

The Sankofa Project, Centered in Community



*The commercial space at Sankofa will feature state-of-the-art tech, amenities, and business growth programs, modeled after places like the **LaKretz Innovation Campus in Los Angeles** - a project backed by the City in several important ways. The City renovated a 59,985 s.f. facility to serve as a cleantech hub and accelerator. The City of L.A. and CRA also helped fund the \$46M project.*

The Sankofa Project is one component of the City of St. Petersburg's **Deuces Rising** vision to revitalize the historic 22nd Street corridor (aka "the Deuces"). The project is designed to be **community-centered, and equity-focused in every facet**. As announced by the City in 2019, the vision is *"broadly inclusive of community organizations in design, development, and operations, including a strategy for reinvesting in and through organizations that anchor the corridor. The One Community Plan has already engaged 20 partner organizations committed to co-creating a transformative strategy."*

The Project's 3 Major Components:

The project will be developed on 2.8 acres at the northeast corner of the 14 acres known as Commerce Park, on City-owned land. The site front-faces the Deuces and is across the street from the Manhattan Casino. It is within the plan areas of Deuces Live & Warehouse Arts District, IGNITE the Deuces, One Community Plan, and the South St. Pete Community Redevelopment Area, and will be aligned with each of them. The project's three components are:

- **Homes:** 26 two-story for-sale townhomes (16 three-BDR, 8 two-BDR, 2 one-BDR), affordable to families from 60 to 120% of AMI.
- **Commercial Space:** 28,000 to 32,000 s.f. of retail, food service, entertainment, office, incubator, and co-workspace on two floors.
- **Development Fund:** An investment vehicle, seeded by project revenue, to help accelerate projects along major corridors, such as the

Deuces, 16th, MLK, and 49th streets, with below-market loans, grants and equity.

A Co-Development Partnership

The project will be done through a unique partnership, with the City as lead developer and Sankofa Vision Group, LLC (SVG) as co-developer. SVG has five non-profit members who have worked together for nearly two decades to lead major equity initiatives for South St. Petersburg.

Guided by Models of Innovation

SVG is guided by public-private models of innovation that are similar to the vision for the Sankofa Project. One example is the LaKretz Innovation Campus (above). LaKretz is a City-inspired project in the Downtown Arts District of Los Angeles. The City renovated and leased a facility to the LA Cleantech Incubator, a non-profit conceived by the City to help accelerate cleantech entrepreneurship through a vibrant nexus of business growth programs on-site.

Also similar to Sankofa is that NMTC was a principal source (\$43M) of funding to the LaKretz project; the allocation was sourced from the City-backed Los Angeles Development Fund. A 2017 report notes that LaKretz incubator firms had then created 742 new jobs and raised over \$30M in equity. Founders of the initiative in 2011 included then Mayor Antonio Villaraigosa, the LA County EDC, the LA Business Council, and the LA Chamber, along with four university partners.

Community Impacts of the Investment

The Sankofa Project is designed to be **inclusive and equity-focused in every facet**, in order to maximize community economic impacts (summarized below).

The Sankofa Project will...



■ **Increase affordable housing stock and homeownership** in a census tract that lost 10% of its housing density and 33% of its homeowners over the last 8 years reported by the Census.

*That's an **exodus of 279 homeowners**, causing a drop in the homeownership rate from 66% in 2010 to 50% in 2018. The project brings 26 affordable townhomes to the area, for families at or below 120% of the Area Median Income (AMI).*



■ **Double commercial occupancy** on the Deuces and multiply the availability of affordable retail and office spaces, including **NEW co-work & incubator spaces** coupled with on-site business growth programs for resident entrepreneurs.

■ **Grow consumer traffic**, while improving the walkability of daily vehicle traffic for the Deuces, and generating new patronage for other retailers, restaurants, and art, history, and culture organizations along the corridor



■ **Create an economic ecosystem** that leverages local talent to breathe life into the Sankofa project, while maximizing project spending with community businesses.

■ **Build development capacity** among organizations leading major equity initiatives for St. Pete, adding to their development, finance and management capacity for affordable housing and commercial projects, as well as innovations in entrepreneurship



■ **Pave the way to "next level" space** for entrepreneurs who graduate from nearby incubator spaces such as the Rising Tide Center at the Historic Manhattan Casino (which houses an incubator for food service enterprises) and the BBIC Incubator (with diverse minority-owned firms occupying 6 micro-offices with direct access to BBIC business loan products).

