

**CITY OF TALLAHASSEE**

**COMMUNITY REDEVELOPMENT AGENCY**

**COMMUNITY REDEVELOPMENT AGENCY AGENDA ITEM**

<b>ACTION REQUESTED ON:</b>	February 8, 2012
<b>SUBJECT/TITLE:</b>	Approval of Retail Incentives Loan for the Crepevine Restaurant at 803 Railroad Avenue
<b>TARGET ISSUE:</b>	Economic Development

**STATEMENT OF ISSUE**

In April 2010, the CRA Board approved the establishment of a Downtown Retail Incentives Program. The purpose of the program was to help promote the development of retail uses, which includes restaurants and entertainment venues, within the Downtown District Redevelopment Area. In June 2010, the CRA Board approved a \$50,000 retail incentive loan to the owner of the Marriott Residence Inn on Gaines Street to help build out the retail space in their building for the relocation of Utrecht Art Supplies from Mahan Drive. This is the only retail incentive loan made to date.

In November 2011, the CRA Board approved expanding the retail incentives loan program to the Greater Frenchtown/Southside Community Redevelopment Area starting in FY 2012; \$150,000 has been committed to the program for the fiscal year.


Dan Gilbertson, the managing member of the Crepevine on Gaines, LLC, the applicant, has submitted a retail loan application for \$50,000 to help cover the cost of interior renovations, furnishings and equipment for a 3,600 square foot Crepevine restaurant at 803 Railroad Avenue. The restaurant will be located in the building near the intersection of Gaines and Railroad that previously housed the Farside music club, and is in front of the former Engine Room. Details on the retail incentives application and staff recommendations are included in the main body of this agenda item.


**RECOMMENDED ACTION**

Option 1: Approve the retail incentives application contingent upon compliance with the staff conditions described in this agenda item, and authorize CRA staff to enter into a retail incentive loan agreement in the amount of \$50,000 with the applicant and the property owner.

**FISCAL IMPACT**

The project account balance for the FY 2012 Frenchtown/Southside Retail Incentives Loan Program is \$150,000. Funding this request will leave a balance of \$100,000. The Office of Budget and Policy has reviewed this agenda item and concurs that it meets budget guidelines.

  
\_\_\_\_\_  
Michael K. Parker, Executive Director  
Tallahassee Community Redevelopment Agency

  
\_\_\_\_\_  
Anita Favors Thompson  
City Manager

For information, please contact: Rick McCraw, Tallahassee CRA (891-6459)

**SUPPLEMENTAL MATERIAL/ISSUE ANALYSIS**

**HISTORY/FACTS & ISSUES**

In April 2010, the CRA Board approved the establishment of a Downtown Retail Incentives Program. The purpose of the program was to help promote the development of retail uses, which includes restaurants and entertainment venues, within the Downtown District Redevelopment Area. In June 2010, the CRA Board approved a \$50,000 retail incentive loan to the owner of the Marriott Residence Inn on Gaines Street to help build out the retail space in their building for the relocation of Utrecht Art Supplies from Mahan Drive. This is the only retail incentive loan made to date.

Recognizing the promotion of retail uses is a major component of each redevelopment district's redevelopment plan. In November 2011, the CRA Board expanded the retail incentives loan program to the Greater Frenchtown/Southside Community Redevelopment Area starting in FY 2012; \$150,000 has been committed in support of the program for the fiscal year.

A summary of the retail incentives loan program criteria include:

- Either tenant or landlord may apply (tenants need owner approval);
- Maximum Award: \$50,000 per project;
- Terms: loan only, Prime interest rate, maximum term of 10 years;
- Funds can be used for exterior improvements, interior build out and equipment;
- Applications of \$10,000 or less are approved by the CRA Executive Director, applications in excess of \$10,000 require CRA Board approval;
- Funds are awarded first-come, first-serve; application criteria include location of the building in one of the redevelopment districts, consistency with the appropriate redevelopment plan, code compliance, necessary funding resources and/or commitments, building schedule, proven business success, etc.; and
- Loan must be secured through a mortgage on the property or another appropriate instrument.

The funds may be used for a variety of retail-related improvements, including:

- Permanent exterior façade improvements to an existing structure (not new construction) provided the proposed design, materials and colors of the improvements are consistent with any adopted design standards.
- Permanent interior improvements or build out within a new or existing structure.
- The purchase and installation of fixed equipment that is related directly to the proposed use, such as restaurant equipment.

