



Cover Memorandum/Staff Report

File #: 18-0224 CRA

Agenda Date: 1/15/2019

Item #:

TO: CRA Board of Commissioners
FROM: Elizabeth Burrows, Economic Development Manager
THROUGH: Jeff Costello, CRA Executive Director
DATE: January 15, 2019

REQUEST TO AMEND SITE DEVELOPMENT ASSISTANCE GRANT AGREEMENT - CEASAR'S CATERING & MORE, LLC (37 SW 5TH AVENUE)

Recommended Action:

Direct CRA general counsel to prepare and the CRA Chair to execute an amendment to the existing Site Development Assistance Grant Agreement with Ceasar's Catering & More, LLC for the interior and exterior improvement project located at 37 SW 5th Avenue, increasing the maximum funding amount to \$56,235.91, including the additional eligible expenses as described in the funding request letter, and modifying Section 4 to allow for bi-weekly funding disbursements, to be paid either by reimbursement to the grantee or directly to the vendor, after the work has been completed.

Background:

Since 1994, Ceasar's Catering & More, LLC has provided Delray Beach and the South Florida community with award-winning barbecue. Although the business began as a catering service and mobile enterprise, the owners-Mr. & Mrs. Bill and Pauline Ceasar-have decided to open their first brick-and-mortar restaurant to satisfy the growing demand for their food. The business secured a 5-year lease on the 800 square-foot commercial building located at 37 SW 5th Avenue, in Sub-Area #3 of the CRA District, which required interior renovations to retrofit the space to serve as a restaurant.

To help offset the cost of the project, the CRA Board approved a Site Development Assistance grant agreement with the business at the regular meeting held on June 11, 2018, for an amount not to exceed \$27,711.12. Pursuant to program guidelines, the reimbursement rate was calculated at 100% of the first \$10,000 of eligible expenses, and a 40% reimbursement rate thereafter, up to the maximum award. The approved grant is to be paid to the grantee by reimbursement, available in up to three (3) installments, with the final disbursement-equaling at least 25% of the approved award-to be held until after the project is complete and the City has issued all final inspections and a Certificate of Occupancy. To date, the CRA has disbursed one reimbursement payment in the amount of \$12,840.00.

Modified Funding Request:

Though construction commenced shortly after CRA Board approval of the funding agreement, the project later stalled due to complications related to the grease trap and hood installation. These challenges have resulted in not only significant delays to the project schedule, but also increases to the overall project cost, creating further obstacles to the business opening. On January 11, 2019, Ceasar's Catering & More, LLC submitted a letter requesting to modify their existing Site Development Assistance funding agreement to include new eligible expenses totaling \$28,524.79-to be funded at a rate of 100%-allowing for more frequent funding disbursements while construction is underway, and to allow for funds to be paid either by reimbursement to the grantee or directly to vendors. The requested amount includes the purchase and installation of a new grease trap, installation of a new hood system, associated design and engineering fees, upgrades to the paver brick

area in the front of the building, and a proposed awning over the entrance.

Staff supports amending the existing Site Development Assistance funding agreement to include all the proposed costs, as they qualify as standard eligible expenses under the program guidelines. Additionally, staff also supports the grantee's request to modify the terms of funding disbursement to allow for both reimbursements to the grantee and direct payments to vendors, as the Paint-Up & Signage Program has similar provisions. And while staff is also supportive of making more frequent funding disbursements available to either the grantee or vendors, the agency's administrative capacity allows only for bi-weekly payments, as opposed to weekly payments referenced in the letter. It should also be noted that should the board approve the request to include the new expenditures in the funding agreement to be fully funded, the total maximum funding award of the agreement would increase to \$56,235.91, exceeding the program's established maximum award amount of \$50,000. Two sections of the program guidelines provided discretion for the CRA Board to deviate from program standards as deemed appropriate:

"For projects in target areas of the CRA District (Sub-Areas #3, #4, #7 and #8), reimbursement is at the approved grant award rate of 100% for the first \$10,000 of final eligible expenses, and 40% of the final eligible expenses thereafter, as presented for reimbursement, up to the maximum approved grant award, unless otherwise specified by the CRA Board."

(Site Development Assistance Program Guidelines, pg. 5, emphasis added)

"The CRA may impose any additional or alternate terms and conditions it deems appropriate to protect the assets of the organization, with regards to funding and reimbursement."

(Site Development Assistance Program Guidelines, pg. 6, emphasis added.)

Approval of the additional funding request from Ceasar's Catering & More, LLC will help further the CRA's mission by helping to facilitate a commercial improvement project that will enhance the value of the non-residential tax base and result in the activation of a previously dormant commercial space in a target area of the CRA District. The project will also further the CRA's economic development efforts by supporting the growth and expansion of a locally-owned small business, ultimately creating new jobs for Delray Beach residents and attracting additional vibrancy to the Historic 5th Avenue corridor.

It is noted Staff is planning a discussion item for the CRA's February 2019 agenda, for potential modifications to the existing funding assistance programs, as well as the establishment of new tools, in order to make more practical solutions available to businesses in CRA target areas. Pending the outcome of that discussion, staff would prepare specific updates for Board consideration in the near future.

Attachments: Exhibit A - Location Map; Exhibit B - Executed Site Development Assistance Grant Agreement; Exhibit C - Funding Request Letter; Exhibit D - Revised Funding Assistance Detail Sheet

CRA Attorney Review:

N/A

Finance Review:

N/A

Funding Source/Financial Impact:

\$28,524.79 allocated from General Ledger #7306 - Grant Programs - Site Assistance Grant.

Timing of Request:

N/A