



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#13-0914

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee Feldman, ICMA-CM, City Manager

DATE: July 2, 2013

TITLE: Consent Resolution – (A) Conditional Consent to Developer's Assignment and Assumption of Rights and Obligations for Phase II of the Northwest Commercial Redevelopment Project and (B) Seventh Amendment to Development Agreement

Recommendation

It is recommended that the City commission adopt a resolution authorizing execution by the proper City officials of (A) Conditional Consent to the Developer's Assignment and Assumption of Rights and Obligations for Phase II of the Northwest Commercial Redevelopment project in support of an application for Low Income Housing Tax Credits from the Florida Housing Finance Corporation (FHFC) and (B) Seventh Amendment to the Development Agreement.

Background

The first phase of the Northwest Commercial Project is completed with Save-a-Lot, Family Dollar and Bank of America all open for business. The second phase of the development project is planned to be a residential development project that will be constructed on a property east of the new shopping center. The developer proposes that the residential development will be a mid-rise tower building with approximately 103 apartments with ground floor retail and a parking garage on site.

Under the terms of Article 7 of the existing Development Agreement the entire site is owned by the City of Fort Lauderdale and will not be conveyed until all development conditions precedent to conveyance are satisfied. However, in order to apply for tax credits the developer must demonstrate site control at the time of submitting an application. This requires the conveyance process for Phase II to be modified to allow an application for tax credits to be submitted for Phase II.

In order to meet the site control requirement in accordance with the FHFC application process the Developer has requested an assignment of the rights to develop and receive fee simple title to Parcel No. 2 (Phase II). The developer's request is attached as **Exhibit 1**. This is the second time the developer has requested an assignment of

rights to apply for tax credits; the first request was approved by the City Commission on July 6, 2011. If approved, the assignment would be provided to the single asset entity, Village of the Arts, Ltd, created by the Developer for the purpose of applying for tax credits. If Conditional Consent is approved the Developer must demonstrate sufficient Financial Capacity and a Firm Financing Commitment when combined with an award of tax credits to develop the site on or before August 1, 2014. If the developer fails to obtain tax credits Conditional Consent automatically expires, without further action by the City Commission.

According to the existing Development Agreement, a Firm Financing Commitment is required on or before October 1, 2013. If the City Commission adopts the proposed Seventh Amendment to the Development Agreement and revised the Project Development Schedule the Developer's requirement to provide the Firm Financing Commitment when combined with an award of tax credits will be extended to on or before June 1, 2014. In the event the Developer fails to secure a Firm Financing Commitment within the time set in the Project Development Schedule, the Development Agreement immediately becomes null and void and of no further force and effect.

Resource Impact

No budgetary impact

Attachments:

Exhibit 1 – Developer's Request

Exhibit 2 – Location Map

Exhibit 3 – Assumption and Assignment and Conditional Consent

Exhibit 4 – Seventh Amendment to Development Agreement

Exhibit 5 - Resolution

Prepared by: Alfred G. Battle Jr., Economic and Community Reinvestment Manager

Department Director: Greg Brewton, Sustainable Development