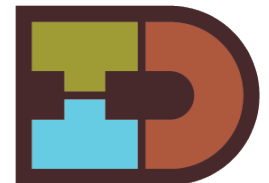




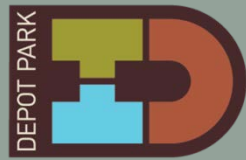
GAINESVILLE'S HISTORIC DEPOT BUILDING LEASE AGREEMENT

June 16, 2016 City Commission Meeting



DEPOT PARK

Letter of Intent from Double 18, Inc.

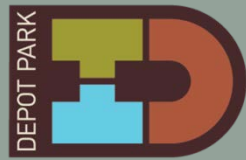


Letter of Intent from Double 18, Inc. approved by the City Commission on May 19, 2016

- 5 year base term with two 5-year renewal options
- Base term increases of \$1.50 per square foot. Renewal option term increases of at least 2%
- Lease entire building (6165 sf) + outdoor space
- General store + event space + café / restaurant



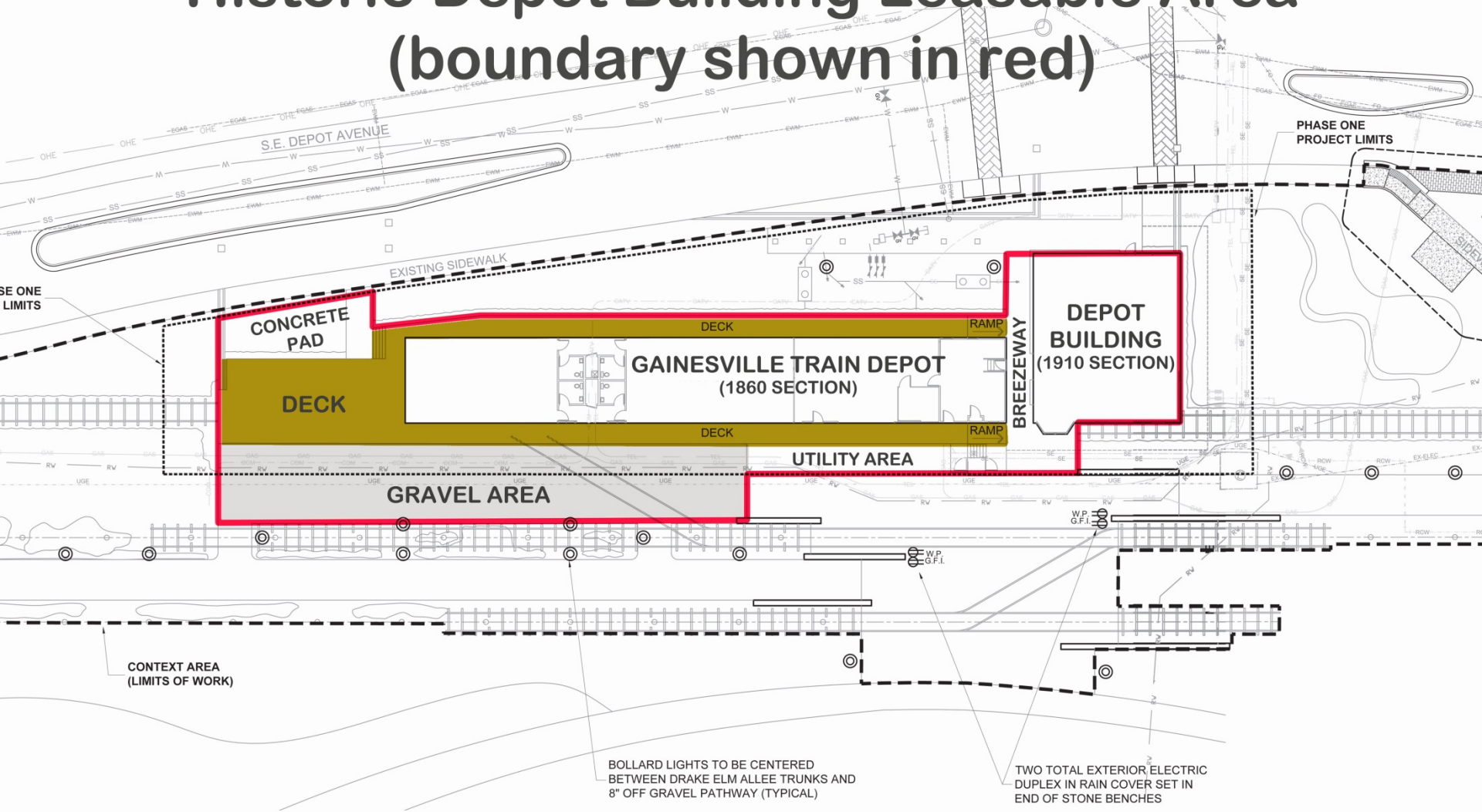
Community Goals & Objectives



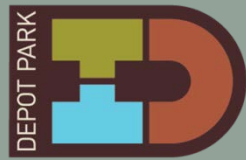
Create a destination that offers a variety of uses available to park visitors and the surrounding neighborhoods. The building