director Davis asked what portion of contract was left to be paid. Mr. Rivera estimated a third left. Director Starkey asked the City Attorney if we have notified that we will file lawsuit for the funds back and City Attorney Driscoll replied yes. Director DeBella Thomas why do we have to sue. City Attorney Driscoll stated that the City has made demand but the initial contractor has not stepped forward to complete contract.

Director DeBella Thomas asked about the City's policy to have to take the low bidder and City Attorney Driscoll stated that the policy is not to take the low bidder but the lowest responsible bidder. Mr. Rivera stated this contractor had roof done by many school districts.

Chairman Marlowe asked if we can recover for the emergency repairs done and City Attorney Driscoll stated the City will try to get back as much funds as we can.

Director Starkey asked about getting back the legal fees and City Attorney Driscoll replied yes.

Motion was made to approve the item as presented.

Motion made by Jeff Starkey and seconded by Judy DeBella Thomas. The Motion Passed. 4-0.

Ayes: Davis, DeBella Thomas, Marlowe, Starkey Absent: Phillips

4 Consideration of Amendment to the FY17 Adopted Budget - Page 69

Executive Director Manns introduced the item to the Board. She stated that the request was to transfer funds to pay for the previous roof replacement agenda item. Upon opening the floor to public comment, no one came forward therefore Chairman Marlowe returned the floor to the Board. Motion was made to approve the item as presented.

Motion made by Chopper Davis and seconded by Judy DeBella Thomas. The Motion Passed. 4-0.

Ayes: Davis, DeBella Thomas, Marlowe, Starkey Absent: Phillips

5 Adjournment

There being no further business to consider, upon proper motion, the meeting adjourned at 9:28 pm.

(signed) _____
Judy Meyers, City Clerk

Approved: _____ (date)

Initialed: _____



TO: Members of the Community Redevelopment Agency

FROM: Mario Iezzoni, Economic Development Director

DATE: 5/16/2017

RE: Business Incubator Lease - Page 5

REQUEST:

Approval of Business Incubator Lease to My Network One

DISCUSSION:

My Network One is a digital solutions business-branding and multi-media marketing firm. With the continued support of the city, the startup has grown steadily, achieving several milestones. Besides self-funding its growth, My Network One, at its own expense has made significant improvements to the Old Post Office. The firm has grown to 12 employees and continues to expand at a rather rapid pace.

As part of the 2012 CRA directive, Economic Development wishes to continue its support this technology-based firm, by leasing the building so it can continue its growth. The benefit to the city is not only that a long-vacant building is generating revenue to recoup prior cost, but the firm is a major contributor to the steadily improving downtown economy. Of particular important are the skilled and knowledge individuals that work for My Network One and have become a part of our community.

The lease terms are as follows:

- 3 year term
- \$3,000 monthly rent increasing 3% in the second and third year
- First Right of Refusal should the CRA sell the incubator
- The city can use the conference room and classroom upon request.

RECOMMENDATION:

Approval of the lease agreement with My Network One.

BUDGET/ FISCAL IMPACT:

\$36,000 in annual revenue and elimination of utilities cost related to maintaining the building.

ATTACHMENTS:

Description	Type
❏ Lease Agreement	Backup Material

LEASE AGREEMENT

This Lease Agreement ("Lease"), is made this ____ day of _____, 2017 by and between the CITY OF NEW PORT RICHEY, FLORIDA, COMMUNITY REDEVELOPMENT AGENCY, corporate body politic, with offices at 5919 Main Street, New Port Richey, Florida, 34652 (the "City") and Mynetworkone, LLC, a Florida limited liability company with its principal address at 5122 Haltata Ct., New Port Richey, FL 34655 ("Tenant")(collectively, the "Parties").

WHEREAS, the City is the owner of that certain real property located at 6345 Grand Boulevard as legally described on Exhibit "1" attached hereto, and commonly known as the Business Incubator (the "Property"); and

WHEREAS, Tenant owns and operates Mynetworkone, LLC and desires to lease a portion of the Property as depicted on Exhibit "1" for use as a multi-media facility on the terms and conditions in this Lease; and

WHEREAS, the City desires to grant Tenant such lease on the terms and conditions provided in this Lease.

NOW, THEREFORE, in consideration of the mutual covenants and promises provided herein, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree that:

Section 1. Recitals. The above recitals are true and correct and incorporated herein by reference.

Section 2. Leased Premises and Term. The City hereby grants an exclusive lease of the Property to Tenant on the terms and conditions provided herein. This Lease shall commence on May 1, 2017 ("Effective Date") and shall continue for a three (3) year term, and shall expire at midnight on April 30, 2020 (the "Lease Term"), unless the Parties mutually agree, in writing, to renew this Lease. Tenant shall request renewal of the Lease in writing to the City no later than ninety (90) days prior to the expiration of the Lease Term. Tenant agrees that any renewal term shall include an increase in rent upon which Tenant and City shall mutually agree in writing.

Section 3. Rent. Tenant shall pay to the City Three Thousand U.S. Dollars (\$3,000.00) per month throughout the first year of the Lease Term. The rent will increase by three percent (3%) in each subsequent year of the Lease Term. The first rental payment shall be immediately due and payable on the execution of this agreement. Each subsequent monthly payment shall be due and payable on the fifth day of each subsequent month.

- a) Upon execution of this agreement, lessee shall place and keep on deposit with Lessor an amount of \$3,000.00, which funds are to be held by Lessor to secure payment and performance of all terms and conditions of this agreement.
- b) In addition to all other remedies available to the City, any payment received by the City five (5) or more days after the date which any payment is due shall accrue interest at the highest legal rate allowed by Florida Statutes. Interest shall continue to accrue until fully paid by Tenant. If Tenant pays with a check or bank draft that is returned unpaid or uncollected, Tenant shall pay to the City, in addition to the total amount due, a processing fee of 5% for each returned check or bank draft. In the event two (2) or more of the Tenant's checks or bank drafts are returned unpaid or uncollected during the Lease Term, the City may require, as a condition of Tenant's continued use and/or occupation of the Property, that all subsequent payments of monthly compensation be in the form of a cashier's check or money order.
- c) Compensation for any renewal term shall be negotiated at the time of renewal.

Section 4. Use and Maintenance of the Property.

- a) The Leased Premises shall be used and occupied solely by Tenant and for the sole purpose of a multi-media facility on the Property.

b) Tenant shall, at its own cost and expense, maintain the Property in a good, attractive, safe and sanitary condition as is acceptable to the City, in the City's sole discretion and in accordance with all local ordinances governing property maintenance. Tenant shall comply with all federal, state, and local laws, rules, ordinances, and regulations relating to Tenant's use and lease of the Property at its sole cost and expense.

c) Tenant agrees to return the Property within ten (10) calendar days after the expiration of the Lease Term or termination of this Lease, however terminated, in the same condition as of the Effective Date of this Lease, ordinary wear and tear consistent with the permitted uses excepted. If Tenant fails to return the Property in the condition required by this subparagraph and within the time allotted, the City may undertake repairs to return the Property in said condition and may charge the Tenant for any and all costs incurred by the City to do so.

d) Tenant shall not construct, install, maintain, repair or otherwise make any temporary or permanent improvements on the Property without the City's City Manager's express written permission. Any and all costs associated with any improvements to the Property shall be Tenant's sole responsibility. Tenant shall be responsible to obtain any and all necessary permits as required to construct or install any improvements to the Property. Upon termination or expiration of this Lease, any improvements to the Property shall become the property of the City and may not be removed from the Property without the express written consent from the City Manager. In the event Tenant is permitted to remove any improvements or fixtures from the Property during or after the Lease Term, Tenant shall pay any and all costs associated with said removal and any repairs the City deems necessary to return the Property to the condition it was in prior to installation or subsequent removal of any improvements or fixtures.

e) The conference room and class room as indicated in Exhibit "1" are to be shared by the Tenant and City. Scheduling shall be coordinated through the City's Economic Development Office.

Section 5. Utilities. For the first three (3) months of the Lease Term, Tenant shall pay seventy-five percent (75%) of all water, sanitary sewer, natural gas, garbage, stormwater and electrical services on the Property (hereinafter "Operating Costs"), Tenant shall pay one hundred percent (100%) of the Operating Costs in each subsequent month of the Lease Term.

Section 6. Signs. Tenant shall not attach, affix, or permit to be attached or affixed upon the Property any flags, placards, signs, poles, wires, aerials, wireless communications equipment, antennae or fixtures unless duly approved by the City's Development Department pursuant to a valid permit. Tenant shall be responsible for securing any necessary permits for the installation of any signs.

Section 7. Assignment. Tenant shall not assign or transfer this Lease in any manner without the express written consent of the City.

Section 8. City Access. Tenant shall allow the City and its representatives access to the Property for inspection upon request by the City. The City will endeavor to give three (3) days notice prior to any such inspection except in cases of emergency, repairs to utilities or imminent threat to the health, safety, and welfare of the public.

Section 9. Insurance.

a) Tenant shall keep in full force and effect for the duration of the Lease Term and any extension or renewal thereof, insurance in the form and amounts specific below. Any insurer executing a policy required hereunder shall have a currently valid Certificate of Authority issued by the State of Florida, Department of Insurance authorizing it to write insurance policies in the State of Florida and be doing business in the State of Florida. Insurers shall have at least a Policy Holders Rating of A-, and a Financial Rating of Class IV as identified in the latest issue of "Bests Key Rating Guide" unless otherwise accepted by the City's Risk Manager in writing.

b) Tenant's insurance shall be considered primary. The Certificates of Insurance shall bear the

requisite endorsements providing for the "City of New Port Richey" as Certificate Holders and additional insured and shall further provide for waiver of subrogation by the Tenant. The Certificate(s) issued pursuant to this Lease shall, at a minimum, bear the name of the insured, the name of the insurer, the number of the policy, its effective date and termination date. For identification purposes, the Certificate(s) shall include a reference to this Lease. The Certificate(s) of Insurance shall be in a form approved by the City Manager.

c) Renewal certificates shall be sent to the City thirty (30) days prior to any expiration date. Tenant shall provide immediate notice of any Tenant initiated cancellation, non-renewal or adverse change to the policies required to be obtained and/or maintained pursuant to this Lease. Tenant shall immediately forward to the City any notice it receives of cancellation, non-renewal or adverse change to any policy that is initiated by the insurer(s). If requested by the City, Tenant shall furnish complete copies of all insurance policies, forms and/or endorsements.

d) The City reserves the right to request additional information it deems necessary, and at a frequency it deems necessary, to confirm the requisite insurance remains in effect, at the required levels, for the duration of the Lease Term and any extension or renewal thereof. Receipt of Certificates or other documentation of insurance or policies or copies of policies by the City or by any of its representatives which indicate less coverage than required by this Lease does not constitute waiver of the Tenant's obligations to fulfill the requirements of this Section.

e) The Tenant shall secure the following insurance, or mutually agreed upon variances in insurance coverage, on forms no more restrictive than the latest edition of those filed by the Insurance Services Office, and name the City, and its elected officials, officers, employees, volunteers, representatives, attorneys, agents, contractors, and subcontractors as an additional insured to the extent of the City's interest:

1. Workers' Compensation - Statutory - In compliance with the Workers' Compensation law of the State of Florida including employer's liability coverage of at least \$500,000.
2. Comprehensive General Liability - with a minimum limit of \$1,000,000 per occurrence combined single limit to include:

- (a) Premises - Operations
- (b) Independent Contractors
- (c) Products and Completed Operations
- (d) Broad Form Contractual
- (e) Personal Injury

Note: This must be an occurrence based policy.

