

**CITY OF BILOXI  
AGENDA ITEM  
FACT SHEET**

Item No.: 41

Council Meeting Date: May 19, 2026

**ITEM TITLE:** RESOLUTION  
**INTRODUCED BY:** Mayor Andrew "FoFo" Gilich  
**CONTACT PERSON:** Richard Weaver, Chief Administrative Officer  
 Peter Abide, City Attorney

**SUMMARY EXPLANATION:**

Resolution authorizing entry into a Tri-Party Agreement for Commercial Redevelopment Incentive Grant and Related Services, by and among the City of Biloxi, Southern Mississippi Planning and Development Districts, Inc. ("SMPDD") and BLX2, LLC for the redevelopment of the vacant property located at 716 Beach Boulevard, Biloxi, Mississippi 39530, Tax Parcel No. 1410K-03-072.000

Resolution  Ordinance \_\_\_\_\_ Public Hearing \_\_\_\_\_ Routine Agenda \_\_\_\_\_

Exhibits for Review

Contract  Minutes \_\_\_\_\_ Plans/Maps \_\_\_\_\_ Deed \_\_\_\_\_ Lease \_\_\_\_\_

Other (Specify): Exhibit A: Tri-Party Agreement

Submittal Authorization: Council President \_\_\_\_\_ Mayor

**STAFF RECOMMENDATION:** Staff recommends approval

**COUNCIL ACTION:** Motion By: \_\_\_\_\_ Second By: \_\_\_\_\_

Vote:	Councilmember	Yes	No	AFR	ABST	Councilmember	Yes	No	AFR	ABST
	Gray	___	___	___	___	Tisdale	___	___	___	___
	Marshall	___	___	___	___	Glavan	___	___	___	___
	Nail	___	___	___	___	Shoemaker	___	___	___	___
	Creel	___	___	___	___					

**ACTION TAKEN:**

Resolution No.

RESOLUTION AUTHORIZING ENTRY INTO A TRI-PARTY AGREEMENT FOR COMMERCIAL REDEVELOPMENT INCENTIVE GRANT AND RELATED SERVICES, BY AND AMONG THE CITY OF BILOXI, SOUTHERN MISSISSIPPI PLANNING AND DEVELOPMENT DISTRICTS, INC. ("SMPDD") AND BLX2, LLC FOR THE REDEVELOPMENT OF THE VACANT PROPERTY LOCATED AT 716 BEACH BOULEVARD, BILOXI, MISSISSIPPI 39530, TAX PARCEL NO. 1410K-03-072.000

WHEREAS, by Resolution No. 528-17, 108-23 and by separate and concurrent resolution, the governing authorities of the City of Biloxi (the "City") authorized the engagement of Southern Mississippi Planning and Development Districts, Inc., a Mississippi non-profit corporation ("SMPDD"), to serve as the City's agent to establish a Commercial Redevelopment Program;

WHEREAS, the Mississippi Attorney General has issued an opinion (Moran, April 10, 2015) which opines that a municipality may create a redevelopment program and enter into contract, including funding contracts and an administrative services contract with a non-profit corporation for the non-profit corporation to establish and operate a grant program for the revitalization of blighted areas in the municipality;

WHEREAS, SMPDD is a 501(c)(3) private non-profit corporation which engages in activities which include, but are not limited to, administration of a Commercial Redevelopment Incentive Grant Program (the "Grant Program"), which allows private developers to apply for redevelopment grants to incentivize the reuse/redevelopment of existing commercial properties;

WHEREAS, SMPDD has proposed such a Commercial Redevelopment Program for the property at 716 Beach Boulevard, Biloxi, Mississippi 39530, Tax Parcel No. 1410K-03-072.000 (the "Property") that would incent redevelopment of Property through a benefit-sharing arrangement through which the developer would share with the City in any increase in sales tax collected from the redeveloped property for a specific period of time;

WHEREAS, the City has authority to appropriate and provide to SMPDD such sums as it deems necessary and desirable pursuant to Miss. Code Ann. § 17-19-1;

WHEREAS, the City finds it is necessary and desirable to appropriate to SMPDD certain amounts of sales tax reimbursement under the terms and conditions of, and for the purposes described in the Tri-Party Agreement for Commercial Redevelopment Incentive Grant and Related Services (the "Agreement"), attached hereto as Exhibit "A," pursuant to an urban renewal plan and urban renewal project applicable to the Redevelopment Project described herein, as authorized pursuant to Miss. Code Ann. §§43-35-1, et seq., and §21-17-5;

