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Meeting Minutes

Tuesday, November 16, 2021

2:30 PM

City Hall - City Commission Chambers

OR AS SOON THEREAFTER AS POSSIBLE

100 North Andrews Avenue, Fort Lauderdale, FL 33301

COMMUNITY REDEVELOPMENT AGENCY BOARD

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

DEAN J. TRANTALIS - Chair

HEATHER MORAITIS - Vice Chair

STEVEN GLASSMAN - Commissioner - District II

ROBERT L. McKINZIE - Commissioner - District III

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 2:30 p.m.

ROLL CALL

Present 4 - Commissioner Ben Sorensen, Commissioner Steven Glassman, Commissioner Robert L. McKinzie, and Chair Dean J. Trantalis
Excused 1 - Vice Chair Heather Moraitis

QUORUM ESTABLISHED

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

RESOLUTIONS

R-1 [21-0781](#) Resolution Authorizing Budget Amendment - Accept a \$20,769,000 Bank Loan from Truist Bank and Appropriate \$25,716,561. Of that amount, \$23,260,940 for Debt Repayment and Business Incentive Projects. \$2,455,621 for Debt Service Principal and Interest Loan Payment - (Commission District 3)

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

ADOPTED

Aye: 4 - Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis

Excused: 1 - Vice Chair Moraitis

R-2 [21-0319](#) Resolution Approving a \$4,000,000 CRA Development Incentive Program Loan to 909 NW 6th St. LLC for a Mixed-Use Commercial Development Project to be Located at 909 Sistrunk Boulevard, 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)

Chair Trantalis recognized Debbie Orshefsky, Esq., 515 Las Olas Boulevard, on behalf of the developer, *909 NW 6th St. LLC*, an affiliated company of *Fuse Group Investment Companies (Applicant)*.

In response to Commissioner McKinzie's questions, Ms. Orshefsky

explained the location of numerous properties acquired by the *Applicant* in the *Northwest-Progresso-Flagler Heights Community Redevelopment Agency (NWPFH CRA)* but is not familiar with the *Applicant's* properties in the *Mass District*.

Commissioner McKinzie commented on his initial positive viewpoint of the *Applicant* and its plans. He discussed concerns and disappointment related to the *Applicant* not completing its *NWPFH CRA* incentivized projects, which are primarily vacant. He cited examples and expounded on details regarding what the *Applicant* had not achieved on the Sistrunk Boulevard (NW 6th Street) corridor. Many individuals want to come to the area to develop businesses but lack the financial means. He noted the long duration of another *Applicant* property on the eastern side of NW 9th Avenue and other projects with similar drainage issues that have been in business for a significant time.

Commissioner McKinzie remarked on his viewpoint regarding the appearance of the *Applicant's* actions, the *Applicant's* purchasing of warehouses in the *Mass District*, which are empty because of unaffordable rents to long-time small businesses at these locations. Commissioner McKinzie noted he expressed his concerns to the *Applicant*.

Commissioner McKinzie explained the purpose of *CRAs* is to incentivize developers with the expectation of affording opportunities to people within *CRA* boundaries. Further comment and discussion ensued.

Commissioner McKinzie said he would oppose this Agenda item and any future *NWPFH CRA* funding requested by the *Applicant* and cited an additional example on NW 7th Avenue.

Ms. Orshefsky clarified that the second-floor staffing of the 906 NW 9th Street building houses the *FUSE Group* headquarters that include development staff and its other companies, which is employment base. Ground-floor retail rents at this location and at the building on Powerline Road north of Sistrunk are comparable with retail rents on the 13th Street corridor, similar in terms of rehabilitation and economic development. The request for this incentive is due to the high costs to construct new commercial and office development. The *Applicant* is committed to this neighborhood, and this financial assistance would bring a new state-of-the-art office building with ground-floor retail to the area. She explained the challenges associated with the *Applicant's* retail space within rehabilitated properties.

Commissioner McKinzie cited examples of other repurposed, rehabilitated properties along the Sistrunk Boulevard corridor and commented on his viewpoint regarding buildout delays with the Applicant's properties negatively impacting a small business.

In response to Chair Trantalis' question regarding use of this incentive funding and the amount of investment from the Applicant, Ms. Orshefsky said this project was approved as a mixed-use commercial development with ground-floor retail of approximately 8,000 square feet and 16,000-30,000 square feet of office space. The cost is estimated at approximately \$16,000,000 - \$17,000,000.

In response to Chair Trantalis' question regarding occupancy of the building located across the street, which the Applicant rehabilitated, Eyal Peretz, *FUSE Group (Applicant)* Chief Executive Officer, explained the 612 NW 9th Street building recently received its Certificate of Completion. Three (3) of the four (4) bays are rented to retail tenants. There is no office space at this building.

