

**APPROVED**  
**MEETING MINUTES**  
**NORTHWEST PROGRESSO – FLAGLER HEIGHTS**  
**REDEVELOPMENT ADVISORY BOARD**  
**FORT LAUDERDALE**  
**8<sup>TH</sup> FLOOR CONFERENCE ROOM, CITY HALL**  
**MAY 9, 2017 – 3:00 P.M.**

**Cumulative Attendance**

**May 2017 - April 2018**

<b><u>Members Present</u></b>	<b><u>Attendance</u></b>	<b><u>Present</u></b>	<b><u>Absent</u></b>
Ron Centamore, Chair	P	1	0
Sonya Burrows, Vice Chair	P	1	0
Leann Barber	P	1	0
Brad Cohen (arr. 3:43)	P	1	0
Rhoda Glasco Foderingham	P	1	0
Alan Gabriel	P	1	0
John Hart	P	1	0
Mickey Hinton	P	1	0
John Hooper (arr. 3:33)	P	1	0
Dylan Lagi	P	1	0
Steffen Lue (arr. 3:44)	P	1	0
Scott Strawbridge	P	1	0
Tina Teague	P	1	0
John Wilkes	P	1	0

Currently there are 14 appointed members to the Board, which means 8 would constitute a quorum.

**Staff**

Jonathan Brown, Northwest CRA Manager  
 Sandra Doughlin, CRA  
 Glendon Hall, Housing and Community Development Manager  
 Vanessa Martin, CRA Business Manager  
 Thomasina Turner-Diggs, CRA Project Coordinator  
 Bob Wojcik, Planner III  
 Seymour Ferguson, Fort Lauderdale Police Department  
 Mona Laventure, Recording Secretary, Prototype, Inc.

**Communications to City Commission**

None.

**I. Call to Order / Roll Call**

Chair Centamore called the meeting to order at 3:17 p.m. Roll was called and it was noted a quorum was present.

New Board member Rhoda Glasco Foderingham introduced herself at this time. She is a retired attorney and has worked for both local and State governments.

## **II. Approval of Minutes from April 11, 2017 Meeting**

**Motion** made by Mr. Gabriel, seconded by Vice Chair Burrows, to approve [as amended].

The following correction was noted to the April 11 minutes: Mr. Hart was absent and Mr. Hinton was present.

In a voice vote, the **motion** passed unanimously.

## **III. CRA Project Funding Update**

CRA Business Manager Vanessa Martin advised that funds totaling approximately \$4.4 million from the CRA budget are now obligated in the current fiscal year. Another \$350,000 was obligated for start-ups. This leaves the CRA budget with roughly \$4 million as of April 28, 2017.

## **IV. Mosaic Update**

Ann Marie Sorrell, representing The Mosaic Group, stated that a successful Open House event was held on April 24, 2017, with more than 60 participants present to learn about opportunities within the CRA. Board members Sonya Burrows and Scott Strawbridge were present at this event. The next planned event is the Financial Summit, which is scheduled for June 9-10, 2017 at the Dillard Museum. This event will feature discussions of both commercial and small business opportunities.

Mosaic is working with the City's Permitting Department to finalize permits for box wraps. Design has been approved for roughly 10 boxes thus far. On June 17, 2017, the Historic Sistrunk brand will be launched at the CRA. This family-friendly community event will be held in the building's parking lot.

Mosaic plans a kickoff event for Start Weekend on September 9-10, 2017. This is for businesses that wish to start or re-start with a funding process. This will include an incentive program featuring six weeks of training, after which applicants would be eligible for grant funding.

Other media stories include a potential feature in *South Florida Wealth and Business* magazine. A press release is also being finalized for Brightline passenger train service.

