



Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

Meeting Date:	May 13, 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:	\$1,273,822		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 \$90,000, AND A COMMERCIAL KITCHEN GRANT IN THE AMOUNT OF \$300,000 TO TOMASSI LLC FOR THE RENOVATION OF THE PROPERTY LOCATED AT 11 N.E. 1ST 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. Although funding is available for File No. 19-192

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:

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.	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:

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	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.

Priority Area	Matching Amount	Maximum Award
	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 Marcelo Juiz Perez, of Tomassi LLC., for the property located at 11 NE 1st Avenue, Hallandale Beach, FL 33009:

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

The shipping container restaurant, lounge and bar project called Charcoal Garden Bar and Grill, is unique. For example, the property is comprised of a very small parcel of land that has been vacant for many decades. Typically, projects in FADD are renovation projects consisting of façade, interior or kitchen improvements.

Additionally, due to the limitations of the small site, which is only 4,581 SF, it is very challenging to construct a traditional concrete block building. However, there are numerous other examples of projects on smaller lots, which utilize shipping containers as restaurants, bars, theaters, art galleries etc. in locations around South Florida, such as the popular neighborhood of Wynwood. HBCRA Staff believes that the use of a shipping container restaurant would not only be a major attraction for the FADD but would also serve as a great gateway to the district, visible not only from Hallandale Blvd and S. Dixie Hwy, but also the Virgin/Brightline trains.

Mr. Perez, who has partnered with developer Elias Benaim to do this project. Mr. Perez and Mr. Benaim intend to purchase existing shipping containers from the extremely popular restaurant and food truck venue known as Wynwood Yard. The current proprietor which is currently utilizing the shipping containers is a popular establishment known as Charcoal Garden Bar and Grill. Unfortunately for Miami, but fortunately for Hallandale Beach, Charcoal Garden Bar and Grill would like to

move to the FADD. They will make significant upgrades to the containers including adding more kitchen space and an upstairs dining hall. Mr. Perez, is requesting the following:

\$100,000 of CFGF funds, **\$90,000** of CIRG funds, and **300,000** of CKG funds. These funds will be which will allow for outdoor seating, kitchen, overhead retractable awnings, lighting, site improvements including water and sewer lines, purchasing kitchen equipment, landscape, new signage and murals, and the creation of a completely new second level seating area.

The total project cost, which includes both hard and soft costs is estimated to be **\$950,681**. The estimated project cost does not include the land costs of approximately \$475,000.

Brief History on the Applicant & 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. Mr. Benaim, a successful developer and investor in the City of Hallandale Beach was in attendance during that meeting. He took to heart the new and enhanced vision for FADD as a food and entertainment destination and promised to do whatever he could to bring these types of projects to fruition.

In furtherance of the goals for the FADD, Mr. Perez and Mr. Benaim have agreed to convert a small barely useable parcel of property at the gateway to FADD, into a restaurant space, in order to accommodate a trendy urban restaurant, lounge and bar, which for now will be called Charcoal Garden Bar and Grill.

Redevelopment Incentive Recommendation:

HBCRA Staff recommends awarding a CFGF in the amount of 100,000; A CIRG in the amount of \$90,000 and a CKG in the amount of \$300,000 to Tomassi LLC., for the development of a shipping container restaurant, bar and lounge at the property located at 11 NE 1st Avenue, Hallandale Beach.

Notable respective program guidelines are as follows:

- The CFGF 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 Mr. Perez and a partner, bought the property from a company owned by Mr. Benaim. Mr. Perez has since bought the full interest in the property and has partnered with Mr. Benaim on the Charcoal Garden Bar and Grill project.

It should be very clear that the HBCRA, in furtherance of the HBCRA Boards approved goal, to redevelop the FADD, has not purchased the property. The HBCRA only seeks to provide funding for a restaurant, bar and lounge that will aide tremendously in the redevelopment and revitalization of the FADD.

It should also be noted that the applicant has 15 business days from the date of the HBCRA Board's approval to provide the HBCRA with a fully executed multi-year lease agreement for the restaurant, bar and lounge portion of the project. If that is not provided within fifteen (15) business days, the funding for the project will be forfeited, and will go back into the HBCRA's Commercial Investment Program to be used for other projects at the HBCRA Boards discretion.

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 \$300,000 to Tomassi LLC., for the development of a shipping container restaurant, bar and lounge on the property located at 11 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:

\$490,000

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 Tomassi LLC
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