tenant will embrace the historic character of the building, create a synergy within Depot Park, and generate revenue which will subsidize the operation and maintenance cost of the Historic Depot Building.



Historic Depot Building Leasable Area (boundary shown in red)



Tenant Build-out Funding Overview

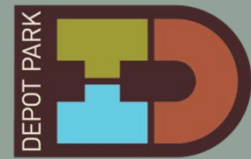


- ❖ **Requesting CRA Board approval for tenant build-out on June 20, 2016**
- ❖ Depot Building project account (W236): Tenant build-out is budgeted
- ❖ CRA build-out responsibilities:
 - Invest in build-out opportunities that will fit/suit many tenants
- ❖ Tenant build-out responsibilities:
 - Invest in build-out opportunities specific to proposed use

Restrictions to enhancements on historic building:

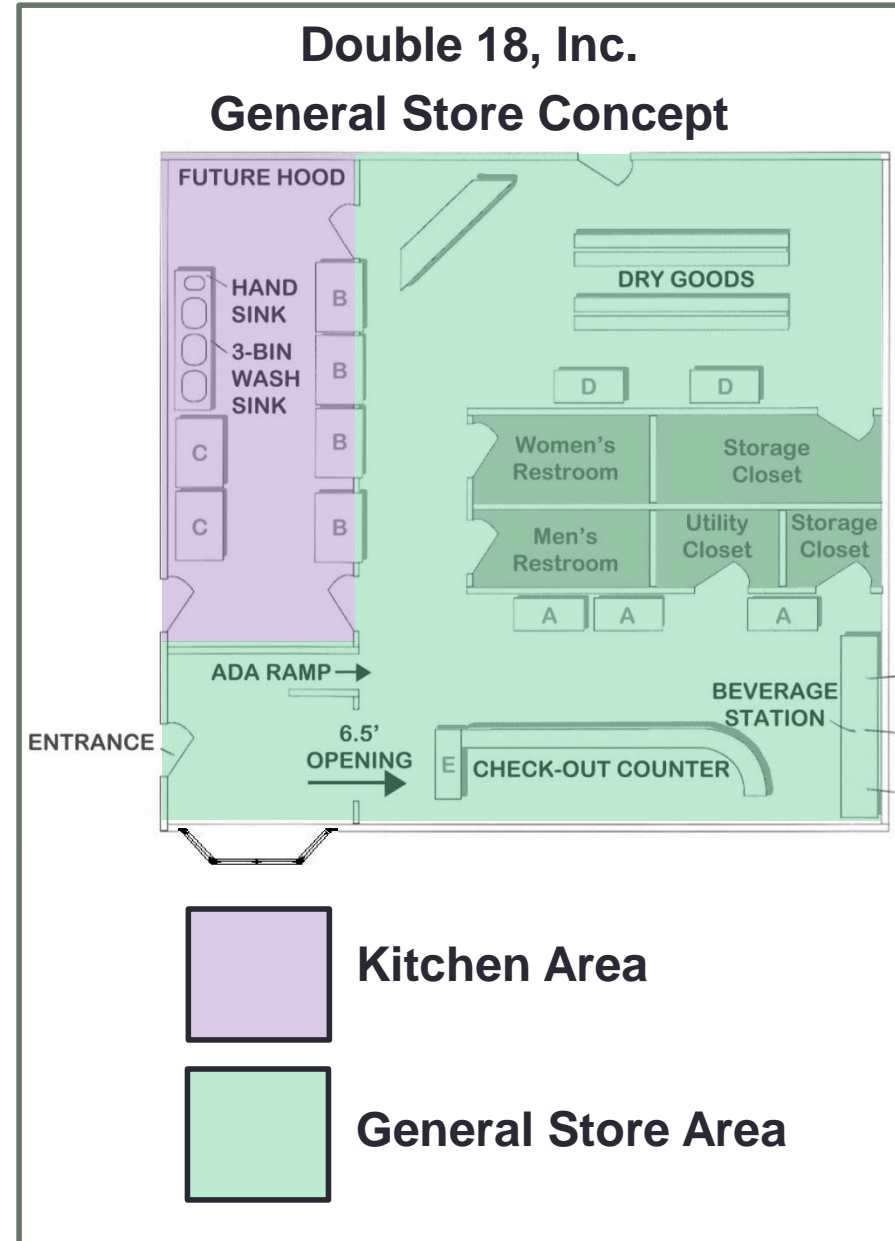
Building Interior = FLEXIBLE
Building Exterior = FIXED

