



Legislation Text

File #: 18-0447 CRA, Version: 1

TO: CRA Board of Commissioners
FROM: Alexina Jeannite, Grant Manager
THROUGH: Renée A. Jadusingh, Esq., Executive Director
DATE: August 20, 2019

DISCUSSION - SITE DEVELOPMENT ASSISTANCE PROGRAM FUNDING ASSISTANCE
APPLICATION - CEASAR'S CATERING & MORE, LLC (37 SW 5TH AVENUE)

Recommended Action:

Execute a second amendment/modification to the existing Site Development Assistance Program Funding Agreement with Ceasar's Catering & More, LLC (Ceasar's) for the interior and exterior improvement project located at 37 SW 5th Avenue, to pay remaining project costs at a 100% reimbursement rate, to include all the proposed costs as they qualify as standard eligible expenses under the program guidelines, and not to exceed the remaining funds in the amount of \$34,612, on the condition that Ceasar's purchases and installs appliances and remaining equipment, and expends out of pocket costs necessary to operate the restaurant prior to the CRA's final payment/disbursement.

Background:

Ceasar's Catering & More, LLC began as a catering service and mobile enterprise, and decided to open their first brick-and-mortar restaurant to satisfy the growing demand for their food. In October 2017, the business secured a 5-year lease 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.

On June 11, 2018, at the CRA Board meeting, the Board approved a funding agreement under the Site Development Assistance Program 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. Under this funding agreement, Ceasar's completed: interior demolition; disconnection and cap off of water valves and exposed electrical wiring; reframing; new rough plumbing installation; new rough electrical installation; gas line rough installation; new drywall installation; and the ordering of new cabinets. The first payment reimbursed by the CRA to Ceasar's totaled \$12,840.00.

Complications related to a grease trap and hood installation arose, and to address the delays and increased costs as a result of these complications, on January 15, 2019, Ceasar's requested a modification to their Site Development Assistance Program funding agreement to include new and additional eligible expenses totaling \$28,524.79-to be funded at a rate of 100%. The request was approved and completed work under the modified agreement included the grease trap installation. The second payment reimbursed by the CRA to Ceasar's totaled \$8,783.00.

To date, total investments to the Ceasar's project total \$30,883, of which \$21,623 is the CRA's investment (70%). As shown in Table 1 below, the CRA has disbursed two payments—\$12,840.00 (under the original funding agreement) and \$8,783.00 (under the modified agreement). Approximately \$34,612.79 of the maximum award of \$56,235.91 is remaining.

TABLE 1	AWARD AMOUNT	ACTUAL PAID BY CRA	GRANT BALANCE
Max Grant Award (Original)	\$27,711.12	12,840.00	\$14,871.12
Max Grant Award (Additional Costs)	\$28,524.79	\$8,783.00	\$19,741.79
TOTAL	\$56,235.91	\$21,623.00	\$34,612.79

Since the award, the overall project scope has been scaled back and the total project cost has been reduced. Ceasar's estimate the remaining project costs to be **\$42,383.00**. Ceasar's has requested that 100% of the remaining award be paid out in order to complete the project.

Approval of their request 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.

Two sections of the program guidelines provide 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 75%* 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. 5, emphasis added.)

*As of April 11, 2019, the Board approved guidelines allowing for up to 75% reimbursement of final eligible expenses for a project. However, Ceasar's agreement, which predates the revised guidelines, stipulates a 40% reimbursement rate of final eligible expenses.

Staff recommends that the CRA Board authorize the execution of a second amendment/modification to the existing Site Development Assistance Program Funding Agreement with Ceasar's Catering & More, LLC (Ceasar's) for the interior and exterior improvement project located at 37 SW 5th Avenue, to pay remaining project costs at a 100% reimbursement rate, to include all the proposed costs as they qualify as standard eligible expenses under the program guidelines, and not to exceed the remaining funds in the amount of \$34,612, on the condition that Ceasar's purchases and installs appliances and remaining equipment, and expends out of pocket costs necessary to operate the restaurant prior to the CRA's final payment/disbursement.

Attachments: Exhibit A - Site Development Assistance Program Guidelines; Exhibit B - Location Map; Exhibit C - Photos of Existing Conditions; Exhibit D - Project Timeline

CRA Attorney Review:

N/A

Finance Review:

Reviewed by Lori Hayward, CRA Finance & Operation Director.

Funding Source/Financial Impact:

\$34,612.79 allocated from General Ledger #7306 - Grant Programs - Site Assistance Grant.