



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#24-1015

TO: CRA Chairman & Board of Commissioners
Fort Lauderdale Community Redevelopment Agency

FROM: Susan Grant, Acting CRA Executive Director

DATE: November 7, 2024

TITLE: Motion Approving an Additional Property and Business Investment Improvement Program Forgivable Loan in the Amount of \$125,000 to Checkmate Barbershop, Inc. for the Buildout of a Unisex Barbershop at 900 Sistrunk Boulevard, Unit A; Authorizing the Executive Director to Execute Any and All Related Instruments; and Delegating Authority to the Executive Director to Take Certain Actions – **(Commission District 3)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve an additional forgivable loan in the amount of \$125,000 from the Property and Business Investment Improvement Program (PBIIIP) to Checkmate Barbershop, Inc. for the buildout of a unisex barbershop at 900 Sistrunk Boulevard, Unit A; authorize the Executive Director to execute any and all related instruments; and delegate authority to the Executive Director to take certain actions.

Background

On January 11, 2023, the Northwest-Progresso-Flagler Heights (NPF) Community Redevelopment Agency entered into an administratively approved Property and Business Investment Improvement Program Agreement with Checkmate Barbershop, Inc. (Checkmate) for a forgivable loan in the amount of \$93,500. Checkmate is requesting a funding increase of its forgivable loan in the amount of \$125,000 to complete the build-out of a barbershop and podcast studio, located at 900 Sistrunk Boulevard, Unit A, Fort Lauderdale, FL 33311 (the Property). The proposed project is located in a two-story commercial building, owned by FPA II, LLC. The building includes office spaces on the top floor and three commercial bays on the ground floor. The forgivable loan amount will be secured by a five-year third or fourth mortgage on the property.

A copy of the Location Map; Broward County Property Appraiser Information; Funding Increase Request; Architectural Plans and Renderings; Podcast Proposal for the proposed development, NPF Advisory Board Meeting Minutes, and Amended PBIP Agreement are attached as Exhibits 1 through 7.

Checkmate Barbershop is a unisex barbershop, offering a wide array of barbering

services, which include basic cuts for adults and children, beard trims, custom shaves, as well as skin fades, coloring, blowouts, and eyebrow arching. The business will have licensed and skilled cosmetologists on staff. Checkmate's primary revenue source will be barber chair rentals (10 chairs), cosmetologist chair rentals (3 chairs), and merchandise, such as beauty and personal-care sales. The company's primary target market is local residents and working professionals in the downtown Fort Lauderdale area.

The barbershop will provide an innovative and modern waiting area for its customers, with professional countertop workspaces, free WiFi, electrical outlets, USB ports, and hardwire LAN connections to provide its customers with a seamless transition to their work while they wait. As an additional community service and stream of income, Checkmate will provide a fully equipped podcast studio for the community. The podcast studio allows customers to record podcasts and provides the equipment and space to create high-quality audio content. In addition, Checkmate plans to install a covered outdoor deck with a pergola for its customers' and employees' use.

Checkmate Barbershop will be owned and operated by Gregory Wright, a licensed barber with extensive experience in his field. In addition to providing discount programs for their services, Mr. Wright plans to partner with local barbering schools and to provide internship and training opportunities for young people wishing to learn the barbering trade. The contractors who will rent the barbering and cosmetologist stations will bring with them their own loyal customer base. In addition, the business will also employ receptionists and janitorial staff on a permanent basis. The marketing strategy for Checkmate Barbershop will include traditional social media and online advertising.

This modern and forward-thinking company plans to include the community in its growth by introducing new business models and expanding operations. Checkmate will create job opportunities for local residents. As a socially responsible company, it plans to engage with the community through various initiatives such as sponsoring local events, supporting education, and providing access to learning the barbering and cosmetology trades for area residents. Offering training programs, internships, and job opportunities will help community members develop new skills and advance their careers. This not only benefits individuals but also creates a more skilled workforce, attracting more businesses to the area. It also fosters a sense of unity and improves the overall quality of life. By diversifying income streams, the company will ensure stability and growth, even in uncertain economic times. Checkmate is committed to creating a lasting positive impact on the community, fostering growth, sustainability, and a higher quality of life for residents.

