

Mr. Gabriel questioned if there was a certain time period before funds could not be used anymore.

Mr. Wojcik commented that agreements are usually structured for three years; however, that does not mean the money is automatically eliminated after three years.

Mr. Woods stated that there should be a standardized process if a forgivable loan comes to its term, so the contract could be extended administratively, or the business could come back before the Board for an extension based on circumstances.

Mr. Gabriel questioned if the agreement provides that it is three years from the date of entry or when the work is completed and then three years in which to reimburse.

Mr. Woods advised that time probably starts once the agreement is executed. If there is a requirement in the project to create jobs or something similar, they have two years.

Vice Chair Lagi advised that the plan is to keep this format with those notes. An update will be provided at the next meeting.

IV. Funding Request – Avenue D'Arts FLL, LLC Comfort Suites Hotel D'Arts - \$3,000,000

Mr. Wojcik explained that this is a \$3 million request for CRA funding for a Comfort Suites Hotel D'Arts, to be located at the northwest corner of NW 7th Avenue and NW 1st Street. The proposal includes purchasing three CRA parcels at 713, 717, and 723 NW 3rd Street, as part of the project. In 2017, this Advisory Board recommended that the CRA purchase these lots for the City, so the developer could submit a proposal for the property. This project would be a five-story, 100-suite hotel; the first one west of the FEC Railing in the CRA. The development team is an experienced hotel developer and has developed numerous hotels throughout Florida. The project represents a total capital investment of \$17.3 million in the CRA, there should be 25 jobs and there is a local economic impact estimated to be over \$27 million. Staff highly recommends this project.

Attorney Andrew Schein was accompanied by the development team, Manesh Patel with Morpheus Group, Eric Wilczek, engineer, Sam and Neal Pate, with Onyx Hospitality, Joseph Poveromo, financing, Israel Begelman, architect, and Brandon Hertz, with Impact Real Estate.

Mr. Schein gave a brief Power Point presentation and the following highlights were noted:

- There is one currently one more hotel under construction within the CRA boundaries, east of the train tracks.
- This would be the first hotel in the CRA west of the tracks.
- Plans have not yet gone through the DRC process, but once they do, plans will be finalized pursuant to staff comments.
- There are wide sidewalks on NW 7th Avenue with landscaping between the sidewalks and the street.
- The NW 7th Avenue passage between Broward Boulevard and Sunrise Boulevard would be improved.

- The project is NW RAC mixed-use west zoning.
- The hotel would be five stories with 100 rooms.
- The total capital investment, including the \$3 million if the CRA grants approval, is about \$17.3 million, with an estimated completion date of November 2020.
- As for job impacts to the community, Water Duke performed a job analysis, which shows that there will be 43 permanent full-time jobs in addition to over 200 construction jobs during the construction phase, and then 100 more jobs are projected for indirect jobs such as additional hires in nearby restaurants, etc.
- There is a \$27 million impact during the construction phase alone that does include the project costs and paid laborers.
- In addition, there is a \$5.8 million impact just for the hotel operations, which includes paying hotel staff, and \$11 million for indirect spending for hotel guests.
- There is a major benefit to this community. It is believed that the hotel would spur commercial development in this area since residential is already present.
- The funding request is for \$3 million from the Development Incentive Program in addition to the sale of the CRA properties. The total cost is a little over \$2 million and the request is for \$3 million in funding because of the tax incentive revenue the CRA will get back once the project is complete, which is about \$800,000, plus the sale of CRA properties at \$355,000, which is market rate, and the CRA paid a little less than half of that to acquire the properties from the City. Even though the request is \$3 million, it would only cost the CRA about \$2 million.
- There are many improvements to NW 7th Avenue. Sidewalks are not in a lot of places; some are small and range from four to five feet. There would be at least seven-foot sidewalks, which would improve the aesthetics and pedestrian connectivity from Broward Boulevard to Sunrise Boulevard.
- This is a real community need; there are no other hotels west of the tracks. The project would create jobs and spending in the area, which would help spur development in the future.

Ms. Nunziata mentioned that one lot was skipped.

Mr. Schein advised that the lot is currently owned by the church to the northwest and a fence was already installed on their property. There are no issues at this point, the property is currently vacant, and he was not aware of any plans for it not to be vacant in the future. There will not be a building to the west, just a parking lot to meet parking requirements for hotels in this area.

Ms. Nunziata commented that sidewalks were brought up and questioned if it was just sidewalks in front of their parcel.

Mr. Schein stated that is common around the entire City and the City has wide sidewalk requirements.

Ms. Nunziata questioned if a private appraisal was done on the property and how the price was determined.

Mr. Schein indicated that the appraisal was conducted by an independent appraiser.

Mr. Lue commented that there was an issue with the church in between the two properties.

