



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#17-0368

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

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

DATE: March 21, 2017

TITLE: Motion to Review and Approve a Subordination Agreement from Sterling Bank, Primary Lender for LPF Realty FL LLC/Triangle Services, Inc. for the Triangle Services Southeast Regional Headquarters Project Located at 550 West Sunrise Boulevard

Recommendation

CRA staff is seeking direction from the Northwest Progresso Flagler (NPF) Community Redevelopment Agency (CRA) Board of Commissioners on the terms within the subordination agreement of the first mortgage lender for LPF Realty FL LLC/Triangle Services, Inc.

Background

On December 20, 2016 the Community Redevelopment Agency (CRA) Board of Commissioners approved a Development Incentive Program Agreement in an amount not to exceed \$1,500,000 with LPF Realty FL. LLC/Triangle Services, Inc. for the Triangle Services Southeast Regional Headquarters project located at 550 West Sunrise Boulevard.

LPF Realty FL LLC/Triangle Services, Inc. is a well-established, highly diversified company with operations in 43 states which directly employs over 2,500 persons nationwide and provides an economic engine that specifically targets the CRA.

As part of the original agreement, they have proposed:

- To make a \$6,384,184 investment in the CRA in the purchase and redevelopment of the property at 550 West Sunrise Boulevard
- To create over 300 permanent jobs over the next 5 years, conservatively projecting ongoing job growth of 20% annually consistent with their past average annual growth rate, with additional jobs varying from entry level to middle and upper management positions; and

- To provide job training and benefits for permanent employment with the majority of the jobs available to persons with a high school education.

Based on economic impact modeling performed by the Greater Fort Lauderdale Alliance, the direct economic impact of job creation and capital investment to the area is over \$21 million over the next 5 years with over \$39 million in direct, indirect and induced impacts over a 5 year period.

Triangle Services Inc. is a managed facilities and aviation support provider that serves Fortune 500 and global clients and local businesses in North America. The company was founded in 1960 and is based in Valley Stream, New York with additional operations in Phoenix, Arizona, Whittier California, Miami, Fort Myers, Hollywood and Tampa Florida, Boston Massachusetts, Roseville Minnesota, Somerset New Jersey, Jamaica New York and New York City. Triangle Services started and remains a family owned and operated business and is a JD Power Award Winner.

The company engages in maintaining, preserving, and enhancing assets, such as transportation and fleet facilities, corporate office buildings, manufacturing and industrial facilities, multi-tenant buildings, college campuses, institutions, universities, government properties, retail properties, shopping centers, malls, airport terminals, and aviation facilities. It also provides project maintenance services; interior and exterior landscape management services; aviation support solutions, including passenger baggage handling, skycap services, flight operations, jet bridge maintenance, load control, terminal and concourse cleaning, GSE fueling and maintenance, interline baggage services, airline passenger services, ramp handling, cabin cleaning, baggage system maintenance, cabin search security, wheelchair and disabled services, and cargo warehousing; and security services, including guard services, automated access controls, security console operators, patrols and inspection, concierge and receptionist services, alarm response, and specialized client risk mitigation. A sampling of companies that they serve includes Copa Airlines, American Airlines, Jet Blue, General Electric, Federal Express and the NFL.

The property, proposed as Triangle Services Southeast Regional Headquarters at 550 West Sunrise Boulevard, was previously occupied by a motorcycle retail and repair company and consists of a one story commercial building with loft space zoned a combination of B-1 (Boulevard Business) and B-3 (Heavy Commercial Light Industrial) with a total of 26,936 sq. ft. on a 38,475 sq. ft. site. It is located between and adjacent to the Broward County Homeless Assistance Center and the offices of the Housing Authority of the City of Fort Lauderdale. This building along with similar buildings in the CRA primarily located directly south of Sunrise Boulevard in the industrial area were constructed in the 1970s as “showcase warehouse space” consisting primarily of warehouse space with a small portion of the building set aside for retail or offices. Over the years, these properties have generally not attracted large employers or first rate retail tenants and many of the buildings are in need of major repairs and modifications for repurposing to attract higher grade commercial or corporate tenants.

LPF Realty, FL LLC purchased the building in May 2016 for \$3,150,000. The property was appraised as of April 6, 2016 for \$3,170,000. The proposed 2016 Broward County Assessment of the property is \$2,793,020. The owner's desire is to redevelop and retrofit the building to the equivalent of Class A space to house the Regional Headquarters for their company Triangle Services along with:

- Content Critical Solutions, a technology company purchased by Triangle Services in 2014 that provides innovative business communication solutions to large blue chip corporate clients in the form of cost effective print marketing solutions including digital printing and check printing using state of the art document production and data processing platforms. They also provide data processing and multichannel electronic and paper delivery for clients in the financial services, retail and health care fields, and production management outsourcing services with fully integrated secure document services. In addition, they will offer large format image creation for backlit signs, vehicle wraps, and building size displays and intelligent mailing, letter shop and bindery services. This operation is estimated to provide a variety of well-paying jobs starting from entry level digital print technicians to production managers. Job training will be provided. The Sunrise Boulevard location will serve as their Southeast Regional and Latin American and Caribbean headquarters. The business will utilize 4,715 square feet for design and production space along with 3,620 square feet for product storage. They will need to purchase over \$2 million in specialized equipment required for their business.
- 11,490 square feet of modern Class A type showroom retail space targeted to a business in the marine Industry, luxury automotive category or design studio. The property is just 500 feet east of the corporate and production offices of SAT Specialty Automotive Treatment and Yacht Chandlers. The renovation will help further transform the Sunrise corridor into a dynamic gateway and attract further growth for preferred uses and targeted industries in the area.
- Establishing a Triangle Real Estate Development and Investment affiliate in the CRA that invests in the adaptive reuse of commercial sites. This will include repurposing and stabilizing properties by tenanting them with Triangle businesses or other businesses that Triangle Services has a long relationship with. Triangle's principal and project developer Perry Fine, whose offices will be located at the Sunrise location has over 20 years' experience in the development of real estate along with Chere Burdette, who will head up the Triangle Real Estate Development and Investment office at 550 West Sunrise Boulevard. Her real estate background includes providing real estate advisory services for government municipalities and Fortune 500 companies with experience in mixed use development projects, entertainment studios and research and development campuses. Based on successes in working with public officials in New York and New Jersey in investing in and developing properties, Triangle Services will continue implementing this business model in the CRA to redevelop other sites to realize the area's full potential.

Resource Impact

Not applicable, as the project was already approved for funding.

Strategic Connections

This item is a *Commission Annual Action Plan* priority, included within the Policy Agenda, advancing the Northwest Progresso Flagler Heights CRA – Capital Improvements and Housing strategy.

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 – Subordination Agreement

Prepared by: NPF CRA Manager: Jonathan Brown, Fort Lauderdale Community
Redevelopment Agency

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