Section 10. Indemnification.

a) The Tenant shall indemnify, hold harmless and defend the City and its elected officials, officers, employees, volunteers, representatives, agents and affiliates of, from and against all liability, claims and expense, including reasonable attorney's fees, in connection with any and all claims, including claims for equitable or injunctive relief and/or damages whatsoever for personal or bodily injury or death, including loss of use, or property damage or destruction of tangible or personal property including loss thereof or expenses of every kind and character, in connection with and arising directly or indirectly out of this Lease or the use of the Property. This indemnification provision shall survive the termination of this Lease, however terminated. This indemnification provision shall not be limited by the amount of any insurance required to be maintained or obtained under this Lease. This indemnification provision includes claims made by employees and patrons of the Tenant against the City; and the Tenant waives its entitlement, if any, to

immunity under Section 440.11, Florida Statutes. Nothing contained herein shall be construed as a waiver of any immunity from, or limitation of, liability the City may have under the doctrine of sovereign immunity or Section 768.28, Florida Statutes.

b) The foregoing shall be endorsed onto or attached to the insurance policies and Certificate(s) of Insurance procured pursuant to Section 9 of this Lease.

Section 11. Damages to Leased Premises.

a) If the Property is partially damaged by fire or other casualty insured under Tenant's insurance policies, then upon receipt of the insurance proceeds, Tenant shall, except as otherwise provided herein, promptly repair and restore the Property substantially to the same condition existing immediately prior to such damage or destruction, and shall repair, restore, or replace the City's improvements, fixtures and contents (where applicable) in the Property to at least a condition equal to that existing prior to the damage and/or destruction, limited, solely, to the extent of the insurance proceeds received by the Tenant.

b) If, by reason of such fire or casualty, the Property is rendered wholly unusable/unoccupiable, then the compensation payable by Tenant shall be fully abated, or if only partially unusable/unoccupiable, such compensation shall be abated proportionately as to that portion of the Property rendered unusable from the date of such casualty until the Property is substantially repaired and restored. Tenant shall continue use of the Property or any part thereof not so damaged, or rendered unusable, during any such period to the extent reasonably practicable. However, if such damages or other casualty shall be caused by the negligence or wrongful conduct of the Tenant or its respective agents or employees, there shall be no abatement of compensation. Except for the abatement of compensation set forth in this subparagraph, Tenant shall not be entitled to, and hereby waives, all claims against the City for any compensation or damage for loss of use of the whole or any part of the Property and/or for any inconvenience or economic losses occasioned by any such damage, destruction, repair or restoration.

c) If the Property is damaged by any act or omission of the Tenant, Tenant's employees, invitees, agents, representatives, contractors, and/or subcontractors, Tenant shall promptly repair and restore the Property substantially to the same condition existing immediately prior to such damage or destruction, and shall repair, restore, or replace the City's improvements, fixtures, and contents (where applicable) to at least a condition equal to that existing prior to the damage and/or destruction at Tenant's sole cost and expense. In the event Tenant fails to conduct any such repairs in a timely manner, the City may, in its sole discretion, complete any repairs as the City deems necessary. Tenant shall be responsible for payment of any costs incurred by the City in conducting any repair to the Property as provided herein. Failure to reimburse the cost of any repairs conducted by the City in accordance with this provision shall be cause for immediate termination of this Lease.

Section 12. Binding Effect. This Lease shall be appurtenant to and shall run with the land and is binding upon the Parties hereto, as well as their successors, heirs and permitted assigns.

Section 13. Entire Agreement. This Lease contains the entire agreement between the City and Tenant with regard to the lease of the Property, and all other representations, negotiations and agreements, written or oral, are superseded by this Lease and are of no force and effect. This Lease may be only be modified in writing signed by the Parties. No waiver of any of the terms and conditions of this Lease shall be effective unless in writing and executed by the party to be charged therewith. No waiver of any such condition or the breach of any term, covenant, representation, warranty, or other provision herein shall be deemed or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of any breach of any other term, covenant, representation, warranty or other provision contained in this Lease.

Section 14. Venue and Choice of Law. This Lease shall be construed under the laws of the State of Florida, and venue for any state actions arising out of this Lease shall lie solely in the Sixth Judicial Circuit in and for Pasco County, Florida, and venue for any federal actions arising out of this Lease shall lie solely in the U.S. District Court,

Middle District of Florida, Tampa Division.

Section 15. Severability. If any provision of this Lease, excluding Section 10 ("Indemnification"), is deemed to be invalid, illegal or unenforceable by a court of competent jurisdiction, then such provision shall be deemed separate and severable from the rest of this Lease and shall not invalidate any other provision of this Lease. If Section 10 is deemed unenforceable, then this Lease shall terminate immediately.

Section 16. Force Majeure. Neither party to this Lease shall be liable for its failure to perform hereunder due to any circumstances beyond its reasonable control, such as acts of God, wars, riots, national or state emergencies, sabotage, strikes, or labor disputes. Either party hereto may suspend its performance hereunder as a result of force majeure without being in default of this Lease, but upon the removal of such force majeure, the suspending party shall resume its performance as soon as is reasonably possible.

Section 17. Breach or Default; Termination.

a) In the event Tenant defaults or breaches any of the terms of this Lease, the City shall give Tenant written notice of the nature of the alleged breach. Upon receipt of written notice of the alleged breach, Tenant shall thereafter have ten (10) calendar days to cure the default or breach. If Tenant fails to cure such default/breach within such ten (10) day period the City may terminate this Lease immediately upon written notice to Tenant. In addition, the City may, but shall not be obligated to, cure such default by Tenant. Whenever the City elects to cure the Tenant's default, all costs and expenses incurred by the City, including reasonable attorneys' fees, in curing said default shall be paid by the Tenant to the City on demand, together with interest thereon from the date of payment by the City to the date of payment by the Tenant.

b) In the event Tenant defaults on any of the terms or conditions contained in this Lease, in addition to all other remedies set forth in this Lease or at law, all payments of compensation due the City during the term of this Lease, or any renewal thereof, shall, at the option of the City, become accelerated and immediately due and payable in full. The City may re-enter the Property using such force for the purpose as may be necessary without being liable to any prosecution therefore, and the City may repair or alter the Property in such manner as the City may deem necessary or advisable. The City has the right to enter into an agreement for the re-use of the Property and to collect any deficiency in doing so in addition to any reasonable expenses incurred, however, Tenant's obligation to pay damages shall survive termination of this Lease and the election by the City of any single remedy does not preclude the use of any other remedy whether or not provided in this Lease.

Section 18. Effect of Expiration or Termination. At the expiration of the Lease Term, or termination of this Lease, however terminated, in addition to all other obligations in this Lease, Tenant shall surrender possession of the Property to the City and shall vacate the Property immediately upon such expiration and/or termination without the City needing to bring an action for possession thereof. Any and all personal property or improvements left on the Property shall be deemed to be abandoned and shall become the property of the City. In the event this Lease is terminated without cause prior to the expiration of the Lease Term, any monthly payment due in the month of termination shall be prorated and the Tenant shall no longer be responsible for future monthly payments.

Section 19. Notices. All notices required or made pursuant to this Lease shall be made in writing and sent by certified mail, return receipt requested. Notices shall be sent to the Parties at the respective addresses shown below:

City: Executive Director
 City of New Port Richey, FL
 Community Redevelopment Agency
 5919 Main Street
 New Port Richey, FL 34652

With a required copy to:

General Counsel
5919 Main Street
New Port Richey, FL 34652

Tenant: _____

Section 20. Attorney's Fees. Should either party be forced to retain an attorney to enforce any provisions of this Lease, to collect damages for breach of this Lease, or engage in any litigation over this Lease, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs, charges, and expenses expended or incurred in pursuit of all such claims at every level, including pre-suit, pre-trial, trial, and appeal and including any litigation over entitlement to or amount of attorneys' fees and costs owed.

Section 21. Mutual Drafting. The Parties acknowledge and agree that this Lease is the product of mutual drafting, each being represented by or having the opportunity to be represented by independent legal counsel, and that the terms hereof shall not be construed against any party.

Section 22. Acknowledgment. Tenant understands and acknowledges that its undersigned Managing Member has full authority to execute this Lease on behalf of the Tenant.

Section 23. First Right of Refusal. Tenant acknowledges that the City may elect to sell the Property at any time during the term of this Lease or any renewal thereof. In the event the City receives a bona fide offer for purchase of the Property, Tenant shall have thirty (30) days in which to provide the City with a bona fide and legally binding offer to purchase the Property on the same terms as provided in such offer, or such other terms acceptable to the City in its sole discretion. Nothing contained herein shall be deemed to require the City to accept any offer to purchase the Property made by Tenant or any third party, and the City may in its sole discretion reject any and all offers for purchase of the Property in its sole and absolute discretion.

IN WITNESS WHEREOF, the parties have affixed their signatures and seals on the year and date first above written.

CITY OF NEW PORT RICHEY, FLORIDA
("City")

By: _____
Debbie Manns, as Executive Director

WITNESS:

Print Name: _____

WITNESS:

Print Name: _____

ATTEST:

REVIEWED AND APPROVED:

Agency Clerk

General Counsel

STATE OF FLORIDA
COUNTY OF PASCO

Subscribed and sworn to before me on this _____, 2017, by **Debbie Manns**, as City Executive Director of the City of New Port Richey, Florida, Community Redevelopment Agency, on behalf of the corporation. She is personally known to me or has produced _____ as identification.

