



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**CRA BOARD MEETING**

**#20-0849**

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

**FROM:** Chris Lagerbloom, ICMA-CM, Executive Director

**DATE:** November 17, 2020

**TITLE:** Resolution Approving a Forgivable Loan of Three Million Dollars (\$3,000,000) to Wright Dynasty, LLC, under the Development Incentive Program - 1217-1223 Sistrunk Boulevard, Fort Lauderdale, FL 33311; Authorizing the Executive Director to Execute the Letter of Intent and Other Documents Related to this Transaction; and Delegating Authority to the Executive Director to Take Certain Actions and Providing for an Effective Date - **(Commission District 3)**

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**Recommendation**

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners resolve to approve a request from Wright Dynasty, LLC for a forgivable loan in the amount of three million dollars (\$3,000,000) for the construction of a mixed-use development located at 1217-1223 Sistrunk Boulevard, Fort Lauderdale, Florida 33311; authorize the Executive Director to execute the letter of intent and other documents related to this transaction; and delegate authority to the Executive Director to take certain actions and provide for an effective date.

**Background**

The Northwest-Progresso-Flagler Community Redevelopment Agency (NPF CRA) has received an application from Wright Dynasty, LLC for a forgivable loan for the construction of a mixed-use development located at 1217-1223 Sistrunk Boulevard, Fort Lauderdale, FL 33311 (the "Property"). The proposed development is a six-story building and will include five commercial units on the ground floor, two parking levels and 24 residential units. The requested forgivable loan amount of \$3,000,000 from the CRA Development Incentive Program ("DIP") is to be paid out over three years (\$1 million per year, unless the CRA is fiscally able to make a one-time disbursement) and will be secured by a 10-year second mortgage on the property.

A copy of the Location Map; Broward County Property Appraiser Information; Architectural Plans and Renderings; Architect's Project Description; Development Proposal; CRA Application and Supplemental Responses; Financial Projections and 10-year Pro Forma Income Statement; and Cost and Funding Breakdown of the proposed

development; the Letter of Intent; the Resolution; and the NPFH CRA Advisory Board Minutes of the October 13, 2020 meeting are attached as Exhibits 1 through 11.

The CRA Development Incentive Program (DIP) is intended to support projects with an investment of \$5,000,000 or more.

Wright Dynasty, LLC is requesting a forgivable loan in the amount of \$3,000,000 for the construction of a new mixed-use development to be located at 1217-1223 Sistrunk Boulevard, Fort Lauderdale, Florida 33311, within the CRA's Focus Area on historic Sistrunk Boulevard, with a total development cost of approximately \$7,116,825. The project is a six-story mixed-use building with five commercial units on the ground floor, two parking levels and 24 residential units on the upper levels. Once built, the development is expected to create numerous long-term jobs managing the operations of the apartments, in addition to those generated by the various retail/office tenants.

Wright Dynasty, LLC, a single purpose entity created for this project, was founded by Dennis Wright, who had purchased the building located at 1217 Sistrunk Boulevard on October 26, 2018 for \$275,000. The two adjacent lots were in Mr. Wright's possession since 2003 and 2005 respectively. Mr. Wright is a lifelong member of the Sistrunk community. He is the grandson of Helen Morris, who opened *Helen's Kindergarten and Nursery* in 1953 and operated it for 42 years at 1223 NW Sistrunk Boulevard, until her passing at the age of 75. She was considered a Black Pioneer in Fort Lauderdale and especially in the Sistrunk community. The kindergarten was one of Broward County's first day care centers for black children and provided much needed early childhood education for the community.

Wright Dynasty, LLC is committed to revitalize the Sistrunk Corridor by redeveloping vacant lots and blighted properties in order to meet the current and future needs of the community, while at the same time preserving the area's historical character. It is their goal to attract young professionals and entrepreneurs to the area and to provide them with affordable workforce housing and commercial spaces. The Developer will provide three (3) apartments at affordable rates, thus meeting the 10% requirement for zoning. The developer has also committed to rent the residential units to tenants whose income is not less than 80% and not greater than 120% of the Broward County Area Median Income (AMI), as established each year by the Department of Housing and Urban Development (HUD) for a minimum of ten (10) years.

