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Title: APPROVING THE NEW BUSINESS INCENTIVE GRANT PROGRAM GRANT AGREEMENT WITH CULVER'S OF MARGATE, LLC IN AN AMOUNT NOT TO EXCEED \$147,900.

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Date	Ver.	Action By	Action	Result
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TO: Chair and Members of the Board

FROM: Jeffrey Oris, CECD., Executive Director

DATE: November 13, 2019

APPROVING THE NEW BUSINESS INCENTIVE GRANT PROGRAM GRANT AGREEMENT WITH CULVER'S OF MARGATE, LLC IN AN AMOUNT NOT TO EXCEED \$147,900.

BACKGROUND:

In an effort to attract new business to the Margate CRA district, the MCRA Board adopted a New Business Incentive Grant program at its July 29, 2019 meeting. The objectives of the grant program were stated as to:

- Attract new businesses
- Increase economic activity within the community.
- Promote job creation.
- Incentivize private sector investment.
- Expand the tax base.
- Preserve the quality of life for residential and corporate residents.
- Promote the objectives of the Margate Community Redevelopment Plan.
- Create positive momentum towards community development.

On August 12, 2019, the MCRA received an application to this new program from Culver's of Margate, LLC. Staff reviewed the application as to its completeness and applicability to the eligibility conditions established by the adopted program.

The conditions/with review of Culver's of Margate, LLC application

Eligible Businesses

- 1) Operating space must be located within the boundaries of the Margate Community Redevelopment area (map below). Residentially zoned properties, as well as properties that will be occupied by business that are exempt from ad-valorem taxes are not eligible.

The Proposed business, a Culver's restaurant, is to be located at 5510 West Copans Road in Margate which is within the geographic boundaries of the MCRA. The property is, and will continue to be a taxable property. (the grant agreement prohibits the leasing of the site or any portion thereof to a non-taxable entity without repayment of the grant)

- 2) The commercial business must provide proof that it is properly registered with the State of Florida's Division of Corporations at the time of application.

Proof of registration with the State is included in the application and has been verified by CRA Staff.

- 3) Operating space must be a new commercial building with commercial elements with uses permitted by applicable land use codes. A new commercial building is defined as a standalone building which is not an expansion of an existing building that has not received a final building permit inspection.

The site Culver's is seeking to build on is currently vacant zoned appropriately for a restaurant use. The application proposes a new building with appropriate site amenities/services to be constructed on the site.

- 4) Eligible participants may be individuals, sole proprietorships, partnerships or any other legally identified form of a for profit business owner.

The Application contains information verified via the State of Florida's Sunbiz website to be up to date and accurate that the applicant is a Limited Liability Company which is a legally identified form of for-profit business owner in the State of Florida.

- 5) The applicant must own the real property in fee simple at the time of the execution of the security agreement and promissory note. The grant award shall contain a condition that MCRA shall not provide any grant funds to the applicant unless the applicant provides proof of ownership of the real property. Proof of ownership shall be provided through a copy of the recorded deed, and a title opinion issued within thirty (30) days of the execution of the security agreement and promissory note.

Culver's application shows that the land is owned by a company controlled by the owners of Culver's LLC. Additional research uncovered that Culver's of Margate, LLC is listed on the Broward Property Appraiser's website as the current owner. Either way, the property is not required to be owned by the applicant business until execution of the security agreement and promissory note which will happen before any reimbursement is made under this grant

- 6) The proposed project must comply with the MCRA Redevelopment Plan, applicable City of Margate land use regulations and current City of Margate Code requirements, subject to review/approval by the City of Margate's Development Services Department, Building Department, MCRA staff and MCRA Board.

Staff has reviewed these conditions and has found that the project complies with Redevelopment Plan and the City's land use regulations and code requirements.

- 7) Improvements must support the objectives and goals of the MCRA Redevelopment Plan.

The proposed project is consistent with the following goals and objectives of the Redevelopment Plan

B. Redevelopment Policy- Goal III - Encourage the acquisition, demolition, and reuse of those properties, which, by virtue of their location, condition, or value no longer function at their highest potential

economic use, are blighting influences or have a negative effect on revitalization efforts.

Objective: 4. The Agency will continue to encourage partnerships among the property owners, the private sector, and the public sector in order to implement proposed redevelopment projects that will achieve public goals.

C. Economic Development- Goal I - Establish a diverse, identifiable character for the City within the Redevelopment Area while promoting economic vitality through private sector investment.

Objective: 5. The Agency will expand the economic base of the Redevelopment Area retaining existing jobs while creating new diverse employment opportunities by implementing the TOC zoning districts, creation of art and culture venues and initiatives, City Center redevelopment, improvements to the industrial park, medical district, and other employment centers.

Objective 6: The Agency will create investment opportunities that will increase the tax base thereby generating additional revenues to finance actions that support public

Culver's of Margate, LLC has, in accordance with the program requirements, submitted two bids/quotes for the construction and furnishing of the project. The average of which the grant award is based upon. All of the anticipated projects costs are outlined in the application (which is a part of the agenda item). For brevity, all that will be listed in this memorandum are the allowable expenses that are reimbursable. Using these figures and the maximum grant award of 5% reimbursement of allowable expenses, the maximum reimbursement and thus the grant award is calculated as follows:

Costs Requested for Partial Reimbursement

Building/Sitework Construction	\$2,259,000
Furniture, Fixtures & Equipment	530,000
Transit Concurrency Impact Fee	71,000
Water & Sewer Connection Fees	41,000
Underground Utility Trust Fund	42,000
Police Impact Fee	8,000
Fire Impact Fee	7,000
TOTAL ALLOWABLE EXPENSES:	\$2,958,000

Multiplied by the 5% reimbursement rate:

REQUESTED INCENTIVE GRANT: \$147,900

RECOMMENDATION:

Staff found Culver's of Margate, LLC to have submitted a complete application in accordance with all program guidelines with all required information present in the application package. Staff has fully reviewed the application and has found it in compliance with the adopted program guidelines.

FISCAL IMPACT:

This grant would provide for a maximum grant award and thus immediate cost to the CRA of \$147,900. This amount is

within currently available budgeted amounts for this grant program

The applicant has submitted information in their application that indicates the CRA could expect to receive \$64,093 in increased increment revenue through the remainder of its life term.

Revenues to other government jurisdictions are projected and included in Section 13 of Culver's of Margate, LLC's application.

CONTACT PERSON: Jeffrey Oris, CEcD., Executive Director