



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**CRA BOARD MEETING**

**#24-0601**

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**TO:** CRA Chairman & Board of Commissioners  
Fort Lauderdale Community Redevelopment Agency

**FROM:** Susan Grant, Acting CRA Executive Director

**DATE:** June 18, 2024

**TITLE:** Resolution Terminating a \$3,000,000 Development Agreement with Avenue D'Arts FLL, LLC and Removing the Restrictive Covenant to Construct a Comfort Suites Hotel on the Property, Subject to Conditions - **(Commission District 3)**

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**Recommendation**

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a Resolution terminating the \$3,000,000 Development Agreement for Development Incentive Program with Avenue D'Arts FLL, LLC and remove the restrictive covenant to construct a Comfort Suites Hotel on the property provided the CRA receives its share of the proceeds from the sale of the CRA Property, authorize the Executive Director to execute any and all related instruments, and delegate authority to the Executive Director to take certain actions.

**Background**

On May 21, 2019, the CRA Board approved a \$3,000,000 CRA Development Incentive Program (DIP) forgivable loan to Avenue D'Arts FLL, LLC for a Comfort Suites Hotel project proposed for the northwest corner of NW 7<sup>th</sup> Avenue and NW 3 Street. The .85 acre project site included property purchased by the Developer at 301 NW 7<sup>th</sup> Avenue for \$1,200,000 along with CRA property sold to the developer by the CRA at 713, 717, and 723 NW 3 Street for \$355,000. A location map is attached as Exhibit 1. The Special Warranty Deed to the Developer states that should the project not move forward and the Developer sell the lots, the CRA would receive 50% of the profits from the sale of the former CRA owned property less the \$355,000 paid. It also provided that the hotel shall be built on or before January 7, 2025. The restrictive covenant to construct the hotel shall be released and recorded at the discretion of the Developer and the Development Agreement shall be terminated.

The Developer has made a business decision to sell the project property to Home Venture Investments, LLC for \$4,250,000. Based on the terms of the Special Warranty Deed, the CRA should receive \$920,217.50 (See Exhibit 5 for calculation and assumptions) in proceeds from the sale. Since under the Development Agreement the \$3,000,000 DIP loan does not get dispersed until the project receives its Certificate of Occupancy (CO),

the \$3,000,000 in unspent funds will be unencumbered and remain in the DIP account. In turn, the proceeds from the sale of the former CRA property will be appropriated to the Northwest-Progresso-Flagler Heights (NPF) CRA Development Incentive account.

Consistency with NPF CRA Community Redevelopment Plan

The NPF CRA Community Redevelopment Plan promotes programs and projects that will have a positive impact on neighborhood residents and low and moderate income households within the NPF CRA. The Redevelopment Program will assist in providing incentives as inducements to stimulate development to upgrade and replace incompatible land uses and blighting conditions affecting the area, and the Redevelopment Plan will help preserve and expand the supply of affordable housing and provide improvements to enhance the overall environment, improve the quality of life and attract sound business and commercial development that provide employment and job opportunities.

A major component of the redevelopment strategy for the NPF CRA is the revitalization of the residential neighborhoods. The CRA Program identifies strategic objectives, goals and measurements that include targeting and attracting businesses, retail uses and industries to establish a presence in the redevelopment area. In addition, it calls for investing in development projects that create job opportunities, promote public private partnerships and investment in the redevelopment area.

Land assembly may be used as a government intervention technique or predominant method of redevelopment programming to foster private redevelopment. In connection with those programs, projects or activities where land assembly for private disposition and use is deemed appropriate, the purpose, intent and objectives of the Redevelopment Plan shall be protected and preserved by the incorporation into restrictions or covenants running with the land, if sold, or as restrictions or conditions of the lease or other instrument of conveyance or use. Prior to disposition of any such public property acquired directly in connection with the Redevelopment Plan, the City or CRA shall approve conditions of control deemed appropriate at the time to facilitate the intended program, project or activity while adequately protecting the intent and objectives of the Redevelopment Plan.

**Resource Impact**

There will be a positive impact to the CRA in the amount of \$920,217.50 for unbudgeted revenues received from the property sale that will be appropriated on the July 2, 2024 budget amendment.

<b>Funds available as of June 4, 2024</b>					
<b>ACCOUNT NUMBER</b>	<b>COST CENTER NAME (Program)</b>	<b>CHARACTER /ACCOUNT NAME</b>	<b>AMENDED BUDGET (Character)</b>	<b>AVAILABLE BALANCE (Character)</b>	<b>AMOUNT</b>
20-119-1531-552-369-900-CRA092404	Development Incentive Improvement Program FY 24	Miscellaneous Revenue / Other Misc Revenue	\$0	\$0	\$920,217.50
<b>TOTAL AMOUNT ►</b>					<b>\$920,217.50</b>

### **Strategic Connections**

This item is a FY 2024 Commission Priority, advancing the Economic Development & Housing Accessibility initiatives.

This item supports the *Press Play Fort Lauderdale 2029* Strategic Plan, specifically advancing:

- The Business Growth and Support Focus Area, Goal 6: Build a diverse and attractive economy

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are Community

This item supports the *Advance Fort Lauderdale 2040* Comprehensive Plan, specifically advancing:

- The Business Development Focus Area
- The Economic Development Element
- Goal 2: Enhance the economic competitiveness of Fort Lauderdale through policies that encourage retention and recruitment of business and industry which provide living-wage employment and increased training and competitiveness of the local workforce.
  
- The Neighborhood Enhancement Focus Area
- The Future Land Use Element
- Goal 2: Sustainable Development: The City shall encourage sustainable, smart growth which designates areas for future growth, promotes connectivity, social equity, preservation of neighborhood character and compatibility of uses.

### **Attachments**

Exhibit 1 – Location Map

Exhibit 2 – Resolution

Exhibit 3 – Special Warranty Deed

Exhibit 4 – Termination of Development Agreement and Release of Restrictive Covenant

Exhibit 5 – Calculation of CRA Share of Purchase Price

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