




Florida's Dynamic
Waterfront Community

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MEMORANDUM

TO: Honorable Chair and Members, CRA Board of Commissioners
City of Riviera Beach, Florida

FROM:  Scott Evans
Interim Executive Director, CRA

COPY: J. Michael Haygood, CRA Attorney

DATE: December 12, 2018

SUBJECT: Requesting Approval to Release a Request for Proposal (RFP #2018-06) Seeking an Entrepreneur to Participate in an Emerging/Micro-Business Entrepreneurship Program

REQUEST FOR BOARD ACTION

The Agency is requesting approval to release a Request for Proposal (RFP#2018-06) seeking entrepreneurs to launch and/or grow their small business by participating in an Emerging/Micro-Business Entrepreneurship Program facilitated by the RBCRA. The mission of the RBCRA's Small Business Entrepreneurship Program is to stimulate economic growth within the CRA District, activate the CRA-owned property located at 2615 Broadway with a small business owner seeking to launch and/or expand their operations in a brick and mortar space, and provide a nurturing environment for local entrepreneurial talent to be successful.

BACKGROUND

The former Dairy Belle site, which is located at 2615 Broadway, has been a recognizable landmark in this community since 1960. The CRA purchased this property, which includes the "Cash America" building, from Domenico & Giuseppina Forte, Trustees, in August 2013 for \$750,000. The last proprietor operated the Dairy Belle business out of the 500 sq. ft. building from January 2010 to January 2015. Since then, the site has remained unoccupied and will need improvements prior to the acceptance of a new tenant. This item was brought before the Board on October 10, 2018; the following changes were requested:

1. More details and specificity in the RFP requirements.
2. Limit proposals to businesses that have been in operation for three years or less.

3. The solicitation should be limited to businesses which are experiencing high profits and restrict acceptance of submittals to businesses experiencing an accumulated yearly revenue not exceeding \$100,000.
4. Financial documentation to verify personal and business income.
5. A lease period of two years with a possible one-year option.
6. Change the name of the RFP from incubator to an initiative that resembles a micro startup business.
7. Make the opportunity attractive to emerging/micro-businesses.
8. Recommend desired usages for the space.

CURRENT SITE STATUS

The Agency completed a full inspection of the property and has identified the follows items for rehabilitation or replacement:

- The old signage - removal is needed.
- The exterior doors are deteriorated and damaged - replacement is recommended.
- The exterior stucco is damaged and loose in multiple areas - it is recommended that it is re-stuccoed and new finishes applied.
- The window operation is deteriorated - repair is recommended.
- The rear concrete walk and existing concrete deck are both damaged - patching is recommended.
- Termite damage and wood decay were found in the pedestrian doors, trim and built cabinetry - removal of damaged wood and elimination of termites are needed.
- The interior ceiling and walls are damaged - repair and painting are recommended.
- The floor tiles are damaged - removal and replacement are recommended.
- The interior cabinetry is aged and deteriorated - replacement is recommended.
- The water heater is deteriorated - new installation is recommended.
- The electrical system as well as fixtures and outlets are outdated - need to be replaced.
- The air conditioning system is deteriorated - replacement is recommended.

The total estimated for minimal repairs is - **\$28,200.00**

RFP AND PROGRAM REQUIREMENTS

The awarded proposer will participate in the Emerging/Micro-Business Entrepreneurship Program and will operate the business out of the CRA-owned building at the old Dairy Belle Site. The business owner will participate in the program for a period of no more than three years. The successful proposer must meet the following minimum requirements and will be selected based on the following criteria:

Emerging/Micro-Business Entrepreneur: An entrepreneur is defined as a person who operates a business shouldering the greater than normal financial risk. For purposes of this solicitation, an emerging/micro-business entrepreneur must meet the following criteria;

- Privately owned and operated
- Operating staff not exceeding three, including the owner.
- Operations from a brick and mortar location.
- Operations for less than three years

- Business must be domiciled in Palm Beach County with special considerations to Riviera Beach based businesses
- Earning a yearly revenue less than \$100,000 a year.