## V. Property Acquisition – 835 NW Third Street

Peter Flotz, developer, explained that this proposal is for a multi-block redevelopment of a key piece of property along the Sistrunk Corridor. It includes nearly every parcel on the subject block. One space not included in this project is a small parcel at Sistrunk Boulevard and the southwest corner of 7<sup>th</sup> Avenue. The developer is negotiating a contract with this property, which is owned by a church, to relocate elsewhere in the neighborhood. The development team wishes to purchase a property at 3<sup>rd</sup> Street and 9<sup>th</sup> Avenue for this purpose and submit a conditional use application for the church. The request is for the CRA to enter into a contract with the developer to purchase this property.

Mr. Hooper arrived at 3:33 p.m.

Mr. Brown advised that Staff supports the use and sale of the subject property at its appraised value in order to relocate the church. Chair Centamore clarified that the developer wishes to purchase the subject parcel for its appraised value after the CRA acquires it from the City. This value is approximately \$75,000.

Mr. Lagi asked if the developer plans to approach the CRA at a later date seeking a contribution for the subject property. Mr. Flotz confirmed this.

Ms. Foderingham asked if relocation of the church would result in parking issues. Mr. Flotz replied that the development team will have to show a site plan that provides adequate parking under City Code. He noted that the church itself is relatively small.

**Motion** made by Mr. Wilkes, seconded by Mr. Hart, to approve the recommendation of Staff to allow the sale of property at the same price in exchange for the 835 NW 3<sup>rd</sup> [property]. In a roll call vote, the **motion** passed 12-0.

Mr. Flotz explained that the developer's contract with the church requires them to provide the facility with a new site. They are not responsible for constructing a new church building.

## VI. CRA Update – Cameras on Sistrunk

Seymour Ferguson, representing the Fort Lauderdale Police Department, reported that cameras have been installed thus far at 16 sites along Sistrunk Boulevard. Their locations range from US-1 to NW 23<sup>rd</sup> Avenue.

Mr. Strawbridge recalled that in a previous year, the CRA allocated roughly \$500,000 to the camera project. This allocation was later followed by a second request to fund the installation of firewalls for the cameras. He asked if any funds were left over after the

installation, pointing out that there are over 70 cameras located on the beach while the CRA, which is perceived as a high crime area, only received 16. Mr. Brown replied that while he could not explain the reasoning for the different number of cameras in the CRA, he could look into the total funds spent and/or left over. He concluded that he would bring a full update on the project to the next Board meeting.

Mr. Strawbridge also recalled that when the Board asked, at a previous meeting, for more information about the long-range plan related to deployment of technology, that there was no such plan. Chair Centamore requested that he would also like to know how much the Beach CRA paid for its camera system.

Mr. Cohen arrived at 3:43 p.m.

Mr. Lue arrived at 3:44 p.m.

## **VII. Funding Requests**

### **a. The Pharmacy -- \$748,500 – 900, 914, & 930 Sistrunk Boulevard**

Housing and Economic Development Manager Glendon Hall explained that the request is for a funding assistance package of \$748,500 from the CRA to renovate three properties on Sistrunk Boulevard. This would establish a real estate space, including corporate headquarters, as well as additional office/retail. The project would be located west of the FEC tracks at the intersection of Powerline Road and Sistrunk Boulevard.

Mr. Hall continued that the project's name, "The Pharmacy," refers to the historic use of the parcel, which housed a pharmacy in the 1960s. The project is estimated to bring approximately 72 to 90 jobs to the area. It is part of a larger commitment to the Sistrunk Boulevard-Powerline Road intersection.

Plans include moving the headquarters of Florida Prime Acquisitions (FPA) to Sistrunk Boulevard, which will bring another 10 to 15 jobs in the area. The project will provide a working environment for real estate professionals and a lease discount to area businesses in the co-working space. The project will include local art and architectural features reflecting the historic and cultural elements of the surrounding community.

