



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#23-0266

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

FROM: Greg Chavarria, CRA Executive Director

DATE: July 5, 2023

TITLE: Motion Approving a \$212,520 Property and Business Improvement Program Forgivable Loan, a \$92,735 Façade Program Forgivable Loan, and a \$97,440 Streetscape Enhancement Program Forgivable Loan to 825 Progresso Drive, LLC for the Progresso Park Project Located at 825-833 Progresso Drive – **(Commission District 2)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve by Motion a \$212,520 Property and Business Improvement Program Forgivable Loan, a \$92,735 Façade Program Forgivable Loan, and a \$97,440 Streetscape Enhancement Program Forgivable Loan to 825 Progresso Drive, LLC for the Progresso Park Project located at 825-833 Progresso Drive. Staff recommends approval of the Agreements attached hereto in substantially the form attached, subject to adding a cross default provision to each agreement and minor revisions.

Background

825 Progresso Drive, LLC has submitted a CRA funding application to redevelop 825-833 Progresso Drive from a former dilapidated used car lot into an indoor/outdoor venue offering yoga, fitness, art, food, market, music, and family-oriented recreation during the day hours and young professional oriented recreation during the evening hours. The project will be called "Progresso Park". A location map of the property is attached as Exhibit 1 and the Developers application for funding is attached as Exhibit 2.

The existing 10,000 square foot triangular site with 200 feet of frontage on Progresso Drive presently contains an existing 737 square foot building, asphalt, steel fencing and no landscaping. The reuse of the car lot at 825-833 Progresso Drive will contain repurposed, refurbished shipping containers or similar preconstructed buildings, along with refurbishing the existing building. The containers that are approximately 160 square foot each will be available for leasing to small business/retail establishments and will also be utilized for restrooms and storage space for a covered stage area for music venues and yoga instruction. The total leasable area will be approximately 2,500 square feet. The site will also contain covered outdoor seating, canopies, outdoor beverage/bar area, dog park, pavers, decking and landscaping. The existing building on site will be

refurbished for restaurant use and extensive streetscape will be provided where none presently exist, including sidewalks, street trees, landscaping, drainage and decorative lighting. Plans and illustrations of the project are attached as Exhibit 3.

Jay Adams is the majority owner of 825 Progresso Drive, LLC. The site is across the street from historic Progresso Plaza at 901 Progresso Drive, which is also owned by Jay Adams who recently restored the 100-year-old building and is home to Laser Wolf and Patio Bar & Pizza, that recently opened. Mr. Adams has been a corporate real estate broker/advisor for over 30 years and has kept his own buildings around downtown at near 100% leased for the past 25 years and has always managed to keep his rents affordable to local businesses. The container structures at Progresso Park are projected to rent starting at \$20 per square foot, or around \$700-\$900 each. He expects 5-12 businesses to lease here and some with a shared concept. The total project cost is estimated at \$697,980.

Mr. Adams is seeking approval of a total of \$402,695 in CRA funding for the project including \$92,735 from the Façade Program, \$212,520 from the Property and Business Improvement Program, and \$97,440 from the Streetscape Enhancement Program. Both the Façade Program and Property and Business Improvement (PBIP) Program can provide up to 75% of the improvement cost, not to exceed \$225,000 under the PBIP Program and \$125,000 under the Façade Program. The Streetscape program can provide up 70% of the streetscape cost, not to exceed \$500,000. CRA funding for this project represents approximately 57% of the total improvement cost.

	<u>Proposed Award Amount</u>
\$ 212,520	Property and Business Improvement Program
\$ 92,735	Facade Improvement Program
\$ 97,440	Streetscape Enhancement Program

The projected ten full time and ten part-time jobs created at Progresso Park are going to be mostly local from the leasing of the small bays and outdoor services. The customer draw will be mostly patrons from the area. This is a highly visible site along Progresso Drive and while this is a small site, it is expected to have a big impact on improving this area. The plans have site plan approval from the City of Fort Lauderdale and have been submitted for permits (Exhibit 4). Mr. Adams is prepared to commence with the project with CRA funding assistance. CRA assistance will help this traditionally automotive business portion of Progresso adjacent to the FEC Railroad tracks that has always struggled, primarily due to poor streetscape conditions, blighted properties, existing uses, crime, and homelessness issues.

The project will promote small business development, offer affordable rents, help provide active uses that will serve the neighborhood and attract locals, tourists, and others to the area. It will remove blight, improve safety, and help activate the area for the community's benefit.

CRA funding will take the form of a forgivable loan secured by a first mortgage on the property. There is no other lender involvement. CRA funding will be applied to project construction cost.

This funding request was unanimously recommended for approval by the Northwest-Progresso-Flagler Village (NPF) CRA Advisory Board at their meeting of February 14, 2023 (Exhibit 5). A copy of the Property and Business Improvement Program Agreement, Façade Program Agreement, and Streetscape Enhancement Program Agreement are attached as Exhibits 6, 7 and 8.

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. The CRA Plan 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 accounts listed below.

<i>Funds available as of June 14, 2023</i>					
ACCOUNT NUMBER	PROJECT NAME (Program)	CHARACTER/ ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-119-1531-552-40-4203-CRA092302	Property & Business Improvement Program FY 23	Other Operating Expenses/Redevelopment Projects	\$2,182,365	\$1,121,882	\$212,520
20-119-1531-552-40-4203-CRA092301	Commercial Façade Improvement Program FY 23	Other Operating Expenses/Redevelopment Projects	\$364,619	\$139,856	\$92,735
20-347-9100-541-60-6599-P12507	NPF Streetscape Improvement Project	Capital Outlay/Construction	\$619,646	\$127,707	\$97,440
TOTAL AMOUNT ►					\$402,695

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 businesses

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 businesses and industry which provide living wage employment and increased training and competitiveness in the local workforce.

Attachments

Exhibit 1 – Location Map/Concept Renderings

Exhibit 2 – Application for Funding

Exhibit 3 – Plans and Illustrations

Exhibit 4 – City Fort Lauderdale Administrative Review Approval

Exhibit 5 – February 14, 2023 NPF CRA Advisory Board Minutes

Exhibit 6 – Property and Business Improvement Program Agreement

Exhibit 7 – Facade Program Agreement

Exhibit 8 – Streetscape Enhancement Program Agreement

Prepared by: Bob Wojcik, CRA Housing and Economic Development Manager
Clarence Woods, CRA Manager

CRA Executive Director: Greg Chavarria