

**MINUTES OF THE NORTHWEST PROGRESSO – FLAGLER HEIGHTS
REDEVELOPMENT ADVISORY BOARD
FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
SEPTEMBER 24, 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	3	0
Michael Ferber, Vice Chair	P	3	0
Phyllis Berry (arrived 3:40 p.m.)	P	3	0
James Brady	P	2	1
Jerry Carter	P	2	1
Ron Centamore (arrived 3:44 p.m.)	P	3	0
Mickey Hinton	P	3	0
Bradley Hubert	P	3	0
Laura Mutti	P	3	0
Doug Sterner	P	3	0
Claire Vickery (arrived 3:45 p.m.)	P	3	0
Alan Gabriel	P	2	1
Jerry Heniser	P	3	0
Samuel Williams	P	3	0
Jessie Adderley	P	2	0

Staff

Alfred Battle, CRA Director
 Thomasina Turner-Diggs, Project Coordinator
 Mina Samadi, CRA Engineer
 Sandra Doughlin, Secretary
 Hilda Testa, Recording Clerk, Prototype, Inc.

I. Call to Order/Roll Call

The meeting was called to order at 3:37 p.m. by Chair Phillips. Roll call was taken, and it was determined a quorum was present.

II. Approval of July 23, 2008 Minutes

Motion made by Mr. Gabriel, seconded by Mr. Williams, to approve the minutes of the July 23, 2008 meeting. In a voice vote, the motion was approved unanimously.

III. Action Item - Officer Elections - Chair and Vice Chair

Mr. Battle explained the procedure for the Officer elections. Chair Phillips called for nominations for the Chair. Nomination made by Mr. Carter, seconded by Mr. Gabriel, for Mr. Ferber as Chair. As no other nominations were presented, Mr. Sterner called for the nominations for Chair to be closed. Chair Phillips announced Mr. Ferber won the Chair by acclamation.

Chair Phillips called for nominations for Vice Chair. Nomination made by Ms. Mutti, seconded by Ms. Berry, for Mr. Sterner as Vice Chair. Nomination made by Mr. Ferber, seconded by Mr. Brady, for Chair Phillips as Vice Chair. In order to maintain harmony on the Board, Mr. Sterner withdrew his name from nomination. As no other nominations were presented, the nominations for Vice Chair were closed. Chair Phillips won the Vice Chair by acclamation.

Chair Ferber thanked the Board. Chair Ferber expressed concern with new Commissioners and a new Mayor the important work of the Board could fall off the radar screen. Chair Ferber agreed to persuade the new officials of the Board's desire to continue to move forward.

Mr. Battle requested Item VI be moved ahead on the agenda.

VI. Action Item - Development Assistance Request - Betty's Restaurant Expansion/Renovation

Mr. Battle expressed pride in the accomplishments working with Ms. Betty Taylor, and presenting the opportunity for expansion and continued growth of the restaurant in the northwest Fort Lauderdale area. Mr. Battle described Ms. Taylor as an institution in the community for over twenty years in terms of providing services at Sistrunk and NW 22nd Road.

Mr. Battle explained the CRA had been working with Ms. Taylor in a variety of ways over the years, including determining how much business was generated in order to determine the size of the expansion to be requested. Mr. Battle provided a business expansion plan using tax returns and projected and actual sales from 2004 through 2006 to prove the profitability of the restaurant, and the viability of expansion.

Mr. Battle noted some financial participation from the Board would be necessary for the expansion, and explained the CRA would provide funds up front, and assist Ms. Taylor in soliciting private interests to fund the project. Mr. Battle provided a business plan

analysis showing the revenues generated by the project could support an expansion between \$500,000 and \$600,000, based on typical business loans in the marketplace.

Mr. Battle explained an architect had been hired to evaluate a construction program and work with Ms. Taylor on the needs of the restaurant. The expansion scenario included providing a kitchen and area for the catering business, which appeared to be a large segment of the growth opportunity. This expansion would also improve the take out capabilities of the restaurant.

In terms of the total program, Mr. Battle stated the new kitchen, new kitchen equipment, furniture, fixtures, and new seating in the dining room would be approximately \$1.1 million. Mr. Battle requested support from the Board for Phase I of the program, approximately \$660,000, which would provide a total renovation of the exterior of the restaurant, and expanding the restaurant by about 1,400 square feet. Mr. Battle explained the additional square footage would provide a new catering service area and allow for new catering equipment to support the business. In addition to utilizing the existing site, an adjoining site owned by the CRA would allow for a new parking area and Sistrunk Boulevard access, which does not currently exist.

