



## CRA – Special Call Agenda Request Form

Meeting Date: April 19, 2023

Agenda Item No.

**Agenda Title:** A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE TOWN OF LAKE PARK, FLORIDA, AUTHORIZING AND DIRECTING THE CHAIRMAN TO SIGN A FIRST AMENDMENT TO THE GRANT AGREEMENT WITH OCEANA LOGISTICS INTERNATIONAL, INC., KISS KITCHENS LLC, AND FLORIDA CANNING COMPANY LLC; AND PROVIDING FOR AN EFFECTIVE DATE.

[ ] SPECIAL PRESENTATION/REPORT [ ] CONSENT AGENDA  
[ ] OLD BUSINESS [X] **NEW BUSINESS: Resolution**  
[ ] DISCUSSION FOR FUTURE ACTION [ ] OTHER: General Business

Approved by Executive Director: John D'Agostino Digitally signed by John D'Agostino  
DN: cn=John D'Agostino, o=Town of Lake Park,  
ou=Town Manager,  
email=jdagostino@lakeparkflorida.gov, c=US Date: \_\_\_\_\_

*Nadia Di Tommaso, Community Development Director*

<b>Originating Department:</b>  <b>Town Manager/Community Development</b>	<b>Costs:</b> \$ 200K per fiscal year for 5 years (total \$1M – <i>the first \$200K has already been paid</i> ) & Legal Review <b>Funding Source:</b> <b>CRA-Grants-Business Development / Legal #108</b> <b>Acct. # 110-55-552-520-82111</b> [ ] Finance <u>Jeffrey P. Duvall</u> <small>Digitally signed by Jeffrey P. Duvall DN: cn=Jeffrey P. Duvall, o=Town of Lake Park, ou=Finance, email=jduvall@lakeparkflorida.gov, c=US</small>	<b>Attachments:</b> <ul style="list-style-type: none"><li>→ Resolution __-04-23</li><li>→ First Amendment to Redevelopment Grant Agreement</li><li>→ Executed Guaranty</li><li>→ Applicant Presentation</li><li>→ Applicant Executive Summary</li><li>→ Construction Contract</li><li>→ Business Plans: Oceana; Kiss Kitchens; Florida Canning</li><li>→ SBA and HUD Loan Documents</li><li>→ Additional Kiss Kitchens and Florida Canning Business Information</li><li>→ Letter Received from CRA Board Member Taylor</li></ul>
---	---	--

## **Background and Summary**

On November 2, 2022, the CRA Board considered a grant application request from the Lake Park Group, consisting of Oceana Logistics International, Inc., Kiss Kitchens LLC, and Florida Canning Company LLC. The request was for \$1M, spread over a 5-year term at \$200K per fiscal year with the first payment having already been made in December 2022. At the November 2 meeting, there was lengthy discussion by the Board regarding the grant request. The Board requested additional information on the business plans associated with the three entities; further explanations on their loan(s) breakdown and evidence of their financial stability. There was additional discussion on the loan guarantees and review of the economic impacts associated with the business investment growth and additional economic growth factors to substantiate the request. The item was brought back for discussion before the CRA Board on November 16, 2022 and the Board was satisfied with the information received and approved the Grant Agreement and associated Guaranty at a vote of 5-1, with Board Member Taylor dissenting (letter from Board Member Taylor included in the packet).

Oceana Logistics International (i.e. Oceana Coffee) is an established business in Palm Beach County who received site plan approval by the Town to build their corporate roasting house facility, retail center, canning and commercial food (ghost) kitchens at 1301 10<sup>th</sup> Street. They have partnered with two additional entities, Kiss Kitchens LLC and Florida Canning Company LLC to carry out their vision and Oceana Coffee is a partner in all of the companies. The vision for the property remains unchanged and the intended operation remains an overall Small-Scale Food and Beverage use, even though internally certain components will be operated by distinct entities (of which Oceana is a partner in all the entities). Collectively, they are referred to as the Lake Park Group. The property ownership is CIDC Lake Park LLC and they are a party to the development order and to the agreement and guaranty presented this evening.

In light of the supply chain issues and significant and record breaking increases in material and labor costs, affecting projects nationwide, the project's originally anticipated construction cost of approximately \$7-8M could not be realized following grant approval in November 2022. Staff was advised of the need to pursue a site plan amendment for the redesign of the project in February 2023, with a site plan amendment submitted to the Town in mid-March 2023 (for which Staff expedited in order to properly align the items for this evening's agendas and ensure construction can move forward without any additional delays, since this would result in additional increases in construction costs and possibly halt the intended vision of the project).

The project as redesigned, has secured a not-to-exceed construction cost of \$7,524,930 (with some additional values associated with furnishings, bike racks, window treatments and other items as indicated in the enclosed contract, that are not included, but that will be added later). Still, having an executed, not-to-exceed dollar amount contract, ensures the project can remain in the \$8M range as originally anticipated.

While the proposed redesign was presented as part of a separate site plan amendment item before the Town Commission, this grant request refers and relies on the amended site plan approval pursuant to Resolution 29-04-23 (approved in the prior Commission meeting this evening). The following illustrates the amended design for the project:

## AMENDED DESIGN RENDERINGS

### Nighttime View (with lit coffee beans)



### Daytime View





The ORIGINAL design was presented as follows:



**From an economic development and redevelopment perspective, which is essentially the focus of the CRA and of the dollars spent in the CRA, the project retains a comparable value and will result in a redevelopment that will generate a similar tax value and a significant number of jobs, even if reduced.** To recap, some of the proposed changes are, in part:

- ➔ a reduction in square footages and elimination of a standalone office on the north side by consolidating the office into the ground floor (i.e. reduction in impacts);
- ➔ a reconfiguration of the internal components on the floor plans;  
relocation of the outdoor/patio from the 3<sup>rd</sup> level to the 2<sup>nd</sup> level thereby reducing the overall building height as well from 40 feet to 36 feet;
- ➔ Following construction, the intent is to condo the building into its various components with distinct owners/operators for each of the components of the *Small Scale Food and Beverage Production* use, for which Oceana Coffee (i.e. Oceana Logistics International) is a partner in all of the components (Kiss Kitchens for the leasable commercial kitchens; Florida Canning for the canning; and Oceana for the retail/office/shipping).

Overall, Staff is pleased with the redesign since it appears the overall functionality of the project has been significantly improved, along with the street connectivity from the 2<sup>nd</sup> level outdoor area and ground floor plaza area.

Enclosed is a presentation from the Lake Park Group that includes additional details on their anticipated operation and partnership (along with the revised economic profile details that are important to this request). A detailed presentation to the CRA Board will be provided by the Lake Park Group as part of this revised request.

The First Amendment to the CRA Redevelopment Grant is proposing to retain the grant to the Lake Park Group at \$200,000 per year, for a period of five years (total of \$1M, with the first \$200K

already paid in December 2022) to assist with construction costs and ensure the project is able to adhere to their amended development order.

One of the CRA Master Plan's Redevelopment Goals and Initiatives is to support small businesses so as to promote their growth and have them establish Lake Park as a hub for entrepreneurship. The Plan encourages the provision of economic incentives to further the CRA's redevelopment goals. This project will serve as a catalyst redevelopment project and as such, is consistent with the CRA Master Plan.

**Recommended Motion: I move to APPROVE Resolution \_\_-04-23.**

---