WHEREAS, the City may also place reasonable conditions on the use of the funds allocated to SMPDD, and otherwise earmark such funds for a specific purpose;

WHEREAS, BLX2, LLC ("BLX2") has filed with SMPDD a Commercial Redevelopment Program Application (the "Grant Application"), a copy of which was provided to the City, and has requested the City's participation in the Grant Program administered by SMPDD in order to incentivize the reuse/redevelopment of certain existing commercial property within the City, more specifically, the Property;

WHEREAS, it is the desire of the City to appropriate to SMPDD certain sums of sales tax reimbursements described below for the specific purpose of funding a Commercial Redevelopment Program Grant to BLX2 to incent the redevelopment of the Property, which shall be developed for the purpose of opening and operating retail establishment to be known as Sharkheads Downtown;

WHEREAS, it is understood by all parties that the incentive for BLX2's participation in the Commercial Redevelopment Program Grant is based upon the Grant Award, as defined in the Tri-Party Agreement for Commercial Redevelopment Incentive Grant and Related Services, attached hereto as Exhibit "A," (the "Agreement"); and

WHEREAS, BLX2 has requested the award of a Commercial Redevelopment Program Grant, under which it will be eligible to receive an amount equal to fifty percent (50%) of the City's portion of sales tax collected in years 1 – 7 and twenty-five percent (25%) in years 8 – 15, not to exceed one-third (1/3) of BLX2's total substantiated Project Costs, as memorialized in the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF BILOXI, MISSISSIPPI, THAT:

SECTION ONE: The findings, conclusions, and statements of fact contained in the preamble are hereby adopted, ratified, and incorporated herein.

SECTION TWO: The Mayor is authorized to execute, on behalf of the City of Biloxi, the Tri-Party Agreement for Commercial Redevelopment Incentive Grant and Related Services, in substantially the form attached hereto as Exhibit "A," with BLX2, LLC and Southern Mississippi Planning and Development District, Inc.

SECTION THREE: This resolution shall take effect and be in force from and after adoption.



**TRI-PARTY AGREEMENT**  
**FOR COMMERCIAL REDEVELOPMENT INCENTIVE GRANT**  
**AND RELATED SERVICES**

This Tri-Party Agreement for Commercial Redevelopment Incentive Grant and Related Services (herein the “Tri-Party Agreement”) is entered into as of the 19th day of May, 2026, by and among the **CITY OF BILOXI** (hereinafter, “City”), **BLX3, LLC** (hereinafter “**DEVELOPER**”) and Southern Mississippi Planning and Development District, Inc. (hereinafter, “SMPDD”). Each above entity is a “Party” and collectively they shall be referred to as the “Parties”.

**WHEREAS**, the City has authority to appropriate and provide to SMPDD such sums as it deems necessary and desirable pursuant to Miss. Code Ann. § 17-19-1; and

**WHEREAS**, the City may also place reasonable conditions on the use of the funds allocated to SMPDD, and otherwise earmark such funds for a specific purpose; and

**WHEREAS**, SMPDD is a 501(c)(3) private non-profit corporation which engages in activities which include, but are not limited to, administration of a Commercial Redevelopment Incentive Grant Program (the “Grant Program”), which allows private developers to apply for redevelopment grants to incentivize the reuse/redevelopment of existing commercial properties; and

**WHEREAS**, it is the desire of the City to allocate to SMPDD certain sums described below for the specific purpose of funding the Grant Program to be used as described below for redevelopment of commercial property located at 716 Beach Blvd., Biloxi, Mississippi (the “Redevelopment Project”), which shall be developed for the purpose of opening and operating a souvenir retail store, and specifically, **SHARKHEADS DOWNTOWN**; and

**WHEREAS**, it is understood by all parties that the incentive for **DEVELOPER**’s participation in the Grant Program is based upon the Verified Tax Increase; and

**WHEREAS**, **DEVELOPER** has approached the City and requested participation in the Grant Program administered by SMPDD in order to incentivize the reuse/redevelopment of existing commercial property within the City, as described above; and

**WHEREAS**, **DEVELOPER**, the City and SMPDD wish to proceed with memorializing these agreements;

**NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:**

**I. DEVELOPER REPRESENTATIONS AND RESPONSIBILITIES**

1. **DEVELOPER** represents that it owns or will purchase the Redevelopment Project, and that it has or will secure a lease of the Redevelopment Project with **SHARKHEADS, INC.**, as lessee (“**COMMERCIAL ENTITY**”), for the purpose of operating a **COMMERCIAL ENTITY** retail establishment (“**COMMERCIAL ENTITY**”) upon the Redevelopment Project.

