



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#20-0923

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

FROM: Chris Lagerbloom, ICMA-CM, Executive Director

DATE: November 17, 2020

TITLE: Motion Approving a Property and Business Improvement Program Incentive Forgivable Loan in the Amount of \$225,000 to The Blue Tree Café, LLC for The Blue Tree Café, a Multi-Brand Virtual Kitchen and Restaurant Proposed at 612 NW 9th Avenue - **(Commission District 2)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a forgivable loan in the amount of \$225,000 to The Blue Tree Café, LLC for *The Blue Tree Café*, a multi-brand virtual kitchen and restaurant proposed at 612 NW 9th Avenue, Fort Lauderdale, FL 33311, and authorize the Executive Director to negotiate and execute the development 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

This item was brought before the CRA Board at its October 20, 2020 meeting as CAM #20-0612. Pursuant to the CRA Board's request that this project be introduced to the surrounding Neighborhood Associations, this item is presented again with the requested information. The Developer has presented her project to the Historic Dorsey Riverbend Civic Association at their regularly scheduled meeting on October 26, 2020, where it was enthusiastically approved. The official letter of support is attached in Exhibit 8. On November 5, 2020, she made a presentation to the Progresso Village Civic Association. Her project was well-received and unanimously approved. The Developer also made a presentation to the Durrs Community Association and gained their support.

The CRA has received an application from The Blue Tree Café, LLC, seeking \$225,000 from the CRA's Property and Business Improvement Program for the build out of *The Blue Tree Café*, a multi-brand virtual kitchen and restaurant. The restaurant will introduce a Southern Style menu with a healthier version of Soul Food, as well as a Vegan and low sodium menu, while offering carry-out service, delivery and catering at NW 9th Avenue and Sistrunk Boulevard. A copy of the Location Map, Broward County Property Appraiser Information, Renderings of the proposed Property, Cost/Funding Breakdown, Funding Application and Business Plan are attached as Exhibits 1 through 6. This item was

approved by the Northwest Progresso Flagler Heights (“NPF”) CRA Advisory Board at its meeting of July 14, 2020 (Exhibit 7).

The maximum incentive funding allowed under the CRA Property and Business Investment/Improvement Program (“Program”) is \$225,000. Sistrunk and NW 9th Avenue is within the CRA Focus Area, where the CRA Property and Business Improvement Program can provide for up to 90 percent of the cost of renovation or new construction, but not to exceed the amount of the award. The Program has a special emphasis on attracting new restaurants to the CRA and can also pay for restaurant equipment. The applicant is requesting \$225,000 from the CRA Property and Business Improvement Program for the build out of her restaurant. The estimated total improvement cost is projected at \$265,500.00, consisting of \$135,000.00 in hard construction costs for the build-out of the restaurant, and approximately \$130,500.00 for equipment, pre-construction costs and incidentals. The CRA funding represents approximately 84% of the total project cost. The developer is responsible for all expenses above and beyond the CRA contribution of \$225,000.00.

The property is owned by Provident Fort Lauderdale, LLC, which acquired the five-bay structure on 5/23/2017 and is in the process of renovating and modernizing it. While the structural renovations are complete, the site work, including the landscaping, parking lot and streetscape, is expected to be finalized within two months. There is one existing mortgage on the property in the amount of \$420,000, held by the CRA. The CRA will have a second priority mortgage position for this project, as well as a UCC filing for the equipment. The CRA funding will be provided as a loan, forgiven after 5 years. Except for the requested CRA contribution, the applicant is funding the project with her own capital and a bank loan.

The Blue Tree Café will consist of two “virtual” restaurants. The Vegan restaurant will offer plant based and low sodium menu items, while the Southern Style restaurant will feature a healthier version of Soul Food. Both restaurants will focus on fresh, organic, locally grown and sourced products and ingredients. *The Blue Tree Café’s* goal is to support responsible, sustainable and environmentally friendly farming and growing techniques, while also focusing on green packaging and locally sourced materials. Customers who order food through tech-enabled ordering platforms for take-out, curbside pick-up or delivery will be able to see the kitchen operation online and to interact with the “virtual” chefs. This adds an additional attractive and personalized feature to *The Blue Tree Café*.

