



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#21-0319

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

FROM: Chris Lagerbloom, ICMA-CM, Executive Director

DATE: November 16, 2021

TITLE: Resolution Approving a \$4,000,000 CRA Development Incentive Program Loan to 909 NW 6th St. LLC for a Mixed-Use Commercial Development Project to be Located at 909 Sistrunk Boulevard, Authorizing the Executive Director to Execute Any and All Related Instruments, and Delegating Authority to the Executive Director to Take Certain Actions - **(Commission District 3)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a Resolution for a \$4,000,000 Development Incentive Program (DIP) loan to 909 NW 6th St. LLC for a mixed-use commercial development project located at 909 Sistrunk Boulevard and authorize the Executive Director to execute any and all related instruments and delegate authority to the Executive Director to take certain actions.

Background

The CRA has received an application for funding from 909 NW 6th St. LLC requesting \$4,000,000 from the Development Incentive Program (DIP) for construction of a new mixed-use commercial development project to be located at 909 Sistrunk Boulevard. A copy of the Location Map is attached as Exhibit 1. A copy of the Developer's Application for Funding Assistance is attached as Exhibit 2.

This project will be constructed on the former site of Bass Brothers Supermarket, located on the northwest corner of Sistrunk Boulevard and Northwest 9th Avenue. The property was purchased by the Developer in August 2019 for \$2 Million and the existing building on the site is now vacant, pending demolition. A copy of the Broward County Property Appraiser information for the property is attached as Exhibit 3. The 26,277 square foot site is zoned as Northwest Regional Activity Center Mixed Use west (NWRAC-MUw) and located in the Northwest Regional Activity Center in the CRA Incentive Funding Focus Area. The zoning allows for a building height of 45 feet by right and the Developer proposes to construct a new signature, contemporary four story commercial mixed-use building of over 76,000 square feet consisting of 3,335 square feet of restaurant, food and beverage use, 7,660 square feet of retail, 18,442 square feet of office, 2,865 square feet of common area and 44,658 square feet of parking garage with more than 80 parking

spaces. A copy of the project plans is attached as Exhibit 4. The project was approved by the City's Development Review Committee (Exhibit 5).

The Developer, 909 NW 6th St. LLC, is an affiliated company of Fuse Group Investment Companies who has been investing in the CRA and specifically the Sistrunk area for the last four years. Across the street from the proposed project, they own the commercial complex called "The Pharmacy" located at 900, 914, and 930 Sistrunk Blvd where the CRA offices are located and where the Developer also has their corporate offices. They successfully renovated The Pharmacy in 2020 with \$748,500 in CRA funding assistance. They are currently renovating the building directly east of the 909 Sistrunk Blvd proposed project called "The Provident" for new commercial uses that include the Blue Tree Café restaurant. The Provident, located at 612 NW 9th Avenue, was previously approved for \$450,000 in CRA funding assistance in 2017 and 2019. Also approved was the buildout for Blue Tree Café. It was awarded \$225,000 in CRA funding in 2020. Renovations to The Provident are underway. They have also made a major investment in property on the north and south sides of Sistrunk between NW 8th Avenue and NW 9th Avenue, along NW 7th Avenue, and at the northeast corner of Sistrunk Boulevard and NW 7th Avenue for redevelopment. A map showing their property holdings in the CRA are attached as Exhibit 6 and represents a total property investment to date of over \$13 million.

The Fuse Group Investment Companies' mission statement is to "make the Sistrunk District Area a vibrant epicenter which is full of life and occupied by businesses, retail, restaurants, lifestyle and entertainment to serve and empower the community by providing the infrastructure and transforming the visual experience in the area". The proposed project at 909 Sistrunk Blvd is part of their redevelopment vision for restoring a vibrant business community to the Sistrunk area.

Their vision for 909 Sistrunk Boulevard is a first-class modern work, lifestyle, and entertainment center that incorporates design and architecture that will attract business drivers and inspire them to create and facilitate additional business development. This grand vision includes workspace, business think tank, restaurants, entertainment, yoga and holistic center and boutique stores with a strong engagement from the community to assure the concept's success. The Developer has estimated that the project will create an estimated 150 jobs consisting of 16 in the food and beverage field, 8 in retail, 123 in office and 4 in property management and maintenance (Exhibit 7).

