



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#22-0919

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

FROM: Greg Chavarria, CRA Executive Director

DATE: September 22, 2022

TITLE: Resolution Amending Resolution No. 19-07 and Resolution No. 22-04; Clarifying Conditions for Closing on CRA Property located at 713, 717 and 723 NW 3rd Street, Fort Lauderdale Florida and Delegating Authority to the Executive Director to Take Certain Actions – - **(Commission District 3)**

Recommendation

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners approve an amendment to Resolutions No. 19-07 and 22-04; consent to closing on the CRA Property subject to certain conditions and delegate authority to the Executive Director take certain actions.

Background

In May of 2019, the CRA approved a forgivable loan in the amount of \$3,000,000 under the Development Incentive Program in favor of Avenue D'Arts FLL, LLC (the "Developer") to partially fund construction of a Comfort Suites Hotel. In June of this year, the CRA Board passed a Resolution (No. 22-04) to amend the terms of the award to allow for a single payment in lieu of payments over multiple years and to change the terms and conditions precedent to transfer of the CRA Property.

Resolution No. 22-04 permitted closing on the CRA Property upon execution of a Unity of Title as approved by the City of Fort Lauderdale or closing on the construction financing for the Project at the latest.

Staff recommends removing these conditions in Resolution No. 22-04 and condition 3.D in Resolution No. 19-07 and to allow for transfer and conveyance of CRA Property subject to a restrictive covenant that allows the CRA to recover 50% of the gross proceeds (less the net consideration paid under the Commercial Contract) from the sale of the CRA Property by the Developer or transfer of a member interest in the Developer. In the event the Developer fails to construct a hotel on the site, then the CRA shall have the right to repurchase the CRA property for the same amount paid by the Developer for the initial conveyance with Developer being responsible for paying all closing costs.

Except for the authority to increase the award of \$3,000,000, staff recommends the CRA Board delegates authority to the Executive Director or his designee to negotiate additional terms and conditions, modify the terms, take further actions, and make such further determinations he deems advisable in furtherance of the goals and objectives of the Northwest-Progresso-Flagler Heights Redevelopment Plan and to execute all instruments and documents necessary or incidental to consummate the transaction, including without limitation, execution of Subordination Agreement or Estoppel Certificates.

Consistency with the NPF CRA Community Redevelopment Plan

The Redevelopment Program seeks to preserve and expand commercial development and job opportunities. The NPF CRA Community Redevelopment Plan is designed, in part, to stimulate private development of areas. The Project is consistent with the NPF CRA Plan which provides for direct physical improvements to enhance the overall environment, improve the quality of life, promote public private partnerships, and investment in the area.

Resource Impact

There is no fiscal impact to the CRA as a result of this amendment to the Commercial Contract. Funds for this Project were appropriated in FY-2019-\$500,000, FY 2020-\$500,000, FY 2021-\$1,000,000 and FY 2022- \$1,000,000.

Strategic Connections

This item is a *2022 Top 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 businesses

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 – Resolution

Exhibit 2 – Second Addendum

Exhibit 3 – Location Map

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CRA Executive Director: Greg Chavarria