



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#17-0036

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

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

DATE: January 18, 2017

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

Recommendation

It is recommended that the Community Redevelopment Agency (CRA) Board of Directors approve a second Modification of Mortgage with Yacht Chandlers, 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 Chandlers, Inc. in the amount of \$100,000. CRA funding was in the form of a forgivable loan at 0% interest forgiven in equal amounts over seven years after the completion of the project. The loan was secured by a mortgage at 750 West Sunrise Boulevard (Property ID 4942 34 05 4281) and the property used for parking 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 Chandlers. The improvements were completed in May, 2015 and Yacht Chandlers now occupies the site in accordance with their agreement with the CRA. Yacht Chandlers 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 by Sun Trust Bank under the US Small Business Administration (SBA) Loan Program.

At the request of Yacht Chandlers, Inc. on January 5, 2016 the CRA Board approved a Modification of Mortgage Agreement subordinating the CRA Mortgage to two Suntrust SBA loan program mortgages of Yacht Chandlers such that the CRA mortgage was moved to a third mortgage position. Yacht Chandlers is now requesting a second modification to the CRA mortgage to allow Yacht Chandlers to refinance which would put the CRA in a second mortgage position subordinate to a new loan from Stonegate

Bank in the principal amount of \$2,950,000. A copy of the draft Modification of Mortgage document is attached as Exhibit 2 and a loan commitment from Stonegate Bank action is 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 – Loan Commitment – Stonegate Bank

Prepared by: NPF CRA Manager: Jonathan Brown, Fort Lauderdale Community
Redevelopment Agency

Executive Director: Lee R. Feldman, ICMA-CM, City Manager