



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#23-0294

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

FROM: Greg Chavarria, CRA Executive Director

DATE: October 3, 2023

TITLE: Resolution Waiving the Maximum Funding Amounts and Approving Forgivable Loan Increase of \$235,000 Under the Property and Business Improvement Program to the Omegas in Broward, Inc., 1108 Sistrunk Boulevard, Fort Lauderdale, Florida 33311; Authorizing the Executive Director to Execute all Documents Related to this Transaction; and Delegating Authority to the Executive Director to Take Certain Actions and Providing for an Effective Date - **(Commission District 3)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners resolve to approve an increase in the forgivable loan funding to the Omegas in Broward, Inc., in the amount of \$235,000 from the Property and Business Improvement Program (PBIP) for the renovation, modernization and build-out of an existing building located at 1108 Sistrunk Boulevard, Fort Lauderdale, Florida, 33311; authorize the Executive Director to execute all documents related to this transaction; and delegate authority to the Executive Director to take certain actions and provide for an effective date.

Background

On December 15, 2020, the Omegas in Broward, Inc. (Developer) were awarded a forgivable loan in the amount of \$225,000 under the PBIP program, and \$125,000 under the Commercial Façade Improvement Program. The total initial forgivable loan amount of \$350,000 was granted for the renovation, modernization and build-out of their existing building located at 1108 Sistrunk Boulevard, Fort Lauderdale, Florida 33311 (the Property).

The proposed renovation and build-out of the structure was for the creation of a modern meeting and event space for the local community and South Florida at large. The requested forgivable loan amount will be secured by a five-year first mortgage on the property.

The Omegas in Broward, Inc. plan to renovate, build out, and modernize their existing building, located in the CRA's Focus Area on historic Sistrunk Boulevard (1108 Sistrunk

Boulevard). The modernized structure will offer a meeting area for special and business events; new accessible restrooms; an outdoor seating area; office and storage space in a new contemporary, open and attractive facility with high ceilings, ample windows, street frontage and good visibility. Initially, the total project cost was estimated at approximately \$400,000.00. The originally approved CRA funding in the amount of \$350,000 represented approximately 87% of the total project cost. Since this project's approval, the cost of construction, materials, and equipment has significantly increased, partially due to the pandemic and its aftermath and due to general delays in the construction industry. The additional project cost has now increased to approximately \$650,000. The Developer is requesting an increase of the forgivable loan in the amount of \$235,000 to cover the additional costs. The total CRA contribution will be \$585,000, representing 90% of the total project cost. The Developer's contribution of \$65,000 represents the remaining 10%.

SOURCES		USES	
Total CRA Funding	\$585,000.00	Updated Construction Costs	\$650,000.00
Developer Contribution	<u>65,000.00</u>		
TOTAL	\$650,000.00	TOTAL	\$650,000.00

Sistrunk Boulevard is a CRA Focus Area which requires a funding match from applicants but allows for flexibility in the maximum funding limits. Under the Property Improvement Program, funding limits are 90 percent (90%) of the project cost not to exceed \$225,000. The CRA Board can increase these limits on a case-by-case basis in the Focus Area. Omegas in Broward, Inc. has sufficient funding to cover their funding match and still have an adequate operating reserve.

The Developer and its affiliate, Zeta Chi, will serve the community through the following programs: Achievement Week, which is observed each November to recognize individuals at the local level who have contributed to the uplift of the community; a high school essay contest is held in conjunction with Achievement Week; scholarships provided to graduating seniors each year; youth mentoring, fatherhood mentoring, Assault on Illiteracy Read-Ins at local elementary schools, blood drives, voter registration, voter rights restoration and many other activities. In addition, talent hunts that usually take place in May provide exposure, engagement and financial assistance to talented students participating in the performing arts. Through the renovation of this building, the Developer can host more community activities at this location, rather than having to lease space in other locations.

In addition to these programs, Omegas in Broward, Inc. is planning to rent out the space to the community as a business and event center. They will provide event coordination and offer their clients personalized event planning expertise for meetings, conferences, workshops, banquets, parties, fundraisers, and other special events. In addition to event planners and staff, the Developer plans to hire a facility manager, event coordinator, and a custodian to maintain the facility and set up events as needed.

A copy of the Location Map; Broward County Property Appraiser Information; Updated Construction Cost Breakdown; Updated Cost and Funding Breakdown; the Amended

Property and Business Improvement Program Agreement; the Minutes of the Northwest-Progresso-Flagler Heights (NPF) CRA Advisory Board Meeting, dated 9/12/2023; and the Resolution for the proposed project are attached as Exhibits 1 through 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.

The project is consistent with the NPF Community Redevelopment Area Community Redevelopment Plan, which identifies the Sistrunk corridor as a Focus Area to be revitalized and redeveloped. This area of the city has the potential to serve as a major source of investment and employment for the surrounding community. The CRA Plan identifies strategic objectives, goals, and measures that include targeting and attracting businesses, retail uses, and industries to establish a presence in the redevelopment area and create jobs for area residents. 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

There is a fiscal impact to the CRA in the amount of \$235,000 in Fiscal Year 2024 in the account listed below.

Funds available as of October 1, 2023					
ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER /ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-119-1531-552-40-4203- CRA092402	Property & Business Improvement Program FY 24	Other Operating Expense/Redevelopment Projects	\$950,000	\$950,000	\$235,000
TOTAL AMOUNT ►					\$235,000

Strategic Connections

This item is a *2023 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 global and local economic community marketplace
- 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 – BCPA Information – 1108 NW 6 Street

Exhibit 3 – Updated Construction Cost Estimates

Exhibit 4 – Updated Cost and Funding Breakdown

Exhibit 5 – Amended Property and Business Improvement Program Agreement

Exhibit 6 – September 12, 2023 NPF CRA Advisory Board Draft Minutes

Exhibit 7 – Resolution

Prepared by: Eleni Ward-Jankovic, CRA Housing and Economic Development Manager
Clarence Woods, CRA Manager

CRA Executive Director: Greg Chavarria