Mr. Battle stated the \$660,000 program would be a make over approach with some limited interior improvements in an effort to allow Ms. Taylor to remain in business while the renovations occur. Mr. Battle explained the request before the Board was to provide funding of \$250,000 to be used for the following:

- \$40,000 through a façade grant, with total no repayment back to the CRA
- \$210,000 in the form of a loan, with payments on the loan deferred to after the completion of the construction project.
- A period of time five years after completion of the project would be interest only payments to allow the business to regenerate itself.
- The remaining funds needed would be secured through other loans.
- The CRA would assist Ms. Taylor through the permitting processes and continue to assist with the architect.

Chair Ferber called for a motion to recommend approval.

Motion made by Mr. Brady, seconded by Ms. Phillips, to approve Staff's recommendations.

Chair Ferber opened the motion for discussion.

Mr. Brady asked for clarification on the 15-year, \$210,000 loan at 3%, interest only for the first five years. The loan would be subordinated by a construction loan. Mr. Battle verified the description of the loan. Mr. Brady asked about an appraisal on the property. Mr. Battle confirmed no appraisal had yet been obtained. Mr. Brady noted the money would be given only on Ms. Taylor's personal guarantee, which Mr. Battle confirmed. Mr. Brady then pointed out Ms. Taylor's guarantee was wholly dependent on the ongoing business of the restaurant.

Ms. Phillips noted Ms. Taylor had shown a great deal of commitment to the community over the years, and was involved in outreach projects in the community. Ms. Phillips expressed a desire to see the restaurant move up to the next level.

Mr. Williams stated the restaurant was highly recommended to convention and meeting groups coming to the City, and felt it would be nice for tourists if the restaurant was upgraded.

Mr. Hinton felt the Board should help Ms. Taylor make a change to better the community, and assistance by the Board would allow for speedier progress.

Mr. Sterner felt the assistance would go a long way in spurring redevelopment in the corridor, and pointed out the business had an established record. Mr. Sterner felt confident in investing in the business, and noted the wisdom of efficiently using the parcel next door.

Mr. Carter noted Ms. Taylor's longevity in the area, and felt Ms. Taylor demonstrated her commitment to the community. Mr. Carter continued by pointing out the improvements would enhance other developments unfolding in the area.

Ms. Vickery asked how much more capital would be needed in addition to the loan. Mr. Battle stated approximately \$400,000 additional would be needed. Ms. Vickery asked if any banks had expressed willingness to provide the additional funding. Mr. Battle stated there had been some discussions with SBA lenders, but the lenders were looking for some commitment on the part of the City. Mr. Battle noted Ms. Taylor's willingness to participate in some management training to improve confidence from the City and from lenders. Mr. Battle affirmed the appraisal would be critical.

Mr. Brady felt the business point needed to be balanced with the public improvement, and felt the library and Ms. Taylor's restaurant would both spark interest with tourists.

Mr. Gabriel asked if the adjoining property would be purchased by Ms. Taylor. Mr. Battle explained the property would eventually be conveyed at no cost to Ms. Taylor

through the proper disposal process. Mr. Gabriel noted the material provided to the Board stated the property would be transferred for the same cost the City paid. Mr. Battle stated the property would, in essence, be a grant, and the City's cost could be used as equity in the project numbers.

Mr. Ferber clarified the adjoining property was not large enough to support anything in and of itself. Mr. Battle agreed the property was a small, triangle shaped area.

Mr. Gabriel asked if the Phase I money included the cost of the property. Mr. Battle stated the \$660,000 would be the total for the Phase I construction, and did not include the lot value. Mr. Gabriel noted the façade program only allowed for \$20,000, asked how the additional \$20,000 exception would be qualified, and if the Board had the ability to make that kind of exception. Mr. Battle explained the Board could vote to waive the requirements of any program and provide a larger grant amount. Mr. Gabriel asked if the size of the project justified doubling the grant amount. Mr. Battle confirmed the requested amount for the size of the project.

