

City of Fort Lauderdale

*City Hall
100 North Andrews Avenue
Fort Lauderdale, FL 33301
www.fortlauderdale.gov*



Meeting Minutes

Tuesday, January 23, 2018

2:30 PM

**OR AS SOON THEREAFTER AS POSSIBLE
City Commission Conference Room**

COMMUNITY REDEVELOPMENT AGENCY BOARD

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

***JOHN P. "JACK" SEILER - Chair
BRUCE G. ROBERTS - Vice Chair
DEAN J. TRANTALIS - Commissioner - District II
ROBERT L. McKINZIE Commissioner - District III
ROMNEY ROGERS Commissioner - District IV***

***LEE R. FELDMAN, Executive Director
JOHN HERBST, City Auditor
JEFFREY A. MODARELLI, Secretary
CYNTHIA A. EVERETT, General Counsel***

ROLL CALL

Present 5 - Commissioner Dean J. Trantalis, Commissioner Robert L. McKinzie, Commissioner Romney Rogers, Vice Chair Bruce G. Roberts, and Chair John P. "Jack" Seiler

QUORUM ESTABLISHED

Also Present: Executive Director Lee R. Feldman, Secretary Jeffrey A. Modarelli, General Counsel Cynthia A. Everett, City Auditor John Herbst, and Sergeant at Arms Wilgienson Auguste

No e-comments were submitted for this meeting.

CALL TO ORDER

Chair Seiler called the Community Redevelopment Agency Board Meeting to order at 4:18 p.m.

MOTIONS

M-1 [18-0001](#)

Motion to Approve Minutes for November 21, 2017 Community Redevelopment Agency (CRA) Board Meeting and December 5, 2017 Community Redevelopment Agency (CRA) Board Meeting

Commissioner Trantalis made a motion to approve this item and was seconded by Commissioner Rogers.

APPROVED

Aye: 5 - Commissioner Trantalis, Commissioner McKinzie, Commissioner Rogers, Vice Chair Roberts and Chair Seiler

M-2 [18-0077](#)

Motion to Approve an Award of a Commercial Façade Improvement Program Incentive in the Amount of \$125,000 and a Property and Business Improvement Program Incentive in the Amount of \$225,000 to 1134 L.L.C. for the Smitty's Wings Restaurant Project Located at 1134 Sistrunk Boulevard; and Authorizing the Executive Director to Execute the Development Agreements and Any and All Other Documents or Instruments Necessary or Incidental to Consummation of the Transaction

Chair Seiler recognized Bob Wojcik, CRA Housing and Economic Development Manager. The applicant, 1134 LLC, is requesting a total of \$350,000 in the form of a \$125,000 forgivable loan from the Fort

Lauderdale Community Redevelopment Agency's Commercial Façade Improvement Program (CFIP) and a \$225,000 forgivable loan from the CRA's Property and Business Improvement Program ("PBIP"). It is for a new family oriented eat-in restaurant to be located at 1134 Sistrunk Boulevard to be known as *Smitty's*. The total cost for the restaurant is estimated to be \$400,000.

The CRA funding will be secured by a 7-year forgivable first mortgage on the property that would require the consent of the property owner, CHDS LLC. Desorae Giles-Smith is President of CHDS, LLC. 1134 LLC is owned by Chris Smith and Desorae Giles-Smith, both managing members. The Smiths reside six blocks from the proposed restaurant project. There is no mortgage on the property and the applicant will be required to provide a \$50,000 cash contribution towards the project. No other lender involvement is anticipated.

In response to Chair Seiler's question, Mr. Wojcik confirmed no issues arose when reviewing this application. He expounded on the advantages this project will add to the neighborhood.

In response to Commissioner Rogers' question about issues relating to transfer of ownership of LLCs, Mr. Wojcik stated this has not been an issue in the past, confirming many applicants have been LLCs.

Mayor Seiler recognized D'Wayne Spence, Esq., Manager, Northwest Progressive Flagler Heights (NWPFH) CRA. Mr. Spence concurred on the importance of the managers of 1134 LLC, Chris Smith and Desorae Giles-Smith, being well established and continuing to operate the business. Mr. Spence reconfirmed the Smiths will own and operate 1134 LLC.

Commissioner Rogers commented about the owners of 1134 LLC not giving personal guarantees, noting the importance of the Smiths remaining in control of the restaurant due to their commitment to the community. Further discussions ensued on this topic and the importance of any potential purchaser of the 1134 LLC being qualified. In response to the Board's concerns about how to address this issue, Mr. Spence confirmed this can be negotiated, suggesting that the Smiths must commit to remain managing members of 1134 LLC owning a majority interest.

In response to Commissioner Trantalis, Mr. Spence confirmed that the property owner, CHDS, LLC will sign the mortgage. A lease between CHDS, LLC and 1134 LLC will be provided. Commissioner Trantalis

commented on past similar situations when LLCs were sold, reiterating the importance of the Smiths remaining managing members of 1134 LLC. Commissioner Rogers noted the need for a loan agreement. Mr. Spence confirmed.

