

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

<u>Members Present</u>	<u>Attendance</u>	Cumulative Attendance May 2008 - April 2009	
		<u>Present</u>	<u>Absent</u>
Ella Phillips, Chair	P	2	0
Michael Ferber, Vice Chair	P	2	0
Phyllis Berry	P	2	0
James Brady	A	1	1
Jerry Carter	P	1	1
Ron Centamore	P	2	0
Mickey Hinton	P	2	0
Bradley Hubert	P	2	0
Laura Mutti	P	2	0
Doug Sterner	P	2	0
Claire Vickery (arrived 3:48 p.m.)	P	2	0
Alan Gabriel	A	1	1
Jerry Heniser	P	2	0
Samuel Williams	P	2	0
Jesse Adderly	P	1	0

Staff

Alfred Battle, CRA Director
Thomasina Turner-Diggs, Project Coordinator
Hilda Testa, Recording Clerk, Prototype, Inc.

I. Call to Order/Roll Call

The meeting was called to order at 3:30 p.m. by Chair Phillips. Roll call was taken, and it was determined a quorum was present. Chair Phillips introduced new board member, Jesse Adderly.

II. Approval of June 25, 2008 Minutes

Mr. Hubert noted Item II, page 10, page one, “A Board member noted ...” should read, “Mr. Hubert noted ...”

Chair Phillips noted Ms. Berry was present for the June 25, 2008 meeting.

Motion made by Mr. Williams, seconded by Mr. Ferber, to approve the minutes of the June 25, 2008 meeting as amended. In a voice vote, the motion was approved unanimously.

III. 2008-2009 NPF CRA Proposed Operating Budget

Mr. Battle provided a copy of the memorandum prepared by Staff explaining the budget submission made to the City Commission in the July 15, 2008 meeting. He noted the operating revenues would increase to \$2 million, and would probably go up incrementally 5% to 7% annually with the current staffing. Mr. Battle described the planned move to the new 6th Street Plaza offices projected for September. Increases were expected relating to health care contributions, pension fund contributions, and the general cost of doing business. Adjustments may be made to the marketing, collateral, planning, and engineering service categories as conditions change to target recruitment efforts.

Mr. Battle explained that every year there were transfers of dollars from the unused TIF revenue to cover operation expenses which are appropriated for projects approved by the Board throughout the year. The fund categories are given general descriptions instead of specific project names. Mr. Battle further explained, as projects come before the Board, dollars would be moved into the appropriate account to be available as the project needed the money.

Chair Phillips noted the arrival of Ms. Vickery at 3:48 p.m.

Mr. Battle emphasized the accounts were flexible to allow for approved transfers of monies consistent with the plan. Mr. Battle explained the Carry Forward/Blanket Project account held uncommitted dollars in the CRA trust fund reserve, which monies are unencumbered and could be transferred to any project. The fund does not represent future TIF revenue. Mr. Battle noted bond commitments could not be made without a voter referendum, and the "war chest" allowed for strong investment opportunities.

Mr. Williams asked if there were any caps to the rollover fund, or if there could be a continuous cumulative effect over several years. Mr. Battle stated the dollars would roll over if not used in the fiscal year. The cap would go to 2025. Ms. Vickery asked if the money could be spent for non-capital expenses such as, for example, security personnel. Mr. Battle stated the spending strategy is not referenced in the plan; therefore, the dollars could not be used for crime prevention or community policing. Ms. Vickery expressed concern that an issue such as crime prevention had not been included in the plan. Mr. Battle stated the plan was heavy on investments in housing, commercial development, infrastructure development, and marketing initiatives. The

plan was created in 1995 and revised in 2001; community crime issues had not been included in the plan at that time.

Mr. Ferber asked about the bond debt service monies reflecting bonds already sold. Mr. Battle stated the bond debt service is paid annually, with an approximately \$11 million balance in the fund. Current spending was primarily in the Sistrunk project. Mr. Battle confirmed the dollar amounts represent the TIF funds already in the CRA account collected in the last cycle of tax bills.

Ms. Berry asked for clarification on the \$25,000 in marketing collateral, and why such a small amount of money had been allocated for something as important as marketing. Mr. Battle stated the marketing money had been used primarily on a business-to-business type approach providing financial assistance to start-up businesses. Mr. Battle continued that some of the money was spent to pay for consultants to assist with the creation of business plans for small business owners, as well as for collateral materials given out at the CRA office.

Mr. Battle explained marketing funds were also used for contributions to the marketing of individual businesses, citing Flagler Village as an example of that type of funding. Mr. Battle felt marketing included partnering with the local business community in a collaborative effort to increase community awareness. Mr. Battle also felt there were not enough staff resources to implement extensive marketing. Ms. Berry suggested the \$25,000 had primarily been used as a grant to individuals to promote and market their own businesses as opposed to promoting the CRA. Mr. Battle agreed that was an accurate statement.

Mr. Centamore asked about the Economic Development office partnering with the Board to "sell" the CRA. Mr. Battle stated there had been discussions regarding future marketing opportunities, including an Economic Development/CRA joint effort to attend conventions and conferences, particularly the International Conference of Shopping Centers and the Florida Redevelopment Association. Mr. Battle described an upcoming Broward County initiative at the ULI Conference in Miami in October 2008.

