



## Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

<b>Meeting Date:</b>	October 21, 2019		<b>Item Type:</b> (Enter X in box)	<b>Resolution</b> x	<b>Ordinance</b>	<b>Other</b>	
<b>Fiscal Impact:</b> (Enter X in box)	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> (Enter X in box)	<b>1st Reading</b>		<b>2nd Reading</b>	
	x		<b>Public Hearing:</b> (Enter X in box)	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>
<b>Funding Source:</b>	5910-583050		<b>Advertising Requirement:</b> (Enter X in box)	<b>Yes</b>		<b>No</b>	
						X	
<b>Account Balance:</b>	\$1,000,000		<b>RFP/RFQ/Bid Number:</b>	N/A			
<b>Contract/P.O. Required:</b> (Enter X in box)	<b>Yes</b>	<b>No</b>	<b>Project Number:</b>	46302			
	x						
<b>Strategic Priority:</b> (Enter X in box) <b>Capital Improvements</b> Goal 1 - Undertake Total Improvements of Public Realm <input type="checkbox"/> Goal 2 - Promote Public/Public and Public/Private Partnership <input checked="" type="checkbox"/>  <b>Promote Projects with Large-Scale Impacts</b> 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"/>  <b>Priority Area:</b> 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"/>							
<b>Sponsor Name:</b>	Dr. Jeremy Earle, Executive Director		<b>Department:</b>	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 \$125,000 TO JACQUELINE VARGAS KELS FOR THE RENOVATION OF THE PROPERTY LOCATED AT 101 N.E. 3<sup>RD</sup> STREET, HALLANDALE BEACH, FLORIDA; AND A TENANT LEASE SURETY/TENANT RENT SUBSIDY IN THE AMOUNT OF \$11,235 TO NANOU HALLANDALE LLC; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE GRANT AGREEMENT AND TENANT LEASE SURETY/TENANT RENT SUBSIDY AGREEMENT; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL STEPS NECESSARY AND APPROPRIATE TO IMPLEMENT THE TERMS AND CONDITIONS OF THE GRANT AGREEMENT AND DISBURSE THE GRANT AND TENANT LEASE SURETY/TENANT RENT SUBSIDY AGREEMENT AND DISBURSE THE SUBSIDY; 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)**

<b>Priority Area</b>	<b>Matching Amount</b>	<b>Maximum Award</b>
	<b>HBCRA/ Applicant</b>	<b>Dollar Value</b>
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 <sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5 <sup>th</sup> 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:

<b>Priority Area</b>	<b>Matching Amount</b>	<b>Maximum Award</b>
	<b>HBCRA/ Applicant</b>	<b>Dollar Value</b>
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:

<b>Priority Area</b>	<b>Matching Amount</b>	<b>Maximum Award</b>
	<b>HBCRA/ Applicant</b>	<b>Dollar Value</b>
NE 1 <sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5 <sup>th</sup> 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:

<b>Priority Area</b>	<b>Matching Amount</b>	<b>Maximum Award</b>
	<b>HBCRA/ Applicant</b>	<b>Dollar Value</b>
NE 1 <sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5 <sup>th</sup> 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:

<b>Priority Area</b>	<b>Matching Amount</b>	<b>Maximum Award</b>
	<b>HBCRA/ Applicant</b>	<b>Dollar Value</b>
NE 1 <sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5 <sup>th</sup> 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:

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

### **Current Situation:**

The HBCRA has received the following applications from Jacqueline Vargas Kels for the building located at 101 NE 3<sup>rd</sup> Street, Hallandale Beach, FL 33009:

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

Nanou Hallandale LLC., is proposing to build a 2,400 sq. ft French bakery & café. This will be the second location of the Nanou bakery franchise, as the first location has been open on Las Olas Boulevard in Fort Lauderdale since 2015. Nanou Hallandale Beach will be providing breakfasts, savorys, sandwiches, coffees and pastries for dine in and takeout services.

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

Ms. Jacqueline Vargas Kels, is requesting the following:

1. **\$75,000** of CFGF funds to completely renovate the exterior of the existing building, which will allow for a vinyl fascia upgrade, lighting, signage, French doors and a mural. The total cost for exterior renovations is **\$123,300**.
2. **\$50,000** of CIRG funds to assist with renovations for a new bakery & café, bathrooms, plumbing and electrical upgrades. The total cost for the interior renovations is **\$186,321**.
3. **\$125,000** of CKG funds to assist with the purchasing of kitchen equipment to aid in the creation of a new bakery & café. The total cost for the purchase and installation of restaurant equipment is **\$175,757**.
4. **\$11,235** of TLS/TRS funds to subsidize 35% of six months' rent at \$3,745 per month for tenant Nanou Hallandale LLC. on a separate tenant agreement. Nanou Hallandale LLC. has a five year lease with options to renew.

The total project cost, which includes both hard/soft costs is estimated to be **\$485,378**.

#### **Brief History on the Property Owner/Landlord & Building**

The property located at 101 NE 3<sup>rd</sup> Street, Hallandale Beach, FL 33009 was purchased in 2013 by Jacqueline Vargas Kels. Jacqueline Vargas Kels also owns the adjacent property 111 NE 3<sup>rd</sup> Street.

#### **Redevelopment Incentive Recommendation:**

HBCRA Staff recommends awarding a TLS/TRS of \$11,235 to tenant Nanou Hallandale LLC.; a CFGF in the amount of \$75,000; a CIRG in the amount of \$50,000, and a CKG in the amount of \$125,000, to owner Jacqueline Vargas, for the development of Nanou, a French bakery & café at the property located at 101 NE 3<sup>rd</sup> Street, Hallandale Beach.

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 tenant 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 \$11,235 to tenant Nanou Hallandale LLC.; 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 \$125,000 to owner Jacqueline Vargas Kels for the development of Nanou, a French bakery and café at the property located at 101 NE 3<sup>rd</sup> Street, 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:**

\$261,235

<b>Attachment(s):</b>
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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 Nanou Hallandale LLC
- Exhibit 7- Renderings of proposed project including current photo of property
- Exhibit 8- Executed property agreements