



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#18-0077

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

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

DATE: January 23, 2018

TITLE: Motion Approving an Award of a Commercial Façade Improvement Program Incentive in the Amount of \$125,000 and a Property and Business Improvement Program Incentive in the Amount of \$225,000 to 1134 L.L.C. for the Smitty's Wings Restaurant Project Located at 1134 Sistrunk Boulevard; and Authorizing the Executive Director to Negotiate and Execute the Development Agreements and Any and All Other Documents or Instruments Necessary or Incidental to Consummation of the Transaction

Recommendation

It is recommended that the Fort Lauderdale Community Redevelopment Agency (CRA) Board of Commissioners approve an award of a Commercial Facade Improvement Program incentive in the amount of \$125,000 and a Property and Business Improvement Program incentive in the amount of \$225,000 to 1134 L.L.C. for the Smitty's Wings Restaurant Project located at 1134 Sistrunk Boulevard; and authorize the Executive Director to negotiate and execute the development agreements and any and all other documents or instruments necessary or incidental to consummation of the transaction, subject to the review of the CRA General Counsel.

Background

The applicant, 1134 L.L.C., is requesting a total of \$350,000 in the form of a \$125,000 forgivable loan from the Fort Lauderdale Community Redevelopment Agency's Commercial Façade Improvement Program (CFIP) and a \$225,000 forgivable loan from the CRA's Property and Business Improvement Program ("PBIP") for Smitty's Wings on Sistrunk, a new restaurant proposed to be located at 1134 Sistrunk Boulevard. A copy of the location map, Broward County Property Appraiser information, illustrations, and funding application/business plan is attached as Exhibits 1 through 4.

Sistrunk Boulevard between NW 24th Avenue and the Florida East Coast ("FEC") Railway is a designated focus area for both the CFIP and the PBIP incentive programs. The programs provided more generous funding options in the focus areas in order to encourage redevelopment of these areas.

- The CFIP incentive in this focus area provides a forgivable loan covering 100% of eligible project costs, not to exceed \$75,000. Project costs above \$75,000 require an owner cash investment of 5% of project cost. Maximum funding available under the program is \$125,000.
- The PBIP has a special emphasis in creating dining destinations within the City by attracting new restaurants to the CRA. In the focus area, this program provides up to 90% of the eligible costs not to exceed \$225,000.

The total award amount of \$350,000 will be secured by a 7-year forgivable mortgage on the property that would require the consent of the property owner, CHDS LLC. There is no mortgage on the property and the applicant will be required to provide a \$50,000 cash contribution towards the project. No other lender involvement is anticipated. A copy of the Commercial Façade Improvement Program and the Property and Business Improvement Program agreements that will form the basis of further negotiations with the applicant are attached as Exhibits 6 and 7.

CHDS LLC, whose president is LaDesorae Giles-Smith, purchased the one story, 2,500 square foot building and site at 1134 Sistrunk Boulevard in 2011 for \$45,000. The building is usable but will require total renovation for this project. The Broward County Property Appraiser estimates the just/market value of the property to be \$158,140. Total project improvement cost is estimated at \$400,000. Construction will be bid and managed by CRA staff. The project has been reviewed by City of Fort Lauderdale's Planning and Design Division of the Department of Sustainability.

\$338,355	construction rehabilitation
\$49,504	equipment and fixtures
<u>\$12,141</u>	contingencies
<u>\$400,000</u>	Total

Chris Smith and LaDesorae Giles-Smith are the managers of applicant, 1134 L.L.C. The husband and wife team have other investments along Sistrunk Boulevard including Smith Plaza, a 5176 square foot retail center at 733 Sistrunk Boulevard, and an 1104 square foot office building at 2151 Sistrunk Boulevard. Chris Smith is an attorney and former elected official in Fort Lauderdale for 18 years, serving eight years in the Florida Senate before being term limited in 2016. LaDesorae Giles-Smith serves as the first African American and first female Deputy City Manager in the City of Lauderhill. She also is the Vice President of the Dorsey Riverbend Homeowners Association. They reside six blocks from the location of the proposed restaurant.