The funds cannot be used for unique exterior fixtures, such as signage, that cannot be used for subsequent businesses. However, the applicant is eligible to apply for a façade improvement grant for exterior signage.

All retail incentive loans are secured through a mortgage on the property or another appropriate instrument. The Downtown District Community Redevelopment Area Downtown Redevelopment Commission (DRC) has established a loan review sub-committee that assists staff in developing and evaluating the instruments used to secure the loans. Assistance from this sub-committee is available to applications from both redevelopment districts.

Dan Gilbertson, the managing member of the Crepevine on Gaines, LLC, the applicant, has submitted a retail loan application for \$50,000 to help cover the cost of interior renovations, furnishings and equipment for a 3,600 square foot Crepevine restaurant at 803 Railroad Avenue (Attachment 1). The

**ITEM TITLE:** Approval of Retail Incentives Loan for the Crepevine Restaurant at 803 Railroad Avenue

Page 3

restaurant will be located in the building near the intersection of Gaines and Railroad that previously housed the Farside music club, and is in front of the former Engine Room (809 Railroad Avenue). The staff's review of the application and supplemental information provided by the applicant is included as Attachment 2. A summary of staff review is provided below.

Location – The building is located within the boundaries of the Greater Frenchtown/Southside Community Redevelopment Area.

Project Description – The renovation consists of interior improvements valued at \$87,000 and furnishings and equipment valued at \$60,797 for a 3,600 square-foot Crepevine restaurant. The interior improvements are part of a total renovation to the building, which will include approximately \$130,000 in façade improvements to 803 and 809 Railroad Avenue. A separate \$50,000 commercial façade improvement grant application agenda item is also being submitted for CRA Board consideration. Total estimated renovation and equipment cost is \$277,797.

Project Timelines – Renovations are expected to start immediately following CRA Board approval and should be completed within 30 to 45 days.

Track Record of Success – The applicant owns and operates two other Crepevine restaurants on Pensacola Street and North Monroe Street. The Pensacola Street location has been open for over six (6) years, and grossed nearly \$343,000 in 2011. The North Monroe Street location has been open since June 2010, and grossed over \$598,000 in 2011. Due to similar customer demographics, the applicant believes the Gaines Street location will have revenues similar to North Monroe Street.

Number of Jobs Created – The application states that two full-time and an estimated 28 part-time positions will be created within the Crepevine restaurant.

Terms of the Loan – The applicant is requesting a loan of \$50,000, which is approximately 34 percent of the estimated restaurant renovation and furnishings/equipment cost of \$147,797. The applicant has also requested a loan term of 60 months. Based on a Prime annual interest rate of 3.25 percent and a 60-month term, the monthly loan payment to the CRA will be approximately \$904 per month.

***Outstanding Loan Application Issues and Staff Recommendation***

There are several application issues that still remain to be resolved. Normally, staff would work with the applicant to resolve these issues before taking the application to the CRA Board for approval. However, the next CRA Board meeting is on March 26<sup>th</sup> and the applicant would like to move forward on the renovations sooner, with a goal of having the restaurant open by April in order to capture some of the student crowd before the spring semester ends. As a result, staff is recommending the CRA Board approve the Crepevine retail incentives loan application contingent upon the applicant addressing the issues described below.

1. The applicant does not own the property where the improvements will take place. The applicant must provide written documentation from an authorized agent of the owner, the Joseph F. Nahoom Family Trust verifying they approve the proposed interior improvements and, if appropriate, will sign the restrictive covenant and/or mortgage before CRA staff can enter into an agreement with the applicant. The applicant must also submit an executed lease between an authorized member of the Tallahassee Crepevine, LLC and the Joseph F. Nahoom Family Trust.
2. The property owner and applicant must provide the CRA with proof of property insurance and/or renter's insurance, as applicable.

