

**NORTHWEST-PROGRESSO-FLAGLER HEIGHTS  
REDEVELOPMENT AGENCY ADVISORY BOARD  
APRIL 25, 2007 at 3:30 p.m.  
100 NORTH ANDREWS AVENUE  
8<sup>TH</sup> FLOOR CONFERENCE ROOM  
FORT LAUDERDALE, FLORIDA**

<b><u>Board Members Present</u></b>	<b><u>Present/Absent</u></b>	<b>Cumulative from 1/1/07</b>	
		<b><u>(P)</u></b>	<b><u>(A)</u></b>
Phyllis Berry	A	P-2	A-1
James Brady	P	P-3	A-0
Ron Centamore	A	P-1	A-2
Michael Ferber, Vice Chair	P	P-3	A-0
Alan L. Gabriel	P	P-1	A-0
Jerry Heniser	P	P-1	A-0
Mickey Hinton	P	P-1	A-2
Bradley Hubert	P	P-3	A-0
Brice Lambrix	P	P-2	A-1
Laura Mutti	P	P-2	A-0
Dr. Rosalind Osgood	A	P-0	A-3
Ella Phillips, Chair	A	P-1	A-2
Doug Sterner	P	P-3	A-0
Clare Vickery	P	P-2	A-1

**Staff**

Alfred Battle, Director CRA  
Mina Samadi, Engineer, CRA Staff  
Thomasina Turner-Diggs, Project Coordinator, CRA Staff  
Bob Wojcik, Planner III, CRA Staff

**Others Present**

Richard Russell, Sweeting Estates H.O.A.  
Ron Mastriana, Bamboo Lofts  
Brian Mastriana, Bamboo Lofts  
Peter Feldman, New Phase Realty  
Travis Woods, Prototype Inc.

**I. CALL TO ORDER / ROLL CALL**

Vice Chair Ferber called the meeting to order at 3:36 p.m. Following the roll call it was determined a quorum was present. New Board member, Alan Gabriel, was welcomed.

**II. APPROVAL OF MINUTES     **January 2007 and February 2007****

Mr. Hubert requested the following corrections, for clarification of statements, to the February 2007 minutes: Page 3, the sentence reading, “Mr. Hubert stated that CRA was in place along with ULDR” “*was a*” should be corrected to read “...has some good planning tools. This will help to set the stage for the private sector to redevelop new properties.” Page 4, one-third down the page read, Mr. Hubert said, “Mix use project being built *had existed*” should be corrected to “...were done in the 1950’s and 1960’s.” Mr. Hubert also requested the “and” be corrected to “should this be followed in the future?”

**Motion** made by Mr. Brady, seconded by Mr. Hubert, to accept the minutes of the January 28, 2007 as submitted. In a voice vote, the motion unanimously passed.

**Motion** made by Mr. Brady, seconded by Mr. Sterner, to accept the minutes of the February 2007 minutes with corrections as requested by Mr. Hubert. In a voice vote, the motion unanimously passed.

**III. BAMBOO LOFTS STREETScape GRANT REQUEST**

Mr. Battle presented the request from the development group, Flagler Junction LLC., which sought a 50% grant assistance funding for streetscape improvements for the development Bamboo Lofts. The development consists of 57 residential units, some of which are live/work units, located at NE 4<sup>th</sup> Avenue. Mr. Battle stated the request was unusual in that Bamboo Lofts was well into construction and nearing completion, whereas other requested funds were usually for projects in the early stages of construction.

Other projects such as Avenue Lofts and Jefferson Place in Flagler Heights CRA, were funded for 50% streetscape grant assistance. Flagler Junction LLC estimated the cost of the streetscape improvements at \$461,362.28 and staff recommended approval of a grant covering 50% of the project, not to exceed \$230,681.14.

The statistics on the tax increments are: the developer estimated the project will cost \$16 million to build, after sell off the expected value of the apartments would be \$24.5 million in tax related value, which would provide a conservative estimate of \$173,000 dollars in tax increment revenue in the first year after

completion. The leveraging ratio of funds from the private construction costs to the public investment of the streetscape improvement grant would be in the range of 72-1, which is a very good ratio for the investment of funds. Mr. Battle stated a spreadsheet was included with the exhibits with the estimated TIF returns on the project and informed the Board that Ron and Brian Mastriana, from the development team of Flagler Junction, LLC were present to answer any questions.

Mr. Mastriana stated Flagler Village was planned to be special and explained that some projects in the area had been abandoned but Flagler Village continued despite the cost increases and hopefully 4<sup>th</sup> Avenue will see some improvement with other projects. After two years of construction, and the suffered loss of 17 units, 400 feet of wall and half a million dollars in additional costs, from the hurricane, the project was prepared to begin closings on units in buildings four and five. Delay was incurred when approval was sought for parking on 3<sup>rd</sup> and 4<sup>th</sup> Avenues and now those hurdles have been resolved construction of sidewalks and pavers will begin.

Mr. Sterner questioned how the total cost of the streetscape improvement was arrived at, and inquired if it derived from bids. Mr. Mastriana stated W.A. Benz was the contractor who secured bids on the work. Mr. Sterner asked how many bids were received and if the bids had been reviewed by CRA Staff. Mr. Brian Mastriana stated four or five bids had been received and the lowest bid was chosen. Mr. Battle explained that the developer applied for the grant; the money would not be paid until the work was completed and the developer must verify that the funds were spent on the work as demonstrated in the exhibits.

