
EXECUTIVE SUMMARY



Lake Park Group- Grant Submission

Prepared for: The CRA Board for Lake Park, and the staff at the Town of Lake Park

Prepared by: Amy Angelo, Oceana Logistics Int. Inc

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EXECUTIVE SUMMARY

Objective

The Lake Park group consisting of Oceana Logistics Int. Inc (DBA Oceana Coffee), Kiss Kitchens LLC, and Florida Canning Co. LLC, is requesting the support of the CRA of Lake Park in the form of a grant given over 5 years at \$200,000 per year. This grant will help bring this project to completion despite the increases in construction costs as a result of covid and inflation, and the rise interest rates.

Challenge

Our challenge is to complete the building that was proposed in December of 2021 and approved by a site plan review process performed by the staff and board members of the Town of Lake Park.

Since the time of site plan approval, construction costs have risen from \$5,000,000 to over \$7,000,000 making the project and building in it's current and approved state, unattainable. The Town of Lake Park has offered a grant to help ensure the project comes to completion without altering the site plan or downgrading the building in any way.

Solution

In addition to increased partner equity investment, the \$200,000 per year for 5 years from the Town of Lake Park supplies additional equity to this project making the bank financing now possible to complete the project at the increased cost at today's rates.

Project Outline

Permits are currently submitted to the Town of Lake Park for the building in the current approved site plan format

Constructions begins by 12/31/2022- demolition of existing structure

Construction schedule continues for a maximum of 18 months with completion by August 2024

At completion of construction: Certificate of Occupancy

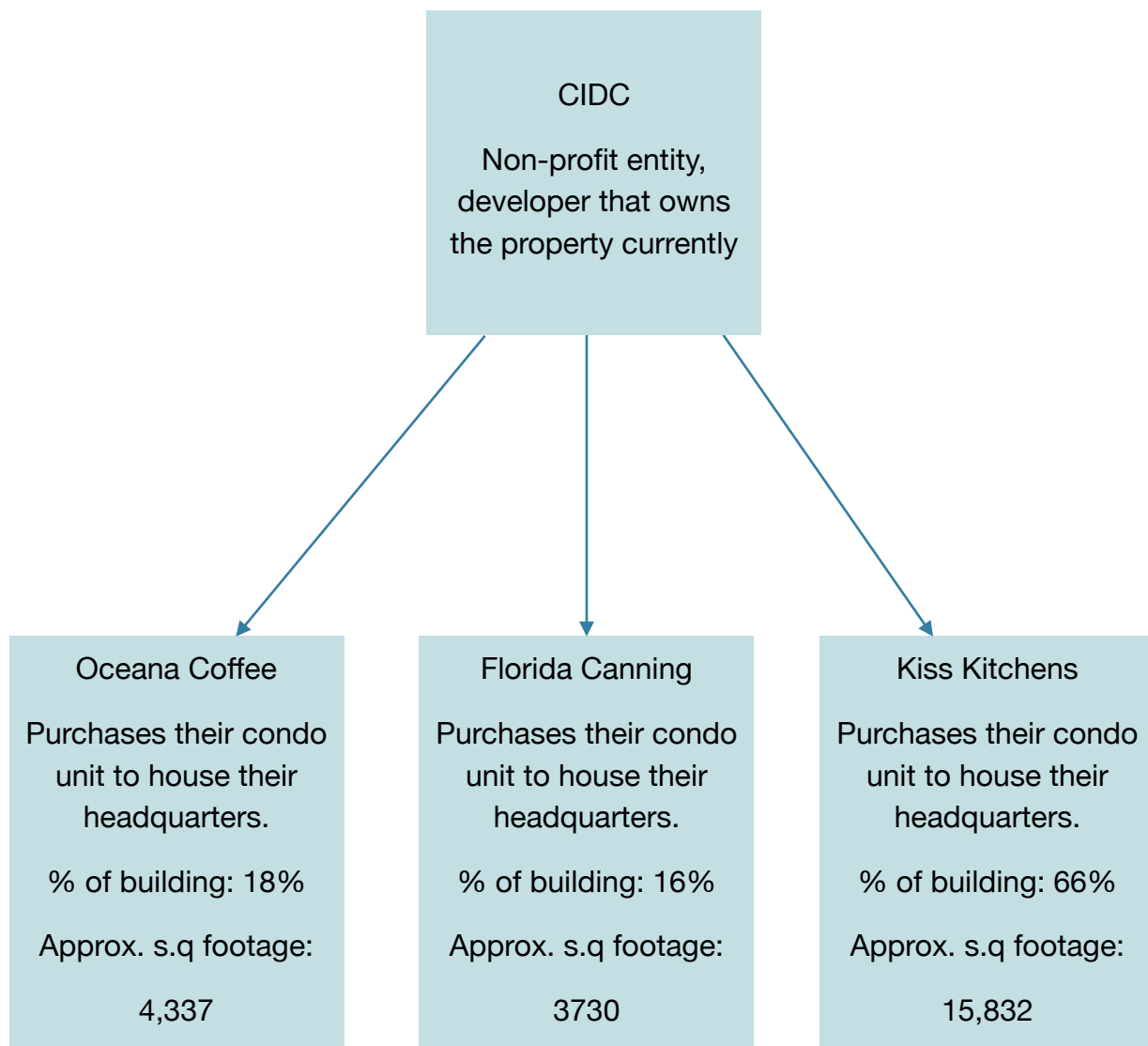
-Developer CIDC sells the condo units at cost to the individual entities that comprise the Lake Park Group.

