



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#23-1033

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

FROM: Greg Chavarria, CRA Executive Director

DATE: December 5, 2023

TITLE: Resolution Approving an Amended Letter of Intent with 909 NW 6 Street LLC and Change in CRA Source of Funds for the 909 Sistrunk Project, Authorizing the Executive Director to Execute Any and All Related Instruments, and Delegating Authority to the Executive Director to Take Certain Actions - **(Commission District 3)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners pass a Resolution approving an Amended Letter of Intent with 909 NW 6 Street LLC for the mixed use project at 909 Sistrunk Boulevard originally approved by the CRA Board on December 7, 2021, change the CRA source of funds for the project, authorize the Executive Director to execute any and all related instruments, and delegate authority to the Executive Director to take certain actions.

Background

The CRA Board, on December 7, 2021, approved a \$4,000,000 Development Incentive Program Forgivable Loan to 909 NW 6 St LLC (a Fuse Group subsidiary) for the 909 Sistrunk Office and Retail Project proposed for 909 Sistrunk Boulevard. A copy of CRA Board CAM 21-1145 from the December 7, 2021 CRA Board meeting with Action Summary, Location Map and CRA Application is attached as Exhibit 1, and original Letter of Intent is attached as Exhibit 2.

The Developer proposes to change the scope, footprint, ownership, and timeline of the 909 Sistrunk Project. In order to accommodate the project changes to the 909 Sistrunk Project, funding for this project will change from proceeds from the Truist Bank Loan (as approved by the CRA Board on December 7, 2021) to CRA tax increment revenues available to the CRA in FY 2024-2025. At their meeting of November 7, 2023, the CRA Board unanimously approved transferring 4,000,000 from the Truist Bank Loan from the 909 Sistrunk Project to the Arcadian Project.

The \$16.5 million 909 Sistrunk Project, as originally approved by the CRA Board, includes a contemporary, signature four story building at the northwest corner of Sistrunk Blvd and NW 9th Ave, with 3,691 square feet of restaurant, food and beverage use, 7,660 square feet of retail, 18,442 square feet of office, 2,865 square feet of common area, and 44,658 square feet of parking garage with more than 80 parking spaces. In addition to creating an estimated 150 jobs, as a community benefit, \$200,000 in rental subsidies are set aside to allow entry level start-up neighborhood businesses the ability to afford new retail or other commercial space in the building. This project was unanimously recommended for approval by the Northwest-Progresso-Flagler Heights (NPF) CRA Advisory Board at their meeting of January 12, 2021 (Exhibit 3).

Although the 909 Sistrunk Project is near shovel ready, having Development Review approval by the City, Fuse Group has informed us that an opportunity to create a larger and better project has presented itself without the need for additional CRA funding beyond the original \$4 million CRA commitment. A letter from Fuse Group requesting changes to the project scope, footprint, ownership, and timeline is attached as Exhibit 4. They propose to partner with Boca Paila, LLC (same partner as the Arcadian Project), along with 639 NW 9th Avenue, LLC (led by developers Tal Levinson and Eric Malinasky) who purchased the property to the north of them on NW 9th Avenue. They plan to expand the project to add approximately 178 units of workforce housing and to modify the proposed parking garage for the 909 Sistrunk Project to include a larger parking garage that serves both the proposed housing units and office/retail project providing 246 surface and structured parking spaces, approximately 20,000 square feet of office and 13,000 square feet of food and beverage uses. The footprint of the project will expand from a 26,265 square foot site to a 63,339 square foot development site with a total project cost of approximately \$58.9 million. A location map of the expanded project is attached as Exhibit 5. This change in project scope will result in additional time needed to secure development approvals and increase the start date of the project that was estimated to occur in December 2023. To accommodate the project changes to the expanded 909 Sistrunk Project, funding for this project is now recommended from CRA TIF FY 2024-2025 tax increment revenues. Florida Division of Corporations information on proposed project partner 639 NW 9th Avenue, LLC is attached as Exhibit 6. These project changes were unanimously recommended for approval by the NPF CRA Advisory Board at their meeting of September 12, 2023. A copy of the minutes of the September 12, 2023 CRA Advisory Board are attached as Exhibit 7. The amended Letter of Intent with 909 NW 6 Street LLC for the 909 Sistrunk Project and Resolution are attached as Exhibits 8 and 9 respectively.

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 Redevelopment Program seeks to preserve and expand affordable housing in the entire redevelopment area. Per the CRA plan, the CRA will establish incentive programs to address redevelopment obstacles. 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. In addition, per the Future Land Use Plan and CRA Plan, redevelopment and housing opportunities for low, very low, and moderate-income households within the Northwest RAC should be encouraged.

Resource Impact

There will be a fiscal impact to the CRA in the amount of \$4,000,000 in Fiscal Year 2024-2025, contingent upon approval and appropriation of the annual budget.

Strategic Connections

This item is a *FY2024 Commission Priority*, advancing the Economic Development & Housing Accessibility initiatives.

This item supports the *Press Play Fort Lauderdale 2024 Strategic Plan*, specifically advancing:

- The Business Development Focus Area
- Goal 5: Build an attractive global and local economic community marketplace
- Objective: Nurture and support existing local businesses

- The Neighborhood Enhancement Focus Area
- Goal 4: Build a thriving and inclusive community of neighborhoods
- Objective: Ensure a range of affordable housing options

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 and encourage retention and recruitment of businesses and industry which provide living wage employment and increased training and competitiveness in 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.
- The Housing Element
- Goal 1: The Comprehensive Plan shall support the provision of adequate sites for future housing, including affordable workforce housing, housing for low-income, very low-income, and moderate-income families, mobile homes, and group home facilities and foster care facilities, with supporting infrastructure and public facilities.
- Goal 2: Be a community of beautiful and healthy neighborhoods.

Attachments

Exhibit 1 - December 7, 2021 CRA Board CAM 21-1145 for 909 Sistrunk Project with Action Summary, Location Map, and CRA Funding Application

Exhibit 2 - Original Approved Letter of Intent for the 909 Sistrunk Project

Exhibit 3 - Minutes from the CRA Advisory Board Meeting of January 12, 2021

Exhibit 4 - Letter from Fuse Group Requesting Changes to the 909 Sistrunk Project

Exhibit 5 - Location Map of Proposed Expanded Project

Exhibit 6 - Florida Division of Corporations Information on Proposed Project Partner 639 NW 9th Avenue, LLC

Exhibit 7 - Draft Minutes of the September 12, 2023 CRA Advisory Board Meeting

Exhibit 8 - Development Incentive Program Amended Letter of Intent - The 909 Sistrunk Project

Exhibit 9 - Resolution

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