Eyal Peretz, owner of FPA, advised that the building was purchased in December 2016. He showed a rendering of the proposed project, including a breakdown of square footage and anticipated costs. He emphasized the need to create an ambiance and cultural theme within the community. The project will include office, dining, and retail space. Mr. Peretz hoped to submit permits for the project within the next 30 days, followed by the construction phase. The goal is to finish this project by the end of 2017.

Mr. Cohen asked if the project would offer discounts to attract local businesses to the development. He pointed out that there are other empty spaces within a few blocks of the site. Mr. Peretz replied that there does not seem to be an existing space in the area that excites and attracts businesses. Most of the rooms in his proposed project would rent for less than \$1000, which is very affordable.

Mr. Cohen requested additional information on the price per square footage for the local community, and whether the project has received any commitments from neighborhood businesses thus far. Mr. Peretz stated that two parties representing existing businesses are looking at the space. He added that he could not estimate the price per square foot at this time. FPG's typical cap rate for investment in the surrounding neighborhood is between 6% and 7%.

Mr. Wilkes asked what square footage is currently available in the Pharmacy project's buildings. Mr. Peretz replied that one building is roughly 20% occupied, while another building is 50% occupied with a tenant that is considering a move. The CRA occupies the third building. FPA feels that three-quarters of the project's top floor can be easily rented, and is in discussions with prospective tenants of the bottom floor, such as a coffee shop.

Mr. Peretz referred the members to a profit and loss document in their backup materials, which spells out what is expected for each space. He estimated that the gross rent would come to \$540,000. Shared secretarial and office services will be provided to some of the project's micro-spaces at a separate charge. Utility, water and sewer, and other basic services will be provided as part of the cost of these micro-spaces. The total square footage of the complex, including all three buildings, is 22,400 sq. ft.

Mr. Wilkes estimated that this comes to roughly \$20 per square foot. He also pointed out that the CRA is approaching its limit on capital contributions under Florida Statute, as this project alone would use \$350,000. He requested additional information on the conditions of the project's mortgage. Mr. Brown replied that the project is expected to create jobs and attract the relocation of businesses to the property. He noted that the project will create some jobs directly and others indirectly.

Mr. Peretz explained that FPA is committing approximately \$3.6 million in equity to the project. He pointed out that this type of space has never been offered before on the Sistrunk Corridor: business operators have not seen a building with significant curb appeal that attracted their interest and investment.

Mr. Brown noted that when a job creation element is part of a project, the applicant must pay back a pro rata share of CRA funding if the project does not create the agreed-upon number of jobs. Mr. Wilkes noted that this would be easier to estimate once the space has been rented and is generating revenue.

Mr. Lue asked how indirect job creation is measured. Mr. Brown explained that this includes jobs not owned by the owner of the building, such as jobs brought by tenant businesses. The funding agreement will include either a number of jobs created or a dollar amount per job.

Mr. Peretz advised that one reason the project offers small rental spaces is to provide better, more affordable opportunities to more businesses. Vice Chair Burrows agreed that there is a significant need for small spaces within the community, as many businesses cannot afford and/or do not need 1000 sq. ft. She also praised the Applicant's plan to repurpose the existing building rather than tearing it down.

Ms. Teague asked if the project would provide 24-hour access for tenant businesses, as well as what kind of security would be provided. Mr. Peretz replied that this depends on the type of security system selected for the property. Mr. Brown noted that the CRA is still working on its proposed Ambassador Program, as well as overtime for off-duty Police Officers.

Mr. Strawbridge commented that the economic analysis of the project suggests a service-focused rather than product-focused business. Mr. Peretz stated that this is due to his belief that space is no longer enough: the project should also create an ambiance to engage small businesses. The project's budget would include items such as information technology (IT) services, phone systems, and other aspects not related to a typical real estate owner.

Mr. Strawbridge also noted that it would not be possible to catch a trolley to the subject property from Flagler Village, but would have to change to a bus. He emphasized the need for more connectivity between neighborhoods.

