



Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

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|---|---|-----------|---|------------------------|------------------|--------------------|-----------|
| Meeting Date: | October 21, 2019 | | Item Type: (Enter X in box) | Resolution x | Ordinance | Other | |
| Fiscal Impact: (Enter X in box) | Yes | No | Ordinance Reading: (Enter X in box) | 1st Reading | | 2nd Reading | |
| | x | | Public Hearing: (Enter X in box) | Yes | No | Yes | No |
| Funding Source: | 5910-583050 | | Advertising Requirement: (Enter X in box) | Yes | | No | |
| | | | | | | X | |
| Account Balance: | \$1,000,000 | | RFP/RFQ/Bid Number: | N/A | | | |
| Contract/P.O. Required: (Enter X in box) | Yes | No | Project Number: | 46302 | | | |
| | x | | | | | | |
| Strategic Priority: (Enter X in box) Capital Improvements Goal 1 - Undertake Total Improvements of Public Realm <input type="checkbox"/> Goal 2 - Promote Public/Public and Public/Private Partnership <input checked="" type="checkbox"/> Promote Projects with Large-Scale Impacts Goal 1 - Issue a Request for Proposals (RFP) for NW infill Housing <input type="checkbox"/> Goal 2 - Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel <input type="checkbox"/> Priority Area: North West Quadrant <input type="checkbox"/> FEC Corridor <input type="checkbox"/> Southwest Quadrant <input type="checkbox"/> Northeast Quadrant <input type="checkbox"/> Southeast Quadrant <input type="checkbox"/> | | | | | | | |
| Sponsor Name: | Dr. Jeremy Earle, Executive Director | | Department: | HBCRA | | | |

Short Title:

A RESOLUTION OF CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY, HALLANDALE BEACH, FLORIDA, APPROVING AN AWARD OF A COMMERCIAL FAÇADE IMPROVEMENT GRANT IN THE AMOUNT OF \$75,000, A COMMERCIAL INTERIOR RENOVATION GRANT IN THE AMOUNT OF \$50,000, AND A COMMERCIAL KITCHEN GRANT IN THE AMOUNT OF \$111,744 TO CACIKE INVESTMENTS LLC FOR THE RENOVATION OF THE PROPERTY LOCATED AT 139 N.E. 1ST AVENUE, HALLANDALE BEACH, FLORIDA, AND A TENANT LEASE SURETY/TENANT RENT SUBSIDY IN THE AMOUNT OF \$6,300 TO BE SPLIT EQUALLY BETWEEN QUIRON CORP. (TRATTORIA DI VAKIS) AND VEGAN JUNKIE LLC (VEGAN JUNKIE); AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE GRANT AGREEMENT AND TENANT LEASE SURETY/TENANT RENT SUBSIDY AGREEMENTS; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL STEPS NECESSARY AND APPROPRIATE TO IMPLEMENT THE TERMS AND CONDITIONS OF THE GRANT AGREEMENT AND DISBURSE THE GRANTS, AND TENANT LEASE SURETY/TENANT RENT SUBSIDY AGREEMENTS AND DISBURSE THE SUBSIDIES; AND PROVIDING AN EFFECTIVE DATE.

Staff Summary:

Background:

The mission of the Hallandale Beach Community Redevelopment Agency (HBCRA) is to promote economic development and enhance the quality of life by eliminating and preventing blighted conditions through the facilitation of community partnerships, business growth, job creation, and neighborhood rehabilitation. On June 17, 2019 the HBCRA Board of Directors approved revised Commercial Incentive Programs that include the following programs:

- Commercial Façade Improvement Grant Program (CFIG)
- Commercial Interior Renovation Grant Program (CIRG)
- Commercial Kitchen Grant Program (CKG)
- Property Tax Reimbursement (PTR)
- Tenant Lease Surety / Tenant Rent Subsidy (TLS/TRS)
- Commercial Business – low cost or No-interest Loan

In the FY19/20 Budget amendment the HBCRA Board approved \$900,000 for the Commercial Investment Program which includes the Façade Improvement Grant, Commercial Interior Renovation Grant, Commercial Kitchen Grant, Property Tax Reimbursement, Neighborhood Amenity Incentive and Tenant Lease Surety/ Tenant Rent Subsidy programs, and \$200,000 for the Business Incentive Loan Program. The Business Incentive Loan Program was designed to accelerate the expansion of the existing businesses and the attraction of new start-up businesses within the CRA with an emphasis on attracting the availability of new goods/services, creating job opportunities, and improving the quality of life in the CRA.

Since then the HBCRA Board has approved the following Commercial Investment Applicants:

- Faith Shopping Plaza, LLC
- Hallandale Shops, LLC
- Ramcon Corp
- Wasser's Furniture
- Tomassi, LLC

The intent behind the initial program was to offer the first applicants the greatest amount, as these applicants have undertaken great risk.