Mr. Peretz explained occupancy of the 909 NW 6th Street building as discussed by Ms. Orshefsky and confirmed recently signed leases and ongoing lease negotiations anticipated to put the building at full capacity. He explained details of leasing occupancy associated with *Applicant* buildings in the *NWPFH CRA*. There are no benefits associated with delays, and warehouses purchased by the *Applicant* are a second tier. Further comment and discussion ensued regarding delays related to the *Applicant's* property located at 612 NW 9th Avenue and negative impact on a tenant who had planned to occupy space.

Commissioner McKinzie discussed the support system utilized to rehabilitate the NE 13th Street corridor, which does not exist on the Sistrunk corridor. He reiterated his opposition to additional incentive funding based on what has been produced and cited examples. *NWPFH CRA* areas along the Sistrunk Boulevard corridor were not intended to charge market-rate rent. Further comment and discussion ensued.

Chair Trantalis commended the *FUSE Group* for its efforts and investments on the Sistrunk Boulevard corridor. He remarked on his hope for a continued partnership towards economic development.

Ms. Orshefsky remarked on the impact of the *Applicant's* commitments incorporated into the buildings on the Sistrunk Boulevard corridor from

NW 9th Avenue to NW 7th Avenue. The *Applicant's* financial investment is reaching the point where it will begin to take off, similar to Flagler Village.

In response to Chair Trantalis, Mr. Peretz confirmed the ability to address Commissioner McKinzie's concerns through direct communication. Further comment and discussion ensued on communications between the *Applicant* and Commissioner McKinzie.

Commissioner Sorensen said he is not comfortable moving this item forward until Commissioner McKinzie is ready to move forward.

Chair Trantalis recommended deferring this Agenda item.

Commission Glassman said he was ready to move forward and remarked on appreciation for the *FUSE Group's* level of investment. The *NWPFH CRA Advisory Board* voted unanimously to approve this Agenda item. He noted there have been challenges over the past twenty (20) months. He asked what would be accomplished between now and a deferral date. Commissioner Glassman commented on numerous accommodations made to another applicant. Further comment and discussion ensued on scheduling the date for deferring this Agenda item.

Commissioner McKinzie confirmed the need to address his concerns with the *Applicant*. Further comment and discussion ensued.

In response to Commissioner Glassman's question regarding the impact of a deferment, Ms. Orshefsky acknowledged the importance of meeting with Commissioner McKinzie to clarify and address concerns.

Commissioner Sorensen made a motion to defer this item until the December 7, 2021, *Community Redevelopment Agency (CRA) Board* Meeting and was seconded by Commissioner Glassman.

DEFERRED to December 7, 2021

Aye: 4 - Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis

Excused: 1 - Vice Chair Moraitis

R-3 [21-1095](#)

Resolution to Approve an Expenditure of \$1,846,789.02 to Fund the Relocation of Florida Power and Light Company Transmission Facilities that Crosses City Property at 543 NW 5th Avenue to Facilitate the Development of the Property - (Commission District 3)

Mayor Trantalis recognized Sean Jones, 4025 NE 34th Avenue, on

behalf *Arts, Ltd., MJDC AOA, LLC., Milton Jones, Jr. and Barbara Jones (Applicant)*. Commissioner McKinzie commented on the *Applicant's* vacant commercial building. He reiterated concerns discussed during the previous Agenda item related to small mom-and-pop businesses referred to the *Applicant*, which have not come to fruition. Commissioner McKinzie discussed the need for a grocery market in this area and unfulfilled promises made to the community.

In response to Commissioner McKinzie's questions regarding this project's lengthy delay, Mr. Jones explained a two (2) year permitting delay for buildout due to the use of an out-of-state architect, which required seven or eight (7-8) reviews. The contractor is applying for permits and the Applicant has assisted and remains in constant contact with the contractor.

In response to Commissioner McKinzie's question regarding the permit application process, Clarence Woods, *Community Redevelopment Agency (CRA)* Area Manager, explained it is dependent on how the *CRA* incentive is provided. If ninety percent (90%) of the incentive is provided by the *CRA*, the *CRA* handles the procurement process, and the selected contractor is responsible for obtaining the permit. If less than ninety percent (90%) and the applicant undertakes construction, it is the responsibility of the applicant, architect and contractor to obtain permits.

In response to Commissioner McKinzie's question, Mr. Jones said he anticipates having a permit next month and confirmed he would contact Commissioner McKinzie should there be a concern.

Commissioner McKinzie commented that he would support this item. He reiterated the need for results, a grocery store and a fully occupied plaza benefiting the community. Commissioner McKinzie commented on the *CRA Board's* approval of development agreement extensions given to the *Applicant*. Mr. Jones remarked on financial commitments extended by *Bank of America* due to delays. Further comment and discussion ensued on anticipated tenants that did not move forward.

Chair Trantalis commented on his understanding of empty storefronts due to the inability of tenants to afford high rent and discussed his perspective.

Further comment and discussion ensued on the inability of a major grocery chain to occupy in the former space occupied by *Save A Lot*

grocery store due to inadequate square footage.