Mr. Hall pointed out that there is increasing momentum for development of projects west of the railroad tracks and creation of density. Mr. Strawbridge agreed, but stated that density is not a requirement for economic success: it is not necessary that visitors live in a certain area as long as there is traffic to attract them to that area.

Mr. Brown characterized the Pharmacy project as one of the critical projects that can create a destination on the Sistrunk Corridor. Other destination or legacy projects are also considering Sistrunk as a site for potential relocation or development.

Chair Centamore asserted that the Board should emphasize the importance of Sun Trolley service on the Sistrunk Corridor when the Downtown Fort Lauderdale Transportation Management Association (DFLTMA) comes before them again with a funding request.

Ms. Barber stated that because the CRA has limited funding, she felt its dollars should be used toward projects that will be catalysts within the neighborhood and meet the needs of nearby residents. She added that she would like to see greater integration and leverage of the CRA funds provided for other projects so they can have a larger impact.

Mr. Hall advised that part of the discussion with the Applicant was that businesses from within the surrounding neighborhood would be provided with discounts for the Pharmacy project. He also recalled that Mosaic is working to develop a six-week start-up program that would provide businesses within the CRA with up to \$5000 for improvements upon completion. This project is tentatively planned to be brought forward at the June meeting.

Ms. Barber asked if the Board may place conditions, such as discounts to local businesses participating in the start-up program Mr. Hall had described, on the funding request. Mr. Brown replied that while they may do so, he was not certain that this would work. He also pointed out that the start-up program would not begin until the next fiscal year.

Mr. Lagi commented that the breakdown of tenants presented in the Pharmacy project's backup materials did not list the types of tenants proposed by the Provident Community Shoppes project. Mr. Peretz responded that FPA sees the two projects as interlinked to have a significant impact on the area.

Mr. Strawbridge asked if the project's incentive package might include a requirement for start-up rent as well as for job creation. He recommended tailoring the incentive package to allow start-up businesses the best chance for success. Ms. Barber agreed that this would be the best option for the surrounding community.

Mr. Cohen stated that CRA dollars are intended to help the feasibility of projects that an applicant cannot otherwise afford or for which the cap rate is below the norm. The Pharmacy project's cap rate is 4.9% without assistance from the CRA against a national average cap rate of 5% for commercial property. With CRA assistance, the project could have a cap as high as 7%. He also thought it likely that the property owner would get higher rental rates than he had described. He concluded that for this reason, the project was going to be completed with or without CRA funds.

Ms. Foderingham noted that the developer is showing a commitment to the project by relocating FPA's corporate headquarters. She felt the property's total redevelopment would help convince other property owners in the area to redevelop as well.

Mr. Hart agreed that relocation of FPA headquarters showed a strong commitment to the area, and that this project could generate tax increment financing (TIF) revenue within the CRA.

**Motion** made by Mr. Hart, seconded by Vice Chair Burrows, for approval of the [Pharmacy] project as recommended by Staff.

Mr. Wilkes recommended greater clarification of the **motion**, including tangible measurables and accountability. It was clarified that the **motion** would include the conditions as outlined in the May 9, 2017 Staff recommendations.

In a roll call vote, the **motion** passed 12-2 (Ms. Barber and Mr. Cohen dissenting).

**b. The Provident Community Shoppes -- \$350,000 – 610-618 NW 9<sup>th</sup> Avenue**

Mr. Hall advised that the subject property is located close to the Pharmacy project, and would provide leasing discounts to CRA businesses. The Progresso Village Civic Association is supportive of the project.

Mr. Peretz described the Provident Community Shoppes project as the retail element of the Pharmacy property, with most spaces between 1000 and 1200 sq. ft. This would provide space for four to five tenants. The property is currently 50% occupied. FPA will close on the property on May 21, 2017. He felt this space was critical to the intersection at which both projects would be located. The timeline for both projects is the same.

Mr. Peretz noted that the estimated interior cost of \$342,000 would include expansion of the building's height and a full buildout for tenants. He did not believe the property would attract tenants without a buildout.

