



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

**#19-0302**

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

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

**DATE:** May 7, 2019

**TITLE:** Resolution of the Fort Lauderdale Community Redevelopment Agency to Waive the Minimum Requirement on Reimbursement of Eligible Project Costs and the Minimum Contribution Amount of the Business/Property Owner for the Development Incentive Program (DIP); and Motion Approving an Award of \$1,100,000 to Hoover Canvas Products, Inc. and its affiliates – **(Commission District 2)**

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**Recommendation**

It is recommended that the Community Redevelopment Agency ("CRA") Board of Commissioners resolve to waive the minimum project cost requirement and the minimum contribution amount of the business/property owner under the Development Incentive Program for the reimbursement of eligible costs for an approved project for property owned by Matcee Enterprises, LP and Mattali, LLC, and for the canvas manufacturing business operated thereon by Hoover Canvas Products, Inc., and its affiliates, and approve an award of a Development Incentive Program forgivable loan, in the amount of \$1,100,000, to Hoover Canvas Products, Inc., a project located at 844 NW 9 Avenue, 834 NW 9 Avenue, 843 NW 8 Avenue, 831 NW 8 Avenue and 900 NW 9 Avenue.

**Background**

The CRA has received an application from Hoover Canvas Products, Co. Inc ("Hoover"), seeking a total of \$1,100,000 in CRA incentives for the renovation of their corporate headquarters, sales and production/fabrication operations, located at 844 N.W. 9th Avenue, 834 NW 9 Avenue, 843 NW 8 Avenue, 831 NW 8 Avenue and 900 NW 9 Avenue Fort Lauderdale, Florida 33311. The company is headed by Matthew and James E. Carroll. The Carroll family owns the five (5) separate folioed parcels that make up the business complex under the names of Mattali, LLC and Matcee Enterprises LP and there is no current mortgage on the properties. The County places the Just Market Value of the property without the proposed improvements at \$1,518,240. The purpose of the funding is the renovation of the entire complex, consisting of two (2) commercial buildings, one facing NW 9th Avenue used as their corporate and sales office and the other facing NW 8th Avenue used for fabrication; two (2) parking lots, one on NW 8th Avenue at NW 9th Street and the other on NW 9th Avenue; the construction of two large canvas structures as work areas; major drainage improvements for the site and connecting the property to

City sanitary sewer. The entire construction project will be coordinated, bid and managed by the CRA.

The company also has a newer, modern and efficient awning manufacturing facility in West Palm Beach and Hoover has been considering closing their Fort Lauderdale operations and moving their entire operations to West Palm Beach because of the large capital expense necessary to modernize and upgrade their older Fort Lauderdale business operation. The property suffers from extreme flooding which severely impacts its business operations. As a result of the flooding and the formerly proposed, and now abandoned, expansion of the 7<sup>th</sup> Avenue/9<sup>th</sup> Avenue Connector across its property, Hoover was compelled to relocate a portion of its business to Palm Beach County. If the flooding on the property is remediated and other physical improvements and modernizations are made, the company would continue and expand its main manufacturing and business operations on the property.

The renovations will allow the Fort Lauderdale operations to remain open and grow, fostering economic growth by increasing the company's productivity and output; prevent the loss of existing jobs at their Fort Lauderdale center; as well as increase job creation in the Northwest-Progresso-Flagler Heights ("NPF") CRA area. The company plans to hire approximately 16 new local employees, as well as retain the current 25+ work force, which consist of many long-time employees from the NPF CRA area. A copy of the Location Map, Broward County Property Appraiser Information, Proposed Plans and Illustrations, Cost/Funding Breakdown and Funding Application is attached as Exhibits 1 through 5.

The Development Incentive Program seeks to eliminate slum and blight by attracting new businesses to the CRA and retaining and allowing existing businesses to expand within the CRA. The minimum incentive funding allowed under the CRA Development Incentive Program is \$5,000,000. The construction cost estimate created by the CRA Project Manager for this project, exceeds the program limitations under other CRA programs. In order to provide the necessary funds for this project, the CRA requests that the minimum incentive funding allowed under the CRA Development Incentive Program be waived. The business expansion by Hoover will have a positive economic impact on the community and is in the best interest of the community. The NPF Advisory Board unanimously approved funding on February 12, 2019 and the proposed improvements comply with the NPF CRA Plan. It will improve the business environment in the area and allow Hoover to continue and to expand its business operations.

The funding will be provided as a loan, forgiven after seven (7) years, subordinated to a first mortgage loan which Hoover will secure in the estimated amount of \$250,000 for the improvements. The total cost of improvements, including development review, architectural and permitting, are estimated at approximately \$1,350,000. The improvements are planned to be completed in three phases.

**Phase I** will consist of critical storm drainage improvements, along with grading and re-paving of the area, and connecting the site to the sanitary

sewer. Currently, when it rains, the property floods making the area unusable for work. This serious problem makes much of the work area a hazard to the employees working in these conditions. The CRA has estimated a cost of \$350,000 to address this problem.