Proposed Tenant Build-out



❖ Improvements to accommodate tenant / future tenant(s) uses:

- Pre-construction expenses
- Potable water in bathrooms
- Hot water heater
- Wipe-able kitchen walls, ceiling & floors
- Plumbing for kitchen sinks & floor drains
- Modify kitchen fire protection
- Modify kitchen HVAC registers
- Kitchen lighting
- Enhanced electricity



Proposed Tenant Build-out

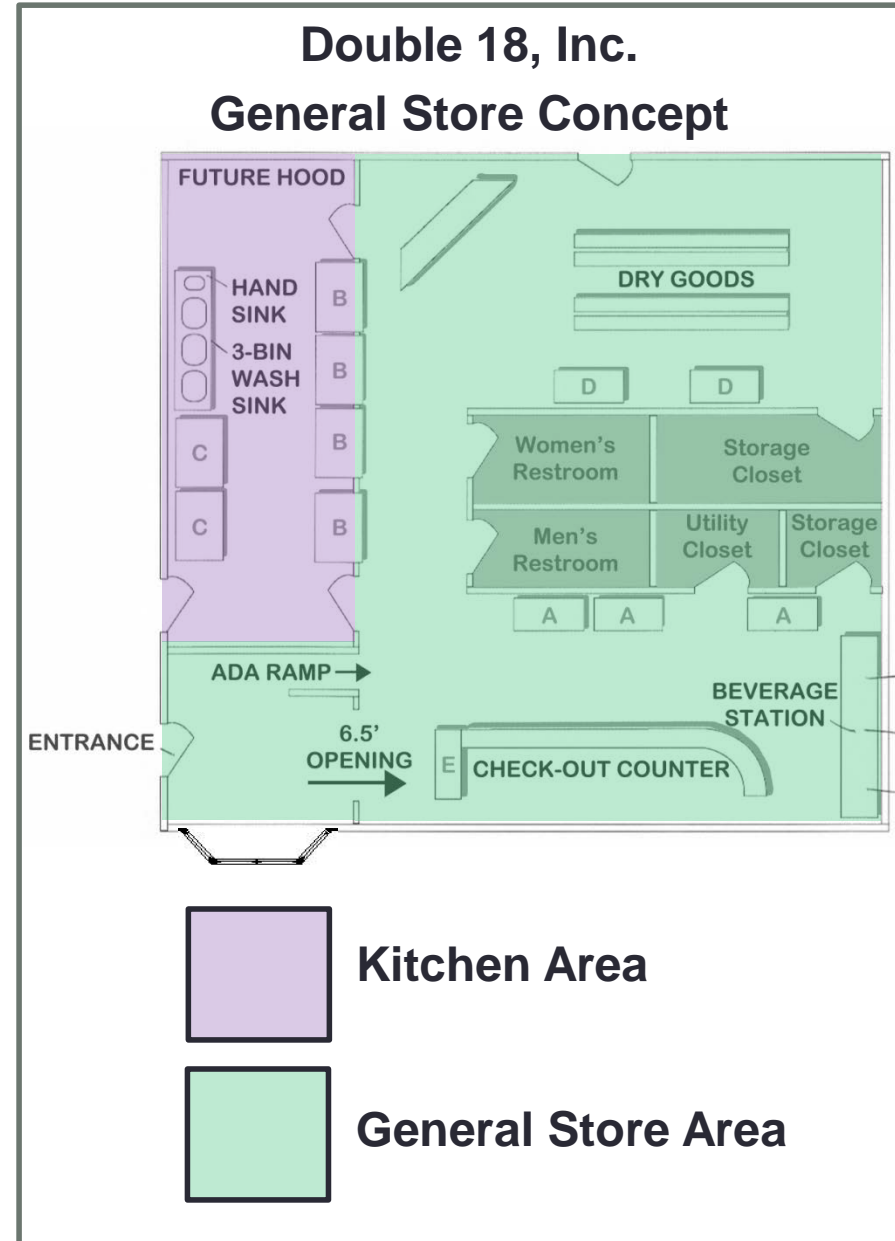


❖ Tenant improvements for proposed use:

- Enhance interior circulation
- Install cooler systems
