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Title: APPEAL OF DISALLOWED GRANT REIMBURSEMENT FOR THE TRUONG PROPERTY MANAGEMENT, LLC (VO AN RESTAURANT)

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Attachments: 1. BACKGROUND: GRANT AGREEMENT, 2. BACKGROUND, 3. BACKGROUND: CURRENT GRANT GUIDELINES

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

FROM: Jeffrey L. Oris, Executive Director

DATE: March 11, 2020

APPEAL OF DISALLOWED GRANT REIMBURSEMENT FOR THE TRUONG PROPERTY MANAGEMENT, LLC (VO AN RESTAURANT)

BACKGROUND: Staff reviewed the invoices and other documents that were submitted by The Truong Property Management, LLC in accordance with the MCRA's Existing Commercial and Industrial Property Improvement Loan program. The signed grant agreement allowed for certain deposits to be made on materials and work in advance of the approval and execution of the grant agreement (the grant was approved at the March 13, 2019 MCRA Board meeting but was not executed by both parties until May 8, 2019), and provided that all work must be done after the execution of the grant agreement. There remains, however, an invoice that staff is not comfortable approving.

One expenditure in the amount of \$34,700 to Sun Air Windows of Florida, Inc. The Sun Air Windows agreement is for windows and doors and it specifies that there is to be a 50% deposit of \$17,350 with the balance to be paid after installation of \$16,350 and \$1,000 after inspections. The grant was written such that a deposit on any item can be reimbursed provided the work to install it was done after the execution of the grant agreement. However, the deposit was paid for the windows with a check written on November 7, 2018 that posted at Bank of America on November 7, 2018, and the full balance on the contract was paid by a check written on December 17, 2018 and which posted at Bank of America on December 18, 2018. It should be noted that the permits for the installation of these items was released by the Margate Building Department on June 12, 2019 with final inspections approved on October 29, 2019.

Staff is uncomfortable allowing this expense as a reimbursement as the entire amount of the contract was paid before the execution of the agreement. Because the contract stipulated that 50% of the cost was to be paid "after installation" and "after inspection" and it was all upfront, this leaves doubt as to when the work was actually done. In addition, Truong

Property Management, LLC has not provided an invoice for this work, they have only provided what appears to be a signed proposal and copies of cancelled checks.

This item came before the Board at the MCRA meeting on February 12, 2020 and was tabled to this meeting. The Board asked the date the grant guidelines and program were adopted. As a follow-up, Staff determined that the Existing Commercial and Industrial Property Improvement program was approved by resolution 557 on July 10, 2018. Staff is seeking clarification from the Board as to whether they feel this is an appropriate reimbursement and whether such reimbursement should be made to the grantee.

RECOMMENDATION: Staff does not recommend this expenditure be reimbursed because it was wholly paid for prior to the grant agreement's approval and execution.

FISCAL IMPACT: \$27,760.00 would not be reimbursed if this expense is disallowed.

CONTACT PERSON: Jeffrey L. Oris, Executive Director