



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

**#20-0855**

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

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

**DATE:** December 2, 2020

**TITLE:** Resolution Modifying the Property and Business Improvement Incentive for Northwest-Progresso-Flagler Heights Area - **(Commission Districts 2 and 3)**

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**Recommendation**

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a Resolution modifying the Property and Business Improvement Incentive for the Northwest-Progresso-Flagler Heights Area.

**Background**

Section 8, Paragraph C, Financial Incentives, of the Northwest-Progresso-Flagler Heights Community Redevelopment Plan for Northwest-Progresso-Flagler Heights Area permits the creation of incentive programs to address “redevelopment obstacles”. Further, the incentives “may be modified, expanded, eliminated, or added as a new program at any time”.

One of the current incentives is the Property and Business Improvement Incentive which provides funding for eligible projects equal to the **lesser** of 90% of eligible costs or \$225,000 within the Focus Area\* and the **lesser** of 75% of eligible costs or \$225,000 outside the Focus Area.

In the past two years, staff has requested a waiver of the \$225,000 limit for the following projects and anticipate other projects in the pipeline will need forgivable loans in excess of \$225,000.

1. Smitty’s Wings (from \$225,000 to \$325,00, combined with Façade Program for a total of \$450,000) (existing roof could not accommodate new HVAC and exhaust system).
2. Junny Investment (from \$225,000 to \$290,000 with an allocation of \$325,000) (install underground storage tanks for stormwater management).
3. Provident Fort Lauderdale LLC (install underground storage tanks).

Each project met the guidelines and policy objectives of the CRA but were not viable without additional stimulus dollars from the CRA. Current applications received by the CRA indicate that capital needs of small businesses, in part, due to the need for infrastructure improvements, exceed the artificial limits set by prior administrations. Without this waiver, staff anticipates future requests for waivers for several projects. Consequently, staff is requesting the board approve a policy change to the Property and Business Improvement Incentive to facilitate current and future projects.

In response to the need for funding for infrastructure improvements and other project cost, staff recommends replacement of the prior Property Business Incentive Program (PBIP) incentive with the program guidelines attached. The significant change is the Award Guidelines section which has been modified as follows:

1. **If Total Project Cost is between \$250,000 and \$1,000,000,** the CRA, in its discretion, and subject to budget and appropriation, may fund up to the percentages set specified below depending on the area;

Inside Focus Area\*: not to exceed 75% of eligible project costs

Outside Focus Area: not to exceed 50% of eligible project costs

2. **If Total Project Cost is between \$1,000,001 and \$5,000,000,** the CRA at its discretion, and subject to budget and appropriation, may fund up to the percentage set forth below:

Inside and Outside the Focus Area: Not to exceed 50% of eligible project costs

For Rehabilitation Projects only, the CRA board may allocate funding for unforeseen contingency in its award which allocation may not exceed 5% of total project costs and the total CRA funding may not exceed the funding limits under this incentive.

Although not presented to the Advisory Board, staff recommends maintaining the higher percentages for **smaller projects** as follows:

**If the Total Project Cost is less than \$250,000,** the CRA, in its discretion, subject to budget and appropriation, may fund, depending on the area, the percentages specified below:

Inside the Focus Area: 90% of the Eligible Project Costs;

Outside the Focus Area: 75% of the Eligible Project Costs

If the Total Project Costs exceed \$5,000,000, then the Development Incentive Program is the appropriate funding mechanism for that particular project.

The Proposed modification removes the \$225,000 maximum funding cap but lowers the percentage of funding for Within and Outside the focus areas from 90% to 75% within the Focus Area and from 75% to 50% outside the Focus Area for projects with a total project cost in excess of \$250,000.

The Northwest-Progresso-Flagler Heights Advisory board approved the Proposed Modification on August 11, 2020 by a vote of 10-1. Subsequent to the meeting, staff further revised the policy to eliminate certain costs eligible for reimbursement and removed the requirement to use approved CRA contractors. The requirement for the competitive pricing of the project has not been removed. All other elements of the PBIP program remain unchanged. All other incentives remain unchanged.

**\*Focus Area:** Sistrunk Boulevard between NW 24<sup>th</sup> Avenue and FEC Railway, one block north and south of Sistrunk Boulevard; as well as 9<sup>th</sup> Avenue (between Sunrise Boulevard and Broward Boulevard) and 7<sup>th</sup> Avenue (between Sunrise Boulevard and Broward Boulevard).

### **Resource Impact**

There is no fiscal impact required for this transaction. Funds totaling \$999,800 are allocated in the Property and Business Improvement Program (PBIP) for the Fiscal Year 2021 Budget.

### **Strategic Connections**

This item supports the *Press Play Fort Lauderdale 2024 Strategic Plan*, specifically advancing:

- The Business Development Focus Area
- Goal 5: Build an attractive global and local economic community marketplace.
- Objective: Nurture and support existing local businesses.
- Objective: Create a responsive and proactive business climate to attract emerging industries.
  
- The Neighborhood Enhancement Focus Area
- Goal 4: Build a thriving and inclusive community of neighborhoods.
- Objective: Work with partners to reduce homelessness by promoting independence and self-worth through advocacy, housing and comprehensive services.
- Objective: Ensure a range of affordable housing options.
- Objective: Create a continuum of education services and support.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plans: We Are Community and We are Prosperous*.

**Attachments**

Exhibit 1 - Proposed Property and Business Improvement Incentive

Exhibit 2 - Current Property and Business Improvement Incentive

Exhibit 3 - Advisory Board Minutes of Meeting August 11, 2020

Exhibit 4 - Resolution

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