

Council Auditor's Office
2021-253: River City Brewing Company/Related Group

Project Summary:

- Demolition of current restaurant, marina docks A and B, and parking lot
- Construction of:
 - Minimum of 325 Class A multi-family residential units
 - Ship Store with minimum 1,000 square feet of retail space (minimum cost of \$300,000)
 - Restaurant/bar with not less than 1,800 square feet of indoor space and not less than 3,200 square feet of outdoor space
 - Parking Garage with a minimum 500 structured parking spaces, 30 of which will be reserved for COJ at no cost
 - Marina improvements including replacement of Dock A, fueling services and equipment, to be owned by the City
 - Riverwalk improvements consisting of a 25' wide pedestrian pathway roughly 187 linear feet in length conforming to the Riverwalk Design Guidelines (minimum cost of \$250,000)
 - Total estimated private capital investment of \$85.0M including acquisition cost (lease buyout)

City Incentives:

City Incentive	Amount	Anticipated Funding Source
Restaurant Completion Grant	\$ 500,000	General Fund
Infrastructure Completion Grant	\$ 500,000	General Fund
REV Grant (75%; 20 years)	\$ 12,996,885	Southside CRA
Marina Dock Improvements	\$ 1,143,807	CIP Project (not CRA funded)
Subtotal	\$ 15,140,692	

Additional City Obligations:

City Obligation	Amount	Anticipated Funding Source
St. Johns River Park & Friendship Fountain Programming & Activation (20 years)	\$ 1,000,000	Southside CRA
St. Johns River Park & Friendship Fountain Enhanced Maintenance & Staff (20 years)	\$ 1,737,397	Southside CRA
Boat Ramp Access and Parking and Fuel Tank Relocation	\$ 1,650,380	Southside CRA
Subtotal	\$ 4,387,777	

- City will convey the approx. 3.43 acre Project Parcel to the Developer at no cost
- Restaurant Completion Grant and Infrastructure Completion Grant are each capped at the lesser of \$500,000 or 50% of actual direct costs incurred by the Developer

Additional Developer Responsibilities:

- Sole obligation of Developer to terminate existing lease with River City Brewing Company in full prior to conveyance of the Project Parcel
- Developer will provide the City with a completion guaranty
- Developer responsible for costs in excess of \$1,143,807 for Marina improvements

Performance Schedule:

- 9/30/21 - Final design approval
- 6/30/22 - Obtain all permits for demolition and construction of horizontal Improvements
- 9/30/22 - Complete demolition of the existing structures
- Earlier of 10/31/22 or 30 days after completion of demolition - Commence construction of the Residential Improvements and Parking Garage Improvements
- Earlier of 4/30/25 or 30 months after commencement of construction of the Residential Improvements and Parking Garage Improvements - Substantially complete construction of the Project
- 10/31/23 - Marina commencement of construction
- 4/30/25 - Marina completion
- The Commencement of Construction Date and Completion Date may each receive up to a six-month extension by the DIA CEO

Clawbacks:

- REV grant will be reduced by the corresponding amount if:
 - Developer fails to invest at least \$85,000,000 – reduced proportionately
 - Developer fails to invest at least \$76,500,000 – REV grant is terminated, and any amounts paid to the Developer will be repaid to the City
- The City may withhold payments of the REV Grant if reporting requirements are not met
- If the Project is not completed by the Completion Date above, subject to allowable extensions, the REV Grant shall be:
 - Reduced by five percent (5%) for every two (2) month delay following the Completion Date, and
 - Forfeited if the Project is not Substantially Complete within two (2) years following the Completion Date
- The City will have the right to repurchase the Project Parcel from the Developer (at Developer's cost to terminate the River City Brewing Company lease) if the Developer fails to Commence construction of the Residential Improvements and Parking Garage Improvements by the Commencement of Construction Date
- Once the Developer has commenced construction of the Residential Improvements and Parking Garage Improvements in accordance with this Agreement, the City's Repurchase Right to the Project Parcel shall terminate

ROI:

- DIA has calculated the ROI as 1.04
- Council Auditor's Office has calculated the ROI as 0.96