Signature of Person Taking Acknowledgment

(NOTARY SEAL)

Name of Acknowledger Printed/Typed

Notarial Serial Number

MyNetworkOne, L.L.C.
("Tenant")

By: _____

_____, Managing Member

WITNESS:

Print Name: _____

WITNESS:

Print Name: _____

STATE OF FLORIDA
COUNTY OF PINELLAS

Subscribed and sworn to before me on this _____, 2017, by _____, as Managing Member of Mynetworkone, LLC, a Florida limited liability company, on behalf of the company. She is personally known to me or has produced _____ as identification.

Signature of Person Taking Acknowledgment

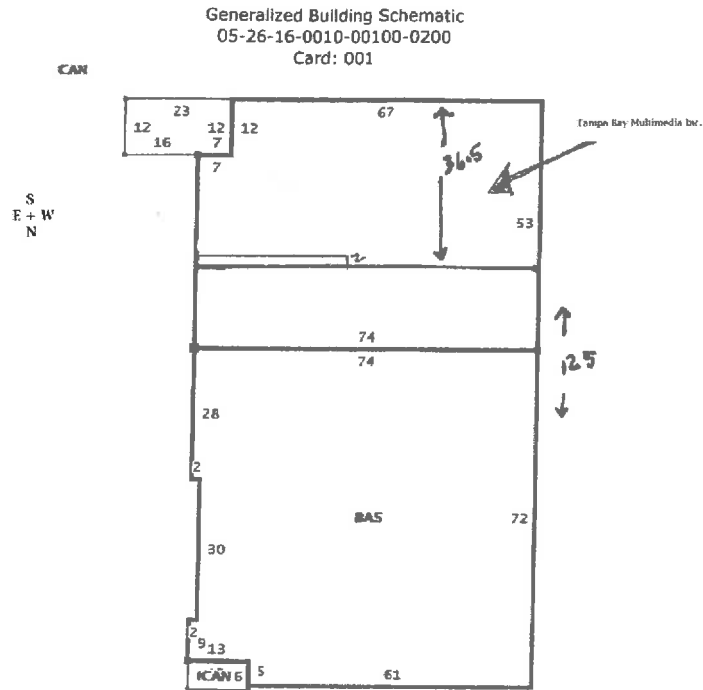
(NOTARY SEAL)

Name of Acknowledger Printed/Typed

Notarial Serial Number

Exhibit 1

Business Incubator Schematic



Pasco County Property Appraiser
Page Layout Modified: 9/6/2013 8:36:26 AM
The Local Time Is: 4/23/2015 9:10:28 AM

Mike Wells Pasco County Property Appraiser

Legal Description .

05-26-16-0010-00100-0200
Assessed in Section 05, Township 26 South, Range 16 East
of Pasco County, Florida

AVERY & SIMS SUBDIVISION REPLAT OF BLOCK 1 AVERY & SIMS PB 5 PG 10 EAST 35.00 FT LOT
19 ALL OF LOT 20 & EAST 100.00 FT LOT 21 BLOCK 10R 6760 PG 1336

*Please be advised that our legal descriptions are for assessment purposes only, and are not
intended for use in legal conveyances.*



TO: Members of the Community Redevelopment Agency

FROM: Mario Iezzoni, Economic Development Director

DATE: 5/16/2017

RE: 5800 Main St. Redevelopment Grant Application - Page 14

REQUEST:

Authorize the Executive Director to approve a Commercial Real Estate Redevelopment Grant Reimbursement for 5800 Main, LLC. and to enter into a development agreement with Jeka, Inc. dba, Wrights Natural Market, to support a \$1.2 million redevelopment project to renovate, upgrade, and redesign 5800 Main St. to include several new retail units with the anchor tenant serving as a community-based natural grocery market.

DISCUSSION:

A real estate redevelopment firm has acquired 5800 Main St., a 9,700 sf. single-story building built in 1945. The concrete block structure, containing hazardous materials has steadily declined in ad valorem value. Such declines in CRA property values, mitigate any incremental gains realized on other properties within the CRA district.

The acquiring developer wishes to move quickly and begin leasing the property in November 2017.

Plans are to demolish the interior space, remove asbestos, replace the exterior awning, and make major repairs with significant improvements in overall design to maximize the properties capacity to provide nearly 10,000 sf. of newly renovated downtown retail space. Of critical importance to the success of the private sector investment is the relocation and inclusion of a New Port Richey natural market. In business in New Port Richey for 23 years, the anchor tenant, Jeka, Inc. dba., Wright's Natural Market, will relocate eight jobs and hire additional staff by extending business hours and adding additional departments.

The investment is expected to increase the taxable value of the property from its 2016 value of \$261,000 to an estimated \$800,000, a historical high. With the leasing of all the retail units, additional tax revenues will be realized in the form Business Tax Receipts and Tangible Taxes.

According to the language set-forth in the FS 163.340 (8) "Blighted Area", the 2016 condition of 5800 Main Street parcel contributes to five (5) characteristic listed in the CRA statute that defines a blighted area.

(b) Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions.(see attached graph)

(d) Unsanitary or unsafe conditions

(e) Deterioration of site or other improvements.

(g) Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality.

(h) Tax or special assessment delinquency exceeding the fair value of the land.

The 2012 CRA plan strongly recommends incentives to support private investment. The plan goes as far as identifying a grocery store as one of the targeted businesses. (See Authorizations). Additionally, the current language before the Florida Legislature regarding CRA plan compliance will require more detailed benchmark reporting. Included in the pending legislative language is the following measurement:

13. Ratio of redevelopment funds to private funds expended within the boundaries of the community

redevelopment agency.

Staff is requesting the CRA, through the Commercial Real Estate Redevelopment Grant Program, supported by language in Florida Statute 163, Part III, the original 2001 & updated 2012 CRA plans, that funding be provided in the following manner:

1. 5800 Main LLC redevelopment project to be fund at 20% of the total investment, estimated at \$919,700. The CRA match would be capped at \$150,000.
2. Development Agreement with Jeka, Inc. dba., Wright's Natural Market, to support their \$286,850 investment to relocate in order to retain and create jobs, and to construct a leasehold build-out to open its natural market. The CRA incentive would be capped at \$100,000.

5800 Main LLC's investment will be catalytic in the continued downtown redevelopment. With the intention of anchoring a grocery story, the private sector redevelopment project will be beneficial to city residents, improve ad valorem values, support future capital investment and the continued positive business momentum the city is experiencing.

RECOMMENDATION:

Approve a Commercial Real Estate Redevelopment Grant for 5800 Main, LLC. not to exceed \$150,000. Authorize the Executive Director to enter into a Development Agreement as per the same grant program with Jeka, Inc. not to exceed \$100,000.

BUDGET/ FISCAL IMPACT:

Not to exceed \$250,000 in CRA business incentive grant funds FYE 2017.

ATTACHMENTS:

Description	Type
❑ 5800 Main Pics and Renderings	Backup Material
❑ 5800 Main LLC Grant Application	Backup Material
❑ Wright's Natural Market Grant Application	Backup Material
❑ Florida Statute & CRA Authorizations	Backup Material
❑ Commercial Real Estate Grant Program	Backup Material
❑ Ad Valorem and Economic Impact Analysis	Backup Material



Designed by

Jose Cardenas
the art of renovation









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

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:

<input type="checkbox"/>	Application	<input checked="" type="checkbox"/>	Current
<input type="checkbox"/>	Photos		
<input type="checkbox"/>	Estimates/Bids	<input type="checkbox"/>	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

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

1. Name of Property Owner: _____
Name of Co-Owner: _____
Name of Tenant (if not property owner): Jeka, Inc.
Business Name: Wright's Natural Market
Property Address: 5800 Main ST. Zip Code: 34652
Mailing address: 6630 US Hwy 19, NPR, FL 34652
E-mail address: Jeff@WrightsNaturalMarket.com
Parcel ID #: _____

2. Description of the Improvement(s):

Attach a drawing or rendering of the planned improvements, as well as any additional descriptive material.

See Attached Renderings, Narrative, Estimates, Scope

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

See Attached

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> </u>
II. Interior and Leasehold Improvements	\$ <u>210,500</u>
III. Building Façade & Exterior Grounds	\$ <u>7,000</u>
Other: <u>Relocation Cost</u>	\$ <u>169,350</u>
Total Redevelopment Project Costs ...	\$ <u>286,850</u>
Eligible Amount (20% of Project Costs).....	\$ <u>57,370</u>
Requested Amount	\$ <u>50,000</u>

IV. Job Creation and Retention Loan

Term of Lease	<u>5 years</u>
Number of Jobs Created/Retained	<u>8-25</u>
Eligible Amount	\$ <u>50,000</u>
Requested Amount	\$ <u>50,000</u>

Total Amount Requested \$ 100,000

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:

(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:

<input type="checkbox"/>	Application	<input type="checkbox"/>	Current
<input type="checkbox"/>	Photos	<input type="checkbox"/>	
<input type="checkbox"/>	Estimates/Bids	<input type="checkbox"/>	Drawings (if req.)
<input type="checkbox"/>		<input type="checkbox"/>	

Wright's Natural Market is an organic grocery store that has been a New Port Richey institution for the past 23 years, giving residents a local source for healthy options. Over the past several years it has become apparent that what was considered a prime U.S. 19 location in years past does not hold the same appeal to consumers today. After researching several options, owners Jeff and Kathy Wright have determined that relocating their store to the heart of a community seeking a more walkable, every day experience is the right move.

The recent purchase and renovation of 5800 Main, which was once the Potter's IGA, has created a perfect space to house the market that has grown from a mere 840 square feet to what will be over 3500 square feet with this move. The Wright's anticipate future growth will allow for further expansion into the entire 9,800 sq. ft.

The City of New Port Richey recently commissioned a Retail Market Study from the Gibbs Planning Group in September of 2016. The results were astounding. The Gibbs study indicates that right now the downtown area can support an estimated 26,170 sq.ft. of retail grocery space.

It is commonly known in commercial retail development that, in order for a retail hub to be successful, it requires at least one anchor business. In planned retail developments, these anchor businesses are generally large corporate entities or businesses that provide a service needed by a large part of the population. While the downtown district of New Port Richey is nothing like a newly developed retail center, the same logic applies. In order for the downtown revitalization to flourish, it will require an anchor store that will serve a greater percentage of the population than any businesses in the downtown area currently do. Wright's Natural Market will serve that purpose, providing a much needed grocery in an area that is considered a "food desert". The Federal Food and Drug Administration defines a food desert as "...parts of the country vapid of fresh fruit, vegetables, and other healthful whole foods, usually found in impoverished areas. This is largely due to a lack of grocery stores, farmers' markets, and healthy food providers."

