

Motion made by Mr. Strawbridge, seconded by Mr. Gabriel, to approve the December 13 minutes. In a voice vote, the **motion** passed unanimously.

Motion made by Mr. Strawbridge, seconded by Mr. Gabriel, for approval of [the January 9, 2017 minutes].

Mr. Wilkes noted a correction to p.3, paragraph 2: there were 55 lots rather than 58 listed in the backup materials for the meeting. He also noted a correction to p.7, paragraph 6: 84% of homes in the CRA are non-owner-occupied.

In a voice vote, the **motion** passed unanimously [as amended].

III. Transfer of Three City-Owned Commercial Parcels to CRA & Developer Interest

Mr. Wojcik explained that Staff is requesting a recommendation from the Board regarding the transfer of three City-owned properties to the CRA, which will facilitate development of the sites. Two parties, who also own the adjacent properties to these parcels, are asking that the parcels be made available to them for projects.

One of the proposed projects is for an estimated \$14.2 million 100-room hotel on NW 7th Avenue. The developer has purchased 18,850 sq. ft. and is seeking parcels behind the site for parking. Without the additional parcels for parking, the project cannot be realized. This developer, Impact Investments, is offering to purchase the property at its appraised value of \$190,000.

The second proposed project is for a 6,777 sq. ft. retail center to be located on Sistrunk Boulevard. The developer owns the adjacent property, which is 14,144 sq. ft. in size, and is willing to purchase the 4680 sq. ft. City-owned lot for \$4354, which would cover the City's costs and expenses. The developer, Gil Hyatt, has owned the adjacent property for several years and plans to develop it himself. Mr. Wojcik noted that the parcel has no vehicular access and can only be of value to the adjacent property owner.

Joseph Poveromo and Brandon Hertz, representing Impact Investments, showed a PowerPoint presentation on the proposed hotel project, which will be close to a future All Aboard Florida station. Mr. Poveromo advised that other nearby projects planned for the area include a Hilton hotel, a large multi-family development with ground floor retail, and additional development off Sistrunk Boulevard and Andrews Avenue.

The proposal is for a three-star hotel with surface parking, which is expected to offer a slightly lower price point than other competing hotels planned for the area. The developer cannot meet parking demand without the City-owned lot it hopes to purchase, even with a parking reduction. They have reached out to other property owners on the

same block to purchase lots, but have been unable to do so thus far. Until the project has a sufficiently large footprint, the developer cannot get a partnership agreement with a major hotel chain.

Ralph Tate, architect for Impact Investments, showed the project's site plan, pointing out that the project's main entry would be on NW 3rd Street. The project will be five stories in height and will include ground floor space that could be used for retail or flex uses.

Mr. Brown asked if the project is contingent upon purchasing additional parcels from a church. Mr. Poveromo replied that the project is still possible if the City lots are purchased, but a single contiguous lot, which would be possible if the church agrees to sell, is preferred. Mr. Strawbridge suggested that the developer offer to share parking facilities with the church or develop on-street parking for the project.

Chair Centamore emphasized that the Board needs to know whether or not the City would approve a hotel project with only two lots for parking. Mr. Poveromo responded that one developer who saw the site plan felt 60 parking spaces were sufficient for 100 rooms. Mr. Wojcik added that Staff's recommendation is for the Board to ask the City to allow the developer to submit an application to the Development Review Committee (DRC) so they can have the plans reviewed with the proposed parking lots. The City typically requires a signed agreement before they will accept a DRC application from any party that is not a property owner.

Mr. Wojcik continued that regarding the second site, Staff is asking that the City sell the parcel to the CRA for \$4354 and allow the developer to join with the City in submitting an application for DRC review. They also request that the CRA Board allow Staff to issue a 30-day notice for RFPs for both properties.

Mr. Wilkes requested clarification that the developer would purchase the lot from the CRA at the same price for which the CRA would purchase the lot from the City. Mr. Brown confirmed this, but noted that once the CRA takes ownership of the parcel, they must solicit development projects through the RFP process. Mr. Wojcik clarified that the CRA does not have to ask for competitive bids, but must issue an RFP and assess the value of proposals.

Mr. Wilkes pointed out that the price offered to the CRA is roughly \$160,000 less than fair market value. He did not feel a 100-unit hotel would be approved by the City if it offered only 60 parking spaces.

