



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#22-0197

TO: CRA Chairman & Board of Commissioners
Fort Lauderdale Community Redevelopment Agency

FROM: Chris Lagerbloom, ICMA-CM, Executive Director

DATE: March 15, 2022

TITLE: Motion Approving a First Amendment to the Streetscape Enhancement Program Development Agreement with 315 Flagler QOZB Owner, LLC for the Flagler Village Hotel Project, Approving a First Amendment to Assignment and Assumption of Development Agreement for Streetscape Enhancement Program; 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)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve a Motion approving a First Amendment to the Streetscape Enhancement Program Development Agreement between the Fort Lauderdale Community Redevelopment Agency and 315 Flagler QOZB Owner, LLC, successor in interest to 315 Flagler Owner, LLC, for the Flagler Village Hotel Project located at 315 NW 1st Avenue, Approving a First Amendment to Assignment and Assumption of Development Agreement for Streetscape Enhancement Program and authorizing the Executive Director to execute any and all related instruments, and delegating authority to the Executive Director to take certain actions.

Background

On November 1, 2016, the CRA Board approved funding for the Flagler Village Hotel Project, located at 315 NW 1st Avenue (Exhibit 1), consisting of \$1,711,020 under the Property Tax Reimbursement Program and \$329,933 from the Streetscape Enhancement Program. The project consists of an 18-story hotel with three stories of parking, 196 guest rooms, and an active pedestrian environment on the first floor. The project will create a minimum of 15 jobs in the first year following completion that will be retained for four years thereafter. The \$36.2 million dual branded hotel project received its certificate of occupancy on June 23, 2021 and is now home to a “Tru” by Hilton and a “Homes2Suites” by Hilton. The Development team was headed by Dev Motwani.

The Streetscape Enhancement Program Agreement requires that the CRA 5-year forgivable loan for streetscape improvements in the public right-of-way constructed by the developer be secured by a mortgage on the hotel property. The Mortgage is subordinate to the first mortgage lender. In order to receive reimbursement under the streetscape agreement, the developer must execute a forgivable mortgage in favor of the CRA. There is no CRA mortgage requirement under the Property Tax Reimbursement Program.

The Developer is requesting that the CRA Board waive the CRA mortgage requirement under the Streetscape Enhancement Program Agreement since the action would require full loan committee review and consent by the first mortgage lender with the outcome uncertain and entailing substantial legal and administrative cost. The Developer remains willing to execute a promissory note. The promissory note will be satisfied without payment after five years providing the Developer is not in default and satisfies the job creation requirements. The Developer request is attached as Exhibit 2.

Staff further requests the CRA Board approve the First Amendment to Assignment and Assumption of Development Agreement for Streetscape Enhancement Program which corrects the recording information for the Development Agreement.

Consistency with the NPF CRA Community Redevelopment Plan

The NPF CRA Community Redevelopment Plan is designed, in part, to stimulate private development of areas planned for commercial development. The project is consistent with the NPF CRA Community Redevelopment Plan which provides for direct physical improvements to enhance the overall environment, improve the quality of life and attract sound business and commercial development that provides employment and job opportunities. Per the CRA plan, the CRA will establish incentive programs to address redevelopment obstacles. The CRA program identifies strategic objectives, goals and measurements that include targeting and attracting businesses, retail uses and industries to establish a presence in the redevelopment area. In addition, it calls for investing in development projects that create job opportunities for area residents, promote public private partnerships and investment in the redevelopment area.

Resource Impact

There is no fiscal impact associated with this action.

Strategic Connections

This item is a *2022 Commission Priority*, advancing the Smart Growth initiative.

This item supports the *Press Play Fort Lauderdale 2024 Strategic Plan*, specifically advancing:

- The Business Development Focus Area
- Goal 5: Build an attractive and proactive business climate to attract emerging industries
- Objective: Nurture and support existing local business

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Community and We Are Prosperous*.

This item supports the Advance Fort Lauderdale 2040 Comprehensive Plan, specifically advancing:

- The Business Development Focus Area
- The Economic Development Element
- Goal 2: Enhance the economic competitiveness of Fort Lauderdale through policies and encourage retention and recruitment of business and industry which provide living wage employment and increased training and competitiveness in the local workforce.

Attachments

Exhibit 1 - Location Map

Exhibit 2 - Letter Requesting Waiver of Mortgage Requirement

Exhibit 3 - Photos of Completed Project

Exhibit 4 - First Amendment to Assignment and Assumption of Development Agreement for Streetscape Enhancement Program

Exhibit 5 - First Amendment to the Streetscape Enhancement Development Agreement

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