Wright's Natural Market will play an important part in meeting the needs of downtown residents and adding significantly to their quality of life by providing a convenient, walkable location for groceries and health supplements. Many residents are already quite health-conscious as can be seen by the growing number of runners, walkers, and bicyclists one sees on a daily basis. Adding an organic grocery and supplement store will make it more convenient for residents to live healthy and fit lifestyles while also making it easier for others seeking to attain new health goals.

In addition to the the store's primary purpose as a retail grocer, Wright's Natural Market intends to become a platform of growth opportunity for the local community in two ways. The first approach focuses on improving the local economy by creating a variety of new jobs with income growth potential. Wright's will also provide economic opportunities for urban farmers, cottage industry, and handmade goods entrepreneurs. The latter will be accomplished by collaborating with a local event production company to develop a weekly farmers market to be held in Railroad Square. With a consistent market that is well planned, marketed and highly visible to the

community, Wright's Natural Market will be creating a draw for residents and visitors while providing an opportunity for local entrepreneurs to grow their businesses. The second approach is aimed at improving quality of life for residents through education. With the additional space at the new downtown location, Wright's Natural Market will be able to expand our calendar of educational workshops and events that are designed to provide free resources that educate the public and empower them to take their health matters into their own hands.

The excitement within the community regarding the store's potential move is already palpable. This is due, in large part, to the fact that Wright's Natural Market is a locally owned, small business that supports local farmers. There is a growing awareness in our culture that supporting local businesses and local farmers is the only way to ensure access to less toxic, better quality food sources and boost local economies. The demand for more ethical, humane, and sustainable farming practices increases with each new study that is released. Wright's seeks out Florida based businesses (whenever possible) who offer USDA organic products and holds local farmers up to strict organic and natural growing practices. Our customers know they can trust the food and products we make available to them.

There are other benefits to having Wright's Natural Market in our downtown as well. The market will also impact the surrounding area by reducing crime through increased foot traffic and visibility, generating enthusiasm in commercial redevelopment and enticing new residents to relocate here, leading to increased property values (both residential and commercial).

There is a great deal of expense involved in moving a grocery store along with a substantial amount of risk involved. This is not an undertaking Jeff and Kathy Wright take lightly. Having been independent business owners in New Port Richey for the past 23 years, they are fully aware of the challenges and potential pitfalls their business will face. This move would not be possible without the solid backing of the City of New Port Richey and the partners of 5800 Main, LLC.

It takes a bold move, such as this, to pave the way for other potential investors and business owners to take note of the turning tide toward a favorable retail climate for development in the downtown. This is an opportunity for the City of New Port Richey to make a statement by setting a new standard for how it welcomes, and actively supports the growth and development of a robust commercial district which will result in long-term increases of tax revenue for the CRA.

Below is the estimated cost for expansion and moving Wright's Natural Market downtown. The Wright's are asking the City of New Port Richey to invest with them in furthering the redevelopment of downtown in the form of \$50,000 grant, and a \$50,000, 0% interest, forgivable loan based on job creation benchmarks.

Wright's Natural Market			
Relocation and Leasehold Buildout Costs			
Descriptions		Amount	
Relocate Refrigeration, Electrica & Replumbing	I	\$ 35,000	
ECRS POS Hardware & Software	I	35,000	
Lighting, Flooring, Wayfinding	I	20,000	
Office Buildout and Staff Area	I	20,000	
Barista/Fruit Smoothie Preparation Department	I	15,000	
Kombucha & Beer Tap Buildout	I	15,000	
Walk-in Cold Inventory Storage and Freezer	I	14,000	
Automatic Doors	I	12,000	
Grab & Go Department Buildout	I	10,000	
Bulk Food and Herb Storage and Display	I	10,000	
Water Heater, Sinks, Prep Area	I	9,500	
Customer Service Area Buildout	I	5,000	
Dry Produce Shelving	I	4,000	
Cart Corrals	I	3,500	
Fixed Chrome Railings	I	2,500	
Total Leasehold Improvement & Upgrades			\$ 210,500
Sidewalk Café Buildout	E		7,000
Lease Payoff Nov 1	O	64,350	
Physical Store Moving Costs	O	5,000	
Total Relocation Costs			69,350
Total Cost Estimates			\$ 286,850
Matching-Grant @ 20%		\$ 57,370	

Wright's Natural Market						
Example Schedule of Job Creation/Retention Loan Amortization						
Description		Year 1	Year 2	Year 3	Year 4	Year 5
Employee #1		2,000	2,000	2,000	2,000	2,000
Employee #2		2,000	2,000	2,000	2,000	2,000
Employee #3		1,500	2,000	2,000	2,000	2,000
Employee #4		1,000	1,500	2,000	2,000	2,000
Employee #5		2,000	2,000	2,000	2,000	2,000
Employee #6		750	1,000	1,000	1,000	1,000
Employee #7		750	750	1,000	1,000	1,000
Employee #8			500	750	1,000	1,000
Employee #9				500	500	750
Employee #10					500	500
Total Hours Worked		10,000	11,750	13,250	14,000	14,250
Full-Time Equivalencies		5.0	5.9	6.6	7.0	7.1
Loan Forgiveness		\$ (10,000)	\$ (11,750)	\$ (13,250)	\$ (14,000)	\$ (14,250)
Loan Balance	\$ 50,000	40,000	28,250	15,000	1,000	-

Authorizations with Emphasis

Florida Statute Sections

163.345 Encouragement of private enterprise.—

(1) Any county or municipality, to the greatest extent it determines to be feasible in carrying out the provisions of this part, **shall afford maximum opportunity**, consistent with the sound needs of the county or municipality as a whole, to the rehabilitation or redevelopment of the community redevelopment area by **private enterprise**. Any county or municipality shall give consideration to this objective in exercising its powers under this part, including the **formulation of a workable program**; the approval of community redevelopment plans, communitywide plans or programs for community redevelopment, and general neighborhood redevelopment plans (consistent with the general plan of the county or municipality)

163.350 Workable program.—Any county or municipality for the purposes of this part may formulate for the county or municipality a **workable program for utilizing appropriate private and public resources to eliminate and prevent the development or spread of slums and urban blight, to encourage needed community rehabilitation, to provide for the redevelopment of slum and blighted areas**, to provide housing affordable to residents of low or moderate income, including the elderly, or to undertake such of the aforesaid activities or other feasible county or municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include provision for the prevention of the spread of blight into areas of the county or municipality which are free from blight through diligent enforcement of . . . encouraging voluntary rehabilitation, and **compelling the repair and rehabilitation of deteriorated or deteriorating structures**;

163.370 —Powers; counties and municipalities; community redevelopment agencies . . . (a) **To make and execute contracts and other instruments necessary** or convenient to the exercise of its powers under this part . . . **163.370 (c) 5** Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the community redevelopment plan . . . (k) **To prepare plans for and assist in the relocation of persons** (including individuals, families, **business concerns**, nonprofit organizations, and others) displaced from a community redevelopment area and **to make relocation payments to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made . . .**

City of New Port Richey Community Redevelopment Plan Sections

City of New Port Richey Redevelopment Plan May 29, 2001 p. 3-1—Section 3.0 Redevelopment Objectives.

The grant program specifically serves to support the following five 2001 CRA plan section objectives.

- 3.1 Community Enhancements**
- 3.3 Strengthen the Local Tax Base**
- 3.4 Strengthen Land Use Patterns within the Community**
- 3.5 Enhance the Business Districts**
- 3.6 Reverse Obsolescence**

City of New Port Richey 2012 Community Redevelopment Agency Redevelopment Plan, Adopted May 15, 2012 p.46

1.7.1 Commercial Redevelopment Strategies

Several **redevelopment policies aimed at commercial properties within the City would encourage improvements to existing sites, promote the establishment of new businesses in the community, enhance the existing tax base and further the redevelopment efforts** and strategies of the City.

- **Rehabilitation Assistance Program**
The City should **consider incentive programs to entice the private redevelopment and revitalization of centrally-located commercial properties that have been identified as underutilized or poorly maintained.**
- **Store Frontage Rehabilitation**
The City should consider the use of TIF funds for the **revitalization of store frontages and rehabilitation of run-down business facades**
- **Incentive-Based Recruitment of Target Businesses**
The City should consider the **targeted marketing of properties, especially in the downtown, to specific types of businesses in order to encourage activity generation.** Some examples of these types of business include:
--Specialty food store (green grocer, organic foods, health foods)

5.0 Redevelopment Programs & Activities p. 57

The CRA is empowered to provide services and programs to further carry out the themes and principles of the Plan . . . These **programs are intended to encourage and promote private enterprise** within the CRA.

The CRA may help **directly stimulate and support private investment in new real estate development, property improvements, new businesses, increased business activity and as a result, create new jobs.** Although the CRA may not be able to utilize some of these tools in the short-term, they are included as options to be used once fiscal

conditions are again stable. Many of the **options are grant-based for which the CRA may be eligible.**

The **CRA may assist private property owners and developers in redeveloping properties** in a number of ways including **recruiting businesses and/or developers to do business within the CRA urban core** and connecting would-be developers with potential property owners to facilitate redevelopment. The **CRA may choose to offer financial incentives in order to fill the economic gap and stimulate redevelopment.** The following tools may be used alone or in partner with other options:

Incentives for New Businesses -Attracting new businesses **will be critical to the success of the redevelopment and revitalization of the commercial areas** of the CRA. The ability to **offer financial incentives increases the potential for success in attracting the numbers and types of businesses needed and desired to create a sustainable business community.**

The Comprehensive Plan and the Redevelopment Plan are consistent, providing unified direction in the accomplishment of the City's redevelopment goals. The following goals of the Comprehensive Plan are being implemented in the CRA Plan:

Policy FLU 1.5.1 – The Community Redevelopment Agency shall pursue redevelopment opportunities in accordance with provisions of Part III, Chapter 163, FS

Policy FLU 1.9.2 – The Land Development Regulations shall, through incentives, encourage the adaptive reuse or rehabilitation of historic or architecturally-significant structures.

Policy LIV 2.4.1 – Devise a course of action to address the problems of commercial sprawl, deterioration, obsolescence and corridor congestion by following the strategic framework set forth in the Ten Principles for Reinventing suburban Strips.

