



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#15-1634

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

FROM: Lee R. Feldman, ICMA-CM, Executive Director

DATE: January 5, 2016

TITLE: Motion to Approve Modification of Mortgage with Yacht Changers, Inc. at
750 West Sunrise Boulevard - \$100,000

Recommendation

It is recommended that the Community Redevelopment Agency (CRA) Board of Directors approve a Modification of Mortgage with Yacht Changers, Inc. and authorize the Chairman and Executive Director to execute the Modification of Mortgage Agreement for the project located at 750 West Sunrise Boulevard.

Background

On September 16, 2014 the CRA Board approved a CRA Property and Business Investment loan to Yacht Changers Inc. in the amount of \$100,000. The loan was secured by a mortgage at 750 West Sunrise Boulevard (Property ID 4942 34 05 4281) and the property located across the street in the 900 block of NW 7th Terrace (property ID 4942 34 05 3800). The location of the property is shown on Exhibit 1.

The purpose of the loan was to assist in the renovation of a 41,000 square foot deteriorated property and a 2.56 acre site into a new World Headquarters and crew training facility for Yacht Changers. The improvements were completed in May, 2015 and Yacht Changers now occupies the site in accordance with their agreement with the CRA. Yacht Changers total capital investment was \$3,078,315 including \$1,950,000 for the acquisition of the property and \$1,128,315 for the renovation.

The project was funded by developer's equity and a loan from Sun Trust Bank. Sun Trust Bank documents represented that the project would be financed under the US Small Business Administration (SBA) Loan Program using a SBA Certified Development Company (CDC) with loans taking both a first and second mortgage position in accordance with the SBA 504 Loan Program, with the combined mortgages totaling \$2,689,000. Yacht Changers is requesting that the CRA Mortgage, which was approved as a second mortgage in the Agreement for Development of Property between Yacht Changers and the CRA, be modified to a third mortgage position, subordinate to the SBA Loans secured by the first and second mortgages totaling \$2,689,000. A copy of the Modification of Mortgage document is attached as Exhibit 2

and letter from Yacht Chandlers requesting this action attached as Exhibit 3.

Resource Impact

There is no fiscal impact associated with this action.

Strategic Connections

This item is a *Commission Annual Action Plan* priority, included within the Policy Agenda, advancing the Northwest Progresso Flagler Heights CRA – Capital Improvements and Housing strategy.

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Neighborhood Enhancement Cylinder of Excellence, specifically advancing:

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging our airports, ports and rail connections.
- Objective 2: Facilitate a responsive and proactive business climate.
- Initiative 1: Evaluate and expand our existing portfolio of business attraction Incentives.

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

Attachments

Exhibit 1 – Location Map

Exhibit 2 – Modification of Mortgage

Exhibit 3 – Letter from Yacht Chandlers

Prepared by: Jeremy Earle, Deputy Director, Department of Sustainable Development

Department Director: Jenni Morejon, Department of Sustainable Development