On June 17, 2019 the HBCRA Board of Directors approved a revised Commercial Investment Program due to the program demand and limited funding. It is important to note that the HBCRA retains the discretion to increase program amounts on a project by project basis, if there is significant benefit to the CRA by a project proposal. The revised approved Commercial Investment Program funding is as follows:

Commercial Façade Improvement Grant (CFIG)

| Priority Area | Matching Amount | Maximum Award |
|---|-------------------------|----------------------|
| | HBCRA/ Applicant | Dollar Value |
| Pembroke Rd from I-95 to one block East of US-1 | 70/30 | \$50,000 |
| US-1 from Pembroke Rd to South East 3rd Street | 70/30 | \$50,000 |
| South Dixie Hwy from Pembroke Rd, to SW 11th Street | 70/30 | \$50,000 |
| Hallandale Beach Blvd from I-95 to NE 14th Avenue | 70/30 | \$50,000 |
| Foster Rd from NW 11th Avenue to South Dixie Hwy | 80/20 | \$75,000 |
| NE 1 st Avenue from Hallandale Beach Blvd to NE 5 th Street | ** | ** |
| Any Area within the CRA outside of these Priority Areas | 60/40 | \$ 40,000 |

**A separate and specific Fashion, Arts and Design District Incentive Program has been created. Please refer to that Program for incentive details.

Commercial Interior Renovation Grant (CIRG)

The program and funding are available to all properties within the CRA based on the designations below:

| Priority Area | Matching Amount | Maximum Award |
|---|-------------------------|----------------------|
| | HBCRA/ Applicant | Dollar Value |
| Pembroke Rd from I-95 to one block East of US-1 | 70/30 | \$40,000 |
| US-1 from Pembroke Rd to South East 3rd Street | 70/30 | \$40,000 |
| South Dixie Hwy from Pembroke Rd, to SW 11th Street | 70/30 | \$40,000 |
| Hallandale Beach Blvd from I-95 to NE 14th Avenue | 70/30 | \$40,000 |
| Foster Rd from NW 11th Avenue to South Dixie Hwy | 80/20 | \$50,000 |
| NE 1st Avenue from Hallandale Beach Blvd to NE 5th Street | ** | ** |
| Any Area outside | 60/40 | \$ 30,000 |

**A separate and specific Fashion, Arts and Design District Incentive Program has been created. Please refer to that Program for incentive details.

Commercial Kitchen Grant (CKG)

The program and funding are available to all properties within the CRA based on the designations below:

| Priority Area | Matching Amount | Maximum Award |
|--|-------------------------|----------------------|
| | HBCRA/ Applicant | Dollar Value |
| NE 1 st Avenue from Hallandale Beach Blvd to NE 5 th Street (FADD) | ** | ** |
| Foster Rd from NW 11th Avenue to South Dixie Hwy | 80/20 | \$125,000 |

**A separate and specific Fashion, Arts and Design District Incentive Program has been created. Please refer to that Program for incentive details.

Fashion, Design and Arts District Incentives – Specific to FADD Priority Area

The Programs are available to all properties and businesses within the FADD Priority Area, subject to specific terms and conditions.

Commercial Façade Improvement Grant (CFIG) for FADD

The program and funding are available to all properties within the FADD based on the designation below:

| Priority Area | Matching Amount | Maximum Award |
|---|-------------------------|----------------------|
| | HBCRA/ Applicant | Dollar Value |
| NE 1 st Avenue from Hallandale Beach Blvd to NE 5 th Street | 80/20 | \$75,000 |

Commercial Interior Renovation Grant (CIRG) for FADD

The program and funding are available to all properties within the FADD based on the designation below:

| Priority Area | Matching Amount | Maximum Award |
|---|-------------------------|----------------------|
| | HBCRA/ Applicant | Dollar Value |
| NE 1 st Avenue from Hallandale Beach Blvd to NE 5 th Street | 80/20 | \$50,000 |

Commercial Kitchen Grant (CKG) for FADD

The program and funding are available to all properties within the FADD based on the designations below:

| Priority Area | Matching Amount | Maximum Award |
|--|-------------------------|----------------------|
| | HBCRA/ Applicant | Dollar Value |
| NE 1 st Avenue from Hallandale Beach Blvd to NE 5 th Street (FADD) | 80/20 | \$125,000 |

Current Situation:

The HBCRA has received the following applications from Luciana Tiktin, of Cacike Investments LLC., for the property located at 139 NE 1st Avenue, Hallandale Beach, FL 33009 currently operating as Yosoy Creative Space:

- Commercial Façade Grant Program (CFIG)
- Commercial Interior Renovation Grant Program (CIRG)
- Commercial Kitchen Grant Program (CKG)
- Tenant Lease Surety / Tenant Rent Subsidy (TLS/TRS)

Cacike Investments LLC., is proposing to add to the existing Dosha Vegan Café and retail/coworking space within the current 2350 sq. ft commercial building, a 2500 sq. ft outdoor patio, comprising two restaurant containers in addition to a dining and entertainment area. When completed, this food hall/marketplace will have three additional restaurants that already have successful locations in Hollywood: Trattoria Di Vakis (Vegan Organic Pastas/Sauces), Vegan Junkie (Vegan Artisanal Burgers) and Chiaballz Inc. (gluten free, vegan chia parfait). Trattoria Di Vakis & Vegan Junkie will both be operating out of the new restaurant containers, while Chiaballz Inc. will be housed in one of the new interior kitchens.