The restaurant proposed for the site is Smitty's Wings on Sistrunk, an eat-in restaurant. The restaurant is proposed to have twelve tables with seating for fifty. Initially the only product sold at Smitty's will be chicken wings and fries. Wings will be sauced and tossed in your favorite wing flavor of ten flavor options and served with dips such as ranch, blue cheese, and cheese sauces. Beverages sold will include fountain drinks, home-style lemonade, sweet tea, and beer and wine. Smitty's will host family oriented events to attract customers such as sports nights, birthday parties, and fund raising

events. Frequent buyer cards will be employed to entice repeat customers. Smitty's will also sponsor a local little league football team to help publicize the restaurant within community events. Delivery service will also be provided.

Smitty's Wings will provide 5 to 7 new jobs with hiring preferences to individuals living in the northwest community. The restaurant will be co-managed by the Smiths and their management team includes Daryl Harris who started Nothing But Wings 13 years ago and has managed the restaurant ever since. He is also a business professor at Atlantic Vocational and Technical University. Mr. Harris will provide ongoing consulting services to the Smiths on the day-to-day operations of the restaurant. Smitty's estimates sales of \$239,200 the first year increasing by 10% annually.

The Sistrunk Enhancement Project, completed a few years ago, eliminated all of the parking for the site at 1134 Sistrunk, which then consisted of back out parking onto Sistrunk Boulevard. The property directly adjacent and to the west of Smitty's is proposed as a 23 spaces, non-metered public parking lot funded by the CRA. The new zoning along Sistrunk allows for the first 2,500 square foot of a commercial building to be parking exempt. The 2,500 square foot Smitty's Wings is parking exempt but can benefit from the proposed public parking lot to be constructed adjacent to their building. This project was recommended by the Northwest Progresso Flagler Heights (NPF) CRA Advisory Board at their meeting of November 14, 2017 (Exhibit 5).

Consistency with the NPF CRA Community Redevelopment Plan

This project is consistent with the NPF CRA Community Redevelopment Plan for the Sistrunk Corridor to develop commercial areas along the corridor to facilitate small business development and provide an opportunity for neighborhood area residents to directly participate in economic and business development activity. The CRA incentive programs are identified as the resource to address redevelopment obstacles. In addition, the NPF CRA Five Year Strategic Plan, which has been incorporated as part of the redevelopment plan, recommends that the CRA invest in development projects that improve the quality of life, create job opportunities for area residents, promote sustainability, and promote public/private partnerships.

Resource Impact

There will be a fiscal impact to the CRA in the amount of \$350,000 in FY 2018.

<i>Funds available as of January 17, 2018</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
119-CRA091802-4203	Property & Business Improvement Program FY 18	Other Operating Expenses/Redevelopment Projects	\$777,500	\$777,500	\$225,000
119-CRA091801-4203	Commercial Façade Improvement Program FY 18	Other Operating Expenses/Redevelopment Projects	\$722,500	\$722,500	\$125,000
TOTAL AMOUNT ►					\$350,000

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 5: Be a community of strong, beautiful and healthy neighborhoods.
- 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 Community and We Are Prosperous*.

Attachments

Exhibit 1 - Location Map

Exhibit 2 - Broward County Property Appraiser Information

Exhibit 3 - Before and After Project Illustration and Plan

Exhibit 4 - CRA Funding Application/Business Plan

Exhibit 5 – NPF CRA Advisory Board Minutes – November 14, 2017

Exhibit 6 - Commercial Façade Improvement Program Agreement

Exhibit 7 - Property and Business Improvement Program Agreement

Prepared by: Robert Wojcik, AICP, Housing and Economic Development Manager

Department Director: D'Wayne Spence, NPF CRA Manager