

**MINUTES OF THE NORTHWEST PROGRESSO – FLAGLER HEIGHTS
REDEVELOPMENT ADVISORY BOARD
FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
APRIL 23, 2008 – 3:30 P.M.**

<u>Members Present</u>	<u>Attendance</u>	Cumulative Attendance May 2007-April 2008	
		<u>Present</u>	<u>Absent</u>
Ella Phillips, Chair	A	7	4
Michael Ferber, Vice Chair	P	10	1
Phyllis Berry	P	7	4
James Brady	P	7	4
Jerry Carter	A	8	3
Ron Centamore	A	9	2
Mickey Hinton (arr. 3:49)	P	4	7
Bradley Hubert	P	9	2
Brice Lambrix	P	6	5
Laura Mutti	P	11	0
Doug Sterner	P	10	1
Claire Vickery	A	7	4
Alan Gabriel	A	6	3
Jerry Heniser	P	8	1
Samuel Williams	A	4	1

Staff and Guests

Alfred Battle, CRA Director
 Thomasina Turner-Diggs, CRA Staff, Project Coordinator
 Robert Lochrie, EDI
 Nathan Burrell, MECA
 Kim Briesemeister, MetroStrategies
 Sandra Seals, Reliance Housing
 Joe Mathew, EDI
 Andrea Searborencal, EDI
 Peter Feldman, New Phase Realty
 Lindsay Licom, Carlisle Development Group
 Jay Huebner, HSCS
 Steve Tilbrook, Shutts & Bowen
 Tam English, Housing Authority
 Dan Weinstein, Trammell Crow Residential
 Hilda Testa, Recording Clerk, Prototype, Inc.

I. Call to Order & Introductions

The meeting was called to order at 3:31 p.m. by Vice Chair Ferber. A quorum was present.

II. Approval of February 23, 2008 Minutes

Motion made by Mr. Brady, seconded by Mr. Heniser, to approve the minutes of the February 23, 2008 meeting. Vice Chair Ferber opened the motion for discussion.

Mr. Sterner noted on Page 3, Item 4, Request for Zoning Change for 721 and 723 NW 2nd Ave, should be "2nd Street,"

As no objections were noted, the minutes were approved with the requested correction.

III. Flagler Village Streetscape Request

Mr. Battle provided background for the request, along with a memorandum to the Board members regarding some additional streetscape improvements requested in the Flagler Heights Redevelopment area. Mr. Battle stated the request had come from a partnership of many developers to fund a portion of the developer's obligation to build streetscape improvements around the project, as well as on other streets adjoining the project. Mr. Battle explained Staff was currently working to develop a recommendation to management and the CRA Board to fund a portion of the improvements as requested by the developer.

Mr. Battle summarized the improvements, stating there were two projects under construction, Flagler Village and 440 Flagler. Mr. Battle explained the projects were similar to the Bamboo Flats, Avenue Lofts, and Specialty Automotive projects where the City provided a 50% allocation to offset the costs of improvements to enhance the area. The developers were also asking for the streets and side streets in the area to be improved. Mr. Battle noted the CRA, Public Works, and the Planning Department were involved in the approval process.

Vice Chair Ferber noted that, due to the timeline, the matter would be presented to the City Commission prior to the issue coming back to the Advisory Board in the May meeting. Vice Chair Ferber felt the Advisory Board should not just receive a "heads up" on the issue, but as an Advisory Board should hold a discussion and indicate the views of the Board to the City Commission.

Mr. Brady noted a conflict of interest due to his representation of one of the applicants with the City Attorney's office.

Vice Chair Ferber noted Mr. Hinton arrived at 3:49 p.m.

Vice Chair Ferber believed the Board should ask questions of the developers and City Staff, and discuss and understand the matter as a Board in order to make recommendations to the City Commission.

Ms. Berry requested the developer explain what was being proposed.

Mr. Lochrie, Trammell Crow Residential, provided a map of the project area, located just south of 6th, and between 4th and 5th Avenue. Another project being developed by Zahm was located south of the Trammell Crow project.

