



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

**#21-0320**

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

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

**DATE:** November 16, 2021

**TITLE:** Public Hearing Accepting the Property Disposition and Development Proposal of Northeast 6<sup>th</sup> Development, LLC for the Purchase and Development of CRA Property at 1017 Sistrunk Boulevard and 606 NW 10<sup>th</sup> Terrace and Approving a \$2,450,000 CRA Development Incentive Program Loan to Northeast 6<sup>th</sup> Development, LLC for the Victory Entertainment Complex, Authorizing the Executive Director to Execute Any and All Related Instruments and Delegating Authority to the Executive Director to Take Certain Actions - **(Commission District 3)**

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**Recommendation**

Staff recommends the Community Redevelopment Agency (CRA) Board of Commissioners hold a public hearing and approve a Resolution accepting the proposal of Northeast 6<sup>th</sup> Development, LLC for the purchase and development of CRA owned property at 1017 Sistrunk Boulevard and 606 NW 10<sup>th</sup> Terrace and approve a request for a \$2,450,000 CRA Development Incentive Program (DIP) loan to Northeast 6<sup>th</sup> Development, LLC for the Victory Entertainment Complex, and authorize the Executive Director to execute any and all related instruments and delegate authority to the Executive Director to take certain actions.

**Background**

In response to a Request for Proposals and Notice of Intent to Dispose of CRA Property (RFP) issued on March 5, 2020, Northeast 6<sup>th</sup> Development, LLC, on July 6, 2020, submitted a proposal for the purchase and development of the CRA property consisting of three contiguous parcels located at 1017 Sistrunk Boulevard and 606 NW 10<sup>th</sup> Terrace. (Property ID 4942 34 07 8630, 4942 34 07 8620, and 4942 34 07 8621). Two other proposals were received. The Location Map and Invitation for Proposals/Notice of Intent to Dispose are attached as Exhibits 1 and 2. The CRA property has a land area of approximately 14,831 square feet and is on the northeast corner of Sistrunk Boulevard and NW 10<sup>th</sup> Terrace. The property is vacant land, has an appraised value of \$450,000 (Exhibit 3), and was originally purchased by the CRA between 2001 and 2006. The evaluation committee for the RFP met October 27, 2020 to initially review and give a preliminary score to the three proposals. They met again on December 4, 2020 to interview the three proposers and give their final scores. They ranked the three proposals

as follows:

1. Northeast 6<sup>th</sup> Development, LLC
2. CHD Housing, LLC
3. Marie A. Wells Arts and Education Center

Their recommendation is to accept the proposal by Northeast 6<sup>th</sup> Development, LLC for the purchase and development of CRA property 1017 Sistrunk Boulevard and 606 NW 10<sup>th</sup> Terrace and that this proposal is:

- In the best interest of the CRA and promotes or facilitates the furtherance of the goals, objectives and policies of the NPF CRA Plan; and is most responsive to the requirements of the RFP.
- Demonstrates superior design, quality construction, materials and features; and
- Demonstrates the financial capacity, legal ability, development experience, qualifications and ability best suited to carry out the proposal.

Copies of the three proposals are attached as Exhibits 4, 5, and 6. The proposal by Northeast 6<sup>th</sup> Development, LLC (Exhibit 4) is for a contemporary designed 3 story commercial building and entertainment complex of approximately 13,000 square feet that will include a craft distillery “Old Sistrunk Distillery”, restaurant, cigar lounge, wine bar and lounge, and approximately 1,500 square feet of meeting space. A list of the prospective tenants is attached as Exhibit 7. Letters of intent to lease have been provided by the Developer and are included in their proposal.

The total cost for the Project is projected at \$4,000,000. A copy of the funding sources and uses for this project are provided below:

<b>SOURCES</b>	
Bank Loan	\$ 1,150,000.00
CRA Funds	\$ 2,450,000.00
Owner Equity	\$ 400,000.00
<b>TOTAL</b>	<b>\$ 4,000,000.00</b>

<b>USES</b>	
Purchase Land Cost	\$ 450,000.00
Construction and Soft Cost	\$ 3,550,000.00
<b>TOTAL</b>	<b>\$ 4,000,000.00</b>

Owner equity is being provided by Jay Adams, who is a Manager in the limited partnership with 40% ownership interest in Northeast 6<sup>th</sup> Development, LLC.

Jay Adams is a real estate investor who has renovated and manages three historic

landmark buildings in Fort Lauderdale including Progresso Plaza in the Northwest Progresso Flagler Heights Community Redevelopment Area, the Gilliam Home, and Croissant Administration Building. He is also a licensed real agent specializing in leasing corporate real estate. He has over 23 years of commercial real estate experience and has consistently placed among South Florida's top five producers. He is Senior Managing Director in Newmark. Prior to Newmark, he served as First Vice President of CBRE's Brokerage Services Division in for Fort Lauderdale for over 20 years and previously worked for the Allen Morris Company on tenant representation and leasing.

