



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#22-0732

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

FROM: Greg Chavarria, CRA Executive Director

DATE: August 16, 2022

TITLE: Resolution Waiving the Maximum Funding Amount under the Property and Business Improvement Program, Approving a Property and Business Improvement Program Forgivable Loan in the Amount of \$293,000 to Optimal Health Pharmacy, LLC located in the L.A. Lee YMCA Mizell Community Center at 1409 Sistrunk Boulevard, 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 a resolution waiving the maximum funding amount under the Property and Business Improvement Program, approve a Property and Business Improvement Loan in the amount of \$293,000 to Optimal Health Pharmacy, LLC located in the L.A. Lee YMCA Mizell Community Center at 1409 Sistrunk Boulevard, authorize the Executive Director to execute any and all related instruments, and delegate authority to the Executive Director to take certain actions.

Background

The Northwest-Progresso-Flagler Heights Community Redevelopment Agency (NPF CRA) has received an application from Optimal Health Pharmacy, LLC for a forgivable loan for the build-out of a community pharmacy at the newly opened L.A. Lee YMCA/Mizell Community Center. They propose to lease Retail Bays #4 and #5 on the first floor of the building. The project will include the build-out of empty shell commercial space into a community pharmacy. The requested forgivable loan amount of \$293,000 will come from the CRA's Property and Business Improvement Program (PBIP). The PBIP Program has a maximum funding amount of \$225,000. Because this funding request exceeds that amount, a waiver of the maximum funding amount under the program is necessary. The CRA forgivable loan will be secured by a UCC-1 Financing statement.

A copy of the Location Map; Broward County Property Appraiser Information with Current Photos; Architectural Plans and Renderings; CRA Application and Supplemental Responses; a Business Plan/Financial Projections; and the Cost and Funding Breakdown

of the proposed development are attached as Exhibits 1 through 6.

Optimal Health Pharmacy provides its customers convenient access to prescription medications while offering the education, resources and counseling they need to help achieve their healthcare goals. The pharmacists give customers individualized advice, offer discounted prescriptions and customized medications (when applicable), and work closely with primary care physicians and other members of the customer's healthcare team.

The pharmacy's central location in the newly constructed L.A. Lee YMCA/Mizell Community Center makes it easily accessible to all area residents. Optimal Health Pharmacy is a top-tier retail pharmacy offering quality, reasonably priced, pharmacy products and supplemental health services that promote medication adherence. The pharmacy can also fill prescriptions under the 340B program which would greatly benefit consumers managing chronic conditions.

Optimal Health is an enterprise comprised of three distinct entities, Optimal Health Medical Center, Optimal Health Pharmacy, and Optimal Health Foundation. The company was founded by Drs. Abraham and Kristen Hollist with the goal of improving the overall health and wellbeing of historically underserved communities. Optimal Health's primary location in Miami Gardens is an all-in-one health center providing comprehensive wrap-around healthcare and social services.

The Hollists were inspired to open Optimal Health following their experience seeking care for their eldest son who has sickle cell disease (SCD). They faced many challenges navigating the healthcare system; and having lost several family members and friends to this debilitating disease, the pair were desperate to find a way to prevent their son from getting sick and having complications from SCD. Realizing that standard medical care (focused on treating symptoms after the onset of complications) was not the answer, Drs. Hollist looked to alternative medicine grounded in preventative methods to keep their son healthy (i.e., nutrition, supplements, and lifestyle modifications). As a result of their efforts, their son is thriving, perfectly healthy and has not experienced any complications. Through this personal experience, Drs. Hollist realized the benefit of combining traditional medicine with alternative medicine and subsequently they wanted to educate others in their community about these options. Furthermore, as community pharmacists, they noticed how gaps in continuity of care have a major impact on an individual's health, especially in lower income areas. Optimal Health was founded with the purpose of interlinking primary care, prevention practices and social interventions through a collaborative healthcare team and system.

Architectural plans of the Project are attached as Exhibit 3. The current space is a vanilla shell that will need the construction of plumbing lines, electrical, fabrication of furniture and design elements. The total project cost is estimated at \$325,000. Sistrunk and NW 14th Avenue is located within the CRA Focus Area and as such, the CRA Property and Business Improvement Program can provide for 90% of the cost of renovation or new construction. In addition to the CRA funding in the amount of \$293,000 (90% of the total

project cost), the Developer will use its own funds in the amount of \$32,000 for the remaining 10% of the total project cost. The estimated completion date is 9 months from the beginning of construction. The project is currently in DRC review.

The pharmacy and drug store industry continues to grow in the United States. Due to high levels of government support and an increase in spending on healthcare by consumers, the growth potential of this sector continues to rise. Nationwide, annual household spending on prescription drugs is expected to rise from \$461 (2021) to \$653 by 2026. In Fort Lauderdale specifically, annual costs per household is projected to rise to \$714 by 2026, up from \$501 in 2021. Spending on medicine has largely shifted from traditional treatments to specialty medicines. The rise of prescription sales is driven by an increase in patients managing conditions like HIV, mental health, and other chronic disease. Due to this increase, there is demand for more pharmacies, especially in underserved areas where there may be a higher burden of chronic and infectious disease. With this location, Optimal Health Pharmacy will expand access to affordable treatment options and vital support services to an underserved community – the Sistrunk area has the highest poverty rate in Broward County at 31.1% and high rates of chronic diseases such as Diabetes and HIV; while creating job opportunities for seven professionals and paraprofessionals.

At their meeting of July 12, 2022, the NPF CRA Advisory Board unanimously recommended approval of this item. (Exhibit 7)

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.

Per the CRA plan, the CRA will establish incentive programs to address redevelopment obstacles and identifies strategic objectives, goals and measurements that include targeting and attracting businesses, retail uses and industries to establish a presence in the redevelopment area. In addition, it calls for investing in development projects that create job opportunities for area residents, promote public private partnerships and investment in the redevelopment area.

Resource Impact

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

Funds available as of July 22, 2022					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
119-CRA092202-4203	Property & Business Improvement Program FY22	Other Operating Expense/Redevelopment Projects	\$1,300,000	\$766,718	\$293,000.00
				AMOUNT ►	\$293,000.00

Strategic Connections

This item is a *2022 Commission Priority*, advancing the Smart Growth initiative.

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Business Development Focus Area
- Goal 5: Build an attractive and proactive business climate to attract emerging industries
- Objective: Nurture and support existing local business

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

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

- The Business Development Focus Area
- The Economic Development Element
- Goal 2: Enhance the economic competitiveness of Fort Lauderdale through policies and encourage retention and recruitment of business and industry which provide living wage employment and increased training and competitiveness in the local workforce

Attachments

Exhibit 1 - Location Map

Exhibit 2 - Broward County Property Appraiser Information

Exhibit 3 - Architectural Plans and Renderings of Proposed Project

Exhibit 4 - CRA Funding Application

Exhibit 5 - Business Plan/Financial Projections

Exhibit 6 - Cost and Funding Breakdown

Exhibit 7 - July 12, 2022 NPF CRA Advisory Board Draft Minutes

Exhibit 8 - Property and Business Improvement Program Agreement

Exhibit 9 - Resolution

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