

Commissioner Rogers concurred with Vice Mayor Trantalis and Mayor Seiler to see a building go up rather than a gravel parking lot. He also stated the value the City receives from the project is a good exchange for not having escrowed funds. He further stated that the released lien could be reinstated especially if the applicant agrees to it.

Vice Mayor Trantalis made a motion to approve this item and was seconded by Commissioner McKinzie.

**APPROVED AS AMENDED**

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

**M-3     16-0917     Motion to Deny Request for a Tenth Amendment to Extend an Agreement with the Milton Jones Development Corporation (MJDC)**

Mayor Seiler recognized Sean Jones, designated representative of Milton Jones Development/Village of the Arts, Ltd. Mr. Jones gave a brief history of the CRA communications from Jonathon Brown, Area Manager of the Northwest Progresso Flagler Heights CRA and the Contractor Administrator under the City's Development Agreement with Milton Jones Development/Village of the Arts, Ltd. Mr. Jones stated Mr. Brown informed him the City had paid off the Department of Housing and Urban Development (HUD). On the site for Phase II of the Development Agreement, the City was no longer subject to restrictions as it relates to HUD requirements even though requirements still exist in the Development Agreement between the City and Milton Jones Development/Village of the Arts, Ltd.

Mr. Jones stated they have come up with a program in which they could do market housing and workforce housing by building a seven story building. Mr. Jones stated it will include ground floor retail of 7,500 square feet and 150 units which would be comprised of studios (550 square feet), one bedroom/one bath apartments (650-720 square feet), two bedrooms/two bathroom apartments (926-945 square feet). The rents would average out to approximately \$1.96 per square foot. Mr. Jones stated they would seek out a HUD insured mortgage with a 40 year amortization term, a lower interest rate. Mr. Jones explained the reasons for seeking out the HUD insured mortgage and other details involved in the proposed financing. To do this, Mr. Jones stated Milton Jones Development/Village of the Arts, Ltd. needed an extension from the City of 15 months and outlined the process of obtaining HUD financing. Mr. Jones noted that City Staff has recommended not going forward with the requested extension. His retort to this is that they were not aware the City had paid off HUD, and the restrictions no longer exist. Additionally, had they been made aware of this, Mr. Jones stated Milton Jones Development/Village of the Arts, Ltd. would have come to the Commission much earlier, and he still has no knowledge of when the City's payoff to HUD occurred.

Secondly, Mr. Jones stated Milton Jones Development/Village of the Arts, Ltd. knows more about the Northwest Progresso Flagler Heights area than any other developer having developed, owned and managed properties for over 20 years. Thirdly, Mr. Jones stated the City and the Commission is familiar with Milton Jones Development/Village of the Arts, Ltd.'s projects, and reputation. The existing Development Agreement the City has with Milton Jones Development/Village of the Arts, Ltd. and all the necessary components are in place, and they are ready to go.

Mayor Seiler recognized Mr. Milton Jones of Milton Jones Development/Village of the Arts, Ltd. Mr. Jones noted his vision for the final phase of the Northwest Development Project known as Village of the Arts. Mr. Jones gave his thoughts, comments and ideas on the proposed Phase II of the project seeking the Commission's support in accomplishing this goal for the betterment of the Northwest area. It will provide clean, safe, and affordable housing as well as the commercial development portion to provide

necessary services to those tenants and surrounding community. Mr. Jones continued to give a historical perspective of his efforts and work in this realm citing the specific circumstances regarding the request for a Tenth Amendment to Extend an Agreement with the Milton Jones Development Corporation (MJDC). Mr. Jones requested the Commission's support for this request.

Mayor Seiler recognized Barbara Jones, 1999 Sunrise Key Boulevard, who addressed the Commission on this item with her thoughts, concerns, and ideas citing MJDC is operating under an agreement that restricted MJDC. She stated now that those restrictions have been lifted, the City wants to deny MJDC the opportunity to move forward. Ms. Jones requested this be reconsidered by the Commission for the 15 month proposed extension to allow MJDC to move forward with the project citing the fact that MJDC has not failed in the past, and they do not intend to fail going forward.

Mayor Seiler recognized Bruce O'Neill, 540 NW 4<sup>th</sup>. Avenue, who addressed the Commission in support of the Milton Jones Development Corporation (MJDC) proposed request for an extension. Mr. Jones expressed his gratitude to the Jones family and commented on the Police Department's need for two officers in blue for each patrol vehicle.

Mayor Seiler recognized Ron Centamore, President of the Progresso Village Civic Association who addressed the Commission noting this project lies within the boundaries of this civic association. Mr. Centamore clarified that the motion was written in the negative, and the Progresso Village Civic Association does not support this motion as written to deny this request. Mr. Centamore expounded on the communications and presentation of this project with the Progresso Village Civic Association. Following the presentation, the Progresso Village Civic Association took a vote and the membership unanimously supported the Joneses and their attempts to extend the Development Agreement and have the Development Agreement changed to reduce low income portion of the project. Mr. Centamore further stated the attributes of the project that will benefit the neighborhood and attested to the fact all of the Jones's projects in this area are well maintained and is a jewel in a blighted area of the City. He further expounded on the positive effects of the Jones's efforts in the Northwest area noting the neighborhood supports this request by the Joneses.

Mayor Seiler recognized Count Rosenthal, 1237 NW 4<sup>th</sup>. Avenue, who addressed the Commission in support of the Jones's request for Tenth Amendment to Extend an Agreement with the Milton Jones Development Corporation (MJDC).

Mayor Seiler recognized Jessie Adderley, 443 NW 19<sup>th</sup>. Avenue, who addressed the Commission in support of the Jones's request for Tenth Amendment to Extend an Agreement with the Milton Jones Development Corporation (MJDC).

