City of Fort Lauderdale

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

Meeting Minutes

Tuesday, October 15, 2019

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

DEAN J. TRANTALIS - Chair
ROBERT L. McKINZIE - Vice Chair
HEATHER MORAITIS - Commissioner - District I
STEVEN GLASSMAN - Commissioner - District II
BEN SORENSEN - Commissioner - District IV

CHRIS LAGERBLOOM, Executive Director
JOHN HERBST, City Auditor
JEFFREY A. MODARELLI, Secretary
ALAIN E. BOILEAU, General Counsel

CALL TO ORDER

Chair Trantalis called the meeting to order at 4:26 p.m.

ROLL CALL

Present 5 - Vice Chair Robert L. McKinzie, Commissioner Ben Sorensen, Commissioner Heather Moraitis, Commissioner Steven Glassman, and Chair Dean J. Trantalis

QUORUM ESTABLISHED

Also Present: Executive Director Chris Lagerbloom, Secretary Jeffrey A. Modarelli, General Counsel Alain E. Boileau, City Auditor John Herbst, and Sergeant at Arms Keven Dupree

MOTIONS

M-1 19-1001 Motion to Approve Minutes for September 17, 2019 Community Redevelopment Agency (CRA) Board Meeting - (Commission Districts 2 and 3)

Commissioner Sorensen made a motion to approve this item and was seconded by Commissioner Glassman.

APPROVED

Aye: 5 - Vice Chair McKinzie, Commissioner Sorensen, Commissioner Moraitis, Commissioner Glassman and Chair Trantalis

M-2 19-1027 Motion Approving a Services Agreement between the City of Fort Lauderdale and the Fort Lauderdale Community Redevelopment Agency (CRA) - (Commission Districts 2 and 3)

Commissioner Glassman made a motion to approve this item and was seconded by Commissioner Sorensen.

APPROVED

Aye: 5 - Vice Chair McKinzie, Commissioner Sorensen, Commissioner Moraitis, Commissioner Glassman and Chair Trantalis

RESOLUTIONS

R-1 19-1048 Resolution of the Fort Lauderdale Community Redevelopment Agency Approving a $5,000,000 Development Incentive Program Forgivable Loan to Fat Live Limited Partnership as Gap Financing for the FAT

Live Affordable Housing Project at 501 NW First Avenue, Contingent on an Award of 9% Low Income Housing Tax Credits from the Florida Housing Finance Corporation, an Award of a $5,000,000 Loan from Broward County, Florida and a Firm Commitment for Construction Financing - (Commission District 2)

Commissioner Glassman noted his review of the Northwest-Progresso-Flagler Heights (NWPFH) Community Redevelopment Agency (CRA) Advisory Board Meeting Minutes related to this item.

Chair Trantalis recognized Leann Barber, 501 NE First Avenue, representative of FAT Live Limited and NWPFH CRA Advisory Board member. She explained that her support of this item is due to the importance of having affordable housing components allowing for the economic diversity of residents in the NWPFH CRA.

In response to Chair Trantalis' question, Clarence Woods, Area Manager NWPFH CRA, said the project contains ninety-four (94) affordable housing units and one hundred twenty-five (125) market-rate housing units.

In response to Chair Trantalis' question, Mr. Woods said the project cost is $50,845,000. The applicant is seeking $5,000,000 from the NWPFH CRA.

In response to Vice Chair McKinzie's question, Mr. Woods confirmed the NWPFH CRA contribution is gap financing. It could also be viewed as an incentive for low-income funding in the area. Further comment and discussion ensued.

In response to Commissioner Glassman's question, Mr. Woods gave an update on the status of the nine percent (9%) low-income housing credit contribution from the Florida Housing Corporation (FHC). The applicant's FHC application is due on November 7, 2019. He explained details of the FHC point-scoring and ranking system, noting the likelihood of the applicant receiving the award. The FHC decision would be forthcoming in the Spring of 2020.

Chair Trantalis discussed a concern regarding this project. There is a property owner who is not willing to sell the property needed to assemble the project. He commented on possible future Commission consideration of instituting condemnation proceedings to take the property in exchange for fair market value payment. The parcel would be utilized as a City-owned park within the project. Chair Trantalis commented on

conversations with the developer who favored this idea. He discussed the need for open space in redevelopment areas and the opportunity to utilize Parks Bond funding. Chair Trantalis discussed utilizing eminent domain for a property to be used for a public purpose.

General Counsel Alain Boileau commented on the topic of eminent domain and the condition for a compelling need. He noted the necessity to research further. Additional comments ensued.

Commissioner Glassman discussed his support of this project, expounding on details.

Commissioner Glassman introduced this Resolution which was read by title only.

ADOPTED

Aye: 5 - Vice Chair McKinzie, Commissioner Sorensen, Commissioner Moraitis, Commissioner Glassman and Chair Trantalis

R-2 19-1046 Resolution of the Fort Lauderdale Community Redevelopment Agency to Waive the Maximum Award Amount under the Property and Business Investment Improvement Program (PBIIP); Motion to Award an Additional $100,000 in Forgivable Loan Funding to 1134 LLC for the Smitty's Wings Restaurant Project Located at 1134 Sistrunk Boulevard - (Commission District 3)

Chair Trantalis recognized Charles King, 105 N. Victoria Park Road. Mr. King discussed his perspective in opposition to this item, citing examples and expounding on details.