Mr. Wojcik advised that they have been trying to work through the church issue for the last year and the church was not interested in selling the property.

Mr. Lue stated that there would be a building, parking, and a gap, and questioned what would be on the other side.

Mr. Schein indicated that the other side would be landscaped parking and it would meet the current landscape and parking code; the vacant lot next to it would not look that bad.

Mr. Lue questioned if a wall or fence was going in between the two parking lots.

Mr. Schein stated that they will take staff's recommendations through the DRC process to see what could be implemented; there was no requirement for a wall, but the property lines must be respected, so that area would be landscaped. All parking lots must have a landscape buffer, so there would at least be a buffer. The sidewalk would connect without any zig-zagging and the sidewalk would cross in front of the vacant lot to the next parking lot for the hotel. The parking requirement is generally one for one room; there would be valet operations as well. In this area only 60% of parking is required for non-commercial uses and more than 60% is being provided.

Ms. Crawford questioned if there were any studies regarding occupancy rates and what clientele they were catering to.

Mr. Patel advised that once stabilized, based upon the market, their occupancy would be approximately 74% to 76%; they are catering to transient to corporate clientele.

Ms. Crawford questioned if any transportation services would be provided. She also questioned if there was any event space.

Mr. Patel stated that there would be a shuttle to the airport and port; normally services within the City provide shuttles. It was noted that space was limited, but there are meeting facilities.

Ms. Barber questioned what the CRA paid for the property.

Mr. Wojcik indicated that the CRA paid \$190,000.

Mr. Lagi mentioned the forgivable loan structure.

Mr. Woods advised that a 6-1-3 is three years of funding.

Mr. Wilkes questioned if that was three years of forgiveness at \$1 million per year starting at Certificate of Occupancy and why staff thought this met the criteria to grant such a large sum.

Mr. Woods advised that the project eliminates slum and blight and would create jobs and opportunities for residents to improve their quality of life by having employment. This hotel would pay taxes and the net effect of the CRA contribution could severely be limited. He did not know how the numbers were run on the TIFF, but if the hotel appreciates beyond the level of growth in which the TIFF was calculated, it would come back to the CRA. Mr. Woods indicated that the focus area includes NW 7th Avenue, NW 9th Avenue, Sistrunk Boulevard and the industrial area.

Mr. Lue questioned if those jobs were being filled by people in the CRA or if there were guarantees for that.

Mr. Woods stated that there would be a community benefits agreement as part of the package, which would spell out that the employees to be hired should be from the redevelopment area.

Mr. Wojcik believed that it would be difficult to accomplish that goal. The CRA is not large and many agreements say a certain percentage of jobs would be given to people in the redevelopment area.

Mr. Woods mentioned that there is an unlimited amount of skilled or workforce that would operate at some of the higher levels of the hotel, maybe management and things like that, but there are menial jobs and we can help by trying to identify the workforce and prepare them for some of these jobs as they become available. There should be a requirement that the developer hire people within the community and if not, they should invest in training for people within the community to develop skills, so they could work in some of those jobs. In the past, Mr. Woods required that a certain package be hired from within the CRA, if not, they go to the next level; perhaps the City of Fort Lauderdale and certain zip codes where there is high unemployment to create a stratified layer of zones and attract people from those areas. It must be understood that there is a limited pool and this where the CRA comes in; we must help them meet their goals.

Mr. Lue questioned when the CRA would have time to invest in educational programs for people in the neighborhood to meet the needs of incoming companies.

Mr. Woods believed that community benefit agreements are being created and with those agreements training programs must be targeted that would allow residents to be trained on whatever the need is in the area at the time; residents need an opportunity to be able to increase their skill level to improve their quality of life.

Mr. Lue questioned why \$3 million was needed when the lots were already purchased. The parking lots would change the façade on the two empty CRA lots, but the question was how much was needed for the façade for the parking being purchased.

Mr. Schein advised that the lot was purchased not necessarily to construct the hotel; financing and the internal rate of return needed to keep up the operations and stay afloat would not work without CRA funding.

Mr. Woods commented that this area is changing, but it has not yet changed. There is a certain amount of risk in bringing the hotel to this area.

Mr. Schein advised that the developers are experienced in all aspects of hotel development, from ground up to management, to ownership.

Ms. Barber commented that the risk was with the occupancy.

Mr. Schein indicated that the numbers have been done and \$3 million is a lot of money, but the total capital investment is \$17 million. The applicant would not be going through this if they thought the occupancy rates would not work or generate the revenue needed.

Ms. Barber suggested there be a formal hospitality training partnership with this company. Broward College has already been subsidized to come in through the YMCA Center. Hospitality and culinary is going to be one of the strategic employment opportunities in this area and it needs to be more structured.