The proposed project will consist of the complete demolition of the existing two-story structure at 1217 Sistrunk Boulevard and the construction of a six (6) story mixed-use development. The development will encompass approximately 15,320 square feet, or 85%, of the existing project site. The remaining 15% will consist of pervious and grassed landscape areas. The first floor will include indoor/outdoor covered mercantile space, immediately accessible from Sistrunk Boulevard, thereby encouraging local foot traffic. The second and third floors will accommodate parking for sixty (60) vehicles, totaling approximately 31,300 gross square feet of area. Levels three (3) through six (6) will accommodate twenty-four (24) residential rental units, which will range in size from

720 sq.ft. for one-bedroom units to 1,075 sq.ft. for two-bedroom units. There will be a total of 18 two-bedroom units and six (6) one-bedroom units. The roof top will provide a Green Roof/Recreational Sun Terrace for residents and their guests. In addition, HVAC equipment, exhaust fans and other relevant roof mounted equipment will be concealed from the recreational areas, from neighboring properties and from street view. In addition, underground utilities, a drainage system and trash and recycle containers will be installed.

The building will also adhere to other sustainable/green principles, such as a reduced parking footprint, charging kiosks for electrical vehicles, rainwater management, indoor water use reduction through low water consumption fixtures, renewable energy/green power and carbon offsets through integration of solar power, impact-resistant glazing and window wall systems, low emittance building materials, utilization of daylighting techniques in the retail and residential units, energy efficient HVAC equipment, programmable thermostats, dimmable switches, LED lighting, low consumption fixtures and various other energy reduction measures.

Architectural plans and professional renderings of the Project are attached as Exhibit 3. The total project cost is estimated at \$7,116,825. In addition to the CRA funding, the Developer will use bank financing of \$3,276,825 and his own contribution in the amount of \$840,000. The estimated completion date is 18 months from the beginning of construction. The project is currently in DRC review. Upon completion, the estimated market value will be \$10,270,704, based on anticipated annual rents. The two-bedroom units are expected to rent for \$1,600 per month and the one-bedroom units for \$1,400 per month.

The project is consistent with the Northwest-Progresso-Flagler Heights Community Redevelopment Area (NPF CRA) Community Redevelopment Plan, which identifies the Sistrunk corridor as a Focus Area to be revitalized and redeveloped. This area of the City has the potential to serve as a major source of investment and employment for the surrounding community. The CRA Plan identifies strategic objectives, goals and measurements that include targeting and attracting businesses, retail uses and industries to establish a presence in the redevelopment area and create jobs for area residents. In addition, it calls for investing in development projects that create job opportunities for area residents, promote public private partnerships and investment in the redevelopment area.

### **Resource Impact**

There will be a fiscal impact to the CRA in the amount of \$1,000,000 in Fiscal Year (FY) 2021. Future expenditures are contingent upon approval and appropriations of the annual budget. Future expenditures will be \$1,000,000 in FY 2022 and \$1,000,000 in FY 2023.

Current available balance is contingent on a pending \$1,000,000 Budget Transfer that will increase the available balance in the Development Incentive Program to \$1,486,087.

<b>Funds available as of October 27, 2020</b>					
<b>ACCOUNT NUMBER</b>	<b>INDEX NAME (Program)</b>	<b>CHARACTER CODE/ SUB-OBJECT NAME</b>	<b>AMENDED BUDGET (Character)</b>	<b>AVAILABLE BALANCE (Character)</b>	<b>AMOUNT</b>
119-CRA092104-4203	Development Incentive Improvement Program FY21	Other Operating Expenses/Redevelopment Projects	\$7,236,087	\$1,486,087	\$1,000,000
<b>TOTAL AMOUNT ►</b>					<b>\$1,000,000</b>

### **Strategic Connections**

This item supports the *Press Play Fort Lauderdale 2024* Strategic Plan, specifically advancing:

- The Neighborhood Enhancement Focus Area
- Goal 3: Build a thriving and inclusive community of neighborhoods
- Objective: Ensure a range of affordable housing options
- The Business Development Focus Area
- Goal 5: Build an attractive global and local economic community marketplace
- Objective: Create a responsive and proactive business climate to attract emerging industries and Nurture and support existing local businesses.

This item advances the Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Community.

### **Attachments**

Exhibit 1 – Location Map  
Exhibit 2 – BCPA Information  
Exhibit 3 – Architectural Plans  
Exhibit 4 – KAP Architecture Project Narrative  
Exhibit 5 – LHIG Development Proposal  
Exhibit 6 – CRA Application and Supplemental Responses  
Exhibit 7 – Financial Projections and 10-year Pro Forma Financial Statements  
Exhibit 8 – Cost and Funding Breakdown  
Exhibit 9 – Letter of Intent  
Exhibit 10 – Resolution  
Exhibit 11 – NPFH CRA Advisory Board Draft Minutes of 10/13/2020

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