



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#19-0840

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

FROM: Chris Lagerbloom, ICMA-CM, Executive Director

DATE: September 3, 2019

TITLE: Resolution Increasing the Maximum Amount under the PBIP Program; Authorizing the Executive Director to Execute the Agreement; and Approving a \$500,000 Property and Business Improvement Program Forgivable Loan to Florida Irish Hospitality, LLC for Molly Maguire's Pub and Eatery Located at 550 NW 7 Avenue - (**Commission District 3**)

Recommendation

It is recommended that the Community Redevelopment Agency (CRA) Board of Commissioners, increase the maximum amount under the Property and Business Improvement Program (PBIP), approve a \$500,000 PBIP forgivable loan to Florida Irish Hospitality, LLC for Molly Maguire's Pub and Eatery located at 550 NW 7 Avenue and authorize the Executive Director to negotiate and execute the PBIP agreement 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

Molly Maguire's Pub and Eatery will be located in Shoppes on Arts Avenue at the southeast corner of Sistrunk Boulevard and NW 7th Avenue (Avenue of the Arts) in the Northwest Regional Activity Center. A copy of the Location Map and Proposal/Application for funding is attached as Exhibits 1 and 2.

The applicant is leasing all of Building "B" at Shoppes on Arts Avenue, consisting of three bays with a total floor area of 3,240 square feet, and is requesting \$500,000 from the CRA to offset equipment and buildout cost. Total capital investment of the project is estimated at \$1.433 million.

Project Budget

\$787,200	Buildout Construction
\$186,000	Equipment
\$125,000	Furniture and Fixture
\$ 203,220	Architect and Design Services and Intangible Expenses (Application, Impact and Permit Fees, Marketing, Uniforms, Training, Licenses, Web Site)

\$132,000 Food and Beverage Inventory and Working Capital
\$1,433,420 TOTAL

The CRA Property and Business Improvement Program has a special emphasis in attracting new restaurants to the CRA and can be used for both interior and exterior renovations or new construction, in addition to equipment and design services. The property is located in a CRA focus area and eligible for up to 90% funding, not to exceed \$225,000. This limit can be increased in a CRA focus area by the CRA Board, at their discretion, on a case by case basis. It is justifiable to increase the funding limits on this project because the entire multi-bay cold grey shell building is being leased and the buildout of each bay could be eligible for renovations and treated as a separate project. Funding will be provided on a reimbursement basis as a forgivable loan forgiven after 5 years secured by a UCC filing on the equipment and personal guarantees by the business owners James Campbell and Arthur Duffy. The landlord/owner of Shoppes on Arts Avenue is MJC AOA, LLC. Florida Irish Hospitality, LLC has a 5 year lease with an option for an additional 5 year renewal. The landlord is providing a Tenant Improvement Allowance of \$5.00 per square foot for hard construction cost of the improvements and the lease term will not commence until the tenant has secured a Certificate of Occupancy from the City of Fort Lauderdale for the improvements. In addition, the landlord is providing a rent reduction of 50% of the rent amount for the first three months. The landlord requires that the ML Jones Construction Company, an affiliate of the landlord, be utilized for construction of the major tenant improvements such as plumbing, HVAC and electrical systems calculated on a cost basis plus 15% for general and administrative overhead and profit.

The managers of Florida Irish Hospitality, LLC are James Campbell and Arthur Duffy. James Campbell is the owner of Marine Hospitality, a premier yacht charter company that owns Anticipation Luxury Yachts that are rented for corporate functions, weddings, dinner parties, and other events. Marine Hospitality also operates Riverfront Cruises and Tiki Queen Dinner Cruises along with a water taxi service called Water Shuttle. James Campbell also leases from the City of Fort Lauderdale the Historic River House (formerly the historic Bryan Homes Restaurant and Chart House) on the New River which he restored and operates as a banquet facility for elegant fine dining in a historic setting (Exhibit 3). Arthur Duffy is owner of Adco Technology Solutions, a computer leasing company and has degrees in accounting and finance. Together they bring substantial knowledge and experience in business development and operations and in successful dining establishments and the hospitality industry. The new restaurant projects a profit the first year of operations.

James Campbell is co-chair of the annual Fort Lauderdale Saint Patrick's Day Parade and Director of the South Florida Irish American Chamber of Commerce. In 2017, Maguires Hill 16, a very popular Irish pub and restaurant on Andrews Avenue in Flagler Village closed its doors after fifty years when the property was purchased for redevelopment. While Mr. Campbell was not affiliated with that business, his desire is to have Molly Maguire's Pub and Eatery bring that same type of experience back to the CRA that will appeal to locals and visitors alike. In addition, it is anticipated to become a

destination in the Northwest portion of the CRA where the CRA has been advocating for the creation of an entertainment district. Located less than five blocks north of the Performing Arts Center, two blocks from the new Comfort Suites approved for Avenue of the Arts, and three blocks from the 18-story Flagler Village Hotel under construction at 315 NW 1 Avenue, Molly Maguire's Pub and Eatery is anticipated to draw visitors, theatergoers, families, and others looking for a unique dining experience. A successful and popular restaurant operation at this location will increase the confidence of other operators in the area and help spur additional development, attracting other restaurants and businesses to the NW portion of the area.

Molly Maguire's Pub and Eatery is projected to create 24 new jobs and will target 20% to include CRA residents. This exceeds the federal standard of 1 job for every \$35,000 in public assistance which equates to 14 jobs. With the approval of CRA funding, the project will commence in the fall of 2019 and be completed in the spring of 2020 or earlier if possible.

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. 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

There is a fiscal impact to the CRA in the amount of \$500,000 in Fiscal Year 2019 in the account listed below. The availability of these funds in the account listed below is contingent upon the approval of the City's Consolidated Budget CAM and CRA Budget Amendment CAM 19-0803 that will be presented on September 3rd, 2019.

Funds available as of August 16, 2019					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
119-CRA091902-4203	Property & Business Improvement Program FY 19	Other Operating Expenses/Redevelopment Projects	\$960,955	\$516,395	\$500,000
				TOTAL ►	\$500,000

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 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.
 - Objective 2: Facilitate a responsive and proactive business climate.

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 - Proposal and Application for Funding

Exhibit 3 - Additional Information

Exhibit 4 - PBIP Agreement

Exhibit 5 – Resolution

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