**ITEM TITLE:** Approval of Retail Incentives Loan for the Crepevine Restaurant at 803 Railroad Avenue

Page 4

3. The applicant must submit materials documenting personal funding or commitments from lenders and/or equity investors to cover the balance of retail renovation costs.
4. Due to scheduling conflicts, the Development Review Committee (DRC) loan review sub-committee has not had an opportunity to review the application. The loan review sub-committee must review and approve the application, loan collateral and terms of the loan; and the applicant must agree to those conditions before the CRA staff can enter into an agreement with the applicant and owner.
5. If the owner of the property is prepared to offer the property as collateral for the loan and enter into a mortgage with the CRA, the owner must provide written documentation stating so before the CRA staff can enter into an agreement with the applicant.
6. The property owner or applicant must submit documentation demonstrating that all property tax payments are current.
7. The applicant has requested permission to move forward with the interior improvements before entering into an agreement with the CRA with the understanding that the loan funds can be used to cover the cost of improvements completed before they enter into an agreement with the CRA. The applicant also understands that any interior improvements made prior to entering into an agreement with the CRA is done at his own risk in the event the applicant and CRA are not able to agree to on the requirements and conditions proposed in the agreement.

Contingent upon addressing the conditions noted above, CRA staff supports the Crepevine restaurant retail incentives loan application. The establishment of a new restaurant on Railroad Avenue, along with the planned exterior and interior improvement of the building, furthers the goals of the Greater Frenchtown/Southside Community Redevelopment Plan by promoting neighborhood retail development.

**CHARITABLE CONTRIBUTIONS**

Not applicable

**OPTIONS**

1. Approve the retail incentives application contingent upon compliance with the staff conditions described in this agenda item, and authorize CRA staff to enter into a retail incentive loan agreement in the amount of \$50,000 with the applicant and the property owner.
2. Delay approving the retail incentives loan application until all the conditions noted in the agenda item by CRA staff are resolved.
3. Do not approve the retail incentives loan application; provide staff with further direction.

**ATTACHMENTS/REFERENCES**

1. Crepevine Retail Incentives Loan Application
2. Staff evaluation of Crepevine Retail Incentives Loan Application

## Request for Tallahassee Community Redevelopment Agency's Interior Retail Loan

Project Name: The Crepevine On Gaines

Applicant: Dan Gilbertson  
459 W. College Ave  
Tallahassee FL 32301  
850-322-6716  
[Dan@gohbi.com](mailto:Dan@gohbi.com)

Project Location: 803 & 809 Railroad Avenue

This project consists of remodeling an existing building into a Restaurant located within the boundaries of the Greater Frenchtown/Southside Community Redevelopment Area. Construction will start immediately after approval by the board and estimated to be completed within 30 to 45 days. The project will be funded by a combination of bank loan and applicants funding. However, application has letter from ProBank documenting ability to fund the remaining balance of the project.

This project is not only consistent with the Greater Frenchtown/Southside Community Redevelopment Plan and City's land development codes; it represents the ideal project for this program. Restaurants are specifically identified as priority use in the area because they are supportive of other existing uses in the area and open to the public. The Crepevine restaurant has a successful track record and combined with renovation of a blighted building will help improve the area and encourage further redevelopment.

This entire renovation of 803 and 809 Railroad Avenue will create approximately 50 new jobs. Of those new jobs, the Crepevine restaurant will create 2 full-time and approximately 30 part-time positions. The equipment package outlined in the attached Start Up Cost will run approximately \$60,000 and we will have another \$50,000 worth of equipment in the other attached building that can be used to collateralize the Loan.

Thank you in advance for your review of this request.

Sincerely,

Dan Gilbertson  
MGRM  
Crepevine on Gaines, LLC

“Before” Photos

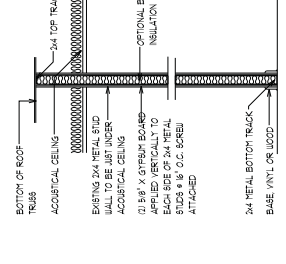
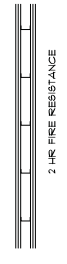
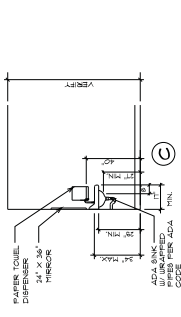
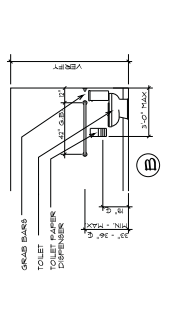
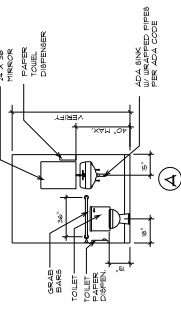