Vice Chair Ferber stated streetscape grants given to other projects had similar dollar amounts, and although the actual linear amount of street has not been calculated, but in looking at the map, it is significantly higher than other projects. Mr. Mastriana stated the linear cost in this project were less than the projects that were completed a few years ago. No other incentive dollars are being sought from CRA; the development risk belongs to Flagler Junction LLC, and the grant being sought was for 50% of the streetscape cost.

Mr. Sterner believed other grants reviewed had mountains of backup material to help make a decision. In this instance, there was only Mr. Mastriana's word, which he trusted, but the process was totally different. Mr. Hubert added the handout sheet in the exhibit left a lot of room for misunderstanding, it should have included a breakdown of the bids, and the City should have reviewed it and ensured it met Code. Vice Chair Ferber stated that was a prerequisite of proceeding this far, the materials had been reviewed.

Mr. Mastriana stated permits had been secured for the work and receipts of bills for completion of the work would be submitted in order to receive the Grant money. Mr. Hubert added specs and details of the planned work were important,

not the bids. Mr. Lambrix declared that had already been defined. Vice Chair Ferber explained the City was not doing the work but private contractors, and there had never been a failure to perform or a lawsuit in conjunction with private contractors. The history of CRA's public infrastructure holds a stellar record. When CRA hired consultants or contractors the bidding process must be gone through, but that is not the case with private builders doing streetscapes in developments. It is a simple matter of reimbursement to a contractor after the project is completed; there are two different patterns. Mr. Carter affirmed when the City is the entity that is entertaining an RFP the bids would be scrutinized. In this case, the developer decided on the bid and this is a component of the overall project. The developer would be the one that would be held responsible for the work.

Mr. Sterner commented that the Board was asked to sign off on a figure and hand over the money after construction and questioned how the figures were arrived at, and how anyone was to know if the cost could have been lower. Mr. Battle explained that if the cost came in lower, the memo was written to state the total "would not exceed" \$230,681.14; if the cost exceeded that amount the developer would still receive \$230,681.14. The program being used protects those concerns. The developer must be in the financial position to make the improvements. The specs have been authorized by the City through the Landscape Code and Right-of-Way Improvement Code and the disbursement of the funds would not occur until the developer submitted the invoice signed by the architect or contractor. The Public Works inspector is then dispatched to inspect the project with three officials signing off; the inspector, the engineer, and the CRA Staff, these officials then reconvene to make sure that the invoiced work is completed to Code and then payment is dispersed. There is external control in the permits that are pulled and the payment goes through a system of checks and balances.

Mr. Brady stated the rationale appeared to be that the Board had approved similar grants before and this project grant would yield tax increment financing in the amount of \$173,000. In the future, the nexus between approval of new grant money and what is anticipated, as yield tax increments should be included in each process. This project has been on a slow track because of the market conditions but our approval of the grant will be good for the area providing a new incentive to other projects within the CRA.

**Motion** made by Mr. Brady, seconded by Mr. Lambrix to approve the staff recommendation of the expenditure of 50% of the actual cost of the project, not to exceed \$230,681.14 for streetscape that is permitted and that as a condition the CRA receive a recommendation from the engineering department, to the extent that cost allocations be consistent with industry standards.

Ms. Vickery inquired about the sales status of the project and Mr. Mastriana stated when the project started the market was good and units sold out in six

weeks. It was discovered, over the next two years, that the price was too low and added improvements should have been curtailed. An offer to buy the project had been received but obligations to complete the project outweighed the offer. The price point per foot was \$225 which is very good for comparison against other projects. Ms. Vickery added that the vote today would be an important aspect of the project. Mr. Ron Mastriana stated, yes, hopefully completion of this project would encourage further development in the area; other projects have been planned; and now may come to fruition.

Ms. Vickery requested that Mr. Mastriana return to address the Board in the near future to talk about crime issues in the area, which are matter of concern.

Returning to the motion on the floor, Mr. Heniser requested the record to show that Regents Bank funded the project and he must abstain from the vote, as Regents Bank was his employer. In a voice vote, the motion passed with one vote abstaining.

#### **IV. DIRECTOR'S REPORT**

Mr. Battle stated the second round of meetings with the Implementation Plan Market Study Consultants had been held and well attended. Copies of the presentation would be sent to members via email as soon as the cover letter is added for understanding of the presentation as much of it was in pictorial form.

Mr. Brady stated when the Board first looked at the Jefferson on 3<sup>rd</sup> and 6<sup>th</sup> Streets, the incentive was to jumpstart the process because the market was not ready yet. The incentive was given, the market caught up and everything “went crazy.” That time frame had passed now, and Mr. Brady suggested inviting professionals to attend a Board meeting to appraise what is going on in the market and what can be expected in the future. The Board should inquire as to what is happening on the ground level in Fort Lauderdale, i.e., new challenges, and overcoming limitations in the marketplace now that property is cheaper. Mr. Battle stated that market data for Sistrunk and Fort Lauderdale were not the same as some old issues had been readdressed. Professionals from marketing and lenders can be present at a Board meeting for the members to seek answers to their questions.

Mr. Brady stated his concern about someone coming before the Board and “selling them a bill of goods about home ownership and affordable housing.” He noted that the Board gives approval to a project with partiality to home ownership, and then the market takes a downturn and that project turns into rental housing. If it had been a rental project at the beginning the Board would not have approved it. He added the Board should be in a position to reanalyze projects with the potential to be revised due to market conditions.

#### **V. ADJOURNMENT**

With no further business before the Board, the meeting adjourned at 4:16 p.m.