-All condo units are owned individually by each of the 3 entities and operations commence for Oceana Coffee, Florida Canning, and Kiss Kitchens (AKA Bill's Kitchens)

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Cost & Loan Structure

CIDC Lake Park (a non-profit) is the developer of this project. Once the building is complete, the building will be sold to the end users (The 3 members of the Lake Park Group) as 3 condo units. Each business has secured financing to purchase their condo units based on their respective costs to construct the condo units. Financials have been submitted on behalf of each entity in order to obtain SBA and bank funding for this project.



CONSTRUCTION BUDGET

The total construction cost for the Lake Park Project is projected at \$7,046,000. With the inclusion of architecture, engineering, cost of land, soft costs and fees the total construction cost totals \$8,106,000. This is proportionally divided among the three entities occupying the building. The total represents an increase of over \$1,500,000 above the original underwriting by the SBA, Palm Beach County and the Bank of Belle Glade.

This shortfall is being made up by an increased equity contribution from the partners and the grant of \$1,000,000 paid over five years from the Town of Lake Park. The partners are contributing a minimum of \$1,173,932 in the first year, including \$334,900 for construction costs plus an additional \$839,032 for machinery, equipment and operating capital. Any additional cost overruns are the responsibility of said partners.

The grant provided by the town is not allocated to any particular line item, but rather provides the “gap “ funding that completes the financial underwriting. It enables the loans provided by SBA, the County and The Bank to stay within underwriting guidelines. Even with the grant the partner's equity contribution has risen to over \$1,000,000.

Condo Owners	Oceana Logistics Int.	Florida Canning Co.	Kiss Kitchens	Total:
Uses				
Construction Costs	\$1,300,000	\$1,455,000	\$4,291,000	\$7,046,000
Land Cost	\$147,000.00	\$161,000	\$392,000	\$700,000
Architecture and engineering				\$360,000
Machinery, Equipment, Operating Capital				\$839,032
Total				\$8,106,000
Sources				
Grant	\$300,000.00	\$96,881	\$603,119	\$1,000,000
Approved Loan Amounts	\$1,183,750.00	\$2,138,150	\$3,450,000	\$6,771,900
Partner Equity Construction Only				\$334,900
Partner Equity Machinery, Equipment, Operating Capital				\$839,032
				\$8,945,832

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Benefits to Lake Park

The project proposed by the Lake Park Group will increase the tax base, create jobs and stimulate the local economy by encouraging new business activities and expansion of existing business activities within the Town of Lake Park. This project will promote viable development and redevelopment initiatives in the Town. The happy result for the Town of Lake Park and the countless small businesses that this project will impact, is this; profound growth and opportunities for generations of Lake Park residents as well as the Lake Park Business community.