“After” Renditions



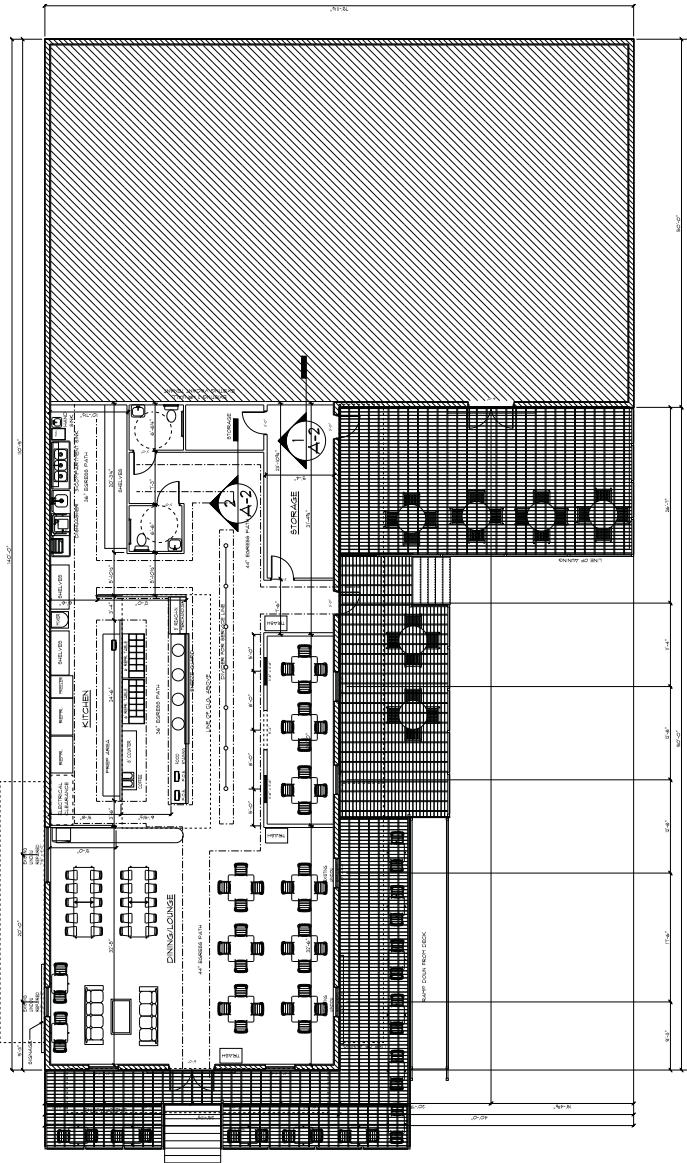
**HC TOILET ELEVATIONS (TYP.)**  
SCALE: 1/4" = 1'-0"

NOTE:  
1. PROVIDE I.C. ACCESSIBLE BORGAGE FOR TOILET DOORS.  
2. ALL DOOR MEASUREMENTS MUST BE I.C. COMPLIANT.



**1/2-2 EXISTING 2-HR FIRE WALL**  
SCALE: 1/2" = 1'-0"

**2/4-2 INTERIOR PARTITION**  
SCALE: 1/2" = 1'-0"



**Floor Plan - UNIT-101**

SCALE: 1/4" = 1'-0"

THE CONTRACTOR SHALL CHECK AND VERIFY ALL CONDITIONS AND DIMENSIONS AND NOTIFY THE ARCHITECT/ENGINEER IMMEDIATELY OF ANY DISCREPANCIES.

NOTE:  
WATER IS AVAILABLE AT BOGA STATION

**DOOR NOTE.**  
THE ELEVATION OF FLOOR SURFACES ON BOTH SIDES OF ALL DOORS SHALL NOT VARY MORE THAN 1/2". THE ELEVATION SHALL BE MAINTAINED ON BOTH SIDES OF A DOORWAY FOR A DISTANCE AT LEAST EQUAL TO THE WIDEST LEAF. (TYPICAL)

ARCHITECTURAL DESIGN SERVICE  
5946 STRAHLER DRIVE UNIT B  
TALLAHASSEE, FL 32309  
(904) 848-6039  
JIM BEVINS, DESIGN

PROPOSED FLOOR PLAN & DETAILS  
SHELL PERMIT & NEW TENANT BUILD-OUT FOR:  
SHELL TRADEMARK DEVELOPMENT  
1306 THOMASVILLE ROAD  
TALLAHASSEE, FLORIDA