The City can facilitate this through revised development code processes and other incentives as re-investment occurs on individual properties through the normal course of private property management and re-investment.

The resulting neighborhood plan includes goals and strategies for preserving or enhancing the neighborhood including **City commitments to provide identified amenities and services.**

The **stability, the safety and the preservation of property values of the neighborhoods are critical to the prosperity of the City and its citizens.** Residents must have, and feel they have, decent and safe homes which necessitate decent and safe neighborhoods. The attention from their City to this aspect of their lives is important. Without these conditions, the business community will continue to struggle to serve a constituency that has more pressing needs than supporting local business and community

activities. Therefore, community redevelopment planning starts in the neighborhoods. In addition to being good places to live, neighborhoods are where customers reside. (2.4)

4.1 Community Enhancements

The character of the community should be emphasized through recreational opportunities, higher standards of development, and public and **private reinvestment in commercial and residential development.**

The use of public/private partnerships is critical to the success of the CRA. Public agencies, different levels of government, coupled with business associations and nonprofit organizations all work in agreement on objectives and strategies, mutual benefits, essential resource commitment, and variety of activities. The partnering team brings a wide variety of experiences and skill sets that can have a positive long term impact on the community. The projects to be undertaken are often large and complicated, and getting the continued support of public and private entities is essential to their success.

Infill

– Continue to improve processes and **incentives to enable and encourage infill development, redevelopment and mixed-use development** with an emphasis on the residential component.

Physical and Social Quality

The Plan's recommendations to continue to improve the Redevelopment Area's streetscapes, public spaces and riverfront access; redevelopment of vacant and underutilized parcels; establishing urban design guidelines for new development; policy and zoning recommendations to ensure compatible land uses and character; building rehabilitation services and community policing and continued code enforcement will have a positive impact on the area's physical and visual character. **Implementation of the Redevelopment Plan recommendations will improve the overall quality of life for area residents.** The Plan provides increased opportunities for residents and employees to socialize in additional public spaces, at the river and at other venues within the Redevelopment Area. Streetscape improvements and the landscape maintenance program will continue to improve the quality of the neighborhoods and the connectivity between neighborhoods and activity centers within the Redevelopment Area.

4.4 Land Use Verbiage

Rehabilitation Assistance Program

Commercial Redevelopment Strategies

Several redevelopment policies aimed at commercial properties within the City would encourage improvements to existing sites, promote the establishment of new businesses in the community, enhance the existing tax base and further the redevelopment efforts and strategies of the City. Again these strategies, while having been successful in the past, will be difficult to achieve in the short term given the CRA's fiscal constraints.

The City should consider incentive programs to entice the private redevelopment and revitalization of centrally-located commercial properties that have been identified as underutilized or poorly maintained.

5.0 Redevelopment Programs & Activities

Fast Track Permitting

- In addition, a major cost/obstacle to redevelopment is the time and effort involved in the planning/permitting process. A “fast track” process for development could be created to expedite certain desired projects.

Business Relocation

- The CRA may assist businesses with moving expenses to relocate to the Redevelopment Area and may also assist existing businesses within the area to relocate to make way for redevelopment activities consistent with The Plan.

Environmental Improvements

- As redevelopment occurs, **private properties within the Redevelopment Area may be found to contain environmental contamination. The CRA is empowered to provide financial assistance to property owners/developers to cover costs associated with environmental cleanup as part of the redevelopment of such properties.**

City of New Port Richey, Florida

Community Redevelopment Agency

Commercial Real Estate Redevelopment Grant Program

The Commercial Real Estate Redevelopment Grant is a CRA incentive program that serves to support private redevelopment projects with a \$500,000 minimum in capital investment.

Objectives:

- Ensure redevelopment continues, including rehabilitation and renovation of the City's existing larger, older commercial buildings and to improve building infrastructure.
- Assist businesses relocating to a more suitable location and allow for re-merchandising of vacated space.
- Support commercial property owners and listing realtors in obtaining the highest and best use of vacant and semi-occupied properties.
- Eliminate blighted properties and to offset costs of such upgrades as; ADA, building code, sprinkler systems, egress, and parking.
- Attract private sector investment
- Grow employment and business opportunities to sustain the economic health of New Port Richey and enhance the quality of life for its residents.

Reimbursement Categories:

The Commercial Grant Program is designed to support difficult redevelopment projects. Since not all redevelopment obstacles are the same, this program allows the CRA the flexibility to choose from a variety of options to facilitate projects that would not happen without CRA assistance at some level. Grant funds will require a redevelopment agreement and target four specific elements of the project.

- I. Purchase and/or significant upgrade of commercial properties.
- II. Improvements to the leasehold space in a comprehensive manner so the building can be prepared for multiple tenants and/or an anchor tenant.
- III. Redesign of the building facade and exterior grounds of the property.
- IV. Jobs creation and business growth loan program

Evaluation Criteria:

The project will be evaluated based upon the following criteria.

- Economic benefit to the surrounding properties and targeted redevelopment district.
- Increase in commercial ad valorem taxable value
- Amount of improved square footage
- Renovation or construction that will spur additional development and private investment
- Renovation or construction that will have a substantial visual impact
- Job Creation

- Reduces or eliminates slum and blight
- Businesses that have a successful track record and credit scoring
- Property owner and/or business is in good standing with the city.

Grant Criteria:

In addition to the evaluation criteria, to qualify, there must be a substantial impact that will be a transformation to the targeted redevelopment district. Grantees must submit a site plan and business narrative describing in detail the level of investment, parties involved and how the investment will work toward eliminating slum and blight and contribute to the welfare of the community.

Any applicant tenant must identify the number of jobs created and retained, provide a narrative outlining how the funds will be used and explain clearly the community benefit that will occur during the lease term.

If approved, an agreement will be negotiated highlighting the benchmarks that will trigger the incentive payments (percent complete, milestones, number of employees, certificate of occupancy, final permitting, etc.). Applicants selected for the grant will be required to accept the grant award via the signing of an agreement within thirty (30) days of award notification, and must commence development within 90 days. All proposals must meet State building code requirements as well as City of New Port Richey code requirements.

Balance of the grant will be forfeited if the owner sells without city approval, does not comply with City of New Port Richey Building Codes, Ordinances and Regulations or fails to pay property taxes during the life of the grant period.

- **Such projects must be of benefit to the quality of life for city residents and serve to eliminate slum and blight.**
- **Grant funds shall be capped at 20% of the overall cost of the redevelopment project.**
- **Funding is limited by the amount budgeted in the CRA each year.**
- **Each grant award is subject to approval by the CRA board.**

How does this grant program differ from the current incentive program?

The current CRA business incentive program targets smaller, individualized properties. These smaller projects typically yield two-dollars and fifty cents for each CRA dollar invested (2.5:1).

The Commercial Real Estate Redevelopment Grant program seeks a greater return on CRA investments—four dollars for each CRA dollar invested (4:1). Additionally, this incentive will require that the project involve an investment of \$500,000 or greater and target properties, when renovated, contribute significantly to the CRA redevelopment district and serve to increase the ad valorem taxable value baseline.

Why is this grant program necessary?

The challenge for New Port Richey is that of West Pasco County, the commercial building stock has aged considerably. Much of the new investment capital has shifted to east. Local commercial property owners have been reluctant to make major improvements. With existing property owners preferring to lease out office space, because there is less tenant damage. This dynamic has resulted in a decline in available quality retail space.

The goal of this incentive is not only to create jobs, but to create a competitive environment that encourages the purchase and renovation of tired commercial properties that are substantial in size, or have been on the market for significant periods of time. The objective being, that when renovated, the targeted property will compel nearby properties owners to make improvements as a result of the recovered economic conditions surrounding the improved area.

What areas of the city are included?

Any commercial property within the CRA boundaries may apply for Commercial Real Estate Redevelopment Grant.

What are the parameters of the grant awards?

Each grant request will be reviewed by City staff and if it is determined to meet the goal of eliminating slum and blight, job creation, design and code upgrades and improving the surrounding area of the district, it will be submitted to the CRA Board for approval.

There are four grant categories that serve to target various aspects of each project. Grant proceeds are capped at 20% of the overall project including job creation/retention grant amounts. Allocation of the proceeds over each of the four categories is determined based upon the grantees narrative, project elements and redevelopment proposal for the targeted property. City staff will then determine the allocation of proceeds over the four available categories.

The CRA reserves the right to cap or limit the amount of the award.

A. Commercial Repairs Improvement

Only the property owner can apply. To qualify, the property must be substantial in size, and a detriment to the community if left vacant or unproductive. Improvements must become part of the real property. Included are items such as new air conditioning, fixtures, utilities, new roof, structural changes or elements that improve code compliance. The primary focus is preparing the structure for long-term, code-compliant, commercial use.

B. Commercial/Business Facade

To qualify, the property must be substantial in size with a design element that will not only benefit the structure itself but fits well within the district.

In general, grant assistance is restricted to visible improvements of the exterior area of the commercial property. The following exterior improvements are eligible examples, but not limited to:

- Removal of a false material that may cover the original building appearance, such as plywood, metal or deteriorated stucco.
- Pressure cleaning
- New stucco or stucco repair
- Painting
- New windows or replacements
- New doors or replacements
- New or replacement woodwork
- Masonry work (new or repointing of mortar joints)
- Signs (including the removal of old signs and the design, production and installation of new signs)
- Awnings (including the removal of old awnings and installation of new awnings)
- Tear out required to build a new entrance into the building
- Landscaping and planters
- Repair of parking lot
- Lighting of the exterior
- Brick or textured pavement
- ADA improvements

C. Commercial/Business Leasehold Improvement

The intent of the guidelines is to prepare the space for one an anchor tenant, or multiple tenants. The following improvements, but not limited to, are eligible:

- Utility and structural upgrades
- Fixed improvements to interior spaces.
- Interior painting and finishing
- Flooring (tile, carpet or wood)
- Ceiling improvements (including drop - ceiling systems)
- Additional lighting
- Storefront lighting
- Installation in preparation of kitchen equipment, micro-brewery, or such items needing structural modification.
- ADA and code compliance

D. Job Creation and Retention Grant

To facilitate the relocation and startup cost, anchor tenants will be afforded a zero interest 'line of credit' to be amortized/forgiven over the term of the lease, provided certain agreed upon benchmarks, such as job creation and employment retention are achieved each year.