The restaurant will be owned and operated by Chef Sharon Allen, who has extensive experience in various restaurant and event catering venues. She began her career over 10 years ago with a food truck, preparing healthy smoothies, conch fritters and various other menu selections at festivals and food truck events. She also operated tents at homecoming and other large events such as the Funk Fest. Chef Allen then proceeded to catering from a certified kitchen to childcare facilities and public and private events. She currently cooks and caters from a 7,000 square foot professional kitchen, which is shared by over 40 chefs. Her growing customer base includes Broward County Transit, the Hollywood Police Department, various Broward County offices, as well as many other

public and private events. Most recently, she was selected as one of the caterers for the Super Bowl. As Chef Allen's customer base steadily grows, she is ready to expand her successful operation to her own kitchen and restaurant.

From its central location, the restaurant, with its delivery and carry-out service, will be able to reach a broad customer range to the East and West of NW 9th Avenue, as new housing is being built and more people move to the area. Chef Allen plans to collaborate with another company that will provide vehicles for food deliveries. She is also planning to add bicycles for deliveries within a one to two-mile radius of the restaurant.

Chef Allen and her team propose to employ approximately five full-time employees from the Sistrunk area in various capacities, such as chefs, cashiers, delivery drivers and event servers. This number will increase as her business grows. *The Blue Tree Café* will offer a training program for all staff to ensure quality and compliance with required food prep and serving standards, as well as compliance with all health requirements. New employees will be trained to become diligent professionals with strong work ethics, to meet and exceed customers' expectations. Chef Allen is passionate about preparing consistently top-quality, healthful food, made with the freshest, locally sourced organic ingredients. Her priorities are food quality and value, with the aim of developing a loyal repeat customer base. The company projects a positive cash flow in the first year of operation.

The approximately 988 square foot restaurant space will include two cooking islands, walk-in refrigerators and prep table areas, separating the vegan food preparation from the other areas, an ADA compliant restroom, an office and a front counter. The space can be easily converted to fit dine-in tables once the current restrictions are lifted and the dine-in option once again exists. The front and back outdoor areas offer additional space for dining tables.

CRA funds are being provided to help develop a superior restaurant and reduce business risk to help assure the company's success. The CRA has assisted other businesses in the area to help activate restaurant and retail uses which have otherwise been slow in coming.

Business development provides jobs, enhances neighborhood safety, contributes to a vibrant environment of activity and growth and creates community. Successful local businesses help reduce blight and crime, help reinforce investments made in housing and other redevelopment efforts and create community. The CRA should continue funding new small business opportunities throughout the CRA that benefits the area.

Copies of the Location Map, Broward County Property Appraiser Information, Construction Renderings, Cost/Funding Breakdown, Proposed Property and Business Improvement Program Agreement, Funding Application/Business Plan and NPF CRA Advisory Board Minutes of July 14, 2020 are attached as Exhibits 1 through 7.

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 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

There is a fiscal impact to the CRA in the amount of \$225,000 in Fiscal Year 2021 in the account listed below.

<i>Funds available as of November 10, 2020</i>					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUBOBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
119-CRA092102-4203	Property & Business Improvement Program FY 21	Other Operating Expenses/Redevelopment Projects	\$999,800	\$999,800	\$225,000
				TOTAL ►	\$225,000

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: Create a responsive and proactive business climate to attract emerging industries
- Objective: Nurture and support existing local businesses
- Objective: Create educational pathways and partnerships for workforce development

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 – Broward County Property Appraiser Information

Exhibit 3 – Construction Plans and Renderings

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Exhibit 4 – Cost and Funding Breakdown
Exhibit 5 – Property and Business Investment Program Agreement
Exhibit 6 – CRA Funding Application/Business Plan
Exhibit 7 – NPF CRA Advisory Board Approved Minutes of 7/14/2020
Exhibit 8 – Neighborhood Association Letter of Support

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