Chair Trantalis recognized the applicant, former State Senator Chris Smith, 1740 NW Third Court. Vice Chair McKinzie commented on his assessment of this item. Senator Smith confirmed he is a resident of the NWPFH CRA, noting related details and his perspective. He discussed his history of public service, personal economic investments in the NWPFH CRA and the need for economic development along Sistrunk Boulevard.

Senator Smith confirmed communications from NWPFH CRA Staff, urging him to pursue this project. He reviewed his investment of personal funds into this project, expounding on details and stating there is no mortgage on the property. Senator Smith discussed his viewpoint and Commission concerns, confirming he would persevere and bring the project to fruition.

Commissioner Moraitis commented on her perspective, support of Senator Smith and this project.

The Board discussed the current threshold amount for the NWPFH CRA program. Mr. Woods confirmed applicants have a financial stake in NWPFH CRA projects. He explained details related to previous projects and the purchase of property by applicants counting towards their financial contribution.

In response to Commissioner Glassman's question regarding the amounts being typical build-out costs for a restaurant, Mr. Woods confirmed, citing examples. Further comment and discussion ensued on restaurants in the area that applied for CRA funding and related details.

Vice Chair McKinzie commented on his perspective and determination to get businesses into existing empty storefronts on Sistrunk Boulevard. He discussed Senator Smith's previous investments in the NWPRH CRA. Further comment and discussion ensued on the process, the history of previous NWPFH CRA applicants and projects, and costs to build a restaurant.

Commissioner Glassman explained the importance of reviewing details, facts and information for Agenda items before the CRA Board for approval, citing examples. This information was not available at the October 2, 2019 CRA Board Meeting.

In response to Commissioner Glassman's questions regarding the acquisition of the building, Senator Smith confirmed he acquired the building in 2011 for $46,000. There is no mortgage on the property. Additional costs and personal amounts invested in the building by Senator Smith were confirmed. Senator Smith said he is working with two individuals experienced in this sector of the restaurant industry.

Commissioner Glassman thanked Senator Smith for his input and the clarity that this information provided, noting Senator Smith has invested approximately $196,000 in the building. Should this item be approved, the CRA contribution to date would be $450,000. Senator Smith reiterated all his funding did not involve financing. Commissioner Glassman thanked Senator Smith for the information he provided today. He also thanked Senator Smith for his years of public service.

Commissioner Glassman commented on the Change Order supplied as a backup to this item, specifically items related to the gas tanks and roof items estimated at $65,000. Discussion ensued on the topics of general

conditions and project delays. Chair Trantalis noted his concern regarding not having a built-in general conditions percentage included in the contract. Commissioner Glassman commented on his perspective regarding the remaining Change Order amount.

In response to Chair Trantalis and Commissioner Glassman's question, Ms. Barber explained the dissenting NWPFH CRA Advisory Board votes regarding this time. Sufficient detailed information was not provided to make a sound decision. She noted the significant amount of funding requested and the need for thoroughness.

In response to Vice Chair McKinzie's question, Ms. Barber discussed the need for thoroughness as the reason for her NWPFH Advisory Board vote in opposition to the Sistrunk Boulevard YMCA.

Ms. Barber confirmed her support of this item, following Senator Smith's input of specific information regarding the project. Further comment and discussion ensued.

In response to Commissioner Glassman's question, Mr. Woods said the CRA Staff value-engineered the Change Order. Mr. Woods commented on financial information CRA Staff received from Senator Smith and provided to City Auditor John Herbst. Comment and discussion ensued on the CRA Staff's review of financial details. Mr. Woods confirmed the financial contribution made by Senator Smith exceeded the program's ten percent (10%) threshold.

In response to Commissioner Sorensen's questions regarding information in the CAM being an accurate representation of costs, Corey Ritchie, NWPFH CRA Project Manager, verified the accuracy of costs listed in the Change Order, explaining related details. Commissioner Sorensen said these were appropriate requests. Further comment and discussion ensued.

Vice Chair McKinzie commented on his perspective regarding this item and the need to address the process and formula, expounding on details related to this project. Further comment and discussion ensued.

Commissioner Glassman discussed the importance of providing the CRA Board with thorough, in-depth project information and the benefit of discussions with the applicant to gather essential facts. The CRA Board examines all projects with the same level of scrutiny. Commissioner Glassman reemphasized the need for appropriate backup information, citing examples and expounding on specifics. Further comment and

discussion ensued.

Vice Chair McKinzie left the meeting at 5:32 p.m.

Chair Trantalis commented on his perspective, noting the importance of the CRA Board's role as fiduciary stewards of public CRA funds. He discussed the need for reserves to cover initial operating expenses and concerns regarding future requests for additional funding.

Vice Chair McKinzie returned to the meeting at 5:37 p.m..

Commissioner Glassman acknowledged that the clarification of expense items listed in the $65,000 Change Order going towards this request for an additional $100,000 in forgivable loan funding provided the necessary information to support approval.

Commissioner Sorensen introduced this Resolution which was read by title only.

ADOPTED

Aye: 4 - Vice Chair McKinzie, Commissioner Sorensen, Commissioner Moraitis and Commissioner Glassman

Nay: 1 - Chair Trantalis

ADJOURNMENT

Chair Trantalis adjourned the meeting at 5:38 p.m.

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Dean J. Trantalis
Chair

ATTEST:

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Jeffrey A. Modarelli
CRA Secretary

NOTICE TO MEMBERS OF THE PUBLIC:

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