Victor Harvey is also a Manager in the Limited Partnership with 60% ownership in Northeast 6<sup>th</sup> Development, LLC. Mr. Harvey is President of Victor George Spirits, LLC and creator of Victor George Vodka and V Georgio Vodka, distributed in seven states and five counties. Prior to starting the distillery, Victor Harvey was a hotel owner in Columbus, Ohio and Miami Beach and was also involved in the entertainment industry as a recording artist. Information on Jay Adams and Victor Harvey is attached as Exhibit 8.

CRA funding for this project represents 61.25% of the total project cost. A comparison of the CRA investment in this project to other CRA DIP funded projects is provided below:

<b>Project</b>	<b>Estimated Capital investment (ECI)</b>	<b>DIP Award</b>	<b>DIP Award Percentage of ECI</b>
Hoover Awnings	\$1.5 Million	\$1.1 Million	73.33%
YMCA	\$15 Million	\$10 Million	66.70%
Thrive Progresso	\$4.5 Million	\$2.5 Million	55.56%
Wright Dynasty	\$7.1 Million	\$3.0 Million	42.15%
Memphis Blues	\$3.8 Million	\$1.5 Million	39.47%
Jack and Jill	\$7.1 Million	\$2,5 Million	34.79%
Sistrunk Market	\$5.9 Million	\$1.4 Million	23.30%
Sistrunk Townhomes	\$6.9 Million	\$1.5 Million	21.70%
Six 13	\$33.5 Million	\$7 Million	20.80%
Triangle Services	\$7.8 Million	\$1.5 Million	19.02%

The CRA Advisory Board unanimously recommended approval of this item at their meeting of January 12, 2021 (Exhibit 9). On March 3, 2021, the Home Beautiful Park Civic Association met and reviewed the project (Exhibit 10).

#### Consistency with the NPF CRA Community Redevelopment Plan

The NPF CRA Community Redevelopment Plan is designed, in part to stimulate private development of areas planned for commercial development. The project is consistent with the NPF CRA Community Redevelopment Plan which provides for direct physical improvements to enhance the overall environment, improve the quality of life and attract sound business and commercial development that provide employment and job opportunities.

Per the CRA plan, the CRA will establish incentive programs to address redevelopment obstacles. The 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. In addition, it calls for investing in development projects that create job opportunities, 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 \$2,450,000. This funding is contingent upon the approval of the City's consolidated budget amendment and the CRA budget amendment (CAMs 21-0926 and 21-0781) allocating funds to the CRA Business Incentive Debt Fund. Funds for this transaction are also contingent upon the approval of a \$22,520,000 loan between Truist Bank, the CRA and City of Fort Lauderdale (CAMs 21-0720 and 21-0721).

Funds available as of October 22, 2021					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
120-CRA092113-4203	CRA Business Incentives – Debt	Other Operating Expenditures/Redevelopment Projects	\$0	\$0	\$2,450,000
TOTAL ►					\$2,450,000

### **Strategic Connections**

This item is a *2021 Commission Priority*, advancing the Smart Growth initiative.

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

- The Business Development Focus Area
- Goal 5: Build an attractive and proactive business climate to attract emerging industries
- Objective: Nurture and support existing local business

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

This item supports the Advance Fort Lauderdale 2040 Comprehensive Plan, specifically advancing:

- The Business Development Focus Area
- The Economic Development Element
- Goal 2: Enhance the economic competitiveness of Fort Lauderdale through policies and encourage retention and recruitment of business and industry which provide living wage employment and increased training and competitiveness in the local workforce

**Related CAMs**

#21-0319, #21-0321, #21-0720, #21-0721, #21-0781, and #21-0926

**Attachments**

Exhibit 1 - Location Map  
Exhibit 2 - Invitation for Proposals Propose/Notice of Intent to Dispose  
Exhibit 3 - Summary Appraisal  
Exhibit 4 - Northeast 6<sup>th</sup> Development, LLC Purchase and Development Proposal and Application for Funding  
Exhibit 5 - CHD Housing LLC Purchase and Development Proposal  
Exhibit 6 - Marie A Wells Arts and Education Center Development Proposal  
Exhibit 7 - Project Prospective Tenant List  
Exhibit 8 - Information on Developer  
Exhibit 9 - January 12, 2021 CRA Advisory Board Minutes  
Exhibit 10 - March 10, 2021 Home Beautiful Park Civic Association Comments  
Exhibit 11 - Development Incentive Program Letter of Intent  
Exhibit 12 - Commercial Contract and Addendum  
Exhibit 13 - Resolution

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