



Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

Meeting Date:	February 11, 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:	Commercial Investment Program 5910-583050		Advertising Requirement: (Enter X in box)	Yes		No	
						X	
Account Balance:	\$988,700		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 \$100,000, A COMMERCIAL INTERIOR RENOVATION GRANT IN THE AMOUNT OF \$75,000, AND A COMMERCIAL KITCHEN GRANT IN THE AMOUNT OF \$270,000 TO FAITH SHOPPING PLAZA, LLC, FOR THE RENOVATION OF THE SHOPPING PLAZA LOCATED AT 600-680 W. HALLANDALE BEACH BOULEVARD, HALLANDALE BEACH, FLORIDA; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE GRANT 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 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 February 20, 2018, the HBCRA Board of Directors approved new Commercial Incentive Programs that include the following programs:

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

In the FY18/19 Budget the HBCRA Board approved \$1,000,000 for the Commercial Investment Program which includes the Façade grant, 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.

Due to the limitations in funding for projects throughout the HBCRA, specific areas within the HBCRA have been prioritized within the newly adopted policy. Although funding is available for commercial projects throughout the HBCRA, these Priority Areas are areas in which there will be greater funding availability in order to maximize, not only high

visibility corridors, but also special areas of interest such as the Fashion, Art and Design District (FAAD) and the area along Foster Road.

The designated Priority Areas defined as:

1. Pembroke Rd, from I-95 to one block East of US-1 - NW quadrant;
2. US-1 from Pembroke Rd, to South East 3rd Street- NW, NE , SW , SE quadrant;
3. South Dixie Hwy from Pembroke Rd, to SW 11th Street – SW Quadrant;
4. Hallandale Beach Blvd from I-95 to NE 14th Avenue - NE & NW Quadrant;
5. Foster Rd from NW 11th Avenue to South Dixie Hwy – NW Quadrant;
6. NE 1st Avenue from Hallandale Beach Blvd to NE 5th Street – NE Quadrant;

The goal of the CFG program is to eliminate functional obsolescence, remove deterioration and update the exteriors of existing buildings, with an emphasis on improving the viability of healthy retail uses and generally increasing the “curb appeal” of the business corridors in the CRA.

Funding for the CFG is available to all commercial properties within the HBCRA based on the amounts below:

Priority Area	Matching Amount	Maximum Award
	HBCRA/ Applicant	Dollar Value
Pembroke Rd from I-95 to one block East of US-1	80/20	\$100,000
US-1 from Pembroke Rd to South East 3rd Street	80/20	\$100,000
South Dixie Hwy from Pembroke Rd, to SW 11th Street	80/20	\$100,000
Hallandale Beach Blvd from I-95 to NE 14th Avenue	80/20	\$100,000
Foster Rd from NW 11th Avenue to South Dixie Hwy	90/10	\$ 75,000
NE 1 st Avenue from Hallandale Beach Blvd to NE 5 th Street	**	**
Any Area within the HBCRA outside of these Priority Areas	70/30	\$ 40,000

**A separate and specific Fashion, Arts and Design District Incentive Program has been created. Please refer to that Program for incentive details (Exhibit 4).

The goal of the CIRG program is to eliminate function obsolescence, remove deterioration, and improve the "energy efficient" of existing buildings in the CRA, with an emphasis on bringing these buildings up to current building codes and making them more viable for occupancy.

Funding for the CIRG is available to all commercial properties within the HBCRA based on the amounts below:

Priority Area	Matching Amount	Maximum Award
	HBCRA/ Applicant	Dollar Value
Pembroke Rd from I-95 to one block East of US-1	80/20	\$75,000
US-1 from Pembroke Rd to South East 3rd Street	80/20	\$75,000
South Dixie Hwy from Pembroke Rd, to SW 11th Street	80/20	\$75,000
Hallandale Beach Blvd from I-95 to NE 14th Avenue	80/20	\$75,000
Foster Rd from NW 11th Avenue to South Dixie Hwy	90/10	\$50,000
NE 1st Avenue from Hallandale Beach Blvd to NE 5th Street	**	**
Any Area outside	70/30	\$ 40,000

**A separate and specific Fashion, Arts and Design District Incentive Program has been created. Please refer to that Program for incentive details (Exhibit 4).

The goal of the CKG program is to improve the operating efficiency of existing restaurants in the CRA and to attract new restaurants to the CRA, with an emphasis on creating a dining destination within the City. Funding for this program along the Foster Road Priority area is \$270,000.

It is important to note that while the CKG is primarily available only within the FADD and the area along Foster Road, the approximate \$2.6 million investment by the property owner, and the creation of approximately 36 new jobs in the new Bagel Cove Restaurant

and Commissary, was enough for the HBCRA to consider allowing the owner to apply for this incentive as well as a special case.