Mayor Seiler recognized Mickey Hinton, 713 NE 19<sup>th</sup>. Avenue, who addressed the Commission in support of the Jones's request for Tenth Amendment to Extend an Agreement with the Milton Jones Development Corporation (MJDC).

Mayor Seiler recognized Mr. Charles King, 105 N. Victoria Park Road, who addressed the Commission with his comments, thoughts, concerns, and questions regarding this item.

Vice Mayor Trantalis asked City Manager Feldman several questions on this item regarding the comments made that the City paid off HUD to lift the restrictions and requested City Manager Feldman give meaning to those statements. City Manager Feldman deferred the question to Mr. Jonathon Brown, Area Manager Northwest Progresso Flagler Heights CRA.

Jonathan Brown stated the HUD restrictions for these properties were paid off a total of \$2,600,000. Mr. Brown did not know the value paid back to HUD for this particular property but stated he would find out but was not more than \$1,000,000 and was done approximately three or four years ago. Mr. Brown stated he notified the Joneses of this fact in March of 2016. Comments ensued on this topic and those involved in the numerous extensions.

Mayor Seiler stated the only reason he would give an additional extension was if there was an error by the City in notifying the Joneses. Further discussions ensued on the monetary aspects and the history involved in this project. Mr. Sean Jones clarified the history stating the original Development Agreement was not executed until February 5, 2008, and there was a previous Commission in place at that time. Mr. Jones stated the previous amendments dealt with issues as they related to the bifurcation of the Development Agreement for the first and the second phase stating the specific reasons involved and the entire history of this project with previous Commissions. Further discussions ensued regarding possible incentive programs the City has and stating no final determination has been made.

Vice Mayor Trantalis stated the issue is the Joneses building market rate housing when receiving this land from the City for free. Vice Mayor Trantalis further stated this puts other investors in the area at a disadvantage as they must pay for land and do market rate housing. Mr. Sean Jones responded that this project would incentivize the type of development the City wants in the Northwest as there has not been any market rate housing in this area due to current market conditions. Further discussion ensued on the lengthy time involved, the many extensions requested, and the decision to have components in the project other than affordable housing.

City Manager Feldman corrected for the record Vice Mayor Trantalis's question regarding informing the Joneses about HUD. City Manager Feldman stated he did not but Mr. Jonathon Brown may have. Mr. Brown stated from a Staff perspective, they have met with the Joneses and have discussed what it would take to get a subsidy that would be a \$9,000,000 - \$10,000,000 from the NWPFH CRA. Mr. Sean Jones stated that is not accurate or correct, and the discussion involved where MJDC was with the Development Agreement and the project, and during that time, the CRA passed an Incentive Program. He further stated at no time did the MJDC make a request for \$9,000,000 - \$10,000,000 from the NWPFH CRA. Further discussions ensued between the Commission and Mr. Sean Jones on the lengthy timeline, timeline extensions, tax credits and other issues relating to the initial plan for an affordable housing project and the current project's plans, i.e., giving MJDC the land for free, the current value of the property, and the need for something to come back to the City.

Discussions ensued among the Commission, Jonathon Brown, and Mr. Sean Jones regarding specific language in the Development Agreement added by Jonathon Brown and as noted in an email exchange between Mr. Sean Jones and Scott Mormon of First Housing, MJDC's lender. This correspondence indicated the lender would not allow financing with this language. After further discussion, the Commission Agreed to take out that language.

Mayor Seiler stated this is a last absolute extension for development of this land at zero cost

A motion to not approve the Motion to Deny Request for a Tenth Amendment to Extend an Agreement with the Milton Jones Development Corporation (MJDC), by Commissioner McKinzie and seconded by Vice Mayor Trantalis.

**Motion to NOT approve Request**

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

Mr. Milton Jones addressed the City Commission regarding stipulating that the budgeted amount had been set aside by the CRA Board to address the high power transmission lines that prevents vertical development on the parcel and will not be considered as an additional incentive.

**16-1042** A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE (A) THE FIFTH AMENDED AND RESTATED ASSIGNMENT OF RIGHTS AND ASSUMPTION OF OBLIGATIONS UNDER DEVELOPMENT AGREEMENT AND CONDITIONAL CONSENT THERETO; AND (B) THE TENTH AMENDMENT TO LAND DISPOSITION, DEVELOPMENT AND MAINTENANCE AGREEMENT; PROVIDING FOR REPEAL OF ANY AND ALL RESOLUTIONS IN CONFLICT HERewith; PROVIDING FOR REVIEW BY THE OFFICE OF THE CITY ATTORNEY PRIOR TO EXECUTION; PROVIDING FOR AN EFFECTIVE DATE

**ADOPTED AS AMENDED**

**Extend agreement per conditions:**

- 1. 15 Month Extension with No further Extensions**
- 2. No further Incentives**
- 3. Specific Language in Paragraph 2 as discussed removed**
- 4. Initiate Application process with First Housing within 30 days of and make good faith efforts to pursue application process to successful conclusion**

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

## **RESOLUTIONS**

### **R-1 16-0895 Appointment of Board and Committee Members**

Discussions ensued among the Commission regarding additional appointments to the City's Advisory Boards. City Clerk Modarelli read the names that were submitted before tonight's resolution which will appear on a September 7, 2016, Commission Meeting resolution appointing members of the City's Advisory Committees.

City Clerk Jeffrey Modarelli read tonight's proposed appointments to the various City's Advisory Boards as noted below:

#### **CENTRAL CITY REDEVELOPMENT ADVISORY BOARD**

Mark Antonelli is appointed to the Central City Redevelopment Advisory Board, in the category of business owner or member of the business community, for a one year term beginning August 31, 2016, and ending August 30, 2017, or until his successor has been appointed.