



OFFICE OF ECONOMIC DEVELOPMENT
CITY OF JACKSONVILLE, FL

**FULL SERVICE GROCERY STORE REINVESTMENT PROGRAM
SAGLO DEVELOPMENT D.B.A. – COMMONWEALTH SDC, LLC
(1020 EDGEWOOD AVE. NORTH)**

SUMMARY

October 2, 2019

Entity:

Saglo Development - Saglo (www.saglo.com) d.b.a. - Commonwealth SDC, LLC

Background:

Saglo Development is national development company located in Miami, Florida. For more than 40 years, Saglo Development companies has acquired and redeveloped shopping centers throughout Florida and Georgia. Currently, Saglo properties portfolio includes 20 shopping centers containing approximately 1.75 million rentable square feet.

Saglo purchased the shopping center at 1020 N. Edgewood Ave. in 2017 one year prior to Harvey's Supermarket closing its store in one of the major spaces of the center. Since then, Saglo has been marketing the Center's location in one of Jacksonville's densely populated residential and commercial growth markets of the Northwest area of the City. The center has multiple existing tenants including Dollar Tree, Hibbett Sporting Goods, Jackson Hewitt, Advance America, Pizza Hut and Subway. Eight out of the existing tenants have operated at the property over ten years demonstrating the dedication of those businesses to the community.

The overall parcel has approximately 81,500 square feet of gross leasable area. The total site is nearly 19 acres with 475 parking spaces. Saglo proposes to improve the appearance of the grocery store site with building, landscaping and parking lot improvements; while Rowe's Supermarkets (the future grocery store tenant) will improve the building inside and out. The total investment between the owner (Saglo) and tenant (Rowe's) will be over \$3.5 million.

Project Rationale & Benefits:

The City of Jacksonville desires to promote growth and revitalization within the Northwest Area, while providing access for the community to fresh foods such as fruits, vegetables and meats. This census tract (118) in the Northwest area has been designated a Food Desert (per the USDA). As such, the citizens in the area have limited direct access to fresh foods. Since the closure of an approximately 49,000 SF grocery store, the market has been hesitant to invest in this economically distressed area and without some assistance; the likelihood of this space remaining vacant is high. Therefore, City funding is necessary to ensure a "Full Service Grocery Store" is operational in a location that has been vacant for two years. Therefore, the City will provide assistance to this redevelopment project that is proposing to refurbish and outfit the space for a new grocery store.

This project will not only increase the tax basis on the property, but will also provide a visually stabilizing influence to an economically struggling area. Saglo’s investment coupled with Rowe’s Grocery, the grocery store tenant, will exceed \$3.5 million.

City of Jacksonville Funding	Saglo-Rowe’s Matching Funds	Goals
Up to \$750,000 (21% of the minimum investment) for the redevelopment of the property to include furnishings, fixtures, capital improvements to the building and property	Tenant buildout costs associated with outfitting the property for an approximately 49,000 SF full service grocery store and the redevelopment of the existing property at a cost of not less than \$3.5 million	Provide fresh food shopping options for a population in Food Desert areas. Redevelop approx. 49,000 SF of vacant space in an existing Shopping Center along a primary commercial corridor in Northwest Jacksonville

Project Deliverables:

The City of Jacksonville proposes to provide:

- A \$750,000 grant to Saglo Development.

Saglo/Rowe’s (through a tenant buildout provision in the lease) will provide:

- An investment of \$3.0 million of improvements and tangible personal property associated with the operation of a “Full-Service Grocery Store” including:
 - Interior Store remodeling
 - Fixtures associated with a Grocery Store
 - Point of Sale Equipment and Technology
 - Refrigerated Cases
 - Other necessary upgrades for the operation of the Grocery Store
- An investment of \$500,000 of improvements will be made to the exterior of the store and property immediately adjacent to the store, including:
 - Parking Lot paving/stripping
 - Lighting enhancements
 - Signage
 - Building Painting
 - Landscaping
 - Other features necessary to ensure safe and efficient use of the site

The total amount of the Owner and Tenant participation would be:

- \$3.5 million (Capital and Tangible Personal Property enhancements) in order to receive the maximum grant amount.

The total amount of City participation would be up to:

- \$750,000 grant will be provided upon the issuance of a Certificate of Occupancy and documentation of investments. The development agreement will include a claw-back equal to one-fifth of the \$750,000 (\$150,000) per year over the course of the five year period so as to ensure the project continues to operate as a grocery store. Should the project fail to continue to operate, the remaining term of the agreement will determine the amount due back to the City.