Mr. Lochrie explained the concept of the proposal was, rather than have each developer come in and develop individual parcels with individual street improvements, there would be a unified effort between the four major property owners to develop both sides of the street, all the improvements within the street at the same time. The proposal would also allow for development of the surrounding areas.

Mr. Lochrie referred to a handout, and explained the improvements would be between 4th and 5th Avenue, from 6th Street south of 5th Street, down to 4th Street, and then continuing out to Federal Highway on both 4th and 5th Streets. Mr. Lochrie emphasized the end result would be a unified streetscape program, including lights, sidewalks, curbs, trees, and other aspects of the streets.

Kim Briesemeister, Trammell Crow, explained the timing was an issue because the construction had already begun, and the proposal would allow the City to capitalize on the private sector activity. The City would be saved the design bid process, would take advantage of the cohesiveness of the developers working together, and would allow for increased efficiency in getting the project completed. Ms. Briesemeister noted the City would partner with the developers for improvements on the areas not already under construction.

Ms. Briesemeister emphasized the current projects are large, and would bring in \$1.2 million in tax increment, not counting the city franchise fees, the state shared revenue, and utility fees. Ms. Briesemeister stated an economic impact report had been completed, which will go to the CRA, showing another half million in revenues would come from the development. The City will receive \$1.7 million in the first year. The total streetscape was estimated at \$4 million, and the proposal would ask the City to

split that cost. Ms. Briesemeister stated the City would quickly recoup the investment in the first two years, and then have a boost to the tax increment in the long term.

Vice Chair Ferber asked if there had ever been any increase in valuation, from any of the efforts of the CRA, equivalent to the current proposal. Mr. Battle stated these were two of the largest, if not the largest, investments seen to date.

Ms. Mutti asked about the water line issue. Ms. Briesemeister explained the Trammell Crow project anticipated putting in a water main on 4th Avenue as a part of the project. The permit required paving 5th Avenue. The water main in the 2011 Waterworks Program is proposed to go into 5th Avenue. Trammell Crow was requesting the City to go ahead and add the water main on 5th Avenue to save the new pavement being torn up for the 2011 project.

Mr. Lambrix asked about 6th Street improvements. Mr. Battle stated the 6th Street improvements were a part of the discussion. Mr. Battle explained the 6th Street design is approximately 60% complete, and the design may or may not be folded into the proposal. Mr. Battle stated the water line going from Federal Highway to 17th Street continued to be an issue in the design. This water line is also a part of the Waterworks project.

Mr. Battle suggested if the Advisory Board was comfortable with the concept that could be reflected in the minutes to share with the City Commission. Vice Chair Ferber stated the concept was embedded in the CRA plan, which had already been adopted. Vice Chair Ferber emphasized the proposal was a specific request from specific developers, and the Advisory Board should express their view, recognizing the City Staff has not finalized the consideration, and issues may come up later.

Mr. Hubert asked if the reimbursement would include both hard and soft costs, like legal and engineering. Mr. Battle stated there would be a breakdown of the construction costs attributable to the improvement. The engineering and legal costs would be embedded in that total.

Ms. Berry expressed concern regarding providing a blanket approval without all the information available. Ms. Berry suggested language "based on what was presented to the Board on this date, with the understanding that Staff will continue to work on the project". Ms. Berry asserted there was no problem supporting what had been described so far, but the matter should be open to further review.

Motion made by Ms. Berry, seconded by Mr. Lambrix, to approve the Flagler Village streetscape request as presented to the Advisory Board, with the caveat that should

there be additional information that will affect the decision making, that it be brought back to the Board for further discussion, and with the understanding the City Staff is continuing to do their due diligence. In a voice vote, the motion passed unanimously.