Mr. Hubert asked when the \$210,000 would be disbursed. Mr. Battle felt part of the decision would be whether or not a shared draw situation could be worked out with the lender. Mr. Battle encouraged a reimbursement for any and all costs incurred by the developer so the CRA would not get caught up in being a construction lender. In this instance, Mr. Battle assumed the CRA would need to be a little more aggressive than in the past.

Mr. Hubert asked what kind of controls were in place to make sure the Board did not end up in the twelfth mortgage position rather than the second or third. Mr. Battle agreed to bring updates to the Board prior to disbursement of the money, and felt the loan would be in the third position. Mr. Williams asked, and Mr. Battle confirmed the other portion of the loan should be in place prior to disbursement.

In a voice vote, the motion was approved unanimously.

Ms. Betty Taylor, Betty's Restaurant, was present and thanked the Board for the assistance provided.

IV. Action Item - Property Purchase - 1609 NW 6th Street (Arizona Anderson)

Mr. Battle explained other properties were purchased adjacent to the piece, and the opportunity arose to purchase this piece for \$79,000. The other properties were purchased under some delegated authority received in 2003 when the CRA borrowed

money for the initial Strategic Plan Bond inducement. Mr. Battle pointed out most of the monies went to the Sistrunk Boulevard program, but a number of those dollars were set aside for strategic property acquisitions, primarily along Sistrunk Boulevard.

Mr. Battle stated the reason the issue was before the Board was due to last year's audit where a recommendation was made for property purchases to go back to the City Commission individually.

Motion made by Mr. Brady, seconded by Mr. Gabriel, to approve the recommended purchase.

Chair Ferber opened the motion for discussion.

Mr. Brady requested clarification on the piece of property basically being an assemblage. Mr. Battle stated this would be the last piece of an assemblage.

Mr. Carter noted the purchase of the land provided an opportunity to assemble tracts of land to attract future development in the area.

In a voice vote, the motion was approved unanimously.

Mr. Williams asked if there was any concerted effort to go back to property owners to see if they were willing to sell rather than purchasing properties on a case by case basis. Mr. Battle confirmed this property was being purchased through revisiting all of the property owners in the area.

V. Action Item - Development Assistance Request - Renovation of Property at 821 NW 1st Avenue

Mr. Battle provided a brief description of the project, and requested a \$20,000 façade grant to be used for a residential application for affordable housing. Mr. Battle introduced Nelson Zambrano, owner of the property at 821 NW 1st Avenue in the Progresso area.

Mr. Zambrano thanked the Chair for the opportunity to speak to the Board. Mr. Zambrano described the goal of the project to develop affordable housing in the Progresso Village area. Mr. Zambrano provided the following goals of the development:

- Increase property value
- Expand the designated CRA revitalized area

- Create an affordable housing community that is integrated into the existing upscale community

Mr. Zambrano explained there were a total of three buildings involved in the renovation, and provided photographs of the current damaged buildings including damaged electrical boxes, broken windows, and interior damage. Mr. Zambrano described the process of purchasing each of the buildings, renovation, and then stabilization of the property. The final part of the three phases would be installation of fencing and pavers.

Motion made by Mr. Hubert, seconded by Mr. Carter, to approve the funding request of \$20,000.

Chair Ferber opened the motion for discussion.

Mr. Sterner provided, for disclosure, he was the Vice President of the Progresso Village Civic Association. Mr. Sterner stated he was very familiar with the property and was pleased there was interest in upgrading the property. Mr. Sterner noted the developer had not yet been before the Civic Association to discuss the plans.

Mr. Sterner asked for the approximate square footage of each unit. Mr. Zambrano stated each unit is approximately 750 square feet, all one bedroom apartments. Mr. Sterner asked about the targeted rent. Mr. Zambrano described the rent as between \$750 and \$900.

Mr. Sterner asked for the status on the purchase of the other properties. Mr. Zambrano stated the properties were in foreclosure with three different companies. One property was purchased, one was in negotiation, with the third to follow. Mr. Sterner asked what would happen if the purchase of the other two properties did not come through. Mr. Zambrano felt certain property number two would go through, with property number three shortly thereafter. If the other two properties are not purchased, development would continue with property number one, with the other two being purchased at a later date.

Mr. Sterner asked if there would be a property manager on site. Mr. Zambrano described the marketing plan to target young professionals. For example, a discount would be given to police officers.