The Applicant is leasing a 2,300 square foot space at 900 Sistrunk Boulevard from FPA II, LLC. The building was purchased by FPA II, LLC in 2016 for \$1,500,000 and has been completely renovated to include FPA II, LLC's corporate offices on the second floor, and vanilla shell commercial spaces on the first floor. FPA II, LLC had received funding assistance from the CRA on September 6, 2017, in the total amount of \$748,500 from the Property and Business Investment Improvement Program and the Non-Residential Façade Program to renovate the three buildings of approximately 22,420 square feet, located at 900, 914, and 930 Sistrunk Boulevard. The renovation of the 900 Sistrunk

Boulevard building included the façade, as well as build-out of the top floor only, now housing FPA II, LLC's corporate office. The ground floor was left as a vanilla shell for potential tenants. Checkmate is the first tenant to build out Unit A of that building.

Checkmate Barbershop has previously received CRA funding assistance for this project from the PBIP program in January of 2023, in the amount of \$93,500, through the administrative approval process. That amount was to cover 42% of the then total build-out cost of \$218,948, including electrical, plumbing, built-in barber stations with mirrors and lighting, as well as other improvements. Since the first award, the construction costs have increased, and Checkmate has added a podcast studio in the same unit, as an additional community service and revenue stream. The developer has incurred additional construction costs in the amount of \$131,213, increasing the total build-out cost to \$350,161. Since the CRA's total funding amount under the PBIP program, including the increase, is now \$218,500, it exceeds the administratively approvable amount of \$100,000 per CRA program, and the applicant requires approval from the CRA Board of Commissioners. The NPF Advisory Board approved the increase unanimously at its meeting on September 10, 2024 (Exhibit 6).

The CRA's contribution to this project amounts to 63% of the total project costs. The balance of the improvement cost is being funded with the applicant's personal funds, as well as business loans. The applicant has a five-year lease on the property with two options to renew for an additional two and a half (2.5) years each. CRA funding is in the form of a forgivable loan, to be forgiven after five years. The property owner has agreed to grant the CRA a mortgage on the property to secure the CRA forgivable loan. CRA funding to the applicant will be provided on a construction draw basis.

Consistency with the NPF CRA Community Redevelopment Plan

The NPF CRA Community Redevelopment Plan is designed, in part, to stimulate private development of areas planned for commercial development. The project is consistent with the NPF CRA Community Redevelopment Plan which provides for direct physical improvements to enhance the overall environment, improve the quality of life, and attract sound business and commercial development that provide employment and job opportunities. This includes expanding opportunities for existing stakeholders to participate in the revitalization of the area and to put together incentive packages that focus on existing buildings and people who have already invested in and own property in the community.

Resource Impact

Funds for this transaction are available in the account listed below.

<i>Funds available as of October 18, 2024</i>					
ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-119-1531-552-40-4203-CRA092502	Property & Business Improvement Program FY25	Other Operating Expense/Redevelopment Projects	\$1,000,000	\$1,000,000	\$125,000

	TOTAL AMOUNT ►	\$125,000
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Strategic Connections

This item is a FY 2024 Commission Priority, advancing the Economic Development initiative.

This item supports the *Press Play Fort Lauderdale 2029* Strategic Plan, specifically advancing:

- The Business Growth and Support Focus Area, Goal 6: Build a diverse and attractive economy

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are Community, We Are Prosperous, and We Are United

This item supports the Advance Fort Lauderdale 2040 Comprehensive Plan specifically advancing:

- The Neighborhood Enhancement Focus Area
- The Future Land Use Element
- Goal 2: Sustainable Development: The City shall encourage sustainable, smart growth which promotes social equality, preservation of neighborhood character and compatibility of uses.

Attachments

Exhibit 1 - Location Map

Exhibit 2 - Broward County Property Appraiser Information

Exhibit 3 - Request for Funding Increase, dated August 2024

Exhibit 4 - Architectural Plans and Renderings

Exhibit 5 - Proposal for Podcast Studio

Exhibit 6 - NPF Advisory Board Meeting Draft Minutes, dated September 10, 2024

Exhibit 7 - Amended PBIP Agreement

Prepared by: Eleni Ward-Jankovic, CRA Housing and Economic Development Manager
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Acting CRA Executive Director: Susan Grant