This incentive is designed to allow the tenant to borrow up to \$50,000. The zero interest loan will be forgiven over the life of the lease agreement provided the tenant meets certain employment performance metrics as described in the tenant’s plan. The award is equal to \$2,000 per year for each full-time equivalency created. Or in the case of a relocation \$2,000 for each FTE job retained.

Benchmark metrics include:

- Job Creation & Retention
- Capital Investment of the overall project must exceed \$500,000
- Square footage and use of that space
- Elimination of slum and blight
- Benefits to City Residents
- Credit rating of the tenant.

<u>Total Redevelopment Investment</u>	<u>Tenancy Term</u>	<u>Dollar Limit</u>
\$500,000	3 Years	\$30,000
\$750,000	4 Years	\$40,000
\$1,000,000 +	5 Years	\$50,000

Reporting Requirement

Line of credit recipient businesses are responsible to submit a payroll register showing FTE calculations with supporting RTC-6 as employment verification. The employment verification report due date will be identified in the grant award agreement.

If the job creation requirements are not reached, the agreement will be terminated and the balance of the loan that has not been forgiven will be called as due. If the participant should cease business at the site, the participant shall repay its obligations to City as provided in the executed agreement.

Examples ofNew Port Richey commercial sites that could qualify for the grant.

- ✓ 19,130 sf. on Grand Blvd. that abuts other downtown properties. Vacant second floor is in need of significant structural upgrades. First floor is routinely rented out with repetitive code concerns.
- ✓ 16,000 sf. warehouse in the vicinity of downtown. The building could easily accommodate an architectural/engineering firm or small manufacture. Building has been up for sale for several years. The nearby walkable community with recreational facilities makes this space ideal for an enterprise interested in quality of work life for employees.
- ✓ 16,850 sf. two-story building on Main St. with second floor tenants and available retail space needs significant code upgrades.
- ✓ 37,000 sf. Marine District Medical Office complex needs significant design upgrades. Currently at \$6/sf the owner finds it difficult to locate tenant.

Authorizations

I. **Florida Statutes Chapter 163- INTERGOVERNMENTAL PROGRAMS: Part III- Community Redevelopment.**

Florida Statutes Section 163.370 –Powers; counties and municipalities; community redevelopment agencies . . . **163.370 (c) 5** *Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the community redevelopment plan.*

II. **City of New Port Richey Redevelopment Plan May 29, 2001 p. 3-1**—Section 3.0 Redevelopment Objectives.

The grant program specifically serves to support the following five 2001 CRA plan section objectives.

- 3.1 Community Enhancements
- 3.3 Strengthen the Local Tax Base
- 3.4 Strengthen Land Use Patterns within the Community
- 3.5 Enhance the Business Districts
- 3.6 Reverse Obsolescence

III. **City of New Port Richey 2012 Community Redevelopment Agency Redevelopment Plan, Adopted May 15, 2012 p.46.**

4.7.1 Commercial Redevelopment Strategies

Several redevelopment policies aimed at commercial properties within the City would encourage improvements to existing sites, promote the establishment of new businesses in the community, enhance the existing tax base and further the redevelopment efforts and strategies of the City.

- Rehabilitation Assistance Program
The City should consider incentive programs to entice the private redevelopment and revitalization of centrally-located commercial properties that have been identified as underutilized or poorly maintained.
- Store Frontage Rehabilitation
The City should consider the use of TIF funds for the revitalization of store frontages and rehabilitation of run-down business facades
- Incentive-Based Recruitment of Target Businesses
The City should consider the targeted marketing of properties, especially in the downtown, to specific types of businesses in order to encourage activity generation . . .

Similar Redevelopment Incentive Plans

Hallandale Beach Florida—Hallandale Beach CRA

- \$200,000 loan property owner 80% of project 0-3% interest rate
- \$50,000 loan tenant 0-3% interest rate
- \$50,000 loan forgiveness job creations 5 year term. \$10,000 per job created

Davie Florida—Town of Davie CRA

- \$100,000 grant for \$300,000 expenditure (1:3) ratio
- Loan Interest forgiven 5 points, minimum loan \$100,000

Melbourne Florida – Downtown Melbourne Public-Private Development Program

- Enable public-private partnership for facilitation of desired real estate development
- Intended incentive projects will be large scale developments that will be transforming and serve as a catalyst to attract additional private investment.
- Incentive ratios (7:1) & (10:1) \$5 million floor.

Melbourne Florida – Olde Eau Gallie Riverfront CRA

- Attract New Private Investment
- 50-80% Property Tax Rebate 3-10 years
- Minimum \$300,000 in additional investment
- Redevelopment of substandard property

Mentor Ohio – Mentor Incentive Grant Guidelines

- Performance-based incentive program
- Investments in Real Property, Property Lease, Personal Property
- Multi-Year Grant based upon Investment Value
- Job Creation Incentives
- Allows for relocation expenses, machinery & Equipment, Working Capital and Inventory

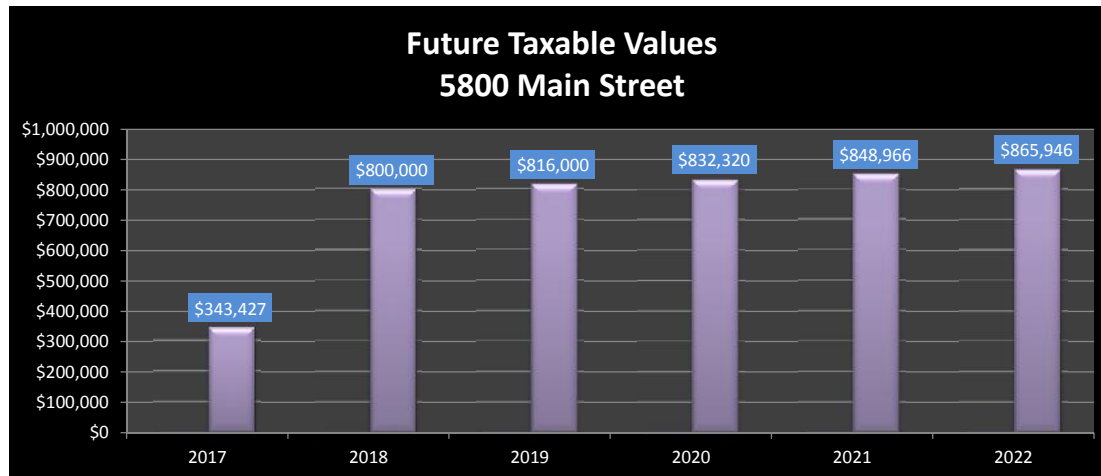
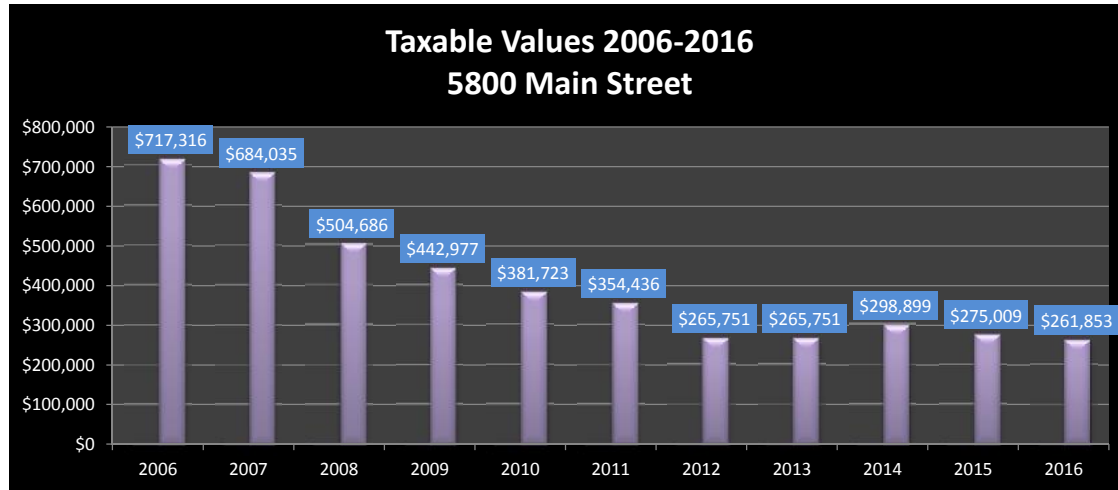
Downtown Jacksonville Retail Enhancement Grant Program (CRA)

- Forgivable promissory note
- Maximum Grant award shall be \$20 for every square foot leased or occupied by the proposed tenant or business.
- Grantee must remain in the location for five (5) years and must create or retain for five (5) years during the term of the agreement two (2) or more full time equivalent jobs.
- Applicants will be required to execute a grant agreement
- To revitalize and preserve downtown property values and prevent deterioration in the downtown business district.

Muscatine, Iowa - Small Business Forgivable Loan Program

- Businesses can obtain a loan for up to \$25,000 for the business at a term of 5 years with 20% of the loan forgiven annually.
- Promote in-fill and redevelopment in targeted areas throughout Muscatine
Improve Building Infrastructure
- Assist with Capital Equipment Purchases
- Offset Cost of Historic Building Preservation
- Offset Cost to Address ADA Access Issues
- Offset Cost of Fire Code Compliance, Sprinkler Systems, Egress Issues
- Allow Businesses to Allocate Additional Funds to Grow and Expand Business

5800 Main Street Taxable Values



Economic Impact Analysis				
5800 Main LLC. Retail Redevelopment Project				
Copyright 2017 Minnesota IMPLAN Group, Inc.				
Construction Impact Summary**				
ImpactType	Employment	LaborIncome	TotalValueAdded	Output
Direct Effect	4.7	\$ 195,129	\$ 296,460	\$ 734,796
Indirect Effect	1.3	51,926	86,076	163,045
Induced Effect	1.0	38,763	78,678	124,289
Total Effect	6.9	\$ 285,818	\$ 461,214	\$ 1,022,130
** Net of Building Acquisition Costs				

Wrights Natrual Market				
Base Year Impact Summary **				
ImpactType	Employment	LaborIncome	TotalValueAdded	Output
Direct Effect	6.0	\$ 184,490	\$ 256,011	\$ 357,343
Indirect Effect	0.5	18,014	38,005	62,841
Induced Effect	0.8	31,743	64,429	101,777
Total Effect	7.3	\$ 234,248	\$ 358,445	\$ 521,960
** \$1.1 million Gross Sales				
** 7-10% Expected Growth Rate - Dun & Bradstreet First Research SIC code 5499				



TO: Members of the Community Redevelopment Agency

FROM: Mario Iezzoni, Economic Development Director

DATE: 5/16/2017

RE: Resolution 2017-19 Hacienda Special Category Grant 2018/19 - Page 49

REQUEST:

Approval of a Resolution 2017-19 Florida Division of Historic Resources Hacienda Special Category Matching-Grant Application July 2018.

