



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#15-1376

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

FROM: Lee R. Feldman, ICMA-CM, Executive Director

DATE: November 17, 2015

TITLE: Motion Authorizing Community Redevelopment Agency Incentive Program
Funding for 1943 Tyler, LLC. at 725 Progresso Drive - \$135,000

Recommendation

It is recommended that the Community Redevelopment Agency (CRA) Board of Directors approve a funding assistance package to 1943 Tyler, LLC in the amount of \$135,000, consisting of \$100,000 from the CRA Property and Business Investment Program (PBIP), \$15,000 from the CRA Façade Program, and \$20,000 from the CRA Streetscape Program, and authorize the Chairman and Executive Director to execute agreements with 1943 Tyler, LLC for a project located at 725 Progresso Drive.

Background

1943 Tyler, LLC, whose Director is Tom Moody, purchased the property at 725 Progresso Drive for the purpose of relocating Moody Insurance from Hollywood Florida to Fort Lauderdale in Progresso Village. 1943 Tyler, LLC is seeking CRA assistance in the renovation of the property using three approved CRA incentive programs consisting of CRA PBIP, the CRA Façade Program, and the CRA Streetscape Program.

The PBIP is a new incentive program that was approved by the CRA Board with the Northwest-Progresso-Flagler Heights CRA (NPF CRA) Five Year Program on October 15, 2013. It is a public sector real estate investment tool that reduces the capital needs of viable projects and enhances the tax base with quality projects. Funds can be used for both interior and exterior improvements for mixed use and commercial projects in the NPF CFA. Eligible areas in the NPF CRA include both the Primary Area, which is the Sistrunk Corridor, and Secondary Areas, which includes other commercial or mixed use properties in the CRA including the location of the applicant's project. Applicants in the Secondary Area may apply for funding for an amount not to exceed \$100,000 or 20% of the total project capital investment, whichever is less. 20% of the eligible renovation expenses for the project is \$123,994. The applicant, 1943 Tyler, LLC/Thomas Moody has requested and is eligible for a maximum of \$100,000 in PBIP funding. After a thorough review of the application, CRA staff assigned a project score of 102 points (Exhibit 3) for the PBIP Application. A minimum of 70 points is required for funding.

The PBIP program is a forgivable loan that the program allows to be forgiven in five year period following completion the project if the property is not sold or refinanced. It will be secured by a second mortgage on the property. There will be a first mortgage held by Regent Bank in the amount of \$400,000.

The CRA Façade Program provides a reimbursement grant for exterior renovations. The grant amount was increased with the NPF CRA Five Year Program from a maximum of \$20,000 to \$40,000 for properties on Sistrunk Boulevard and from \$7,500 to \$15,000 for other NPF CRA commercial properties. The applicant is eligible for a reimbursement of 80% of the cost not to exceed \$15,000. The applicant is requesting \$15,000 to help pay for the extensive exterior renovations to the property and site. The program requires that should the property be sold within one year of receiving funding, repayment of the full amount of the grant is required. If sold within two years of receiving funding, 50% of the amount of the grant received would need to be repaid.

The Streetscape Improvement Program provides a grant on a reimbursement basis to the developer for up to 50% of the improvement cost within the right-of-way such as sidewalks, curbing, drainage, and landscaping. The property has over 203 feet of frontage along Progresso Drive and NE 1st Avenue. The estimated cost of the improvements in the right-of-way is approximately \$55,000. The applicant is requesting a streetscape grant of \$20,000. Copies of their funding applications are attached as Exhibit 4. Copies of the funding agreements are attached as Exhibit 5, 6 and 7. The standard agreements include provisions providing the CRA the right to audit, specific documentation requirements necessary to disburse payment, and notice and reporting requirements to ensure ongoing compliance with the provisions of the agreements.

