

City of Fort Lauderdale

*City Hall
100 North Andrews Avenue
Fort Lauderdale, FL 33301
www.fortlauderdale.gov*



Meeting Minutes

Tuesday, December 5, 2017

2:30 PM

**OR AS SOON THEREAFTER AS POSSIBLE
City Commission Conference Room**

COMMUNITY REDEVELOPMENT AGENCY BOARD

**FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY BOARD OF
COMMISSIONERS**

**JOHN P. "JACK" SEILER - Chair
BRUCE G. ROBERTS - Vice Chair
DEAN J. TRANTALIS - Commissioner - District II
ROBERT L. McKINZIE Commissioner - District III
ROMNEY ROGERS Commissioner - District IV**

**LEE R. FELDMAN, Executive Director
JOHN HERBST, City Auditor
JEFFREY A. MODARELLI, Secretary
CYNTHIA A. EVERETT, General Counsel**

ROLL CALL

Present 5 - Vice Chair Bruce G. Roberts, Commissioner Dean J. Trantalis, Commissioner Robert L. McKinzie, Commissioner Romney Rogers, and Chair John P. "Jack" Seiler

QUORUM ESTABLISHED

Also Present: Executive Director Lee R. Feldman, Secretary Jeffrey A. Modarelli, General Counsel Cynthia A. Everett, City Auditor John Herbst, and Sergeant at Arms Tarek Bazzi

No e-comments were received for this meeting.

CALL TO ORDER

Chair Seiler called the Community Redevelopment Agency (CRA) Board Meeting to order at 3:41 p.m.

MOTIONS

M-1 [17-1490](#)

Motion to Approve Minutes for November 7, 2017 Community Redevelopment Agency (CRA) Board Meeting

Vice Chair Roberts made a motion to approve the noted minutes and was seconded by Commissioner Trantalis.

APPROVED

Aye: 5 - Vice Chair Roberts, Commissioner Trantalis, Commissioner McKinzie, Commissioner Rogers and Chair Seiler

M-2 [17-1390](#)

Motion to Approve an Amendment to the Property and Business Investment Program Agreement between the Fort Lauderdale Community Redevelopment Agency and Rechter Holdings, Inc., Modification of Mortgage between the Fort Lauderdale Community Redevelopment Agency and Rechter Holdings, Inc. and Subordination of Mortgage Agreement between the Fort Lauderdale Community Redevelopment Agency, Stonegate Bank, and Rechter Holdings, Inc.

City Auditor John Herbst stated there are policy issues that need to be considered by the Community Redevelopment Agency (CRA) Board for this Amendment to the Property and Business Investment Program Agreement between the Fort Lauderdale CRA and Rechter Holdings, Inc., and associated documents. Mr. Herbst commented on concerns

relating to loan to value ratios, the appraised value of the property and concerns about the cash being used to improve the parcels. He confirmed there were no other outstanding liens on the property.

Chair Seiler recognized Assistant City Attorney Lynn Solomon who stated Stonegate is taking out a first mortgage on all three parcels. Commissioner Rogers said the closing took place in September 2017, commenting on the City's position on the three mortgages and concerns raised by Mr. Herbst.

Chair Seiler recognized D'Wayne Spence, Esq., CRA Manager. He confirmed knowledge of these concerns, explaining the history of the developer's relationship with the Board, his investment with development initiatives in the Progresso Village area and his personal investment in a number of properties. The developer's intent is to invest the loan amounts back into the properties. Mr. Spence invited Dr. Michael Rechter to address the Commission on their concerns.

Chair Seiler recognized Dr. Rechter, who discussed a portion of the 2015 application to the CRA Board, explaining the difficulty in obtaining financing and the process used to continue financing the rehabilitation of these types of properties. Dr. Rechter explained that this item's funding will be reinvested into these properties, confirming the City is in a second position regarding the mortgages. Commissioner Trantalis asked Dr. Rechter about the ability to repay the debt. Dr. Rechter confirmed, citing examples of increased equity in 2015 development projects related to loan to value ratios. Further questions, comments and discussions ensued on Dr. Rechter's building purchases and reinvestments in the area, details involved in the loan request, previous hold back amounts, bank funding when other area projects are completed and incentives provided for the project located at 835 Second Avenue. Dr. Rechter likened his efforts to the revitalization of Miami's Wynwood area.

Chair Seiler voiced his concern regarding the need to document and track the promised reinvestment of the funding. City Auditor Herbst commented on the concept used for financing these projects and monetizing assets. Discussions ensued on the terms of repayment. Bob Wojcik, CRA Housing and Economic Development Manager, confirmed the former date of repayment was at the time of loan refinancing. Dr. Rechter noted he is refinancing prior to completion. Further discussions ensued on the date of closing and the mortgage recording. Dr. Rechter confirmed the amount of his funds currently in escrow.