DISCUSSION:

The Florida Department of State, Division of Historic Resources is taking applications for its 2018 Special Category Matching-Grant Program until June 15, 2017. According to grant guidelines, the rehabilitation and preservation effort currently underway at the Hacienda will qualify for the Special Category Grant. The request is for a 50% (\$250,000) CRA match for a \$500,000 award, totaling \$750,000 in funding. Should the grant application be successful, the total proceeds would support the process of opening the Hacienda for limited public and retail use.

Bender and Associates Architects, as well as several other historic architects familiar with the grant award process, has encouraged the city to pursue this grant application as part of a Phase II effort.

The intended scope of work is as follows:

- Installation of West Wing Elevator and Stairwell
- Update Fire Sprinkler System
- Electrical Repairs & Upgrade
- Plumbing Repairs & Upgrade

Funding would be expected, starting the July 1, 2018 Legislative Year.

RECOMMENDATION:

Approve Resolution 2017-19 Division of Historic Resources Matching-Grant Request

BUDGET/ FISCAL IMPACT:

\$250,000 Fiscal Year Ending September 2018

ATTACHMENTS:

Description	Type
❑ RESOLUTION 2017-19	Backup Material
❑ Phase II Scope Estimates Bender & Associates	Backup Material
❑ Scope of Work Construction Estimates	Backup Material

RESOLUTION NUMBER 2017-19

A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF NEW PORT RICHEY, AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE DIVISION OF HISTORIAL RESOURCES FOR A SPECIAL CATEGORY HISTORIC PRESERVATION GRANT REQUESTING FUNDS UP TO \$500,000 FOR THE HACIENDA HOTEL, AND FURTHER AUTHORIZING AN AMOUNT UP TO \$250,000 AS THE CITY'S REQUIRED MATCHING FUNDS.

WHEREAS, The Community Redevelopment Agency of the City of New Port Richey has the opportunity to apply for funding in an amount up to \$500,000 for the Special Category Historic Preservation Grant for the Hacienda Hotel, with the stipulation of a 1:2 matching fund ratio; and

WHEREAS, funding in an amount up to \$250,000, necessary for the required match, will be available on July 1, 2018.

NOW, THEREFORE, be it resolved by the Community Redevelopment Agency of the City of New Port Richey, Florida, as follows:

SECTION 1. That the above recitals are hereby adopted.

SECTION 2. The Community Redevelopment Agency hereby authorizes an expenditure of funds up to \$250,000 to be available July 1, 2018 for required matching funds for a grant application to the Florida Division of Historical Resources in quest for funding the Hacienda Hotel.

SECTION 3. That this resolution shall be effective upon adoption.

PASSED AND RESOLVED this 16th day of May, 2017 by the Community Redevelopment Agency of the City of New Port Richey, Florida.

(SEAL)
(ATTEST)

Judy Meyers
City Clerk

Robert Marlowe
Mayor- Chairman

APPROVED AS TO LEGAL FORM AND CONTENT

By _____

Timothy P. Driscoll, City Attorney

August 30, 2016

REVISED

Mario Iezzoni, CPA CVA
Economic Development Director
City of New Port Richey
5919 Main Street
New Port Richey, FL 34652

Re: Hacienda Hotel Future Phase Construction

Dear Mario,

As requested, I have evaluated work items remaining on the Hacienda with a goal of opening the Hacienda to the public in two years. As part of this evaluation, I have considered the following:

Funding available now is about \$60,000 with an additional \$100,000 available on October 1, 2016. This money is planned for some interim window repairs, balcony restoration, the bank street entrance door and the kitchen beam repair.

Anticipated grant funding includes:

DHR Small Matching Grant, \$50,000 plus \$50,000 match available July 2017 and expires on June 30, 2018.

DHR Special Category Grant \$500,000 plus \$250,000 match available July 1, 2017 and expires on June 30, 2019.

The above Small Matching Grant Funding, which totals \$100,000 will be used to repair the arched wall with a new steel beam and foundation system, restore the historic lobby stair, repair the north patio, and address site landscaping on the north and west sides.

The Special Category Grant Funding, which totals, \$750,000 is designated for restoration of the historic steel windows and the remaining exterior doors.

Since both of these scopes are being funded with state grant funds that will not be available until July 2017, it makes sense to combine them as a single project if the schedule can be accommodated. The construction cost of this work can be estimated from bids received last year when Phase One work was completed. Estimates for those basic components were compiled by Marshall White from D.L. Porter Constructors and provided to me in letters dated June 14, 2016 and June 20, 2016. I was also given the sub contract proposals for the purchase and installation of the Hope's Windows. My review of these

documents and the follow up with Marshall White determined that these are base costs. Therefore, an allowance needs to be added for general contractor overhead, profit, bonds, and general conditions. Additionally, the funding for this work will not be available until a year from now. I have found that construction costs have increased, on average, 3.5% per year. Both of these costs are reflected in the estimates below. Architectural services are required as a condition of the DHR Grant. Using the referenced documents, total construction costs for a Phase Two Scope are estimated as follows:

Restore exterior balconies	\$ 60,000
Arched wall repair	25,000
Lobby stair	25,000
Steel beam at kitchen repair	15,000
North patio, north & west side site-work	35,000
Hope's Windows (fixed window option)	350,000
Plaster repairs at windows	65,000
<u>New exterior doors & hardware</u>	<u>430,000</u>
Subtotal	\$1,010,000
General Conditions & O.H. (7%) Profit (5%) Bond (1.5%)	136,350
<u>Construction Inflation, Bid January 2018 (3.5%)</u>	<u>35,350</u>
Total Construction Cost	\$1,181,700
<u>A/E Services per Florida DMS Schedule</u>	<u>103,300</u>
Total Phase Two Funding required	\$1,285,000

*Please note that the above does not include any contingency funding. I suggest some contingency funding be budgeted for unforeseen conditions or inflation trends.

Based on our meeting, you have identified the following Phase Two funding sources:

Current Available (Mario's Budget)	\$ 50,000
City Budget October 1, 2016	100,000
Small Matching Grant (\$50,000/50,000) July 2017	100,000
<u>Special Category Grant (\$500,000/\$250,000) July 2017</u>	<u>750,000</u>
Total Identified Funding Sources	1,000,000

Based on the above, there is a funding shortfall of approximately \$300,000 without allowing for contingencies.

Additional work required to allow public access and use will require ADA Access, including an elevator, and Code Compliant Exits. Since you don't currently have a tenant for the building, I recommend making minimal modifications to the current floor plan configuration. This approach will minimize your

expenses while obtaining a functional building. For budgeting purposes, I have estimated this additional work as follows:

Exterior wall repairs	\$ 50,000
Clean, patch porch floors	20,000
Repair metal balconies	25,000
West wing elevator & exit stair elevator	70,000
Concrete and masonry work	75,000
<u>Miscellaneous work for install</u>	<u>60,000</u>
Subtotal	\$ 300,000
General Conditions & O.H. (7%) Profit (5%) Bond (1.5%)	40,500
<u>Construction inflation, Bid January 2018 (3.5%)</u>	<u>10,500</u>
Total (Phase Two A)	\$ 351,000

The combination of Phase 2 and Phase 2A will provide code compliant exits and allow for limited use of the building, but not a full-time tenant.

The following work items will allow full occupancy of the building. I have assumed, for purposes of this exercise that minimal alteration of existing spaces will occur. When a tenant is identified, they may need to make interior modifications for whatever adaptive use is proposed.

Electrical upgrades: 21,500 s.f. @ \$10/s.f.	215,000
Update fire sprinkler: 21,500 s.f. at \$3.50 per s.f	\$ 75,000
Plumbing repairs & upgrades: 21,500 s.f. at \$7.00/s.f.	193,500
New A/C system: 90 tons at \$5,250/ton	472,500
General Interior Renovations: 21,500 s.f. at \$70/s.f.	1,505,000
General Exterior Renovation: 21,500 s.f. at \$10/s.f.	215,000
<u>Site work budget (approximately 10% of above subtotal)</u>	<u>246,000</u>
Subtotal	\$2,922,000
General conditions and Overhead (7%) Profit (5%) Bond (1.5%)	394,470
<u>Construction, Inflation, Bid January 2018 (3.5%)</u>	<u>102,270</u>
Total (Phase Two B)	\$3,418,740

Summary Total of all Phase Two Work:

Phase 2 (without A/E Services)	\$1,181,700
Phase 2A	351,000
<u>Phase 2B</u>	<u>3,418,740</u>
 Total All Phase 2 work	 \$4,951,440
<u>A/E Services per Florida DMS Fee Guide Schedule</u>	<u>400,560</u>
 Total	 \$5,352,000
<u>Recommended contingency at 5%</u>	<u>268,000</u>
 Grand Total Recommended Budget	 \$5,620,000

For comparison purposes, I checked the construction cost estimates from the Hacienda Hotel Assessment prepared by Atelier AEC in 2015. Those costs were for construction only and are in 2015 dollars.

Phase 1:

Low, \$2,495,115 to high \$3,326,820

Phase 2:

Low, \$2,715,666 to high, \$4,688,951

Total for both Phases:

Low, \$5,210,781 to high \$8,015,771

The Phase 1 Construction scope that was recently completed by D.L. Porter was adjusted to work within the available funds. The contract was for \$892,235. The methodology used above projects construction cost for Phase Two of \$4,950,000 to provide a building that may be occupied for a number of adaptive uses. The level of work anticipated does not anticipate new kitchen equipment, since that work will fall under "Tenant Improvements". The Total projected construction cost for Phase One as contracted and Phase Two as projected is \$5,843,675 which is at the low end of the Atelier Projected costs.

Funding Required:

The grand total Phase Two recommended budget is \$5,620,000. The current budget is anticipated to be \$1,010,000 which results in a funding shortfall of \$4,610,000 for construction only. You will need to budget for soft costs and internal expenses in addition to construction.

Schedule: You have requested that all the work be completed within two years. There are a number of factors that will impact the ability to meet a two-year time frame, including but not limited to, time lines required by grants and having the required funding in place or committed in future budgets.