DATE:	01/20/22
REVISION:	
DRAWN BY:	SPH
CHECKED BY:	JEB
SCALE:	AS SHOWN

**A-2**  
3 OF 9 SHEETS

8.5x11 SHEETS SCALE: 80%

<b>Crepevine Start Up Costs</b>		Jan 4, 12
<b>ASSETS</b>		
<b>Current Assets</b>		
Checking/Savings		
	Petty Cash	700.00
	Pro Bank - Operating Account	10,000.00
	<b>Total Checking/Savings</b>	<b>10,700.00</b>
<b>Other Current Assets</b>		
	Supply Inventory	5,000.00
	Food Inventory	8,000.00
	Utility Deposits	1,200.00
	Rent Deposit Asset	2,000.00
	<b>Total Other Current Assets</b>	<b>16,200.00</b>
	<b>Total Current Assets</b>	<b>26,900.00</b>
<b>Fixed Assets</b>		
<b>Equipment</b>		
	Refrigerator	9,842.13
	Batter Mixer	2,000.00
	Ice Maker	1,500.00
	SS Tables	800.00
	Microwaves	200.00
	Griddles	4,500.00
	Dicers	50.00
	Tabletop Refrigerator	6,000.00
	POS	10,000.00
	Three Compartment Sink	600.00
	Smallwares	4,000.00
	Plasma TV	2,000.00
	Security Camera System	3,500.00
	Miscellaneous Equipment	5,000.00
	<b>Total Equipment</b>	<b>49,992.13</b>
<b>Furniture &amp; Fixtures</b>		
	Outdoor tables and chairs	0.00
	Barstools	500.00
	Lighting & Fans	3,000.00
	Decor	1,000.00
	Saddle Seat Table and Chair Set	2,500.00
	Couches	2,000.00
	Sneeze Guard	1,804.44
	<b>Total Furniture &amp; Fixtures</b>	<b>10,804.44</b>
	<b>Total Fixed Assets</b>	<b>60,796.57</b>
	<b>TOTAL Start Up COST</b>	<b>87,696.57</b>

<b>Crepevine on Gaines - Retail Incentives Loan Application:</b>			
<b>Estimated cost of interior improvements, equipment furniture and fixtures</b>			
<b>Interior Renovations</b>	<b>Trademark Development &amp; Construction, LLC</b>	<b>Kent Development, LLC</b>	<b>Old Farm Development, LLC</b>
Demo, clean up and pre-construction preparation	\$5,000.00	\$6,000.00	\$7,000.00
New walls and doors	\$15,000.00	\$15,500.00	\$17,000.00
Refinish existing walls and doors	\$7,000.00	\$6,500.00	\$10,000.00
Plumbing	\$20,000.00	\$23,500.00	\$16,000.00
Electrical	\$20,000.00	\$21,500.00	\$22,000.00
HVAC	\$20,000.00	\$23,500.00	\$25,000.00
<b>Sub Total</b>	<b>\$87,000.00</b>	<b>\$96,500.00</b>	<b>\$97,000.00</b>
<b>FFE</b>			
Equipment	\$49,992.13	\$49,992.13	\$49,992.13
Furniture & Fixtures	\$10,804.44	\$10,804.44	\$10,804.44
<b>Sub Total</b>	<b>\$60,796.57</b>	<b>\$60,796.57</b>	<b>\$60,796.57</b>
<b>Total Estimated Cost</b>	<b>\$147,796.57</b>	<b>\$157,296.57</b>	<b>\$157,796.57</b>