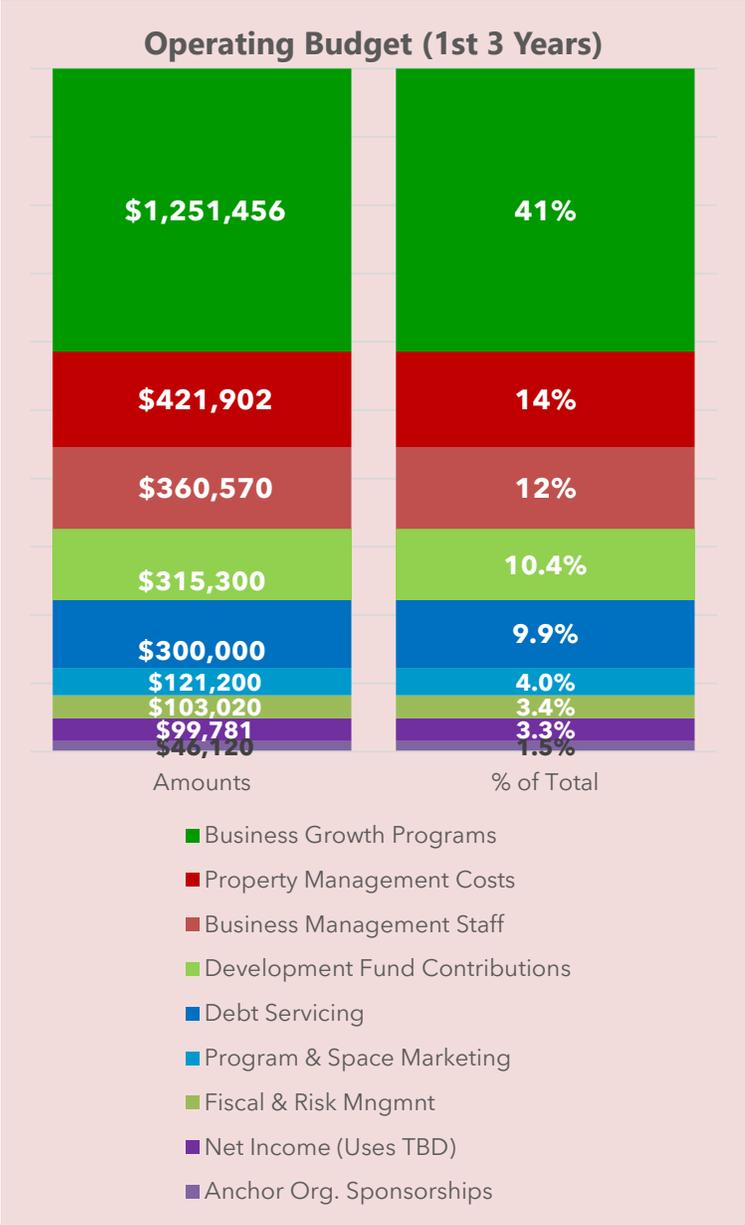
**Accelerate
Development in
South St. Pete**
EQUITY IN 
CAPITAL ACCESS

■ **Seed the South St. Petersburg Development Fund** to accelerate real estate development along major corridors in South St. Pete, such as the Deuces, 16th Street, MLK Street, and 49th Street. The fund will leverage public-private development fund models to support projects with below-market rate loans, grants and other subsidized investments. It will seek to mobilize philanthropy by replicating the Detroit Strategic Neighborhood Fund. SVG is also seeking Community Development Entity (CDE) certification, replicating the Los Angeles Development Fund, to enable the South St. Pete development fund to participate in the U.S. Treasury Department's New Markets Tax Credit Program).

Investing in Growth

Revenue from the commercial facility will fund quality operations of a welcoming space for entrepreneurs, and a thriving hub of business resources. Over the first 3 years of operations, the project will support the following:

- **Business Growth Programs:** 41% of the budget will support business growth services for entrepreneurs.
- **Property Management:** 14% will go to costs such as repair, maintenance, janitorial, landscaping, insurance, utilities, and leasing.
- **Business Management:** 12% will fund staff time commitments by 4 SVG members for vital roles such as financial management and partnership development and resource raising.
- **Development Fund:** 10% of revenue will go to seed the emerging South St. Petersburg Development Fund
- **Program & Space Marketing:** 4% of revenue will fund year-round multi-media marketing to support peak use of the site and its events & programs.
- **Fiscal & Risk Management:** 3% of revenue will go to fiscal management and liability coverage.
- **Anchor Org. Sponsorships:** 10% of net income after debt servicing (1.5% of revenue) goes to support history, art, culture, and development organizations that anchor the Deuces.
- **Net Income:** 3.3% of revenue may remain as net income after all obligations are met. Its uses are TBD.



In tabular format the Operating Budget is as follows:

3-Year Uses of Income	Amts	% of Total
Business Growth Programs	1,251,456	41%
Property Management & Leasing	421,902	14%
Program & Lease Marketing	121,200	4%
Fiscal Management, Insurances & Other	103,020	3%
Debt Servicing	300,000	10%
Non-Profit Project Management Staff	360,570	12%
Development Fund Contributions	115,300	4%
Development Fund Management	200,000	7%
Deuces Anchor Institution Sponsorships	46,120	2%
Net Income (Uses TBD)	99,781	3%
TOTAL:	\$ 3,019,350	100%

These figures are from Scenario 5 of the Sankofa Project's Proforma Profit & Loss. They will change as various details are confirmed (e.g., lease rates).

