



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**CRA BOARD MEETING**

**#22-0631**

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

**FROM:** Chris Lagerbloom, ICMA-CM, Executive Director

**DATE:** July 5, 2022

**TITLE:** Resolution Approving a Second Amendment to the Development Incentive Program Development Agreement for the Thrive Progresso Project; Authorizing the Executive Director to Execute Any and All Related Instruments; and Delegating Authority to the Executive Director to Take Certain Actions - **(Commission District 2)**

**Recommendation**

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a resolution approving a second amendment to the Development Incentive Program Development Agreement between the Fort Lauderdale Community Redevelopment Agency and 744-748 NW 5 Avenue LLC, Bayit Investments LLC, 710 NW 5 Avenue LLC, 413 NW 7<sup>th</sup> Street LLC, and Thrive Development Group LLC for the Thrive Progresso Project, authorizing the Executive Director to execute any and all related instruments, and delegating authority to the Executive Director to take certain actions.

**Background**

On July 9, 2019, the CRA Board approved a \$2,500,000 CRA Development Incentive Program (DIP) forgivable loan and a \$340,375.87 CRA Streetscape Enhancement Program forgivable loan to Thrive Development Group, LLC (Developer) to renovate five adjacent properties with over 60,000 square feet in the industrial/light industrial portion of the Progresso area (Exhibit 1) located at:

	ADDRESS	PROPERTY ID	OWNERSHIP
1	701-745 NW 5 Avenue	4942-34-06-9460	Bayit Investments, LLC
2	710-726 NW 5 Avenue	4942-34-07-0100	710 NW 5 Avenue, LLC
3	744-748 NW 5 Avenue	4942-34-07-0200	744-748 NW 5 Ave, LLC
4	413 NW 7 Street	4942-34-07-0120	413 NW 7 Street, LLC
5	405 NW 7 Street	4942-34-07-0110	413 NW 7 Street, LLC

On February 15, 2022, the CRA Board approved both an amendment to the Development Incentive Program Agreement modifying the CRA rent restrictions and an amendment to the Streetscape Enhancement Program Development Agreement increasing CRA funding from \$340,375.87 to \$490,375.87.

The Developer has requested additional changes to the Development Incentive Program Agreement that would modify the CRA fund disbursement provisions in the agreement.

The Agreement requires that prior to the first disbursement, the Developer must document its investment or equity match equal to or greater than \$1,250,000 which is not eligible for reimbursement and provide a current construction budget, sources and uses statement and schedule of values for the Developer Improvements estimated by the Developer to cost not less than \$4,508,601. The CRA contribution of \$2.5 million represents approximately 55% of the total improvement cost including both hard and soft cost. The Agreement then limits reimbursement of Developer's hard cost to equal installments with a maximum of two per fiscal year in minimum increments of \$500,000 provided satisfactory evidence that the Developer has expended a minimum of \$750,000 toward improvements to the project, whereby the CRA would be reimbursing for 66.6% of the remaining hard cost per disbursement.

The entire CRA's DIP contribution of \$2.5 million is now budgeted for the project from fiscal years 2019, 2020 and 2021. The Developer has received a total of \$1,000,000 in reimbursement of hard cost to date, occurring in this fiscal year. The Developer is anxious to expedite the construction of the project, which is approximately 70% complete (Exhibit 2). They are requesting that the limitation of a maximum of two reimbursement disbursements per fiscal year therefore be removed. To assist the Developer with continuous and timely construction, it is recommended that reimbursement of equal installments be eliminated, and the Developer be allowed to process reimbursement request based on documentation of Developers remaining cost eligible for reimbursement with the CRA reimbursing for up to 66.6% of the hard improvement cost with reimbursements requested as frequently as bi-monthly. The final reimbursement of \$100,000 can only be received once the project receives its certificate of occupancy or completion.

#### Consistency with the Northwest Progresso Flagler Heights CRA Community Redevelopment Plan

The Northwest Progresso Flagler Heights CRA Community Redevelopment Plan (NPF CRA) 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 program 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**

There is no fiscal impact associated with these changes.

### **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 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 - Updated Progress Photos of Project Site

Exhibit 3 - Development Agreement – Development Incentive Program

Exhibit 4 - First Amendment to Development Agreement for Development Incentive Program and Streetscape Program

Exhibit 5 - Second Amendment to the Development Incentive Program Development Agreement

Exhibit 6 - Resolution

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