As a part of its due diligence, HBCRA Staff has vetted the applicant and the proposed tenants and found no previous bankruptcies, judgments or liens.

Ms. Luciana Tiktin, is requesting the following:

1. **\$75,000** of CFIG funds to install a 2500 sq. ft patio, exterior slab, landscaping, and restaurant container infrastructure. The total cost for exterior renovations is **\$222,951**.
2. **\$50,000** of CIRG funds to renovate the existing building including electrical, plumbing and air conditioning upgrades in addition to new bathrooms. The total cost for interior renovations is **\$104,756**
3. **\$111,744** of CKG funds to purchase two fully equipped, twenty-foot restaurant containers and additional equipment for two interior restaurants. The total cost for purchase and installation is **\$139,680**
4. **\$6,300** of TLS/TRS funds to subsidize 35% of six months' rent at \$3,000 per month. This tenant subsidy of **\$6,300** will be split equally between tenants Trattoria Di Vakis – (Quiron Corp) (**\$3,150**), and Vegan Junkie (Vegan Junkie LLC.) (**\$3,150**) with separate agreements. Both Vegan Junkie and Trattoria Di Vakis have five year leases with options to renew.

The total project cost, which includes both hard/soft costs and funding for six murals (**\$26,000**) is estimated to be **\$493,388**.

Brief History on the Property Owner/Landlord & Building

On May 24th, 2018 the HBCRA held a stakeholder meeting at 19 NE 1st Avenue, Wasser's Furniture to discuss the new incentives approved for the area and the new vision for the FADD area. Ms. Tiktin, who has owned and operated the adjacent Yosoy building & Dosha Vegan Café for thirteen years (with no

mortgage), was in attendance and took to heart the new and enhanced vision for FADD as a food and entertainment destination. Over the past year Ms. Tiktin has brought various conceptual renderings for her site, from a six-story office, restaurant and retail space, to various iterations of her current concept.

Redevelopment Incentive Recommendation:

HBCRA Staff recommends awarding a TLS/TRS of \$3,150 each to tenants Quiron Corp & Vegan Junkie LLC. with separate agreements; a CFG in the amount of \$75,000; a CIRG in the amount of \$50,000; and a CKG in the amount of \$111,744 to owner Cacike Investments LLC, for the development of a four restaurant, vegetarian food hall with adjacent retail/coworking space at the property located at 139 NE 1st Avenue, Hallandale Beach. This amount equates to approximately **48%** of the total project cost.

Notable respective program guidelines are as follows:

- The CKG, CFG and CIRG agreements are between the HBCRA and the property owner/landlord. The TLS/TRS application is an agreement between the applicant/proposed tenants and the HBCRA.
- Properties sold within twenty-four months of receiving the grant funding must repay the full grant amount.
- Prior to approval by the HBCRA Board, the HBCRA will provide the Applicant and the property owner with an approved Grant Agreement and Declaration of Restrictive Covenants for Signature.
- Property to be improved must not have any delinquent ad valorem taxes, be free of all municipal and county liens, deferments and encumbrances of any kind. The HBCRA Board can waive this provision if development plans for the property meet the goal and objectives as set forth by the HBCRA.

Recommendation:

HBCRA Staff recommends that the HBCRA Board of Directors approve an award of a Tenant Rent Subsidy of \$3,150 each to tenants Quiron Corp & Vegan Junkie LLC. with separate agreements; a Commercial Façade Improvement Grant in the amount of \$75,000; a Commercial Interior Renovation Grant in the amount of \$50,000; and a Commercial Kitchen Grant in the amount of \$111,744 to owner Cacike Investments LLC. for the development of a four restaurant, vegetarian food hall with adjacent retail/coworking space at the property located at 139 NE 1st Avenue, Hallandale Beach.

Why Action is Necessary

Pursuant to the HBCRA Commercial Investment Program Policy all applications must be presented to the HBCRA Board of Directors for approval. Furthermore, pursuant to the HBCRA By-Laws the HBCRA Board of Directors must approve all procurement of all goods and services in an amount more than \$50,000.

Fiscal Impact:

\$243,044

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| Attachment(s): |
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Exhibit 1- Resolution
Exhibit 2- Commercial Façade Improvement Grant Application
Exhibit 3- Commercial Interior Renovation Grant Application
Exhibit 4- Commercial Kitchen Grant Application
Exhibit 5- Tenant Lease Surety / Tenant Rent Subsidy Application
Exhibit 6- Proposed Cost of Construction by Cacike Investments LLC
Exhibit 7- Renderings of proposed project including current photo of property
Exhibit 8- Executed property agreements.