IV. Eclipse Project Impact Fee Waiver Request

Mr. Battle provided background on the request, and noted that, similar to the Flagler Village request, due to the timing the developer is ready to move forward. Mr. Battle reminded the Board recommendations had been presented in the February meeting to provide local contributions to developers applying for low-income housing tax credits through the State's low income tax credit application cycle. This recommendation provided \$250,000 to support the development of 100 affordable housing units per project, with requests from two developers for three projects.

Mr. Battle noted this request was similar, with the difference being the developer had already received an allocation of funding from the Florida Housing Finance Corporation, and was asking for a City contribution to offset the Park Impact Fees. The developer had asked the request be specifically targeted to support the development of affordable units within this particular project. The development had a total of 101 units being built, with 96 units being for low and very low-income individuals. The project was the first phase of a two-phase project. The total Park Impact Fee is over \$192,000, and some of the funds would be coming from a community development block grant, with the remainder requested from the CRA.

Mr. Battle felt the request was consistent with how the low-income housing tax credit had been dealt with, and was a mechanism to help developers build affordable housing units.

Mr. Lochrie provided a brief history of the project. Mr. Lochrie noted 25 of the 96 affordable housing units were targeted for 30% of area mean income, 71 of the units were targeted for 60% area mean income, and the additional five units would be at market rate. Mr. Lochrie stated the CRA was not being asked to provide financial assistance directly to the developer, but to write a check to the City of Fort Lauderdale for the Park Impact Fee. Mr. Lochrie noted a provision in the ordinance to waive the Park Impact Fee for affordable housing projects so long as another source of revenue for those funds was identified.

Mr. Sterner requested clarification on the funds staying within the CRA or the City budgets. Mr. Lochrie stated he was unaware of how the City would use the funds, but the fees could be used for capital improvements or purchase new park land. Mr. Battle explained the money would go into a Park Impact Fee account, and right now there

would still need to be discussions on how and where the funds could be used. Ms. Berry asked if there were legal issues surrounding the use of CRA monies. Mr. Battle stated it might be that the money has to be returned to be used for park purposes in the CRA district.

Ms. Berry suggested before approval there should be some agreement that the money would be used within the CRA. Vice Chair Ferber asked if the tax rolls would be assessed at full market value. Mr. Lochrie assured the Board they would, as the project is not a public housing development. Mr. Battle explained even with the affordable housing units, the development would provide significant returns not being seen currently.

Mr. Brady asked for information regarding the median income of the area. Mr. Lochrie stated the median income was around \$60,000. Mr. Battle felt the correct number would be closer to \$39,000. Mr. Lochrie stated the figure was \$58,000 for a family of four, one adult and three children.

Mr. Brady expressed concern with creating a sub-prime living market, and asked how the underlying purpose would be served on a continuing basis. Mr. Lochrie stated the projects were regulated by the State with a deed restriction against the property. The State approval had already been obtained, and the City of Fort Lauderdale certified the project as affordable housing. The development would be required to remain a rent-controlled project for 50 years.

Mr. Brady suggested the developer could get out of that restriction by going back to the State and paying fees to be released. Mr. Lochrie's staff disagreed, and felt the restriction was binding. Mr. Brady asked Staff to look at the issues, as this seemed to be an expensive area for low-income families, and there was concern they were building "tomorrow's ghettos". Mr. Lochrie suggested the tenants would be employees of the downtown hotels and restaurants, people cleaning downtown offices, who would be able to live closer to their jobs. Mr. Lochrie explained this was the position the City Commission took in wanting a certain number of affordable units in the downtown area.

Mr. Brady noted there would be 25 units rented to people with two to three children, whose income was \$17,000. Mr. Lochrie stated that was the goal of the project, although there would also be people with no children, as there were ranges of apartments from studio to two bedroom units. Mr. Brady asked what rent would be charged for someone at \$17,000, with two children, trying to live downtown. Mr. Lochrie stated the two bedroom units are at the 60% of the area mean income. Mr. Lochrie noted there was a rent schedule included in the handouts given to the Board. The studio rent would be \$373 for very low income. Mr. Brady noted 50% of the annual

income would be spent on housing, when the national standard was one-third of the annual income.