Ms. Crawford mentioned the old Post Office at NW 4th Avenue and NW 7th Avenue and a pink building across the street. She questioned if the applicant was committed to those colors and expressed concern regarding clashing colors.

Mr. Schein stated that colors change often, and the DRC has no say over colors. This would be a new Comfort Suites and they do have their own brand.

Mr. Wilkes expressed concern about similar projects coming before this Board because he did not know if the criteria, goals, and objectives they have been told to pursue comply with the requirements. Six motels or hotels have come in around the Downtown CRA and many of the jobs are low level. There are several hundreds of thousands of dollars that could be available, but to fund 12%, 13% or 14% of a commercial nature. The Board has requested the applicant to focus on teaching programs for three or four years and there still are not any programs.

Mr. Woods agreed that there needs to be attention to the people in the redevelopment area and some sort of program that allows them to improve their skill level so their skill attainment for higher paying jobs can help. Mr. Woods did not think there was a shortage of programs but thought there should be programs that match opportunities for physical development, such as hotels. A hotel on a vacant lot would increase the value of taxes that would come into the CRA's CAFR. Programs cannot be looked at with the exclusion of development within the neighborhood, the physical space must be built and then it could be matched with people as well.

Mr. Wilkes commented that there are funds to eliminate slum and blight, secure people who live the area, and provide them with something better. The Board should be looking at long-term commitments to teach and help people who cannot help themselves instead of TIFF money. The \$3 million put into this program was money that could not be put into neighborhood redevelopment programs, painting, fixing up, and making sure that 84% of the units are owned by people who live there.

Mr. Woods advised that there is a process and the Board previously discussed going forward for the next five years during the Workshop. This would help to meet the goals set for redevelopment of the neighborhood of Sistrunk and provide the quality of life people on that side of the track deserve. He thought this would do a lot more than just help the CRA meet their returns on their investment.

Mr. Gabriel commented that the Board has looked at this area before and projects have come before the Board in this general area; he questioned where those projects are.

Mr. Wojcik indicated that there has not been any new development on the east side of NW 7th Avenue except for Milton Jones; the west side of NW 7th Avenue has been vacant for 30 years. All there is on the west side is a church, a pawn shop and a bail bond. There is a large project being assembled on the southwest corner of Sistrunk Boulevard and NW 7th Avenue and they were looking for a site to

relocate a church they were purchasing. It was agreed that would be a good mix to allow them to buy property on the next block over.

Mr. Gabriel questioned if any of those development discussions focused on residential properties or residential use for this general area. Some of the conversation has been about bringing people to live here and creating new areas for them to reside, but this location is not susceptible to that.

Mr. Gabriel questioned if \$3 million was a large sum of money based upon the project.

Mr. Wojcik indicated that in some of the other projects funded the Development Center Program was used; this would be at the lower end.

Mr. Schein commented that the \$3 million was the net at the end of land acquisition and TIFF; some of the non-vacant land would raise values.

Mr. Gabriel advised that the recommendation was that the CRA approve the sale of three lots and he only saw two.

Mr. Schein clarified that there were three lots; they were broken up.

Motion made by Mr. Gabriel, seconded by Ms. Crawford, to approve the project as proposed in the staff report, that the CRA property be sold – Lots 713, 717, and 723 NW 3rd Street for \$355,000 with the incentive that the CRA Development Incentive Program for a loan not to exceed \$3 million for development of the Comfort Suites Hotel. The **motion** passed on a roll call vote. (7-5)

Ayes: Mr. Calhoun, Mr. Murphy, Mr. Hooper, Mr. Lewin, Mr. Gabriel, Ms. Crawford, Mr. Lagi
Nays: Mr. Wilkes, Ms. Nunziata, Mr. Lue, Ms. Burrows, Ms. Barber

V. Presentation – TDON Development River Gardens Townhomes

Mr. Wojcik explained that the vacant property was purchased between NW 21st Terrace and NW 22nd Avenue. The plan was to construct 25 market rate townhouses and expand the footprint of the project to include vacant properties both east and west of the land they currently own in the project area. To do this, the CRA must publish a Notice to allow them to receive proposals. This would be a great project for the area and staff recommends the Notice of Intent to dispose of Seri property located at 2162 Sistrunk, 2140 Sistrunk, 2136 Sistrunk, and 2132 Sistrunk, be issued. The property west of the other side, which was a small part corner, was a convenience store for many years; the CRA purchased the property in 2009 for \$400,000 and had to purchase the business with the stipulation that they never move back into the City. The other property to the right, next to the railroad tracks, was purchased in 2004 for \$415,000; a similar situation. The request is for this Board to issue a formal proposal for RFP, so an appraisal can be made for the property.

Mr. Keith advised that Notices were put in the paper, Westside Gazette, Sun Sentinel, and a direct mail Notice was also sent to everyone within 600 feet of the property in case there was any other development interest.