



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#22-1037

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

FROM: Greg Chavarria, CRA Executive Director

DATE: November 1, 2022

TITLE: Resolution Approving an Increase in Property and Business Improvement Program Funding to Cravemadness, LLC in the Amount of \$347,219.89 for the Jamaican Jerk Shack Restaurant at 560 NW 7 Avenue, Waiving the Maximum Funding Limits of the Program, 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 increase in Property and Business Improvement Program (PBIP) funding to Cravemadness, LLC in the amount of \$347,219.89 for the Jamaican Jerk Shack Restaurant at 560 NW 7 Avenue, waive the maximum funding limits of the Program, authorize the Executive Director to execute any and all related instruments, and delegate authority to the Executive Director to take certain actions.

Background

Cravemadness LLC was awarded a \$225,000 Property and Business Improvement Program forgivable loan and a \$20,000 Façade Improvement Program forgivable loan on January 22, 2019 for equipment and build-out of the Jamaican Jerk Shack Restaurant proposed for Shoppes On Arts Avenue at 560 NW 7 Avenue. At that time, the total project cost was estimated at approximately \$306,059.88 with construction hard cost including permit cost, architectural, and engineering fees of \$220,121.30 and equipment cost of \$85,938.58. A copy of the Developer's request for additional funding, location map, Broward County Property Appraiser information, photos of the property, plans, and permits are attached as Exhibits 1, 2, and 3.

Construction plans have been approved, subject to the payment of remaining permit fees in order to start construction. Significant increases in construction costs have occurred since this time and the cost of the project, including equipment, permitting, and architectural and design fees is estimated at \$705,035.07. The Developer, Cravemadness LLC, has already invested \$82,815.18 to pay for architectural fees and equipment and the landlord will contribute \$30,000 toward the restroom and air conditioning cost, leaving a budget shortfall of \$347,219.89. Staff is requesting an

additional \$347,219.89 be provided from the Property and Business Improvement Program for the project. The following is a summary break down of the funds associated with this request:

Source	Description	Amount
CRA	Property and Business Improvement Program forgivable loan	\$225,000
CRA	Façade Improvement Program forgivable loan	\$20,000
Developer	Architectural Fees and Equipment	\$82,815.18
Land Lord	Restroom and AC	\$30,000
	Subtotal	\$357,815.18
CRA	Property and Business Improvement Program forgivable loan	\$347,219.89
	Total	\$705,035.07

The maximum funding allowed under the CRA Property and Business Improvement Program is \$225,000 and the maximum funding under the Facade Program is \$125,000. Since the maximum funding limits are exceeded under the PBIP Program with the additional PBIP funding to the Developer, a waiver of maximum funding limits is required. A project executive summary and updated project cost and funding is attached as Exhibit 4.

The project is in a CRA Focus Area and in the CRA Focus Area the CRA Property and Business Improvement Program can provide for up to 90% of the cost of renovation or new construction, and the Facade program can provide 100% of the improvement cost for the first \$100,000 in cost. The developer's required contribution with the additional funding per the program requirements is \$57,221.98 and the developer's expenses to date of \$82,815.18 has exceeded his required minimum by \$25,593.20. The Developer has also set aside \$55,700 for operating expenses to start up the business and as a reserve for any unanticipated cost. CRA disbursements for eligible construction cost will be done on a draw basis, no more frequently than once a month.

The landlord/owner of Shoppes on Arts Avenue is MJDC AOA, LLC. The space is being rented as a cold gray shell and requires a complete build-out. The funding will be provided as a loan forgiven after 5 years. Jamaican Jerk Shack Restaurant will occupy three bays at Shoppes on Arts Avenue fronting Sistrunk Boulevard with a total of 1,750 square feet. Cravemadness LLC has a 5 year lease with two five year renewals.

Jamaican Jerk Shack Restaurant will provide the Sistrunk and Fort Lauderdale area with quality American and Caribbean food. It is a fast-casual eat-in restaurant that specializes in Jamaican jerk chicken, pork, buffalo wings, handcrafted burgers, freshly prepared signature salads, fresh cut seasoned fries, wraps and shrimp tossed in any of their 24 flavors. The restaurant will also offer beer on tap and tempting deserts to customers in a comfortable environment to enjoy live music and sports games. It will introduce patrons

to the culture of Sistrunk, provide for both indoor and outdoor seating, and showcase the artwork of the Sistrunk Community, as well as local musical artists. A food delivery service and catering will also be provided.

The Manager of Cravemadness LLC is Christine Mills. Ms. Mills and her husband, Garfield, have fourteen years of experience operating restaurants. In 2007 they opened Wing Madness in New Haven, Connecticut with Garfield's brother. They also have a Wing Madness in Springfield, Massachusetts. Despite the COVID pandemic, they have managed to keep their restaurant locations open. Over the years, she has played an instrumental role in the restaurant operations, raising capital and developing the restaurant brand. Christine has also worked in the financial services industry for companies such as JP Morgan in New York as an Investment Banking Analyst and in commercial banking for TD Bank and Bank of America. Christine and Garfield Mills are South Florida residents. Ms. Mills grew up and attended the Broward County school system, has a B.A. in Business Management from Florida A & M University, a M.A in Education from the University of Saint Joseph, and a MBA from Babson College. She is impressed by the changes in the Sistrunk area and they are committed to bring their restaurant concept to the South Florida area. They will employ 15-17 persons from the Sistrunk area in various capacities as assistant managers, waiters and waitresses, cooks, delivery drivers, bartenders, catering managers and other positions. They project a positive cash flow in the first year of operation. A Proforma and Sources and Uses are attached as Exhibit 5.

At their meeting of October 11, 2022, the Northwest-Progresso-Flagler Heights (NPF) CRA Advisory Board unanimously recommended approval of this item. A copy of the draft minutes of the meeting are attached as Exhibit 6. The First Amendment to the Property and Business Improvement Program Agreement and Resolution are attached as Exhibits 7 and 8.

Business development provides jobs, enhances neighborhood safety, contributes to a vibrant environment of activity and growth, and creates community. The CRA should continue funding small business opportunities throughout the CRA that benefits the area.

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.

Resource Impact

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

<i>Funds available as of October 14, 2022</i>					
ACCOUNT NUMBER	COST CENTER NAME (Program)	CHARACTER/ACCOUNT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
20-119-1531-552-40-4203-CRA092302	Property and Business Improvement Program FY23	Other Operating Expense/Redevelopment Projects	\$750,000	\$609,173.08	\$347,219.89
TOTAL AMOUNT ►					\$347,219.89

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 - Developer's Request for Additional Funding
Exhibit 2 - Location Map and Broward County Property Appraiser Information
Exhibit 3 - Photos of the Property/ Plans /Permits
Exhibit 4 - Project Summary and Updated Project Cost/Funding
Exhibit 5 - Updated Proforma/Sources and Uses
Exhibit 6 - October 11, 2022 NPF CRA Advisory Board Draft Minutes
Exhibit 7 - First Amendment to the Property and Business Improvement Program Agreement
Exhibit 8 - Resolution

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CRA Executive Director: Greg Chavarria