



## Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

<b>Meeting Date:</b>	April 22, 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>	Commercial Investment Program 5910-583050		<b>Advertising Requirement:</b> (Enter X in box)	<b>Yes</b>		<b>No</b>	
						X	
<b>Account Balance:</b>	\$1,273,822		<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 \$100,000, A COMMERCIAL INTERIOR RENOVATION GRANT IN THE AMOUNT OF \$90,000, AND A COMMERCIAL KITCHEN GRANT IN THE AMOUNT OF \$282,960 TO RAMCON CORP. FOR THE RENOVATION OF THE PROPERTY LOCATED AT 144 N.E. 1<sup>ST</sup> AVENUE, 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 (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 FY18/19 Budget amendment the HBCRA Board approved \$1,273,822, 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.

Due to the limitations in funding for projects throughout the HBCRA, specific areas within the HBCRA have been prioritized by the newly adopted policy. Although

funding is available for commercial projects throughout the HBCRA, Priority Areas are areas in which there may 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 (FADD) and the area along Foster Road.

The designated Priority Areas are 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:

<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	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 <sup>st</sup> Avenue from Hallandale Beach Blvd to NE 5 <sup>th</sup> Street.	90/10	\$100,000
Any Area outside of Priority Areas	70/30	\$ 40,000

The goal of the CIRG program is to eliminate function obsolescence, remove deterioration, and improve the “energy efficiency” 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:

<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	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	90/10	\$90,000
Any Area outside of Priority Areas	70/30	\$ 40,000

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. The total funding for this program is primarily available only within the FADD and the area along Foster Road is \$ 300,000.

<b>Priority Area</b>	<b>Matching Amount</b>	<b>Maximum Award</b>
----------------------	------------------------	----------------------

	HBCRA/ Applicant	Dollar Value
Foster Rd from NW 11th Avenue to South Dixie Hwy	90/10	\$270,000
NE 1st Avenue from Hallandale Beach Blvd to NE 5th Street	90/10	\$300,000

### **Current Situation:**

The HBCRA has received the following applications from Marc Shoshan, president of Ramcon Corp, located at 144 NE 1<sup>st</sup> Avenue, Hallandale Beach:

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

Mr. Shoshan, is requesting the following:

1. **\$100,000** of CFIG funds to renovate the existing building, which will allow for outdoor seating, murals and a terrace. The total cost for exterior renovations is **\$147,673**
2. **\$90,000** of CIRG funds to assist with renovation for a new restaurant, the total cost for the interior renovations is **\$ 210,615**
3. **\$282,960** of CKG funds to assist with the purchasing kitchen equipment to aid in the creation of a new restaurant called Go Bistro. The total cost for the interior renovation and the purchase restaurant equipment is **\$282,690**

The total project cost is estimated at **\$614,912**

It is important to note that applicant out of his own volition has decided to remove his overhead cost and profit as well as the construction manager supervision cost, in order to lower the total construction cost of the project from \$ 755,626 to \$614,912.

### **Brief History on the Applicant & Building**

The property located at 144 NE 1<sup>st</sup> Avenue was purchased in 2004 by Marc Shoshan who resides in the City of Hallandale. In 2014 Ramcon Corp applied for a Business Incentive Loan (BIL) in the amount of \$200,000. The loan was approved via resolution no. 2014-25. The purpose of the loan was to assist in the expansion

File No. 19-141

of his business and maximize the potential of doing additional business in the City of Hallandale by expanding his current offices and adding 2,400 SF to the existing property. The total cost of construction at the time of the incentive award was \$250,000. As of today, Ramcon Corp has paid \$ 62,799.89 towards the repayment of the loan.

On May 24<sup>th</sup>, 2018 the HBCRA held a stakeholder meeting at 19 NE 1<sup>st</sup> Avenue, Wasser's Furniture to discuss the new incentives approved for the area and the new vision for the FADD area. Mr. Shoshan was in attendance during that meeting and he shared his appreciation for Staff having the foresight to create the FADD as a food and entertainment destination.

In furtherance of the goals for the FADD Mr. Shoshan has agreed to convert a portion of his current building to restaurant space in order to accommodate a trendy urban restaurant called Go Bistro.

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

HBCRA Staff recommends awarding a CFG in the amount of 100,000; A CIRG in the amount of \$90,000 and a CKG in the amount of \$282,690 to Ramcon Corp. for the renovation of the property located at 144 NE 1<sup>st</sup> Avenue, Hallandale Beach.

Notable respective program guidelines are as follows:

- The CFG and CIRG agreement is between the HBCRA and the Applicant. The CKG Application is a joint agreement between the Applicant, the proposed tenant and the HBCRA.
- 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.

In the interest of greater transparency, it should be noted that Marc Shoshan owns Ramcon Corp, which will be the contractor of record for the project. Per the program policy the applicant was required to get two other quotes, Ramcon Corp came in as the lowest bidder. As stated previously, the applicant has decided to remove his overhead and profit from the total cost based on his own volition, it was not a request of 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 \$90,000 and a Commercial Kitchen Grant in the amount of \$282,690 to Ramcon Corp, for the renovation of the property located at 144 NE 1<sup>ST</sup> 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:**

\$470,690

**Attachment(s):**

Exhibit 1- Resolution  
Exhibit 2- Commercial Façade Improvement Grant Application  
Exhibit 3- Commercial Interior Renovation Grant Application  
Exhibit 4- Commerical Kitchen Grant Application  
Exhibit 5- Proposed Cost of Construction by Ramcon Corp  
Exhibit 6- Current Picture of Property  
Exhibit 7- Renderings of proposed project

*Faith Phinn*

---

Prepared by: Faith Phinn, Redevelopment & Operations Manager



---

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