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

ADOPTED

Aye: 4 - Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis

Excused: 1 - Vice Chair Moraitis

R-4 [21-1130](#)

Resolution Amending Resolution No. 21-08 (CRA) to increase the fee of the law firm of Greenberg Traurig, LLP as Special Counsel to the Fort Lauderdale Community Redevelopment Agency from \$32,500.00 to \$42,500, plus costs not to exceed \$2,500 in connection with closing on a taxable loan from Truist Bank in an amount not to exceed \$23,100,000 to fund the Series 2021 Northwest-Progresso-Flagler Heights Project, Cost of Issuance and Refinance the Series 2015 Note - (Commission Districts 2 and 3)

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

ADOPTED

Aye: 4 - Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis

Excused: 1 - Vice Chair Moraitis

MOTIONS

M-1 [21-0946](#)

Motion Approving a Subordination Agreement, Subordinating the CRA Mortgage to 613 NW 3rd Ave Holdings, Inc. in the Amount of \$7,000,000 to a New Mortgage by NorthMarq in an Amount not to Exceed 85% of Loan to Value at the Time of Refinance; An Amendment to the Development Agreement, If Necessary; A Subordination of the Regulatory Agreement; and Authorizing the Executive Director to Execute Any and All Related Instruments, and Delegating Authority to the Executive Director to Take Certain Actions - (Commission District 2)

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

APPROVED

Aye: 4 - Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis

Excused: 1 - Vice Chair Moraitis

M-2 [21-1041](#) Motion Appropriating Unspent Remaining Northwest Progresso Flagler Heights Community Redevelopment Agency Estimated Fiscal Year (FY) 2021 Year-End Incentive Fund Balances - (Commission District 3)

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

APPROVED

Aye: 4 - Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis

Excused: 1 - Vice Chair Moraitis

PUBLIC HEARINGS

PH-1 [21-0320](#) Public Hearing Accepting the Property Disposition and Development Proposal of Northeast 6th Development, LLC for the Purchase and Development of CRA Property at 1017 Sistrunk Boulevard and 606 NW 10th Terrace and Approving a \$2,450,000 CRA Development Incentive Program Loan to Northeast 6th Development, LLC for the Victory Entertainment Complex, 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)

Chair Trantalis opened the public hearing.

There being no one wishing to speak on this item, Commissioner Glassman made a motion to close the public hearing which was seconded by Commissioner Sorensen. Roll call showed: AYES: Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis EXCUSED: Vice Chair Heather Moraitis

Chair Trantalis noted he would abstain from voting on this item due to his representation of Mr. Adams on another unrelated transaction.

In response to Commissioner McKinzie's question regarding the timeline to complete the project, Victor Harvey, on behalf of Northeast 6th Development LLC for the Victory Entertainment Complex, explained everything is in place to move forward and explained related details.

Commissioner Glassman introduced this Resolution which was read by

title only.

ADOPTED

Aye: 3 - Commissioner Sorensen, Commissioner Glassman and
Commissioner McKinzie

Excused: 1 - Vice Chair Moraitis

Abstain: 1 - Chair Trantalis

PH-2 [21-0321](#)

Public Hearing Accepting the Property Disposition and Development Proposal of Sistrunk Apartments, LLC for the Development and Donation of CRA Property at 1204 Sistrunk Boulevard and 1620 NW 6 Court, and Approving a \$8,000,000 CRA Development Incentive Program Loan to Sistrunk Apartments, LLC for “The Aldridge” and “The Laramore” Mixed-Use Affordable Housing Projects, 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)

In response to Commissioner McKinzie's question regarding the timeline to complete the project, Robert Lochrie, Esq., Lochrie and Chakas, P.A., on behalf of Sistrunk Apartments, LLC (Applicant), confirmed his client is anxious to proceed and its goal is to begin construction as soon as possible.

There being no one else wishing else to speak on this item, Commissioner Sorensen made a motion to close the public hearing which was seconded by Commissioner Glassman. Roll call showed: AYES: Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis EXCUSED: Vice Chair Heather Moraitis

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

ADOPTED

Aye: 4 - Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis

Excused: 1 - Vice Chair Moraitis

PH-3 [21-0720](#)

Resolution Authorizing the Issuance of the Fort Lauderdale Community Redevelopment Agency Tax Increment Revenue and Refunding Notes, Series 2021 (Northwest-Progresso-Flagler Heights Community Redevelopment Area Projects) - (Commission Districts 2 and 3)

There being no one wishing to speak on this item, Commissioner McKinzie made a motion to close the public hearing which was seconded by Commissioner Sorensen. Roll call showed: AYES: Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis. EXCUSED: Vice Chair Heather Moraitis

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

ADOPTED

Aye: 4 - Commissioner Sorensen, Commissioner Glassman, Commissioner McKinzie and Chair Trantalis

Excused: 1 - Vice Chair Moraitis

ADJOURNMENT

Chair Trantalis adjourned the meeting at 3:37 p.m.

Dean J. Trantalis
Chair

ATTEST:

David Soloman
Secretary