**Phase II** will include the construction of two large fabric structures used as production areas that will allow the company to increase its manufacturing output. One is 130 ft. by 70 ft. (9,100 sq. ft.) and the other is 70 ft. by 30 ft. (2,100 sq. Ft.) with a total estimated cost of \$368,500. With increased business, the company will hire new employees from the NPF CRA area.

**Phase III** will consist of the renovation of the main building on NW 9<sup>th</sup> Avenue, the smaller production building on NW 8<sup>th</sup> Avenue and the parking lot on NW 9<sup>th</sup> Avenue. The interior areas of the main building will be redesigned to better utilize underutilized space to create more office, sales, display and storage area. This will allow the company to hire additional office staff, as well as create more exposure to the public. The total cost of these improvements is estimated at approximately \$632,000.

Hoover has been in business and a major community stake holder at this location for the past 70 years, supporting the community and providing jobs to local employees. It was established in 1949 by Henry Hoover. In 1979, Thomas Carroll purchased Hoover and the company has been a Carroll Family Corporation ever since. In 1995, Hoover acquired another awning company in Palm Beach County and transferred most of its operations to that location. Hoover manufactures custom fabric awnings, tension structures, umbrellas, metal canopies, and a variety of motorized products, such as retractable and screens.

With the proposed Fort Lauderdale improvements, the company would like to bring most of its manufacturing from their larger West Palm Beach location back to its Fort Lauderdale shop, leaving only its aluminum fabrication in West Palm Beach. Hoover uses state of the art design and CAD programs that allow customers to preview their selection prior to installation. With the recent acquisition of an automated cutting machine, Hoover can offer more accurate and higher quality products than any other company in this business.

Currently, some of the company's long-term employees commute from the NPF CRA area to the company's Palm Beach location. In addition to alleviating the burden for these employees, Hoover plans to hire and train approximately 16 additional employees for the Fort Lauderdale location on their state-of-the-art equipment. The company is planning to significantly increase its manufacturing output and to re-invest in Broward County, and especially in the NPF CRA area. The development and renovations in the area represent a significant investment in the NPF CRA. The applicant desires that this project become a model for further growth in the area.

Business development provides jobs, enhances neighborhood safety, contributes to a

vibrant environment of activity and growth and creates community. This project will both create new jobs and help retain existing jobs that may otherwise be lost if the company closes its Fort Lauderdale operations. The CRA should continue funding 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.

Per the CRA plan, the CRA will establish incentive programs to address redevelopment obstacles. The CRA 5-Year Program, which is incorporated as part of the Plan, identifies strategic objectives, goals and measurements that include targeting and attracting businesses, retail uses and industries to establish a presence in the redevelopment area and create jobs for area residents. 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. Staff finds that the proposed improvements comply with the CRA Plan and are in the best interest of the community.

#### Resource Impact

Funds for this agreement totaling \$1,100,000 will be phased over two years, \$350,000 is available in FY 2019, and \$750,000 in FY 2020. Future payments are subject to annual budget appropriations.

| Funds available as of April 22, 2019 |                               |                                         |                                  |                                     |           |
|--------------------------------------|-------------------------------|-----------------------------------------|----------------------------------|-------------------------------------|-----------|
| ACCOUNT NUMBER                       | INDEX NAME<br>(Program)       | CHARACTER CODE/<br>SUBJECT NAME         | AMENDED<br>BUDGET<br>(Character) | AVAILABLE<br>BALANCE<br>(Character) | AMOUNT    |
| 119-CRA091904-4203                   | Development<br>Incentive FY19 | Other Operating/<br>Operating Subsidies | \$4,100,000                      | \$350,000                           | \$350,000 |
| PURCHASE TOTAL ►                     |                               |                                         |                                  |                                     | \$350,000 |

#### Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2019* initiative, included within the Neighborhood Enhancement Cylinder of Excellence, specifically advancing:

- Goal 2: Be a sustainable and resilient community
- Goal 6: Be an inclusive community made up of distinct, complementary, and diverse neighborhoods
- Goal 11: Be a well-trained, innovative, and neighbor-centric workforce that builds community
- Goal 12: Be a leading government organization, managing resources wisely and

sustainably

- Objective 1: Define, cultivate, and attract targeted and emerging industries
- Objective 2: Facilitate a responsive and proactive business climate
- Objective 4: Foster professional and rewarding careers
- Objective 7: Provide a reliable and progressive technology infrastructure
- 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*.

### **Attachments**

Exhibit 1 - Location Map

Exhibit 2 - Broward County Property Appraiser Information

Exhibit 3 - Proposed Plans/Illustrations

Exhibit 4 - Cost/Funding Breakdown

Exhibit 5 - CRA Funding Application/Business Plan

Exhibit 6 - Approved NPF CRA Advisory Board Minutes – February 21, 2019

Exhibit 7 - CRA Resolution to Waive Minimum Project Costs of Development Incentive Program (DIP)

Exhibit 8 - DIP Agreement

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