



Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

Meeting Date:	August 19, 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:			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) <p>Capital Improvements</p> <p>Goal 1 - Undertake Total Improvements of Public Realm <input type="checkbox"/></p> <p>Goal 2 - Promote Public/Public and Public/Private Partnership <input checked="" type="checkbox"/></p> <p>Promote Projects with Large-Scale Impacts</p> <p>Goal 1 - Issue a Request for Proposals (RFP) for NW infill Housing <input type="checkbox"/></p> <p>Goal 2 - Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel <input type="checkbox"/></p> <p>Priority Area:</p> <p>North West Quadrant <input type="checkbox"/></p> <p>FEC Corridor <input type="checkbox"/></p> <p>Southwest Quadrant <input type="checkbox"/></p> <p>Northeast Quadrant <input type="checkbox"/></p> <p>Southeast Quadrant <input type="checkbox"/></p>							
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 \$500,000 TO DESIGNFLEX, LLC FOR THE RENOVATION OF THE PROPERTY LOCATED AT 410-470 NE 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 (CFG)
- 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 \$1,922,863, 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
- Halland Ale Brewery.

The intent behind the program was to offer the first six 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 a façade application from Mark Saada, for Design Flex Spaces, LLC. The applicant is requesting CFG funds in the amount of \$500,000 for a façade improvement which will include a completely new and artistic update of the entire façade and the creation of new store fronts with impact windows, new roofing, new lighting and streetscape improvements for the properties located at 410-470 NE 1st Avenue. It is important to note that the building is approximately 27,899 square feet and the applicant has divided this space to accommodate 8 new bays.

Mark Saada believes in the vision of FADD as a food and entertainment district. He is committed to targeting restaurants, bars and other entertainment uses to fill the 8 new bays. The total project cost, which include murals along the building is **\$862,000.**

Brief History on the Property Owner/Landlord & Building

The property located at 410-470 NE 1st Avenue was purchased in 2018 by Designflex Spaces, LLC. Mark Saada and his family own multiple properties within the City of Hallandale Beach.

This property is currently occupied by Algy costumes & uniforms, whose lease terms are coming to an end. In the lease agreement Mr. Saada is required to provide Algy costumes & uniforms 60 days' notice to vacant the premises.

Redevelopment Incentive Recommendation:

HBCRA Staff recommends awarding CFG funds in the amount of \$500,000 to the property owner Designflex, LLC., for the property located at 410-470 NE 1st Avenue, Hallandale Beach. This amount equates to approximately **58%** of the total project cost. Additionally, the owner has already expended significant funds in order to design the new façade in an artistic manner that will compliment the redevelopment of the area and help to create a destination.

Notable respective program guidelines are as follows:

- The CFG agreement is between the HBCRA and the property owner/ Designflex, LLC.
- 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 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.

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 of more than \$50,000.

Fiscal Impact:

The fiscal impact is \$500,000. Although the commercial program funds have almost all been encumbered by other projects, due to the necessity of creating critical mass in the FADD by the addition of restaurant, retail, and entertainment spaces, and the fact that the proposed project would add approximately eight (8) new bays within the FADD in order to spur redevelopment, Staff has identified approximately \$500,000 in salary and project savings, and recommends that those funds be utilized to pay for this project.

Attachment(s):

Exhibit 1- Resolution

Exhibit 2- Commercial Façade Improvement Grant Application

Exhibit 3- Current pictures of property

Exhibit 4- Rendering of proposed façade improvements