In response to Commissioner Rogers' question about the assessment of employee costs, Ms. Giles-Smith explained the staffing, confirming there would be two managers, one of which will be a supervisor.

Assistant City Attorney Lynn Solomon requested the Board's position should refinancing occur. Chair Seiler stated any issues relating to refinancing should come back before the Board for approval.

Commissioner Trantalis commented on the large CRA contribution. Ms. Giles-Smith confirmed this is their first entry into the restaurant business. They have a restaurant consultant partner who has owned several restaurants. Commissioner Trantalis expressed his concern about the business plan and the need for a larger contribution from the applicants. He noted there has been no operating capital set aside for the first year of operation. Ms. Giles-Smith expounded on the financial arrangement with the restaurant consultant, confirming she can get these details to the Board. Ms. Giles-Smith confirmed there are additional funds set aside for the business in addition to the ownership of the property with no encumbrances.

Commissioner Rogers said the application fits into the parameters of the CFIP and PBIP Programs. Further comments and discussions ensued on these issues. In response to Commissioner Trantalis' question, Mr. Spence explained how funding is being disbursed. This includes the hiring of City-approved contractors. A CRA Project Manager from the City will manage the project under the Commercial Façade and Building Improvement Program. This property has been identified in a focus area of the CRA whose goal is the elimination of slum and blight.

In response to Chair Seiler's question, Mr. Spence confirmed Corey Ritchie is the City's CRA Project Manager. In response to Chair Seiler's inquiry, Commissioner McKinzie confirmed he has vetted this project. He also commented on Mr. Ritchie's qualifications. Mr. Spence expounded on Mr. Ritchie's work on other projects, confirming his qualifications.

Commissioner Trantalis commented about his concern regarding the lack of personal guarantees. Mr. Spence commented on the history of the Board regarding these incentives on Sistrunk Boulevard which is in

the NWPFH CRA focus area. Commissioner McKinzie discussed the history and success of these types of forgivable CRA loans. He expounded on the recent history involving CRA incentivized properties and the importance of meeting the spirit of the CRA.

Commissioner Rogers reconfirmed the applicants are within the parameters of the CRA Program enacted by the Board. Mr. Spence confirmed should there be a default by the applicant within 7 years, the City would maintain ownership of a new structure. It could be marketed to another tenant or owner in a relatively short amount of time.

Chair Seiler recognized Charles King, 105 N. Victoria Park Road. Mr. King commented on his opposition to approving this time.

In response to Commissioner Trantalis' question, Mr. Spence confirmed the applicant met all requirements for both the CFI and PBIP Programs. Mr. Spence confirmed issues relating the sufficiency of the applicant's operating capital is not part of the CRA Program's evaluation process.

Commissioner Rogers made a motion to approve this item and was seconded by Commissioner McKinzie.

APPROVED

Aye: 5 - Commissioner Trantalis, Commissioner McKinzie, Commissioner Rogers, Vice Chair Roberts and Chair Seiler

M-3 [18-0084](#)

Motion to Approve the Locations of Public Off-Street Parking Lots Along Sistrunk Boulevard

Mayor Seiler recognized D'Wayne Spence, Esq., Manager - Northwest Progressive Flagler Heights Community Redevelopment Agency (NWPFH CRA). Mr. Spence explained that this item requests the approval of public off-street parking locations along Sistrunk Boulevard to be utilized for retail businesses. These parking locations have been previously approved under Capital Improvement Program (CIP) funding.

In response to Commissioner Rogers' comment that these locations are strategically located for businesses along Sistrunk Boulevard, Mr. Spence confirmed. Brief comments ensued about having public parking meters at these locations in the future. In response to Mayor Seiler's question, Mr. Spence confirmed the NWPFH CRA Advisory Board recommended approval of these parking locations. In response to Chair Seiler, Mr. Spence noted the NWPFH CRA Advisory Board's comments.

Commissioner McKinzie confirmed the need for retail businesses to have adequate customer parking. City Manager Feldman said the City

owns the parking areas. Mayor Seiler suggested doing this temporarily. City Manager Feldman said the Code does not allow doing this on a temporary basis. To meet Code requirements, the parking needs to be done as proposed. Discussions continued on the costs. Commissioner Trantalis concurred on the need for businesses in this area to have parking, commenting on providing satellite parking for businesses in this area in the future.

Commissioner McKinzie discussed the history of finding these parking locations. Discussions ensued on the locations in need of parking. Mayor Seiler recommended approving the parking locations at 12th Avenue (Improvement 3) and 19th Avenue (Improvement 1).

Commissioner Rogers made a motion to approve this item as amended and was seconded by Commissioner McKinzie.

APPROVED AS AMENDED - Approved Improvements 1 and 3

Aye: 5 - Commissioner Trantalis, Commissioner McKinzie, Commissioner Rogers, Vice Chair Roberts and Chair Seiler

ADJOURNMENT

Chair Seiler adjourned the Community Redevelopment Agency Meeting of January 23, 2018 at 5:07 p.m.

John P. "Jack" Seiler
Chair

ATTEST:

Jeffrey A. Modarelli
CRA Secretary