2. Upon the execution of this Tri-Party Agreement, DEVELOPER will immediately complete a grant application with SMPDD which shall include, but is not limited to, estimated costs, projected tax increase, and development time frame, in order to take part in the Grant Program.
3. DEVELOPER will redevelop the Redevelopment Project and will document all costs incurred by it in said redevelopment for the purpose of leasing the property to COMMERCIAL ENTITY for the further purpose of opening and operating COMMERCIAL ENTITY.
4. DEVELOPER acknowledges and agrees that within 90 days of the grant of a certificate of occupancy for the Redevelopment Project, documentation of project costs will be provided to the City and SMPDD, to the City's and SMPDD's satisfaction. "Project Costs" shall be defined as any expenditure related to the reuse and redevelopment of the Redevelopment Project, including the purchase price of the real property related to the Redevelopment Project (but excluding associated acquisition costs, including, but not limited to, attorney's fees, title abstract fees, title insurance, hazard insurance, attorney's fees, prorated taxes, appraisal costs, and financing-related costs), and cost of materials directly related to the reuse and redevelopment (but excluding expenditures for furniture, fixtures and equipment, inventory of merchandise to be sold by COMMERCIAL ENTITY, general maintenance, and work that does not improve the appearance or functionality of the Redevelopment Project).
5. DEVELOPER acknowledges that it is eligible to participate in the Grant Program administered by SMPDD. Under the Grant Program, commencing twelve (12) months after the certificate of occupancy is issued, and once per year for a period of up to fifteen (15) consecutive years, DEVELOPER is eligible to receive an amount equal to fifty percent (50%) years 1 – 7 and twenty-five percent (25%) years 8 – 15 of the City's portion of the verified increase in sales tax collected by the City and directly attributable to sales made by COMMERCIAL ENTITY (the "Verified Tax Increase"). This agreed upon percentage of the Verified Sales Tax Increase attributable to sales by COMMERCIAL ENTITY shall be referred to herein as the "Grant Award." Under no circumstances will the total Grant Award exceed one-third (1/3) of DEVELOPER's total substantiated Project Costs (the "Grant Cap").
6. DEVELOPER acknowledges that SMPDD shall be entitled to an administration fee of five percent (5%) of every Grant Award (the "Administrative Fee"), as more fully detailed in the Program Agreement, which will be deducted from all Grant Awards prior to SMPDD paying the balance thereof to DEVELOPER.
7. DEVELOPER acknowledges that upon acceptance of its completed Grant Program application, and execution of this Tri-Party Agreement and the Program Agreement, Grant Awards will not begin until twelve (12) months after the certificate of occupancy is issued to DEVELOPER for the Redevelopment Project, and the Verified Tax Increase is reviewed and accepted by both the City and SMPDD. It shall be DEVELOPER's responsibility to provide documented proof of the Verified Tax Increase to the City and SMPDD to the satisfaction of each entity.
8. DEVELOPER acknowledges that its lease agreement with COMMERCIAL ENTITY requires COMMERCIAL ENTITY, as lessee, to provide the Verified Tax Increase information and supporting documentation to DEVELOPER, the City and SMPDD on an

annual basis. This shall include, but is not limited to, the total Mississippi sales taxes paid by COMMERCIAL ENTITY. The parties acknowledge that this information provided by COMMERCIAL ENTITY is third party proprietary information and will not be further released by any Party to this Tri-Party Agreement, unless required by law.

## **II. CITY REPRESENTATIONS AND RESPONSIBILITIES:**

1. City agrees that upon DEVELOPER's compliance with the above obligations, and as consideration therefore, it will provide to SMPDD, as administrator of the Grant Program and on DEVELOPER's behalf, the Grant Award. SMPDD shall be compensated by way of the Administrative Fee. The Administrative Fee shall be deducted from the Grant Award prior to submission of payment to DEVELOPER.
2. For DEVELOPER's successful participation in the Grant Program, the City agrees to provide the Grant Award to SMPDD for a period of fifteen (15) consecutive years, or until the Grant Cap is reached, whichever occurs first, unless sooner terminated in accordance with Paragraphs 4 or 5 of this Section II.
3. The City will execute and deliver to SMPDD any other documentation consistent with this Tri-Party Agreement necessary to carry out the terms hereof.
4. Should the Redevelopment Project as defined herein cease to exist, or in the event COMMERCIAL ENTITY terminates its lease and/or its operations at 716 Beach Blvd, Biloxi, Mississippi, this Tri-Party Agreement will automatically terminate and the responsibilities of the City and SMPDD, as identified herein, shall terminate effective immediately as of the date of termination of operations of COMMERCIAL ENTITY or cessation of the Redevelopment Project, whichever date first occurs.
5. The City is agreeing to contribute the Grant Award as calculated by the Verified Tax Increase in sales tax resulting from only this Redevelopment Project, and specifically excludes an increase in sales tax resulting from any further expansion, or additional redevelopment in the future. If at any time the Redevelopment Project is conveyed, transferred or assigned to any other entity by DEVELOPER, whether by specific act or operation of law, or is leased by any entity other than COMMERCIAL ENTITY, the City's obligations under this Tri-Party Agreement shall automatically terminate.