The managing member of 909 NW 6th St. LLC is Eyal Peretz, Chief Executive Officer of Fuse Group Investment Companies. A copy of Mr. Peretz's qualifications and that of his team are attached as Exhibit 8.

The Project represents a total capital investment of \$16,578,836 (Exhibit 9) with this CRA funding request representing 24.13% of the total project cost. A comparison of the CRA investment on this project to other CRA DIP funded projects is provided below:

Project	Estimated Capital investment (ECI)	DIP Award	DIP Award Percentage of ECI
Hoover Awnings	\$1.5 Million	\$1.1 Million	73.33%
YMCA	\$15 Million	\$10 Million	66.70%
Thrive Progresso	\$4.5 Million	\$2.5 Million	55.56%
Wright Dynasty	\$7.1 Million	\$3.0 Million	42.15%
Memphis Blues	\$3.8 Million	\$1.5 Million	39.47%
Jack and Jill	\$7.1 Million	\$2.5 Million	34.79%
Sistrunk Market	\$5.9 Million	\$1.4 Million	23.30%
Sistrunk Townhomes	\$6.9 Million	\$1.5 Million	21.70%
Six 13	\$33.5 Million	\$7 Million	20.80%
Triangle Services	\$7.8 Million	\$1.5 Million	19.02%

A copy of the funding sources and uses for this project are provided below.

SOURCES	
Bank Loan	\$ 5,000,000.00
CRA Funds	\$ 4,000,000.00
Owner Equity	\$ 7,578,836.99
TOTAL	\$ 16,578,836.99

USES	
Purchase Land Cost	\$ 2,000,000.00
Construction Soft Cost	\$ 1,248,292.47
Construction Hard Cost	\$ 11,954,413.58
Permitting	\$ 275,226.19
Insurances	\$ 137,613.09
Contingency	\$ 275,226.19
Contractor Profit/Overhead	\$ 688,065.47
TOTAL	\$ 16,578,836.99

The CRA Advisory Board unanimously recommended approval of this item at their meeting of January 12, 2021 (Exhibit 10).

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 program 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 will be a fiscal impact to the CRA in the amount of \$4,000,000. This funding is contingent upon the approval of the City's consolidated budget amendment and the CRA budget amendment (CAMs 21-0926 and 21-0781) allocating funds to the CRA Business Incentive Debt Fund. Funds for this transaction are also contingent upon the approval of a \$22,520,000 loan between Truist Bank, the CRA, and City of Fort Lauderdale (CAMs 21-0720 and 21-0721).

Funds available as of October 22, 2021					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
120-CRA092113-4203	CRA Business Incentive – Debt	Other Operating Expenditures/Redevelopment Projects	\$0	\$0	\$4,000,000
TOTAL ►					\$4,000,000

Strategic Connections

This item is a *2021 Commission Priority*, advancing the Smart Growth 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 business

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

This item supports the Advance Fort Lauderdale 2040 Comprehensive Plan, specifically advancing:

- The Business Development Focus Area
- The Economic Development Element
- Goal 2: Enhance the economic competitiveness of Fort Lauderdale through policies and encourage retention and recruitment of business and industry which provide living wage employment and increased training and competitiveness in the local workforce

Related CAMs

#21-0720, #21-0721, #21-0781, and #21-0926

Attachments

Exhibit 1 - Location Map
Exhibit 2 - Application for Funding Assistance
Exhibit 3 - Broward County Property Appraiser Information
Exhibit 4 - Project Plans
Exhibit 5 - Development Review Committee Approval Letter
Exhibit 6 - Fuse Group Properties
Exhibit 7 - Jobs to be Created
Exhibit 8 - Fuse Group Project Team
Exhibit 9 - Estimated Project Cost and Funding Commitments
Exhibit 10 - January 12, 2021 CRA Advisory Board Approved Minutes
Exhibit 11 - Development Incentive Program Letter of Intent
Exhibit 12 - Resolution

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