The total renovation cost of the property is estimated at \$694,080. It was purchased by the applicant for \$565,000 in January 2015. Including the purchase price, the applicants total capital investment in the project is \$1,259,080. Except for CRA incentive funding and a \$400,000 loan from Regent Bank, the applicant is funding the remaining project cost with cash/owner equity. An overview of the project sources and uses are outlined below:

Sources		Uses	
Cash/Equity	\$724,080	Land/Building	\$565,000
Bank Loan	\$400,000	Construction	<u>\$694,080</u>
NPF CRA Incentives	<u>\$135,000</u>		
Total	\$1,259,080	Total	\$1,259,080

Prior to being purchased by the applicant, the site operated as the Purvis Young Gallery. A large, prominent mural done by the late Purvis Young on the front of the building has been retained and restored for the public's enjoyment and incorporated into the Art Deco themed renovation of the building. Facing the Florida East Coast Railway, it will be viewed by passengers of the new train system of All Aboard Florida in addition to passing motorist and pedestrians. Prior to the buildings use as an art gallery, the property operated as a dry cleaners into the late 1980's. As such, the property is

eligible for State administered cleanup and is enrolled in the Florida Dry Cleaning Solvent Cleanup Program.

Moody insurance is a full service independent insurance agency that was founded 23 years ago by Tom Moody. They service the personal, business, marine and aviation insurance markets. The new 5,200 square foot home insurance office for Moody Insurance Group on 725 Progresso Drive will double their existing space they have been occupying in Hollywood. The relocation will include 15 employees consisting of licensed agents, marketing representatives, and administrative associates with the ability to continue to grow their business and add additional staff as needed. With a large customer base in downtown Fort Lauderdale, the new use will help add commerce and activity to this portion of the CRA.

The new home office of Moody Insurance Group in the Progresso neighborhood is a welcomed addition to the area and a beginning of the transition from the surrounding automotive related uses that currently exist. Professional services, as provided by Moody Insurance Group, is a targeted business under the CRA incentive programs designed to support investment in the development area. Additionally, the project is consistent with the NPF CRA Community Redevelopment Plan which provides for direct physical improvements to enhance the overall environment and attract sound business and commercial development that provide employment and job opportunities.

The Progresso Civic Association reviewed the project at their September 2015 meeting and supported the project and funding for the project was recommended for approval by the NPF CRA Advisory Board at their meeting of October 28, 2015.

Resource Impact

There is a \$135,000 fiscal impact to the CRA associated with this action.

Funds available as of November 4, 2015					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	PURCHASE AMOUNT
347-P10665.347-6599	General Façade Program	Capital Outlay/ Construction	\$1,548,472	\$1,298,788	\$15,000
347-P10150.347-6599	Business Incentives	Capital Outlay/ Construction	\$2,763,866	\$2,624,971	\$100,000
347-P11986.347-6599	NPF CRA Street Improvement Grant	Capital Outlay/ Construction	\$363,245	\$363,245	\$20,000
PURCHASE TOTAL ►					\$135,000

Strategic Connections

This item is a *Commission Annual Action Plan* priority, included within the Policy

Agenda, advancing the Northwest Progresso Flagler Heights CRA – Business Development effort.

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Neighborhood Enhancement Cylinder of Excellence, specifically advancing:

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, ports and rail connections.
- Objective 2: Facilitate a responsive and proactive business climate.
- Initiative 1: Evaluate and expand our existing portfolio of business attraction Incentives.

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

Attachments

Exhibit 1 – Location Map

Exhibit 2 – Broward County Property Appraiser Information

Exhibit 3 – PBIP Application Scoring

Exhibit 4 – CRA Incentive Program Applications

Exhibit 5 – CRA Façade Program Agreement

Exhibit 6 – Property and Business Investment Program Agreement

Exhibit 7 – CRA Streetscape Program Agreement

Prepared by: Jeremy Earle, Department of Sustainable Development

Department Director: Jenni Morejon, Department of Sustainable Development