Permitting- The submitter must insure that the proposed enterprise complies with all City Ordinances that apply to the CRA District, property location and the square footage of the building and the property.

Business Plan- The proposer should provide a comprehensive business plan that clearly explains the vision of the business, a complete SWOT (strengths, weaknesses, opportunities, and threats) analysis, and how the business venture would be successful in the aforementioned location. Additionally, the proposer should include a marketing strategy and operations strategy.

Financial Verification- The proposer will be required to furnish the following documentation so that the businesses financials can be verified.

- Last two years tax returns (personal and business if available)
- A copy of the balance sheet and income statement/profit and loss
- Copy of a completed W-9 form
- Copy of three most recent bank statements for all accounts
- Copy of Business Licensing
- Copy of Sunbiz document affirming legal business entity status

Business Readiness Certification- As a part of the Emerging/Micro-Business Entrepreneurship Program, the successful business owner will be required to participate in and successfully complete the Business Readiness Certification Training through the CRA-led Comerica Small Business Resource Center. The training is a six-week, two hour session that covers the following;

- Marketing Strategies
- Accounting
- Insurances & Licensing
- Credit and Finance
- Legal

The Proposer is required to complete the Small Business Training Acknowledgement form.

Cost Breakdown- The proposer should complete the cost breakdown sheet to explain their proposed financial contributions to the rehabilitation line items. The Agency is prepared to provide supplementary funding to complete the rehab and buildout of the space in the amount of \$33,200 with a nine percent contingency (9%).

Presentation- The proposer will prepare and execute a presentation to the RFP Evaluation Committee and commit to executing the same presentation to the RBCRA Board of Commissioners if selected.

Recommended Usage- the Agency is seeking to occupy the space with an enterprise that will promote business to customer traffic to activate the site; the recommended businesses are as follows:

- Cookies, Cupcakes and Other Pastries
- Coffee Bar or Tea Station
- Smoothies & Frozen Drinks
- Candy Shop
- Ice Cream Shop
- Craft Brewery & Wine Bar
- Sandwich Shop
- Soup & Salad Station

Lease Agreement- If selected, the proposer must be willing to enter into a Lease Agreement with the RBCRA. The lease amount for the old Dairy Bell site will be a sliding scale based on performance and will start at \$750 per month and not exceed \$1,460.78 per month during the program period. The program will offer a six-month grace period before the first payment. The agreement will be for a term not to exceed two (2) years, with a two (1) year option. If the owner and the Agency agree to continue the operations at the completion of the program, the rental amount will be increased and capped at \$1,460.78 per month.

LEASE AGREEMENT FINANCIAL MATRIX		
PERIOD	PROFIT MARGIN TARGET FOR INCREASE	ADJUSTED MONTHLY LEASE AMOUNT
FIRST 6 MONTHS	N/A	0
REMAINING 6 MONTHS OF YEAR 1	0%	\$750
YEAR 2	15%	\$950
YEAR 3	30%	\$1,460.78

Performance Report- Upon selection, the program participant is required to provide a report semiannually to demonstrate adequate progress towards predetermined goals for the business. Proposers will submit a draft of their strategic goals (long term and short term) to be submitted with this proposal. Possible goals could include: increasing the staff size, realizing a specified profit margin within the first year, the purchasing of new equipment or increase in the number of customers served. If the applicant is able to meet and or exceed their specified goals, they will be considered eligible for the renewal options for year four and five.

Presentation- Proposers will execute a presentation to the RFP evaluation committee and commit to executing the same presentation to the RBCRA Board of Commissioners if selected.

DISCUSSION

Staff is recommending approval to publish RFP#2018-06 to locate qualified entrepreneurs to participate in the Agency’s Emerging/Micro-Business Entrepreneurship Program and satisfy the

Board’s vision for this property to activate the site and possibly other sites within the CRA District, to be determined.

EXISTING SITE