Tallahassee Community Redevelopment Agency			
Retail, Restaurant, Entertainment Loan Program Evaluation Criteria			
1	<b>Applicant Name:</b> Dan Gilbertson		
2	<b>Business Address:</b> 459 West College Avenue		
3	<b>City:</b> Tallahassee	<b>State:</b> Florida	<b>Zip Code:</b> 32301
4	<b>Phone:</b> 850-322-6716	<b>Email:</b> <a href="mailto:Dan@gohbi.com">Dan@gohbi.com</a>	
5	<b>Project Name:</b> The Crepevine on Gaines		
6	<b>Project Location:</b> 803 Railroad Avenue		
7	<b>Building/Property Owner(s) signoff:</b> Need sign-off by agent for the Joseph F. Nahoom Family Trust and copy of executed lease		
8	<b>Project Description:</b> Interior improvements and equipment for a 3,600 square foot Crepevine restaurant on Railroad Avenue		
9	<b>Description of Requested Improvements:</b> See above		
Area below this line for staff use only.			
Threshold Criteria:		All applications must meet the following requirements to be accepted for review.	
		Comments:	
10	Is the proposed project located within the boundaries of the Greater Frenchtown/Southside or Downtown District Community Redevelopment Area?	Yes	No 809 Railroad Avenue is located within the Greater Frenchtown/Southside Community Redevelopment Area.
11	Is the proposed project a retail, restaurant or entertainment use as defined by the City's land development regulations?	Yes	Reviewed by Growth Management on 01/31/12 as part of the commercial façade improvement grant application.
12	Will construction start within 6 months from date of CRA Board approval?	Yes	Applicant has indicated construction will start immediately following CRA Board approval and will be completed within 30 to 45 days.
13	Does the applicant have a funding commitment for the remaining balance of the project cost, or has the applicant provided documentation supporting his/her ability to fund the remaining balance of the project cost?	Yes	The estimated cost of interior/ exterior renovations is \$217,000, equipment and furnishing costs are estimated at \$60,796.57 for total costs of approx. \$277,797. Applicant has submitted letter from ProBank indicating over \$250,000 in deposits. <b>Need to confirm they are available for project.</b>
14	Is project consistent with the Greater Frenchtown/Southside or the Downtown District community redevelopment plans?	Yes	Project is consistent with the Greater Frenchtown/Southside Community Redevelopment Plan
15	Is project consistent with the City's land development codes?	Yes	Reviewed by Growth Management on 01/31/12 as part of the commercial façade improvement grant application.
16	Is the property free of active code violations?	Yes	Reviewed by GM on 01/31/12 and ECD on 02/01/12 – as part of the commercial façade improvement grant application. No violations found.

General Review Criteria		Yes	No	Comments:	Possible Points	Awarded Points	
17	Is the business an existing use with a successful track record or does it have a Business Plan: Describe required contents, projections & verifications.	Yes	No	Applicant is partner in two successful Crepevine restaurants on Pensacola and N. Monroe that have been open for 2 to 6 years.	5	5	
18	Has the use been identified as a priority use for the area?	Yes	No	Retail uses are a major part of the redevelopment plan.	15	15	
19	Does project improve or eliminate a blighted area or building?	Yes	No	Renovations include façade improvements.	5	5	
20	Does it support existing uses in the area? How?	Yes	No	Supports development of the Gaines St as a retail/entertainment destination.	10	10	
21	Will the use be open to the general public?	Yes	No	Will be a public restaurant.	5	5	
22	Job creation within CRA, within 1 year.	Full Time: 40 Hours/week	6 + jobs (20)	Applicant states 2 full time jobs will be created.	10 - 20	10	
		Part Time: <20 hours/week	10 + jobs (10)	Applicant estimates 28 part time jobs will be created.	5 - 10	10	
23	(70 Points Max) Subtotal:					60	
<b>Financial Criteria</b>							
24	Requested funding % of total project cost. =	1 – 50% (10)	51% + (0)	CRA loan is 34% of renovation and FFE.	0 – 10	10	
25	Term of Loan (years)	0 – 60 months (10)	61 – 120 months (0)	Applicant requested a 60-month term	0 - 10	10	
26	Applicant's equity investment, including borrowed funds, as a % of total project cost.	Yes	No	To be determined	0 - 10	tbd	
27	(30 Points Max) Subtotal:					20	
28	<b>100 Possible Points (Minimum Required Score = 60 points) Total Score:</b>					<b>80</b>	
<b>Recommended Action</b>							
<b>Staff Recommendation</b>	Approve	Deny	Amount: \$50,000	Term: 60 months			
	Percent Interest of Loan: Prime rate on day of CRA Board approval						
<b>DRC Sub Committee Recommendation</b>	Additional Conditions: per conditions noted in agenda item						
	Approve	Deny	Conditions:	Term:	Meeting Date:		
<b>CRA Action</b>	Percent Interest of Loan:						
	Approve	Deny	Conditions:	Term:	Meeting Date:		