Mr. Brady emphasized the project allowed for a sub-prime lending market, which was destroying the country's economy. Mr. Brady felt this was a dangerous way to go, and felt the housing should be public instead of paying a developer fee and allowing the developer to profit later when the project failed.

Mr. Battle asked Mr. Lochrie to describe the development partnership. Mr. Lochrie explained the project was being developed by EDI in a partnership with Reliance Housing, which owns and operates affordable housing units throughout Broward County. Reliance would take on the long-term responsibility of managing the project.

Mr. Brady asked for the location of a successful project that had been up and running for five years or more. Mr. Battle suggested Regal Trace, which was not an EDI project, but was a tax credit, income restricted property. Mr. Brady felt more homework needed to be done before the \$183,000 was approved.

Vice Chair Ferber noted the proposal was being presented for the sake of information, and would go to the CRA Board.

V. The Minority E-Commerce Association and The Honey Project (Sub-Lease of CRA Lease at Sixth Street Plaza)

Mr. Battle explained the CRA was leasing 6,000 square feet in the new building at Sixth Street Plaza, with 4,000 square feet downstairs to be used as retail by the storefronts. Mr. Battle noted there was an additional 2,000 square feet located at the back of the property which can be sub-leased by the CRA, with approval of the landlord and the CRA Board. Mr. Battle felt a suitable tenant had been identified, and introduced Nathan Burrell with the Honey Project.

Mr. Battle stated the proposal would allow The Honey Project to sub-lease the space with some incentives from the CRA. The proposal includes a sub-let of the 2,000 square feet for seven years, which mirrors the amount of time on the CRA lease. The proposal would allow for two years of rent forgiveness on the base rent, but The Honey Project would pay all expenses related to utilization of the space during the first two years. In the third year, the rent would be \$12.00 per square foot, plus the expenses. The Honey Project would be allowed use of the parking lot, secured access, and access to the facility on nights and weekends.

Mr. Battle stated a lease would have to be drawn up outlining the terms and obligations, and the lease would have to be approved by the CRA Board. Mr. Battle was unsure of when the lease would start, due to the 6th Street Plaza construction.

Mr. Brady requested the operating history of the company. Mr. Battle stated the projections were included in the handout, and Mr. Nathan Burrell would be able to provide more information. Mr. Brady asked if there would be a “kick out cause” in case the company did not make payment. Mr. Battle stated that kind of a provision would be standard in any City lease. Mr. Brady asked how the company’s contribution during the first two years would be policed. Mr. Battle stated there would be a separate agreement to the lease outlining the conditions for the first two years.

Mr. Battle introduced Mr. Nathan Burrell, founder of the Minority E-Commerce Association. Mr. Burrell provided a brief history of the Minority E-Commerce Association and The Honey Project.

Mr. Sterner requested information on the dollar value of the rent forgiveness over the first two years. Vice Chair Ferber stated the total, at \$12 per foot, for 2,000 feet, would be \$48,000. Ms. Berry asked what activity would actually be taking place in the space. Mr. Burrell explained there would be training and continuing education for the students. The management of operations of The Honey Project would also be handled in the space.

Motion made by Mr. Brady, seconded by Ms. Berry, to accept the recommendation of staff with a very positive underscore. In a voice vote, the motion passed unanimously.

VI. Fort Lauderdale Housing Authority Presentation and Update

Mr. Battle introduced Tam English, Director of the Fort Lauderdale Housing Authority, and Steve Tilbrook, attorney with Shutts & Bowen, to explain the project.

Mr. Tilbrook explained the partnership between the Fort Lauderdale Housing Authority and the Carlisle Development Group. The project included upgrading and enhancing all of the affordable housing resources in the Fort Lauderdale area. The Dixie Court development was built in 1938, and was one of the two main affordable housing projects in Fort Lauderdale.