- New door hardware
- New paint & touch-ups
- Install kitchen sinks
- Relocate electricity to service needs

❖ Tenant equipment + furniture for proposed use:

- “A” – vertical open display case (3)
- “B” – glass door reach-in cooler (4)
- “C” – solid swing door refrigerator (2)
- “D” – horizontal refrigerated display (2)
- “E” – refrigerated bakery case (1)
- Wall shelving and furniture
- POS system
- Wi-Fi



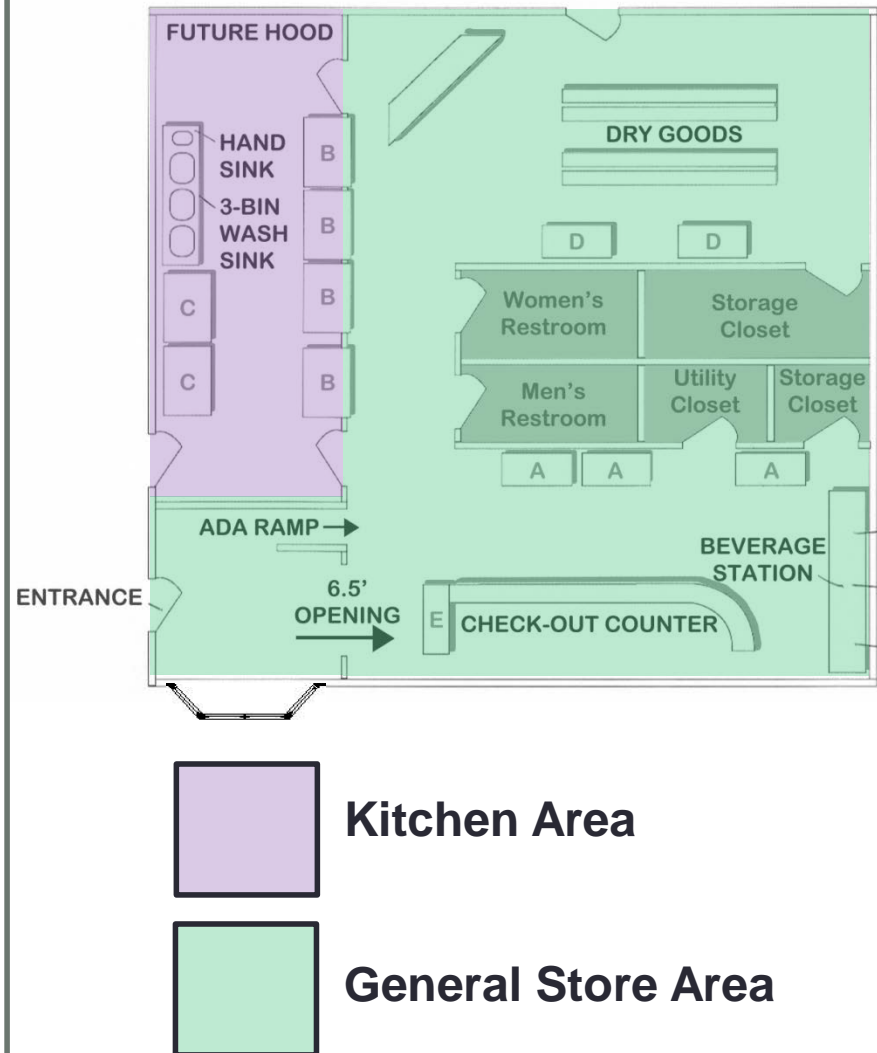
Proposed Tenant Build-out



Approximate contributions for proposed use:

- ❖ Improvements for tenant / future tenant(s):
CRA - \$68,434.00
- ❖ Improvements for proposed use:
Tenant - \$26,639.00
- ❖ Equipment + furniture for proposed use:
Tenant - \$80,000.00
- ❖ Inventory for proposed use:
Tenant - \$25,000.00

Double 18, Inc. General Store Concept



Proposed Tenant Build-out



Rent Structure per the approved Letter of Intent:

- 5 year base term w/ two 5-year renewal options
- Base term increases of \$1.50 per square foot. Renewal option term increases of at least 2%

\$68,434 (*CRA approx. contribution*)
- \$44,150 (*year 1 rent total*)
- \$53,398 (*year 2 rent total*)

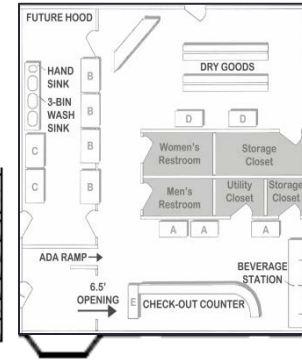
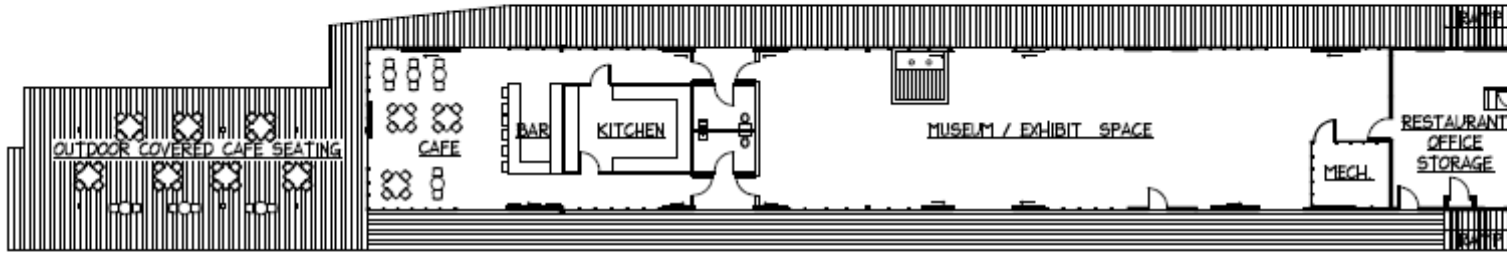
+\$29,114 (*made whole by year 2*)

BASE TERM	RENT/SF (AC)	RENT/SF (non-AC)	AC RENT (total)	NON-AC RENT (assumed)	TOTAL RENT	TOTAL PER SF (AC)
1	\$10	\$5	\$26,650	\$17,500	\$44,150	\$16.57
2	\$11.50	\$6.50	\$30,648	\$22,750	\$53,398	\$20.04

Park Ordinance + Building Zone Modifications



← DEPOT AVENUE →



Park Ordinance:

- Allow for alcohol sale and consumption

Building Zone (PS):

- Describe tenant uses
- Neighborhood workshop on June 20th at the Depot Building

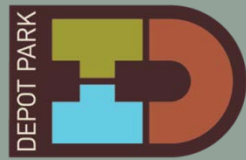


Next Steps

1. Finalize lease agreement
2. Amend park ordinance for
 - Depot Building
 - Depot Park
3. Bring build-out construction proposal to CRA Board for approval at June 20th meeting
4. Approve modified Depot Building zoning for tenant use at future City Commission meeting



Recommendation



1) Authorize the City Manager to execute the lease subject to approval of the City Attorney as to form and legality, 2) Authorize the City Attorney to amend the code of ordinances in Section 4-4 regarding consumption, sale and consumption, and possession of alcohol for the structures located at 200 & 201 SE Depot Avenue, the Historic Depot Building and Depot Park, as described.