There are two DHR Grants planned for this project, a Small Matching Grant with funding available on July 1, 2017 and ending on June 30, 2018 and a Special Category Grant with funding available on July 1, 2017 and ending on June 30, 2019. Architectural and Engineering Services are required under the terms of these grants and if listed in the grant, cannot begin until the grant is awarded. There are several possibilities for execution of this work.

Multiple contracts will likely be required with the work to be bid in several phases.

The grants expire in different years. If the work for both grants is combined as a single project, then the expiration date of June 30, 2018 for the Small Matching Grant will control. A 90-day extension to September 30, 2018 is possible for justifiable reasons. The Special Category Grant expires on June 30, 2019. Under this option you could bid each grant package as a separate project or, combine them as a single bid package but break them out as separate contracts with different completion dates. The remaining work required for an operational facility could be bid as a separate project or combined with the Special Category Grant Scope as a single project. A combined scope will be dependent on funding the additional work. Based on grant completion deadlines, it is my recommendation that the work be separated into two construction phases, with the Small Matching Grant items awarded as a stand-alone project.

Phase 2A, Small Matching Grant:

Pricing for this work was obtained during the phase one construction. Architectural details will need to be developed for the historic stair, patio and site-work. But the arched wall structural repairs were a part of the Phase One Construction Documents. Therefore, it would be reasonable and appropriate for D.L. Porter to perform this work without going through a formal advertised bidding phase. I recommend that we request a waiver to the bidding requirement for this work and award to D.L. Porter based on the fact that they were the low bidder and subsequently served as the contractor for Phase One.

Phase 2B, Special Category Grant and Project Completion:

This phase assumes additional funding will be obtained for completion of the work. In the event that the funding for a complete project is not obtained the scope would be scaled back to the Special Category only.

Based on the above, the following schedule is possible.

October 2016: Prepare funding options for Discussion with the City Council.

November, December 2017: City Council workshops and meetings to develop funding options.

January – June 2017: Finalize and confirm additional funding. Actions required may include referendum votes, issue and sale of bonds, conduct budget hearings, etc.

Phase 2A

July – September 2017: Prepare construction documents, obtain bidding waiver from DHR.

October- November 2017: Execute construction contract, obtain permits.

December 2017 – April 2018: Construction

May-June 2018: Project and grant closeout.

Phase 2B

July – August 2017: Preliminary design for occupiable spaces.

September- November 2017: Construction documents

December 2017: DHR review period.

January – February 2018: Bidding period

March – April 2018: Bid Review and award of Construction Contract

May 2018: Notice to proceed and start construction.

May 2018 -April 2019: Construction period

May – June 2019: Project and Grant closeout

July 4, 2019: Grand Opening and Rededication Ceremony

Please review the above information and call to discuss as appropriate. I believe the budget and timelines are realistic, additionally, there is sufficient flexibility to allow for various contingency plans should the need arise.

I look forward to your feedback.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bert L. Bender', with a long horizontal flourish extending to the right.

Bert L Bender

BLB/ta

See attachments

June 14, 2016

(VIA Email) bbender@benderarchitects.com

Mr. Bert L. Bender

Bender & Associates, P.A.

410 Angela Street

Key West, FL 33040

RE: Hacienda Hotel Renovations - New Port Richey
Change Request

Dear Bert & Mario:

As requested, we have put together budget pricing for Mario's use in applying for a DHR Grant application. The following is a breakdown of that pricing:

1. Restore the two historic exterior second floor balconies, we have previously provided a price of \$61,888.00. I would budget the work at \$65,000.00.
2. New doors and windows, assuming you want to use fixed Hopes windows, which I recently sent you pricing on, I suggest the following;

Hopes windows installed	\$350,000.00
New doors & hardware installed as originally specified	\$430,000.00
Exterior stucco and interior plaster repairs at windows	<u>\$ 65,000.00</u>
Total	\$845,000.00
3. Restore the historic Lobby stair - \$25,000.00
4. Structural repairs to the interior arched walls - \$25,000.00

Additional items:

1. Patch the entire historic plaster exterior of the building. Make all areas match the historic "swirl" pattern and remove all conduits, duct work, etc. from the exterior of the building.
Budget - \$50,000.00
2. Clean, patch and seal damage porch floors - \$15,000.00
3. Repair, patch and paint the historic metal balconies - \$20,000.00
4. Install elevator and exit stairs at the west wing:

Elevator	\$ 70,000.00
Concrete and masonry work	\$ 75,000.00
Miscellaneous work required for this install	<u>\$ 50,000.00</u>
Total	\$195,000.00

Hacienda Hotel
June 14, 2016
Page 2

With the windows at a reasonable number, I believe we should look at some alternatives on the doors to try and save some dollars, which would certainly help the budget as you move forward.

Please let me know if you have any questions regarding this information. Keep in mind we want to help any way possible to keep this exciting project moving forward.

Sincerely submitted,

D. L. PORTER CONSTRUCTORS, INC.



C. Marshall White
Vice President

CMW/kam

Cc: Mario Iezzoni, City of New Port Richey
David Salay, Bender & Associates Architect

June 20, 2016

(VIA Email) bbender@benderarchitects.com

Mr. Bert L. Bender

Bender & Associates, P.A.

410 Angela Street

Key West, FL 33040

RE: Hacienda Hotel Renovations - New Port Richey
Change Request

Dear Bert & Mario:

As requested, we have put together budget pricing for Mario's use in applying for a DHR Grant application. The following is a breakdown of that pricing, which now reflects the Hopes Window pricing based on the original specifications:

1. Restore the two historic exterior second floor balconies, we have previously provided a price of \$61,888.00. I would budget the work at \$65,000.00.
2. New doors and windows:

Hopes windows installed per original specifications	\$ 860,000.00
New doors & hardware installed as originally specified	\$ 430,000.00
Exterior stucco and interior plaster repairs at windows	<u>\$ 65,000.00</u>
Total	\$1,355,000.00
3. Restore the historic Lobby stair - \$25,000.00
4. Structural repairs to the interior arched walls - \$25,000.00

Additional items:

1. Patch the entire historic plaster exterior of the building. Make all areas match the historic "swirl" pattern and remove all conduits, duct work, etc. from the exterior of the building.
Budget - \$50,000.00
2. Clean, patch and seal damage porch floors - \$15,000.00
3. Repair, patch and paint the historic metal balconies - \$20,000.00
4. Install elevator and exit stairs at the west wing:

Elevator	\$ 70,000.00
Concrete and masonry work	\$ 75,000.00
Miscellaneous work required for this install	<u>\$ 50,000.00</u>
Total	\$195,000.00

Hacienda Hotel
June 20, 2016
Page 2

Keep in mind that there is an approximate savings of \$500,000.00 to use "fixed" Hopes Windows.

Please let me know if you have any questions regarding this information. Keep in mind we want to help any way possible to keep this exciting project moving forward.

Sincerely submitted,

D. L. PORTER CONSTRUCTORS, INC.



C. Marshall White
Vice President

CMW/kam

Cc: Mario Iezzoni, City of New Port Richey
David Salay, Bender & Associates Architect

HACIENDA HOTEL ASSESSMENT

- Re-configuration of fire protection system to accommodate the floor plan changes and conceal the piping as much as is possible.
- Landscaping and site work.
- Tenting the building for termite prevention.

5.3 Cost Estimate

Probable estimate of cost is based on the Proposed Schematic Design Drawings included under Section 7. A range of cost per square foot is given at this time due to the unknown level of quality of finishes, low and high. These costs are exclusive of furniture, fixtures and equipment.

Exterior Demolition and Stabilization (Phase 1)

23,763 sq ft	@ \$ 75/sq ft	\$ 1,782,225.00
	@ \$100/sq ft	2,376,300.00

Interior Demolition and Hotel Build-Out (Phase 2)

21,498 sq ft	@ \$ 60/sq ft	\$ 1,289,880.00
	@ \$125/sq ft	2,687,250.00

Electrical	155,000.00
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Electrical Service	\$ 20,000
Electrical Distribution	\$ 40,000
Lighting	\$ 60,000
Fire Alarm System	\$ 15,000
Security Alarm System	\$ 20,000

HVAC

1st Floor

Replace 10 split units	\$100,000
Replace ductwork	\$60,000
Replace air devices	\$20,000
Test + Balance	\$10,000
Subtotal	\$190,000

2nd Floor

Replace split system	\$10,000
Replace RTU's	\$40,000
Replace ductwork	\$50,000
Replace air devices	\$16,000
Test + Balance	\$10,000
Kitchen Hood and Fan	\$40,000
Subtotal	\$166,000

HACIENDA HOTEL ASSESSMENT

Plumbing

Grease trap	\$10,000
Replace plumbing fixtures	\$100,000
Subtotal	\$110,000

Fire Sprinkler

Repaint exterior piping	\$4,000
Repair riser components	\$2,000
Hood Ansul System	\$5,000
Relocate backflow	\$20,000
Adjust head spacing	\$10,000
Subtotal	\$41,000

TOTAL **\$507,000**

Sub-Total Phase 1 (Low)		\$ 1,782,225.00
Constructability Factor	15%	267,334.00
General Conditions	15%	267,334.00
Contractor's O+P	10%	178,222.00
TOTAL		\$ 2,495,115.00

Sub-Total Phase 1 (High)		\$ 2,376,300.00
Constructability Factor	15%	356,445.00
General Conditions	15%	356,445.00
Contractor's O+P	10%	237,630.00
TOTAL		\$ 3,326,820.00

Sub-Total Phase 2 (Low)		\$ 1,951,880.00
Constructability Factor	15%	292,782.00
General Conditions	15%	292,782.00
Contractor's O+P	10%	178,222.00
TOTAL		\$ 2,715,666.00

Sub-Total Phase 2 (High)		\$ 3,349,250.00
Constructability Factor	15%	502,388.00
General Conditions	15%	502,388.00
Contractor's O+P	10%	334,925.00
TOTAL		\$ 4,688,951.00

Hacienda Special Category Grant Application July 1, 2018 Funding			
Estimated Construction Costs			
West Wing Elevator & Stairwell		\$ 70,000	
Concrete & Masonry Work		75,000	
Electrical Upgrade 21,500 sf @ 10/sf		215,000	
Update Fire Sprinkler 21,500 sf @ 3.50/sf		75,050	
First Floor Plumbing repairs and upgrades		150,000	
General Conditions (7%) Profit (5%) Bond (1.5%)		59,407	
Construction Inflation Bid January 2019		45,112	
Total Estimated Construction Costs			\$ 689,569
Architectural Fees		\$ 62,065	
Use of Grant Proceeds			\$ 751,634