## **III. SMPDD REPRESENTATIONS AND RESPONSIBILITIES**

1. Upon execution of this Tri-Party Agreement, SMPDD will provide an application to DEVELOPER for participation in SMPDD's Grant Program.
2. SMPDD will administer the Grant Program to ensure that DEVELOPER meets all requirements and obligations identified herein and in the Program Agreement prior to distribution of any Grant Award.

3. SMPDD's administration of the Grant Program includes receipt of the Grant Award from the City, determining (in conjunction with the City) the appropriate amount of funds due to **DEVELOPER**, if any, and disbursing the Grant Award, less the Administrative Fee, to **DEVELOPER** in accordance with this Tri-Party Agreement and the Program Agreement.
4. Upon SMPDD's annual receipt of the Grant Award, SMPDD shall prepare a report to **DEVELOPER** and the City (the "Annual Report") which will include, but is not limited to: (a) the Verified Tax Increase for the year; (b) the amount of the Grant Award for the year; (c) the amount of the Administrative Fee to be deducted from that year's Grant Award and retained by SMPDD; and (d) the amount of eligible awards remaining on the Grant Cap after each annual Grant Award.

#### **IV. GENERAL DEVELOPERS**

1. All notices, requests, demands, and other communications which may or are required to be delivered hereunder will be in writing and will be delivered by messenger, by a nationally-recognized overnight mail delivery service or by certified mail, return receipt requested, to the following:

Peter Abide, City Attorney

City of Biloxi

P.O. Box 429

Biloxi, MS 39533

**DEVELOPER**

John J Pierotich

1703 Beach Blvd.

Biloxi, MS 39531

Southern Mississippi Planning and Development District, Inc.

Attn: Leonard Bentz, Executive Director

10441 Corporate Dr., Suite 1

Gulfport, MS 39503

2. The modification or amendment of this Tri-Party Agreement, or any of the provisions herein, will not become effective unless executed in writing by all Parties.
3. Except for disclosure to legal counsel, accountant or financial advisors, no Party to this Tri-Party Agreement shall disclose the terms hereof to any person who is not a Party or signatory hereto, unless disclosure thereof is required by law or otherwise authorized by this Tri-Party Agreement or consented to by all Parties in writing. Unauthorized disclosure of the terms of this Tri-Party Agreement shall be a material breach hereof.
4. Nothing contained in this Agreement shall be construed as constituting any Parties as principal and agent, partners or joint venturers.

5. If any provision of this Tri-Party Agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision herein is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

6. This Tri-Party Agreement shall be construed in accordance with the laws of the State of Mississippi. Any and all disputes arising hereunder shall be tried in a court of competent jurisdiction in **Harrison County, Mississippi**. By execution hereof, each Party consents to jurisdiction in **Harrison County, Mississippi**, and waives any and all defenses or objections to jurisdiction or venue in **Harrison County, Mississippi**.

7. This Tri-Party Agreement may be executed in separate counterparts, each of which so executed and delivered shall constitute an original, but all such counterparts shall together constitute one and the same instrument. The Parties stipulate that a photocopy of an executed original shall be admissible in evidence for all purposes in any proceeding as between the Parties.

8. This Tri-Party Agreement has been jointly drafted by all Parties, and in the event of any ambiguity, such ambiguity shall not be construed against any drafting Party.

**AGREED:**

**City of Biloxi, Mississippi:**

\_\_\_\_\_

DATE: \_\_\_\_\_

By: \_\_\_\_\_

**BLX3, LLC:**

\_\_\_\_\_

DATE: \_\_\_\_\_

By: \_\_\_\_\_

**Southern Mississippi Planning and Development District, Inc.**

\_\_\_\_\_

DATE: \_\_\_\_\_

By: \_\_\_\_\_