Investing in Community

Project revenue will be used to activate **economic growth strategies** that are priorities for the One Community Plan, such as:

- Spending within **and** spending with people and organizations operating in mutual support, which maximizes the economic multiplier effect and the new income captured within the community economy.
- Making mission-driven, rather than profit-motivated, investments that ignite organic growth in St. Petersburg’s black-owned business community.

Guided by these strategies, SVG is designed as a **social enterprise**, built to generate revenues that fuel the growth and sustainability of local businesses, workers, and organizations.

Over its first three years in operation, SVG estimates that 70%+ of project revenue will be captured within the community economy through the following groups.

- **Revenue to community entrepreneurs** will stem from SVG’s commitment to maximizing procurement from local businesses to meet project needs. SVG’s goal is to select community businesses for everything from landscaping, security, and janitorial to training, technology, marketing, and leasing services.
- **Growth programs/seed capital for resident entrepreneurs** will be offered on-site, including a venture accelerator. Three SVG Members have successfully piloted seed capital products to support local businesses, including **start-up grants; microgrants** for payroll, technology and

COVID supplies; **cash sponsorships** for growth costs such as inventory purchases; registration fees for training and matchmaking events with corporate and government buyers; technology purchases; and website and collateral design.



- **Launch of the development fund** will help to accelerate development projects along major corridors in South St. Pete, attracting new energy, talent, and investments for projects on the Deuces, and other major corridors.
- **Revenue to development organizations** will support the 4 non-profit SVG Members that will commit staff time to lead vital project roles (One Community, the Urban League, Mt. Zion Progressive, and CDC of Tampa) such as program design, partnership development, property management, and financial management.
- **Sponsorships to anchor institutions** will provide a small sustaining source of revenue for organizations that anchor redevelopment along the Deuces and that host art, history, and cultural events in and near the Deuces.

In tabular format, Community Captured Investments include:

Project Revenue Retained in Community	3-Year Totals	% of Revenue
Revenue to entrepreneurs	853,232	28%
Seed capital for entrepreneurs’ growth plans	603,000	20%
Launch of real estate development fund	356,417	12%
Revenue to development orgs	360,570	12%
Income to anchor institutions	46,120	2%
Interest income to community CDFI	60,000	2%
Income to community programs	99,781	3%
TOTAL:	\$ 2,379,120	79%

These figures are from Scenario 5 of the Sankofa Project’s Proforma Profit & Loss. They will change as various details are confirmed (e.g., lease rates).

A Place for Entrepreneurs to Thrive



Our vision for the commercial component of Sankofa is for an affordable, “always poppin’” space where entrepreneurs can meet, work, and create new opportunities, and where occupancy remains at 90%+.

The commercial facility will house an eclectic mix of retail, food service, entertainment, office, incubator, and co-workspace on two floors.

Unique formats such as **micro retail** will build a natural synergy with projects such as 1 Pier, while restaurant, retail and office spaces will be “**next level**” for entrepreneurs graduating from nearby incubators like the Rising Tide and BBIC incubators. SVG will host a dynamic breadth of business growth programs at the facility.

Business amenities will include blazing hot internet speed; on-site printers, copiers, scanners; a fully-snack-stocked kitchen and beverage bar; a mini supply store; and eight training and meeting rooms with smart tech.

Business services on-site will include supplier diversity procurement programs by the Florida State Minority Supplier Development Council, MBDA Florida Centers, and Inclusive St. Pete; business trainings by BBIC, Urban League SBA, SBDC, and the Greenhouse; accelerators and venture matchmaking; and seed capital access, as well as hands-on help for equity solicitations.

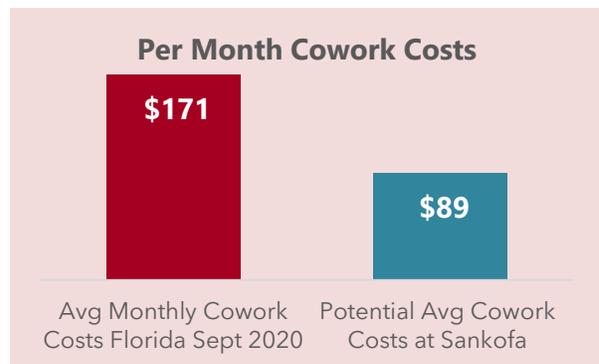
A portion of the space is affordably priced for mission driven non-profits, including a co-op healthy food market; as well as for business affiliates of SVG Partners (One Community, Urban League and BBIC), such as Annie’s Beauty Supply and InSparkleMe.

Reviving Legacy Businesses

The project will also work to revive the famous business brands that once thrived on the Deuces, including Geech’s BBQ, Sno Peak and Green’s Bakery, whose descendants still live and do business in St. Petersburg.

Affordable Space Pricing

Space formats and pricing options will be flexible and lower cost than comparable spaces in St. Petersburg and across Florida.



* Figures based upon Scenario 5 of the Sankofa Project’s Proforma Profit & Loss. They will change as various details are confirmed (e.g., lease rates).