Current Situation:

The HBCRA has received the following applications from Kevin Faith, the owner of Faith Shopping Plaza, located at 600-680 W Hallandale Beach Blvd:

- Commercial Façade Grant Program (CFIG)
- Commercial Interior Renovation Grant Program (CIRG)
- Commercial Kitchen Grant Program (CKG)

Applicant Kevin Faith, the owner of Faith Shopping Plaza, is requesting the following:

1. **\$100,000** of CFIG funds to renovate a 23 storefront, 47,087 square foot retail center. The total cost for exterior renovations is **\$1,870,451.31**.
2. **\$75,000** of CIRG funds to assist with renovation for a new restaurant.
3. **\$270,000** of CKG funds to assist with the purchasing kitchen equipment to aid in the creation of a new restaurant called Bagel Cove which would also include a Commissary. Their total project would create approximately 36 new jobs. The total cost for the interior renovation and the purchase restaurant equipment is **\$804,408.57** (Exhibit 7)

The total project cost is estimated at **\$2,674,859**.

Brief History on the Applicant & Building

Faith Shopping Plaza was purchased in July 2008 by Faith Investments Properties, LLC. A company that started in 2004 and today owns more than 20 properties in Dade and Broward counties, with multiple business investments and property development. Kevin Faith, principal of Faith Investment Properties, LLC saw this shopping center as a great addition to their portfolio. Kevin Faith believed in the City of Hallandale of Beach and decided to move their own family business a specialty rug business from Lohman's Plaza on Biscayne Blvd. to Faith Shopping Plaza.

Faith Shopping Plaza, LLC has a strong history of working with its tenants and creating many long-term relationships. For example, Family Dollar recently requested an additional 5,000 square feet; Faith Shopping Plaza was willing to work with them to fulfill this request. Faith Shopping Plaza LLC also believes in the City of Hallandale Beach and its vision to creating an entertainment and dining destination.

Economic Development can be defined as a process that aims to improve the economic and social well-being of the community. In order to improve the economic and social well-being of the citizens of Hallandale Beach, job creation will be of paramount importance. The creation of a new restaurant, Bagel Cove and Commissary will provide 36 new jobs. Faith Shopping Plaza LLC is committed to making every effort to hire Hallandale Beach residents. Faith Shopping Plaza LLC has also agreed to buy local produce from our community gardens for their Bagel Cove Restaurant and Commissary.

Faith Shopping Plaza, LLC's retail center offers direct frontage along Hallandale Beach Blvd, which has traffic counts of approximately 80,000 peak vehicular trips per day on average throughout the year. Due to the large amount of direct frontage on Hallandale Beach Blvd, the proposed retail center renovation project will have a significant impact on the redevelopment of the corridor itself, and will improve the image that both residents and visitors have of our City.

As a part of its due diligence, HBCRA Staff has vetted the applicant and found that there are no bankruptcies, judgments or liens.

Redevelopment Incentive Recommendation:

HBCRA staff recommends awarding an incentive package totaling \$ 445,000 of grant contribution by the HBCRA from its Commercial Incentive Program to support the renovation of Faith Shopping Plaza.

Notable respective program guidelines are as follows:

- The CFG, CIRG and CKG agreement is between the HBCRA and the Applicant.
- HBCRA will disburse funds once the applicants have paid their required match amount. HBCRA will expend funds at 50% of the project completion and 100% project completion.
- Properties sold within twenty-four months of receiving the grant funding must repay the full grant amount.
- After approval by the HBCRA Board, the HBCRA will provide the applicant 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 Commercial Façade Improvement Grant in the amount of \$100,000; A Commercial Interior Renovation Grant in the amount of \$75,000 and a Commercial Kitchen Grant in the amount of \$270,000 to Faith Shopping Plaza LLC, for the renovation of the shopping plaza located at 600-680 W. Hallandale Beach Blvd.

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 more than \$50,000.

Fiscal Impact:

\$445,000

Attachment(s):

Exhibit 1- Resolution
Exhibit 2- Commercial Kitchen Application
Exhibit 3- Commercial Interior Application
Exhibit 4- Commercial Façade Application
Exhibit 5- Before Pictures of the Building
Exhibit 6- Proposed Cost of Façade Construction
Exhibit 7- Proposed Cost of Interior and Kitchen Equipment
Exhibit 8- Renderings of Proposed Project
Exhibit 9- Commercial Investment Program Incentives
Exhibit 10- FADD Incentive Program

Faith Phinn

Prepared by: Faith Phinn, Financial Management Analyst



Reviewed by: Jeremy Earle, Ph.D., AICP, Executive Director/Assistant City Manager