Mr. Sterner noted the estimates seemed to be on the low end of reasonable, and asked what materials and appliances would be used. Mr. Zambrano noted an open house would be held so the Civic Association members could see the units.

Mr. Williams asked, in terms of long term intent, if the properties would be retained by Mr. Zambrano for five years. Mr. Zambrano stated the company philosophy was to buy and hold. Mr. Williams asked about the economic sense of developing the first building if the second and third building purchases did not go through. Mr. Zambrano stated the area has a lot of potential, and the development company is prepared to wait, if necessary, on the second and third buildings.

Mr. Brady expressed concern with other examples of grant funding being provided, but the work not being completed. Mr. Brady would like to see reimbursement for work already completed with a condition that the property could not be sold for five years, unless the money is reimbursed with interest. Mr. Battle informed the Board there is a recapture provision included in the grant for two years, 50% per year. Mr. Brady suggested the provision be amended to expand the condition time frame to a five year no sale covenant. If within that five years the property is conveyed, all the money comes back to the Board, plus recapturing of interest accrued. If after five years the property is sold, no money would be returned.

Chair Ferber expressed concern with improving the existing structures, and was reluctant to use CRA money to upgrade outdated buildings. Mr. Centamore asked if the developer would be returning to the Board for \$20,000 for each of the other buildings. Mr. Centamore felt the Board should see the end results before giving \$60,000 total to the three buildings. Mr. Centamore stated he would like to see how the buildings were improved, and see what type of tenants the building was able to attract. Mr. Battle noted the money requested would be for reimbursements. Mr. Centamore stated he would like to see all three buildings completed before approving the funding.

Ms. Phillips asked how the professionals would be targeted to rent in the buildings. Mr. Zambrano stated a marketing plan was being developed with a real estate agent, and for example, announcements about the buildings would be made at Police Association monthly meetings. Mr. Zambrano referenced incentive programs currently being offered for police officers to move into certain neighborhoods.

Mr. Carter noted the perception of the area had improved over the past ten years, and felt the concept being proposed blended in well with the CRA objectives. Mr. Carter was also in favor of targeting police officers as tenants in the neighborhood.

Mr. Sterner pointed out a number of similar buildings in the Victoria Park area that have been successfully rehabbed and occupied. Mr. Sterner noted the developer had to work with what was available, and the CRA had an opportunity to play a role in the Progresso Village.

Mr. Sterner asked if the money was approved, would there be another opportunity before the monies were disbursed to evaluate whether the developer had lived up to the spirit in which the funds were committed. Mr. Battle explained if the developers were not allowed flexibility within some reasonable acceptance, no funds would ever be disbursed. Mr. Battle felt there needed to be some trust the Staff would reinforce the developer doing the right thing by providing approval for the grant.

Mr. Battle stated there would be about two to three months between the approval and the time the money was disbursed, providing time for interface between the Board and the developer, if needed. Mr. Battle did not feel it was within the purview of the Advisory Board to micromanage the design details.

Motion amended by Mr. Brady, seconded by Mr. Hubert, to add the condition of a recordable and recorded covenant, which would run with the land, which would prohibit the conveyance of title to the land at any time within five years after January 1, 2009, or if the land is sold to a third party, then the entire \$20,000 façade grant would be repaid with accrued interest up to the time of repayment at the annual rate of 12%.

Chair Ferber opened the motion for discussion by the applicant. Mr. Zambrano expressed no concern with the amendment, as there was no intention to sell the property within the five year time frame.

In a voice vote, the motion was approved with Mr. Centamore opposed.

VII. Action Item - Development Assistance - Dixie Court Apartments

Mr. Battle provided a brief history of the project. Mr. Battle explained this request was similar to streetscape grants provided in the Flagler Village area. The request was for 50% of the construction costs. The application was still being evaluated by Staff, and some modification to the scope of the program was still possible. Mr. Battle noted the east side of 9th Avenue presented challenges due to the strange right-of-way. Mr. Battle stated there might also be some additional improvements to NW 2nd Street, located outside the gate of the project.

Mr. Battle stated the costs would be 50% of the costs on the site, and 100% of the costs on the other side of the street on NW 11th Avenue. Mr. Battle requested a commitment not to exceed \$230,681, with the number possibly going down as a result of the design and technical issues on 9th Avenue and 2nd Street being reworked.

