



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#19-0780

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

FROM: Chris Lagerbloom, ICMA-CM, Executive Director

DATE: August 20, 2019

TITLE: Resolution Approving a Forgivable Loan of \$221,917 from the CRA Property and Business Improvement Program to BedaBox LLC. DBA ShipMonk to Create Twenty-Two Jobs for CRA Residents at 201 NW 22 Avenue in Riverbend Corporate Park and Delegating Authority to the Executive Director to Take Certain Actions – (**Commission District 3**)

Recommendation

It is recommended that the Community Redevelopment Agency (“CRA”) Board of Commissioners approve a forgivable loan of \$221,917 from the CRA Property and Business Improvement Program to BedaBox LLC. DBA ShipMonk to create 22 jobs for CRA residents at 201 NW 22 Avenue in Riverbend Corporate Park and authorize the Executive Director to take certain actions, subject to the review of the CRA General Counsel.

Background

BedaBox LLC DBA ShipMonk (“ShipMonk”) is requesting a forgivable loan from the CRA in the amount of \$221,917 from the Property and Business Improvement Program. The company relocated from its 45,000 square-foot Deerfield Beach, Florida warehouse to a larger 170,447 square foot facility at 201 NW 22 Avenue in Riverbend Corporate Park in Fort Lauderdale (Exhibit 1) to grow its operations and workforce and proposes to hire individuals from the local community. The property is being leased from Bridge Riverbend, LLC and they have a 92-month lease. To make the new empty warehouse operational, they have done extensive improvements to accommodate their business. The majority of the new leased space houses products and serves as a picking, packing, and shipping hub. The buildout done by ShipMonk also provides for workers’ space, including breakroom with restrooms and showers, and ShipMonk’s corporate offices. Total renovation cost is estimated to have cost approximately \$619,000 (Exhibit 2).

ShipMonk provides multi-channel order fulfillment services and inventory management software to small and midsized e-commerce companies. It enables such companies to focus on building their brands and achieve growth rather than managing backend logistics. Fulfillment is a process unto itself and smaller e-commerce companies lack the

experience in running fulfillment operations. With software syncing directly with customer online shopping cart and marketplace platforms, ShipMonk can automatically import and process orders seamlessly, increasing customer expectations for fast delivery, and allow smaller companies to achieve service levels difficult to achieve on their own. It also saves client cost in filling orders associated with warehouse lease, labor, and insurance by allowing clients to pay for only the space and order volume if needed. Due to its aggregated volume, Shipmonk is also able to negotiate better shipping rates and bulk discounts that are passed on to their clients.

ShipMonk's founder and CEO, Jan Bednar, who started the company in 2014, was named to the Forbes 30 Under 30 List in 2018. In 2018 the company secured \$10 Million in Series A funding-venture capital financing (Exhibit 3).

The company employed about 191 individuals in Deerfield Beach and will increase its labor force in this new larger Fort Lauderdale facility. Workforce at the Fort Lauderdale facility is projected to increase to 609 Full Time Equivalent (FTE) employees. Shipmonk is committed to hiring persons from within the CRA boundaries for a portion of the projected 418 new additional FTE jobs to be created (Exhibit 4). The CRA in prior projects has used the federal job creation standard of one job for every \$35,000 in public assistance. ShipMonk is willing to commit to filling within five years 22 of the new jobs with residents of the CRA that are maintained for a period of 2 years, which equates to one job per \$10,000 in public assistance. ShipMonk will also provide training to new employees for the intended job. This commitment to hire from within the CRA is only possible as a result of the CRA funding.

CRA Property and Business Improvement Program funds will be provided as a reimbursement to ShipMonk for renovations that have been completed to the facility, and ShipMonk has agreed to escrow the \$221,917 with a third-party escrow agent that will be released on a pro-rata basis as FTE jobs are created and maintained.

The CRA Board has delegated authority to the Executive Director to select an escrow agent and negotiate and execute the Escrow Agreement. The CRA Advisory Board at its meeting of June 11, 2019 unanimously recommended funding this project. A copy of ShipMonk's funding application is attached as Exhibit 5. A copy of the Property and Business Improvement Program Agreement is attached as Exhibit 6 and a copy of the Resolution is attached as Exhibit 7.

Consistency with the CRA Community Redevelopment Plan

The Northwest-Progresso-Flagler Village ("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 Community Redevelopment Plan, the CRA will establish incentive programs to address redevelopment obstacles. The CRA Five-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. 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.

Resource Impact

\$221,917 in Fiscal Year 2019. Staff will process a budget transfer to increase the available balance to cover the costs for this expenditure and pending expenditures.

Funds available as of July 26, 2019					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
119-CRA091902-4203	Property & Business Improvement Program FY19	Other Operating/Operating Subsidies	\$960,955	\$585,995	\$221,917
TOTAL ►					\$221,917

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 5: Be a community of strong, beautiful and healthy neighborhoods

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 - Improvement List and Cost Summary

Exhibit 3 - Press Releases

Exhibit 4 - Jobs to be Created

Exhibit 5 - CRA Funding Application

Exhibit 6 - Property and Business Improvement Program Agreement

Exhibit 7 - Resolution

Prepared by: Bob Wojcik, AICP, CRA Housing and Economic Development Manager

Department Director: Clarence Woods, NPF CRA Manager

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