The proposed project is designed to create multiple synergies among the three resident companies and the other users of the facility drawn from the wider community. The facility will provide small kitchens designed to foster the growth of food entrepreneurs, ghost kitchen operations, food trucks and commissary operations for existing and future restaurants. The facility will contain canning, labeling, cold storage, packaging and shipping facilities to enable local small food businesses to prepare their products for market, a group of services that are currently not available in the Lake Park community. These services will also be used by Oceana Coffee and other local beverage companies to package and ship their products for wider distribution.

As we indicated in the first presentation to the Lake Park CRA Board on November 2nd, the project alone will generate \$533 million dollars in economic activity and 345 jobs over 10 years. The projections were developed with the economic modeling software employed by Palm Beach County, REMI. This project was also highlighted by Palm Beach County at a conference for the statewide FRA Conference as a model project for CRA's that serves to generate positive economic impact on both redevelopment and area wide business growth.

Here is a summary of that report:

Direct Permanent FTEs

Oceana Coffee: 10 FTEs

Florida Canning Company: 10 FTEs

Commercial Kitchen: 36 FTEs

5 Year Economic Estimate

Construction Impact

Temporary Construction FTEs (direct and indirect): 168

Total Output: \$22.85 Million

New Permanent FTEs:

New FTEs (direct and indirect): 132

Total Output: \$183.30 Million

Total FTEs (includes temporary construction FTEs): 300

Total 5 year Economic Impact: \$206.15 Million

10 Year Economic Estimate

Construction Impact

Temporary Construction FTEs (direct and indirect): 168

Total Output: \$22.85 Million

New Permanent FTEs:

New FTEs (direct and indirect): 177

Total Output: \$510.19 Million

Total FTEs (includes temporary construction FTEs): 345

Total 10 year Economic Impact: \$533.04 Million

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Benefits continued...

This project will also pave the way for more businesses to come to Lake Park over the years because it will demonstrate the business friendly nature of the town and the growth oriented thinking of the business community and the CRA.

Some of the benefits of the project to the Town of Lake Park include:

- Potential to generate significantly increased sales tax revenue
- Projected property value increase from \$700,000 to the appraised value of \$8,000,000
- Visible evidence of substantial capital investment in the Town
- Creation of new employment opportunities for residents
- Above-average wages for residents
- Diversification of businesses that enhance the quality of life for Lake Park residents
- Desirable and varied retail establishments attracting consumer activity to the Town
- Vital industry with a long term commitment to the Town
- Unique project which will be beneficial as a culinary arts hub and business incubator in the heart of the CRA, these kitchens have the potential to create 28 new jobs from the 14 micro kitchens that can house 14 new businesses. The larger shared kitchens have the potential to support 40-75 businesses on an hourly, scheduled, rotational basis (potential of 80-150 jobs) using this site as a hub.
- Potential to induce other desirable businesses to locate in the Town
- Architectural Quality of the proposed improvement

Oceana Coffee is the anchor business of the Lake Park Group. In addition to operating its own highly successful coffee roasting, sales and distribution business, Ocean Coffee and its owners, Amy and Scott Angelo, will serve as partners and managers of Florida Canning and KISS Kitchens.

Since 2009, Oceana Coffee has grown from its humble beginnings on a popcorn machine to the successful business that we are today. This is one step on the path for us to continue growing our company. Currently we have 2 retail locations in our town, and over 100 wholesale customers including all of the Whole Foods stores in the state of Florida that we support from our tiny 900 sq ft manufacturing facility in Tequesta.

Over the years we have acquired other warehouses and storage spaces to facilitate our growth and operations. This new facility will allow our company to increase its capacity by at least 10 times our current production capability, increasing efficiency and expanding the opportunities for higher paying jobs for our employees who have chosen careers with Oceana Coffee. Our expansion will also create new business opportunities for those who choose to license Oceana Coffee Cafes around the state and the country.