Mr. Battle introduced Steve Tilbrook, representing Shutts & Bowen, and Scott Strawbridge, Director of Development for the Fort Lauderdale Housing Authority.

Motion made by Mr. Brady, seconded by Mr. Carter, to approve the recommendation.

Chair Ferber opened the motion for discussion.

Ms. Adderley asked where the entrance to Dixie Court would be located. Mr. Strawbridge stated the entrances would not change, and there would be no 4th Street entrance for cars.

Mr. Brady asked if the Housing Authority would be ad valorem taxes. Mr. Strawbridge stated the Housing Authority would pay the taxes on this project. Mr. Tilbrook explained the project was being developed under an LLC, causing the properties to come off the tax rolls. The \$30 million in property improvements would be brought on the tax rolls and would be 100% TIF for the CRA. Staff estimated the TIF at \$6.6 million over 20 years.

Ms. Vickery asked if the units would be owned 100%. Mr. Strawbridge stated the units would be operated by the Housing Authority, with a minimum of 25% very low income, with the remainder low income rental housing. Mr. Strawbridge explained the Housing Authority would remain the owner of the development with a fifteen year sunset. After fifteen years, the public purpose status would return with respect to property taxes.

Chair Ferber asked for clarification on the request for the matching dollars to build the street improvements on 9th and 11th Avenues, and if the improvements would be on the side contiguous to the site or on both sides of the Avenues. Mr. Strawbridge explained the Housing Authority proposed improvements on both sides of the street, with Staff recommending the Board do only one side on 9th Avenue.

Mr. Carter commended the Housing Authority for their work, and noted the School Board intended to redevelop Walker Elementary, which would complement the Housing Authority's project.

In a voice vote, the motion was approved unanimously.

Mr. Ferber noted for the minutes Mr. Centamore, Ms. Berry, and Ms. Vickery joined the meeting since the roll call.

VIII. Information Item - NE 6th Street/Sistrunk Blvd. Status Report

Mr. Battle provided a copy of a memo given to the CRA Board at the September meeting regarding the Sistrunk Boulevard project. The information provided included a

status report, images of the redesign efforts, projected dates, and cost estimates. Mr. Battle estimated twelve to eighteen months to complete the project.

Mr. Battle introduced Mina Samadi, project manager for the project, and commended Ms. Samadi on her work on the project.

Mr. Ferber asked if there was a survey map showing the desired right-of-way laid out over the individual parcels between Federal Highway and Andrews Avenue. Ms. Samadi stated there is a survey of the road as it exists now, with a layer showing the design. Mr. Ferber requested an overlay of the newly designed roadway superimposed over the parcels in the area. Ms. Samadi confirmed the map was available. Mr. Ferber asked Mr. Battle to provide the map at the next meeting.

Mr. Ferber expressed concern with the road being built before the right-of-way was acquired. Mr. Battle explained the new roadway would be built through the right-of-way donated at this point in time, and as development projects occur they would be required to build to the same standard as the design. Mr. Battle stated the roadway would be improved, but would not have the parking adjacent to the properties.

Ms. Samadi explained that the right-of-way on the south side either has been obtained, or is in the process of being obtained. The full section on the south side of the street could be built, and negotiations to obtain additional right-of-way are continuing for the north side of the street. Ms. Samadi stated that from south to north the sidewalk, on street parking, the eastbound travel lane, median, the westbound travel lane and curb and gutter would be built, which would end at the property line. The property owner on the north side of the street would have to build the on street parking and the sidewalk in the future. Mr. Ferber confirmed the northern most part of the road would be the west bound traffic lane with a curb.

IX. Information Item - Director's Report

Mr. Battle informed the Board the Green Store was purchased, and reminded the Board of the approval for the Flagler Village streetscape request, modified by the developers down to \$875,000. The budget was approved. Mr. Battle explained there was a two step approval process, and State Statute 255 would need to be filed for a proprietary purchase.

Ms. Vickery asked if Mr. Battle found out who was building the nice development discussed in an earlier meeting. Mr. Battle stated the development was called Sable Townhomes, and the company was the Royal Kensington Development Group associated with Lawrence Dupree.

X. Information Item - Old/New Business

No old/new business to discuss.

XI. Adjournment

With no further business to come before the Board, the meeting was adjourned at 5:09 p.m.

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