Mr. Tilbrook stated Dixie Court was located between 2nd and 4th Streets, and between 9th and 11th Avenues. There were 150 units, including 49 one-bedroom units and 67 two-bedroom units. Mr. Tilbrook noted just to the south, on Broward Boulevard,

between 9th and 11th Avenues was the Kennedy Homes project, which would also be going through redevelopment in the future.

Mr. Tilbrook described the three phases of the development, with Phase I and Phase II currently under construction. One of the ERC requirements were to present the project plans to the CRA Board and receive confirmation that the project was consistent with the CRA Redevelopment Plan.

Mr. Tilbrook detailed Phases I and II of the project were approximately 7.5 acres, 154 units, including 66 elderly units, 60 two-bedroom units, and 28 three-bedroom units. Within the 154 units there were 32 very low-income units, and 122 low-income units. Mr. Tilbrook provided the Dixie Court Phases I and II was 15 to 20% complete. The project was expected to be completed in December 2008. Mr. Tilbrook estimated the value of the project at approximately \$18 million, not including soft costs and land value.

Mr. Tilbrook explained Phase III of the project was 100 units, with 76 two-bedroom units, and 24 three-bedroom units. Of those 100 units, 20 were for very low income, and 80 were for low income. Mr. Tilbrook described the development status, stating the site plan approval had been received in April, building permits were anticipated in November 2008, and construction would begin in January 2009.

Mr. Tilbrook stated the total construction value of all three phases was \$35 to 40 million. Mr. Tilbrook explained none of the current value was on the tax rolls. As a result of the partnership, and the redevelopment of the sites, the full value of the property would be brought onto the tax rolls. Mr. Tilbrook explained this would provide a significant increase for the CRA.

Mr. Tilbrook provided drawings, renderings, and elevations of the project.

Mr. Sterner asked what would qualify as senior living. Mr. English explained the senior units were independent living, with a restriction of age 60 and above.

Mr. Tilbrook described the streetscape improvements on all four sides of the development, and planned to provide detailed plans to the Board in the next month. Mr. Tilbrook detailed plans for recreation facilities, a clubhouse, picnic areas, and volleyball courts.

Mr. Tilbrook noted the project was the first step of a multi-phase effort to upgrade the housing resources of the Housing Authority. Mr. Tilbrook requested the Board confirm the project was consistent with the CRA Redevelopment Plan.

Ms. Berry asked if there would be more or fewer units than were currently available. Mr. Tilbrook noted the project as it previously existed had 150 units. The redeveloped project would have 254 units. Mr. Tilbrook emphasized the partnership was meeting with homeowner's associations and the community on a regular basis about providing the opportunity for the people who have lived at Dixie Court to return following the improvements, paying the same rent in the brand new facility.

Mr. Hubert asked who would manage the properties upon completion of the project. Mr. English stated Carlisle would manage during the first year. Following the first year transition phase the Housing Authority would take over the management duties.

Ms. Hinton explained she had lived in Dixie Court from 1938 to 1954, and expressed concern regarding the historical flag pole torn down from the first black library at Dixie Court. Ms. Hinton requested the flag pole be put back on the property. Mr. Tilbrook stated there was an effort to memorialize the historic resources at the site. In addition, the partnership was creating an exhibit within all the buildings to honor the history of Dixie Court.

Mr. Battle emphasized the project was a redevelopment and not a new project, and staff felt comfortable recommending to the DRC.

VII. Director's Report

Mr. Battle provided an update on the Sistrunk Project, which was approximately 60% complete on the design. Mr. Battle hoped to bring a more complete update next month.

Mr. Battle stated the rooming house on the corner of Sistrunk and NW 22nd Avenue had been approved for purchase by the CRA Board at \$500,000. The property was subsequently declared an unsafe structure due to being illegally converted. Due to code enforcement issues, there had been a \$400,000 offer made to the seller. No agreement has been reached yet, and Mr. Battle would provide an update as available.

VIII. Adjournment

With no further business to come before the Board, the meeting was adjourned at 5:03 p.m.