Assistant City Attorney Solomon confirmed the Property recording and

Business Investment Agreement (Agreement), stating the mortgage was attached to this Agreement. Mr. Wojcik confirmed that a portion of the Agreement, \$50,000 and \$75,000 of the grant has been funded. Further discussion ensued on details involved in the September 2017 closing, the amount of funding to date, additional Stonegate Bank requirements and funding, and financial aspects of Dr. Rechter's redevelopment projects.

Chair Seiler commented on his concern about the CRA, requesting the General Counsel's Office, the City Auditor and the head of the CRA provide assurances that the financial interests of the City are protected. Commissioner Trantalis asked for confirmation that the City would cross-collateralize the loan. Mr. Spence confirmed, stating these forgivable loans could also be grants. He discussed the format of providing funds as an incentive.

Mr. Herbst commented on aspects of this transaction as compared to the original transaction, noting the need for a business plan for all three parcels. Chair Seiler discussed the need to expand this item's narrative to define exactly how these funds will be used. Mr. Spence confirmed the requested information could be ready by the January 3, 2018 CRA Board Meeting.

Vice Chair Roberts made a motion to defer this item to the January 3, 2018 CRA Board Meeting and was seconded by Commissioner McKinzie.

DEFERRED to the January 3, 2018 CRA Meeting

Aye: 5 - Vice Chair Roberts, Commissioner Trantalis, Commissioner McKinzie, Commissioner Rogers and Chair Seiler

RESOLUTIONS

R-1 [17-1331](#)

Resolution to Approve an Award of a Development Incentive Program Incentive in the Amount of \$1,400,000 to North West 6th Investments, LLC for the Sistrunk Market Project located at 115 West Sistrunk Boulevard; Approving the Terms and Conditions of the Development Incentive Program Loan Commitment; and Authorizing the Executive Director to Execute the Loan Commitment, Development Agreement and Any and All Other Documents or Instruments Necessary or Incidental to Consummation of the Transaction

Chair Seiler recognized Bob Wojcik, CRA Housing and Economic Development Manager, who explained the details of this Resolution. In response to Chair Seiler's question, Mr. Wojcik explained details

concerning the number of jobs which must be created and maintained in year one for the allocation of funding. Discussions ensued on the terminology used regarding fiscal years and the timelines used for job creation. Commissioner Rogers and Chair Seiler said information provided in the back-up needs more clarity.

The applicant presented the project rendering to the Board, confirming the building is being repurposed and explained the Food Hall concept. Discussions ensued on parking, meeting Code requirements, the applicant providing golf cart transportation within a mile and a half radius, incentives for customers taking Uber and possible future parking expansion opportunities. Commissioner Trantalis commented on the need for sufficient parking. Further discussions ensued on the need for adequate parking to sustain the applicant's business.

City Manager Feldman clarified the DRC process, stating the applicant will have to demonstrate parking will satisfy the requirements. Chair Seiler commented on the success of Food Hall locations in other cities, commenting that it generates pedestrian traffic. Commissioner Trantalis recommended further review by Staff. Commissioner McKinzie discussed zoning changes to the Northwest Regional Activity Center (NW RAC), reducing parking requirements to generate development and other proposed development that will add parking availability. Further discussions ensued.

Chair Seiler recognized Ron Centamore, President of the Progressive Village Civic Association (Civic Association). Mr. Centamore discussed the applicant's options to purchases and/or lease buildings and property behind the project site. He confirmed the Civic Association's position regarding the market and the project's concept, confirming the neighborhood's concern over adequate parking. The Civic Association wants a permanent solution to the parking issue. Further discussions and comments ensued.

Chair Seiler requested this item be amended based on Development Review Committee (DRC) approval. Chair Seiler recognized D'Wayne Spence, Manager of the Northwest Progresso-Flagler Heights Community Redevelopment Agency (NWPFH CRA), who stated an agreement letter is in place, and the DRC approval is contingent upon approval by the General Counsel of the CRA. Further discussions ensued on the requirement of providing and sustaining jobs in order for funding disbursement.

Commissioner Trantalis introduced this item as amended to include

CRA General Counsel's approval through a Development Agreement, compliance with DRC requirements, allocation of CRA funding 12 months after opening at which time they need to demonstrate the hiring of 50 full-time employees within the site who are hired from the area. The Resolution was read in its entirety.

ADOPTED AS AMENDED

Aye: 5 - Vice Chair Roberts, Commissioner Trantalis, Commissioner McKinzie, Commissioner Rogers and Chair Seiler


ADJOURNMENT

Chair Seiler adjourned the Community Redevelopment Agency Meeting of December 5, 2017 at 4:55 p.m.



John P. "Jack" Seiler
Chair

ATTEST:



Jeffrey A. Modarelli
CRA Secretary