Mr. Hall stated that if the CRA provides reimbursement funds for the project's construction phase, they would have control of this phase. If the jobs created by the project do not meet the CRA's criteria, they would withdraw funding.

Mr. Wilkes pointed out that the Pharmacy project is unique and likely to encourage further development; however, the Provident Community Shoppes seems to be more of a generic retail development project. He felt the CRA should be more cognizant of the needs of residents, most likely through a housing program. He was not certain that the Provident project would meet the objective of preserving and developing the neighborhood to eliminate slum and blight.

Mr. Wilkes continued that he felt the Board should consider providing funds toward a façade, which could help to market the property. He recommended caution, however, that committing the remainder of CRA funding to this project would leave little or nothing in the budget for other projects that could help the community.

Mr. Brown explained that it is better for the CRA to attract significant development along the Sistrunk Corridor, as this is part of an industrial area. Staff feels the Provident project would encourage additional development in the area. He also noted that there is

a maximum amount of CRA dollars that can be committed to the single building, which would limit the funding that could be made available to individual tenant businesses. The mortgage funding could instead be committed to the building owner, who will complete the work all at once rather than piecemeal. Mr. Brown also pointed out that arranging multiple separate agreements between the CRA and tenants of the property can be time-consuming.

Mr. Strawbridge returned the discussion to cap rates, observing that it could be better to fund the façade improvements for the Provident project but not the tenant build-outs. He expressed concern with the proposed timeline, which would involve securing four different tenants, designing their projects, going through the City's approval process, and constructing them by the end of 2017.

Mr. Peretz clarified that he felt they would be able to complete the façade portion of the project, and he is now working with one prospective tenant, with three additional tenants yet to be secured. Because he has not yet closed on the property, he has not been able to determine if any of the building's current tenants wish to remain there.

**Motion** made by Mr. Strawbridge to grant the façade only.

Ms. Teague advised that as a business owner, she would not be interested in the property under this condition. Mr. Wilkes noted, however, that the owner does not need CRA funding in order to make a reasonable return on the property. He felt it would establish a negative precedent. He also did not wish to make a commitment to the buildout without first determining who the tenants would be. He concluded that the Board has seen negative consequences in the past when relying on figures provided by applicants.

Mr. Gabriel requested clarification that the **motion** was to approve the façade alone. Mr. Brown noted, however, that delaying funding to the build-out project could mean denying funds, as the CRA is now down to roughly \$3 million for commercial development, which could be spent before Provident tenants could come back. He emphasized the need to create momentum to the west of the railroad tracks.

The **motion** died for lack of second.

Ms. Barber expressed concern that locally owned businesses in the community are struggling to succeed and providing important services. She asked if there is a chance that the proposed project might displace these businesses. Mr. Hall replied that he has reached out to other property owners in the area who have vacancies regarding the relocation of industrial and other businesses. Vice Chair Burrows felt the property owner should make a buildout offer to the restaurant already located on the parcel. She felt the Board should be given some assurance that the owner would reach out to existing businesses in the community.

Mr. Lagi asked if the Board may require the owner to reach out to existing businesses in the community. Mr. Brown replied that this was possible if it makes good business sense to do so; however, he recommended that the Board instead specify the types of efforts they would want the owner to make so they can show the Board their commitment.

Ms. Foderingham stated that together, the Pharmacy and Provident projects have the potential to attract further development. She did not feel the façade improvements alone would be sufficient to bring local businesses to the property, and that providing buildout funds would prevent the owner from coming back multiple times to request buildout funds for each tenant.

Mr. Gabriel asked if an Applicant is required to own the subject property. Mr. Brown confirmed that CRA funding would be contingent upon closing. Mr. Gabriel suggested that discussion of this Item be continued until after the Applicant has closed on the property and spoken further with current and prospective tenants.

