



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#21-0133

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

FROM: Chris Lagerbloom, ICMA-CM, Executive Director

DATE: February 2, 2021

TITLE: Motion Approving a \$50,000 Commercial Façade Program Loan and a \$225,000 Property and Business Improvement Program Loan to Knallhart Holdings II, LLC for the Abbey Located at 441 NE 3 Avenue; and Authorizing the Executive Director to Execute Any and All Related Instruments and Delegating Authority to the Executive Director to Take Certain Actions – **(Commission District 2)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a Motion for a \$50,000 Commercial Façade Program Loan and a \$225,000 Property and Business Improvement Program (PBIP) Loan to Knallhart Holdings II, LLC for the Abbey located at 441 NE 3 Avenue, authorizing the Executive Director to execute any and all related instruments and delegating authority to the Executive Director to take certain actions, subject to review by the CRA General Counsel.

Background

This project consists of the renovation and reuse of the former First Evangelical Lutheran Church at 441 NE 3 Avenue for hospitality use. The stone veneered Romanesque church was constructed in 1921 and sits at the corner of NE 3rd Avenue and NE 5th Street (Exhibit 1). It was first built as St Anthony's Catholic Church who later sold it to the Lutheran Church when they outgrew the building and built a new church and school in Victoria Park. On June 6, 2017, the City Commission passed Resolution No. 17-121 designating 441 NE 3rd Avenue a Historic Landmark (Exhibit 2). The Lutheran Church sold the property to developers URBN Flagler LLC who purchased the property at 421- 441 NE 3rd Avenue in 2018. The church property became part of a larger redevelopment site proposed for mixed-use high-rise development. The historic designation preserves the appearance of the exterior facades of the original church structure and requires a 3,000 square feet of open space separation from the church and new mixed-use tower proposed for the site, along with reinstalling the stained-glass windows removed prior to the designation. A final Development Review Committee Certificate of Compliance was issued for the entire site on January 19, 2020 (Exhibit 3). The reuse of the church is consistent with what has been presented in development review.

David Cardaci, owner of Knallhart Holdings II, LLC has entered into a lease with URBN Flagler, LLC for the church property and to retrofit it to the new use. The estimated cost of the improvements is \$3,000,000 (Exhibit 4). Knallhart Holdings II, LLC is providing \$1,475,000 and the property owner has a \$1,250,000 bank loan that will be used for the project. The CRA funds will be secured by a second mortgage on the church property. The following provides the funding sources and uses for the project.

SOURCES	
Bank Loan	\$ 1,250,000.00
CRA Funds	\$ 275,000.00
Owner Equity	\$ 1,475,000.00
TOTAL	\$ 3,000,000.00

Uses	
Utility & Infrastructure	\$ 50,000.00
Building Rehabilitation	\$ 2,000,000.00
Equipment and fixtures	\$ 950,000.00
TOTAL	\$ 3,000,000.00

As new custodian of the long-dormant church, Mr. Cardaci is taking great effort to transform the former church into something the community can still enjoy that will include dining and music. He is respecting the existing architecture and giving the building new life. The renovations will include retrofitting the building and site for both indoor and outdoor dining with a 220-seat full-service restaurant, world class food, beverage, and event space. The project is estimated to create over 140 jobs in the hospitality area (Exhibit 5). The Abbey will have access to parking from a new 53-space private pay parking lot owned and managed by Asta Parking that has been constructed across the street at the Northwest corner of NE 3RD Avenue and NE 5th Street, directly north of the project. There is also on-street parking on NE 3RD Avenue, NE 5th Street and surrounding streets. Photos of the property, adjacent parking and project plans are attached as Exhibits 6 and 7.

David Cardaci is a local hospitality veteran who began investing in the CRA in 2014 when he purchased a rundown former gas station and turned it into The Whole Enchilada fast casual Mexican restaurant in the 800 block of Federal Highway. He has since continued to invest in the CRA opening Rhythm and Vine in 2015, a popular community beer garden located at 401 NE 5th Terrace, and in 2020 he opened Roxanne's Bar and Kitchen at 823 North Federal Highway in the CRA (Exhibit 8). Mr. Cardaci and his wife, Vanessa, specialize in creating diverse restaurant and event venues with a mission to be the most interesting and guest centric hospitality group where guests can expect a unique and special experience. Background information on David and Vanessa Cardaci, along with the rest of the management team, and a copy of the Business Plan for The Abbey are attached as Exhibit 9. A copy of the CRA Application for Funding is attached as Exhibit 10.

With all the new mid to high-rise construction projects within Flagler Village, it is important to find ways to preserve the remaining historic and iconic structures in the area and find new uses for them, when necessary, to preserve the fabric and history of the area. This project helps maintain the history and scale of the urban village, while bringing active uses to the neighborhood that are unique and that help create a vibrant place to live, work and recreate. The CRA Advisory Board unanimously recommended approval of this project at their meeting of January 12, 2021 (Exhibit 11). Project completion is estimated to occur in in 2021.

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 Plan strategic objectives and goals 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

Funds for this agreement in the amount of \$275,000 are available in Fiscal Year 2021 in the accounts listed below.

Funds available as of January 11, 2021					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
119-CRA092101-4203	Commercial Façade Improvement Program FY 21	Other Operating Expense/Redevelopment Projects	\$449,800	\$449,800	\$50,000
119-CRA092102-4203	Property and Business Improvement Program FY 21	Other Operating Expense/Redevelopment Projects	\$1,499,800	\$1,477,300	\$225,000
				TOTAL ►	\$275,000

Strategic Connections

This item is a *2020 Commission Priority*, advancing the Community Redevelopment Agency (CRA) Build Outs initiative.

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

- The Business Development Focus Area
- Goal 5: Build an attractive and proactive business climate to attract emerging industries
- Objective: Nurture and support existing local businesses

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 - Historic Landmark Designation – Resolution No. 17-121
- Exhibit 3 - Final Development Review Committee Approval
- Exhibit 4 - Renovation Cost Schedule of Values
- Exhibit 5 - Jobs to be Created
- Exhibit 6 - Photos of Property and Private Pay Parking Lot
- Exhibit 7 - Project Plans
- Exhibit 8 - David Cardaci's Other Completed CRA Projects
- Exhibit 9 - Management Team and Business Plan
- Exhibit 10 - Application for Funding Assistance
- Exhibit 11 - January 12, 2021 CRA Advisory Board Draft Minutes
- Exhibit 12 - Commercial Façade Program Agreement
- Exhibit 13 - Property and Business Program Agreement

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