Mr. Strawbridge advised that the draft agreement before the Board states that the CRA would purchase the property at its appraised value and sell it to the developer; if the development does not come to fruition, the agreement then states that the CRA would

purchase the parcel back. He asked if the developer anticipated a financing gap that would require them to request additional subsidies for the project from the CRA.

Mr. Brown observed that the request before the Board is only about land acquisition. Staff has asked any interested parties to clarify whether they are interested in a land incentive or a different type of incentive at a later time. The developer in this case is offering to pay the appraised value for the land so they may come back before the Board at a later date with an incentive request.

Mr. Hinton arrived at 4:13 p.m.

Vice Chair Burrows characterized the request to purchase the property at its appraised value as an attempt to bypass market forces. She felt the developer should offer to purchase the property directly from the City instead of from the CRA.

Mr. Wilkes pointed out that the request is for the CRA to sell an interested party a parcel consisting of roughly 18,000 sq. ft. at a cost of \$160,000 less than potential market value. He asserted that this includes an incentive in itself. Mr. Brown did not feel that this constituted an incentive, as the property has been appraised at the cost the developer is offering to pay. He pointed out that if the lots are not sold at the offered prices, they are unlikely to be developed.

Chair Centamore recalled that the City Commission, acting in its capacity as the CRA Board, had discussed the purchase of commercial lots by the CRA, clarifying that the CRA may buy commercial lots at their appraised value and sell them at the same price to qualified buyers. Those buyers may then come back and request incentives. He did not feel the ability to purchase a lot at its appraised value should be considered an incentive. Mr. Brown confirmed this, adding that other entities than a single developer may bid during the RFP process for a given parcel. Once a developer owns the parcel, the CRA may partner with them, but will have no role in ownership.

Ms. Barber asked if Impact Investments was a local developer. Mr. Hertz and Mr. Poveromo confirmed that the firm is locally based and is purchasing commercial land in Fort Lauderdale to develop projects. While they work for TE Management, Impact Investments will own the parcel.

Mr. Wojcik explained again that the Board is asked to authorize the company to proceed to the DRC phase and find out the City's requirements for development of the requested parcel, as well as to ask that the parcel be transferred from City to CRA ownership.

Motion made by Mr. Gabriel, seconded by Mr. Wilkes, to move this project under the three proposed motions as outlined.

Mr. Gabriel further clarified that his **motion** included the following:

- To give the developer the written authorization to proceed toward DRC approval;
- To have the CRA acquire property from the City and sell them to the developer at the same price of acquisition;
- To allow Staff to issue an RFP for the property.

Mr. Strawbridge added that the Board should also recommend that its closing on the acquisition of the parcel from the City be contingent on the developer's ability to move the project forward. Mr. Brown confirmed that this would be the case. Vice Chair Burrows agreed, noting that a better bid could come in response to the RFP.

Mr. Gabriel **restated** his **motion** as follows: **motion** to ask the City to transfer the property under the dollar amounts concept that was provided; to authorize [the developer] to go forward and make [a] DRC application, that [the Board is] going to sign off whatever they need to do; and to allow CRA Staff to issue an RFP for the property.

In a roll call vote, the **motion** passed 11-0.

Mr. Gabriel requested that this item be brought back before the Board with comments from the DRC after the project has gone through that phase of the approval process.

Mr. Wojcik moved on to the second proposed project, explaining that the subject parcel is behind a convenience store with a rooming house on 15th Avenue. The empty parcel is currently a blight on the area. Adjacent property owner Gil Hyatt is willing to clean up the lot and make it part of his proposed project, which would be a retail center.

Vice Chair Burrows pointed out that the parcel is appraised at \$60,000 but the proposal is to purchase it for \$4354. Mr. Brown showed the location of the parcel, stating that it is an interior site only valuable to the owner of adjacent land. Mr. Wojcik noted that the subject parcel is one of the commercial properties owned by the City, for which the Board's previous recommendation was that the City transfer these lots to the CRA for \$10. The City's expenses for the parcel are \$4354.

Vice Chair Burrows asked if the developer is able to proceed with the retail center without the subject parcel. Gil Hyatt, developer, stated that he could not. Vice Chair Burrows pointed out that this raises the value of the property.

Mr. Brown characterized the issue as determining whether the CRA is happy with the current state of Sistrunk Boulevard or would prefer to develop it. He asserted that if the CRA is unwilling to invest in development, this is a problem. Ms. Barber responded that this is not the choice before the Board: they should seek to determine the highest and best use of the property, and should not sell the property without market analysis.