IV. Action Item - Sweeting Associates LLC aka New Visions Community Development Corporation (CDC) Funding Request

Mr. Battle explained that the developer has requested assistance from the Board regarding a funding request. New Vision CDC was selected by the CRA as part of the Sweeting Estates smaller in-fill housing program. Mr. Battle noted Sweeting had been successful in building affordable housing and in bringing new homeowners to the area. The proposal included townhomes to be built on property which had been partially

funded with assistance from the CRA fronting Sistrunk Boulevard known as "The Green Store." Sweeting approached CRA in late 2005 or early 2006, along with Bank of America regarding developing the entire frontage of Sistrunk with townhomes on what was called "The Car Wash Site," which the CRA had purchased for redevelopment. A development agreement was reached in December of 2006 to build townhomes on lots owned by Sweeting, along with lots owned by the CRA across Sistrunk.

The developer proposed to build 14 townhome units in various price categories including low income, low to moderate income, and market rate. During design of the site, an additional two units were added. Mr. Battle explained part of the site was inconsistent with the City zoning code relating to set backs, requiring a variance from the Board of Adjustment. The process to receive the variance was lengthy and required a number of redesigns, including additional architectural amenities, landscaping, and frontage variations. Mr. Battle stated the developer had incurred increased cost, an adverse affect this not-for-profit developer.

Mr. Battle outlined the increased costs as follows:

- Landscaping and trees
- Redesign of metal roof, additional awnings, sound barriers, interior walls, buffers, and exterior wall design
- Professional fees and soft costs due to the current market

Mr. Battle requested concurrence for an additional \$334,000 for the project. The original selling prices for the units were \$198,000, \$252,000, and \$305,000; however, the builder has reduced unit prices to enhance sales, mainly due to new lending restrictions.

Mr. Battle introduced Janice Hayes from New Visions Community Development Corporation.

Ms. Vickery asked for details regarding the \$100,000 wall mentioned by Mr. Battle. Ms. Hayes stated the six-foot wall would encompass the entire back and both sides of the buildings to create a barrier between the single-family homes and the townhomes. The wall would also serve as a sound barrier between the townhomes and the adjacent train tracks.

Ms. Vickery commended the project developer for creating affordable housing in an area where most of the residents would not normally be able to afford a home. Ms. Vickery asked about units being sold for profit. Ms. Hayes stated only six units would be sold at market rate, with the developer receiving a 4.7% developer's fee. The

difference between the selling price and the developer's fee would go to soft costs including subcontractors and school impact fees.

Ms. Vickery asked about owner requirements for the lower income units. Ms. Hayes stated there would be a 20 year deed restriction requiring the property to be resold to lower income buyers.

Mr. Carter stated development within the CRA needed a "jump start," and would enhance future development in the area. The area being redeveloped would enhance the TIF, improve aesthetics, and benefit the overall CRA.

Mr. Ferber asked if the builder could be convinced to construct all 14 units at one time to control construction costs since the equity being contributed was so high. Ms. Hayes stated three lenders were needed, and required 60% of the units be sold. The units were 50% pre-sold, with 100% of the first building pre-sold. The other two buildings would be built simultaneously, with approximately a three month gap between the first building and the other two.

Ms. Hayes stated this was considered a "marquis project," providing a sustainable community and increasing tax revenues.

Mr. Carter noticed the funding sources included both home dollars and SHIP dollars. Ms. Hayes stated the director had received extensions on all the monies, with dollars set aside for the buyers.

Mr. Williams asked for clarification on the status of the DRC. Ms. Hayes explained there have been four Board of Adjustment meetings; they had received approval, and now needed three DRC signatures. The project was currently waiting to get on the DRC calendar.

Motion made by Ms. Berry, seconded by Mr. Williams, to approve Staff's recommended increase of \$343,000. In a voice vote, the motion was approved, with Ms. Vickery dissenting.

V. Director's Report

Mr. Battle stated the Flagler Village streetscape project had been tabled for additional information on funding strategies. The issue was being worked by Mr. Battle, the auditor, and the City Attorney's office. Mr. Battle felt the issues would be resolved by the September meeting.

Mr. Battle stated additional funds were released to the 6th Street Plaza project to continue construction. The developer was confident the project would be completed by the end of August.

Mr. Battle noted a 30-day notice to dispose of the Hewlett Johnson House was issued in June. Mr. Battle reminded the Board that the house held historic interest for the NAACP. A proposal was received from the NAACP to lease the building. The CRA would explore options for renovations to the building.

"The Green Store" owner has agreed to sell the property. Revisions to the contract were in the works and would come before the CRA probably in September.

Mr. Battle discussed upcoming meetings with the Board. It was decided there would be no August meeting; officer elections will be held at the September meeting.

Mr. Ferber brought up the questions raised by the City Auditor on the streetscape project. Mr. Ferber felt the issues raised by the auditor created "a whole new way of looking at how the business was done," and expressed concern for future projects with this new approach to the bookkeeping. Mr. Ferber felt the CRA should be willing to get a second opinion.

Mr. Ferber noted under the current rules, if a new structure was not started within 90 days of bulldozing a property, new impact fees could be assessed. He suggested the 90 days could be increased to 24 to 36 months through changes to the ordinance.

Ms. Vickery asked what was done in similar large infrastructure projects. Mr. Battle stated there was precedence for contributions being made to improvements, further noting that Mr. Ferber's comments were directed more to bookkeeping and accounting rather than to the legality of the use of CRA funds.

There followed a brief discussion regarding the pros and cons of demolishing obsolete buildings with the current 90-day restriction as opposed to an ordinance change. The Board agreed to hold a future discussion regarding potential changes to the ordinance.

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VI. Adjournment

With no further business to come before the Board, the meeting was adjourned at 4:50 p.m.

[Minutes prepared by K. Bierbaum, Prototype, Inc.]