**Motion** made by Mr. Gabriel, seconded by Vice Chair Burrows, to defer to next month.

Chair Centamore emphasized the importance of an opportunity to approve a major project west of 7<sup>th</sup> Avenue. He was confident that the Pharmacy and Provident projects would be “seed projects” that would stimulate further development in the subject area.

Mr. Gabriel stated that his **motion** would allow the Applicant to come back before the Board after closing on the property and addressing some of the issues raised by the members. Ms. Foderingham pointed out, however, that it would be best to send both projects before the City Commission/CRA Board at the same time. Mr. Brown advised that if the Board makes a recommendation today, Staff will immediately begin preparing Agenda Items to go before the CRA Board the following month.

Ms. Barber asserted that the CRA should be consistent in the support it provides, and should place some conditions on the funding it may provide to an applicant.

In a roll call vote, the **motion** passed 9-5 (Chair Centamore, Mr. Hart, Ms. Foderingham, Mr. Lagi, and Ms. Teague dissenting).

Mr. Peretz stated that the Board’s decision creates a delay in making the project successful. There is no lease with the property’s current restaurant tenant, but ongoing rental on a month-to-month basis.

Mr. Brown felt the concerns raised by the Board would send a message to potential developers that they could not bring quality development into the community without a

commitment to retaining existing businesses. Mr. Strawbridge felt that this instead shows the Board wants to negotiate with prospective developers.

Ms. Foderingham commented that the Board may make recommendations to Staff regarding the composition of tenants in the building; however, she felt the Pharmacy and Provident projects are crucial to spur commercial revitalization at Sistrunk Boulevard and 9<sup>th</sup> Avenue.

It was noted that in order to reconsider a **motion** already voted upon, one of the members who voted in favor of the deferral would need to make the **motion** to reconsider.

**Motion** made by Mr. Gabriel to reconsider [the deferral].

Mr. Peretz confirmed that a delayed vote on the project would be detrimental to his progress. Hope Calhoun, attorney representing the Applicant, stated that the Board did not hear answers to all their questions directly from the developer. She also noted that while a vote to make exterior but not interior improvements still counts as a recommendation, a motion to defer makes no recommendation and cannot go forward.

Mr. Lue **seconded** the **motion**. In a show of hands, the **motion** passed 8-6.

**Motion** made by Mr. Lagi to approve as presented with the specific editing of language that has stipulations talking about local community tenants [and] that Staff has to very specifically and legally work through those details, and then the CRA Board reviews that.

Mr. Hart **seconded** the **motion**.

Mr. Wilkes pointed out that the Board has not heard any details on how the CRA funds would be spent other than "inside/outside tenant improvements." He reiterated that the Applicant does not own the property and has not provided specific information on the details. For these reasons he felt approval would be premature.

Mr. Peretz emphasized once again that his intent was for the project to have a positive impact on the community. Vice Chair Burrows advised that while the Board is in favor of the project, they are seeking more information.

In a roll call vote, the **motion** passed 10-4 (Vice Chair Burrows, Ms. Barber, Mr. Cohen, and Mr. Wilkes dissenting).

## **VIII. Communication to CRA Board**

Mr. Lagi observed that the Item related to Brightline (formerly All Aboard Florida) voted upon at the April meeting has not yet gone before the CRA Board for final approval. He felt that because the assets and land related to that project have been sold to another company, CRA guidelines should not allow it to be funded. It was determined that Mr. Brown would ask a representative of Brightline to come back to a subsequent meeting to discuss this further.

**IX. Old / New Business**

**a. July 11 Meeting Date Change**

**b. ULI Summary Matrix**

**c. Summer Break Schedule**

Chair Centamore advised that the remaining Agenda Items would be deferred until the next Board meeting.

**X. Public Comment**

None.

**XI. Adjournment**

There being no further business to come before the Board at this time, the meeting was adjourned at 6:12 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

[Minutes prepared by K. McGuire, Prototype, Inc.]