

**APPROVED**  
**MINUTES**  
**NORTHWEST PROGRESSO – FLAGLER HEIGHTS**  
**REDEVELOPMENT ADVISORY BOARD**  
**FORT LAUDERDALE**  
**100 NORTH ANDREWS AVENUE**  
**8<sup>TH</sup> FLOOR CONFERENCE ROOM**  
**OCTOBER 22, 2008 – 3:30 P.M.**

| <b><u>Members Present</u></b> | <b><u>Attendance</u></b> | <b>Cumulative Attendance</b> |                      |
|-------------------------------|--------------------------|------------------------------|----------------------|
|                               |                          | <b><u>Present</u></b>        | <b><u>Absent</u></b> |
| Michael Ferber, Chair         | P                        | 4                            | 0                    |
| Ella Phillips, Vice Chair     | A                        | 3                            | 1                    |
| Phyllis Berry                 | P                        | 4                            | 0                    |
| James Brady                   | A                        | 2                            | 2                    |
| Jerry Carter                  | A                        | 2                            | 2                    |
| Ron Centamore                 | P                        | 4                            | 0                    |
| Mickey Hinton                 | P                        | 4                            | 0                    |
| Bradley Hubert                | P                        | 4                            | 0                    |
| Laura Mutti                   | P                        | 4                            | 0                    |
| Doug Sterner                  | P                        | 4                            | 0                    |
| Claire Vickery                | P                        | 4                            | 0                    |
| Alan Gabriel                  | A                        | 2                            | 2                    |
| Jerry Heniser                 | A                        | 3                            | 1                    |
| Samuel Williams               | P                        | 4                            | 0                    |
| Jesse Adderley                | A                        | 3                            | 1                    |

**Staff**

Alfred Battle, CRA Director  
Sandra Doughlin, Secretary  
Hilda Testa, Recording Clerk, Prototype, Inc.

**I. Call to Order/Roll Call**

The meeting was called to order at 3:53 p.m. by Chair Ferber. Roll call was taken, and it was determined a quorum was present.

**II. Approval of September 24, 2008 Minutes**

Mr. Sterner noted a correction on Page 11, the last paragraph under Section VIII, questioning whether the car dealership mentioned was actually on the south side of the street instead of the north side. The sentence should be corrected to read, "Ms. Jamadi explained the current right-of-way was on the south side of the street, with all properties on the south side have been obtained, or are in the process of being obtained, except the car dealership."

**Motion** made by Mr. Williams, seconded by Mr. Centamore, to approve the minutes of the September 24, 2008 meeting with the recommended correction. In a voice vote, the motion was approved unanimously.

**III. Action Item - Funding Request - Place 4 Taxes, Inc. d/b/a Liberty Tax Service**

Mr. Battle provided a memorandum from Staff outlining a developing funding package based on a request from a new business, Place 4 Taxes, a franchise owner of Liberty Tax Service. Mr. Battle stated the 6<sup>th</sup> Street Plaza Building, 1<sup>st</sup> Floor, had been selected for the business to renovate. The cost would be approximately \$213,000, including furniture, fixture, equipment, working capital, items for marketing, and total build-out cost. The company requested \$93,000 from the CRA to improve the space in 6<sup>th</sup> Street Plaza.

Mr. Battle pointed out the CRA does not usually provide one hundred percent of funding, preferring to see additional capital from the applicant. Mr. Battle noted the business would provide this additional capital through the additional funding necessary to complete the project. Mr. Battle provided a proposal prepared by Staff for a \$50,000 assistance package to cover a portion of the build-out cost, specifically items which would be considered capital in nature.

Mr. Battle explained the improvements would benefit future tenants, and would be provided as a grant with stipulations in the lease providing the CRA the opportunity to “continue to have a relationship” with that particular property in case the applicant would default. The applicant provided a proposal and business plan to the Board, and Mr. Battle felt the type of business would be helpful to the area.

Chair Ferber called for a motion to recommend approval.

**Motion** made by Ms. Berry, seconded by Mr. Sterner, to approve Staff’s recommendations.

Chair Ferber opened the motion for discussion.

Mr. Hubert asked for clarification regarding the estimate for \$93,000 for HVAC, electrical, and plumbing and noted usually the building provided for capital improvements. Mr. Battle stated the building was funded three times in terms of additional enhancements, with the CRA participating in the construction of the building. Mr. Battle explained there were no dollars to help with build-out. The CRA has attempted to support desirable tenants by providing funding for this type of

improvements. Mr. Battle stated there was no additional money available from the building owner, and tenants were hard to come by in the redevelopment area. Mr. Battle felt the space would remain empty indefinitely unless the CRA allowed funding to make the space ready for occupancy.

Ms. Vickery requested the amounts spent in the three previous investments. Mr. Battle stated approximately \$900,000. Ms. Vickery asked for the square footage of the space being considered. Mr. Battle stated approximately one thousand square feet. Ms. Vickery felt the \$50,000 was perhaps overly sufficient for one thousand square feet, and suggested the tenant "grow into the space slowly." Ms. Vickery suggested if the tenant demonstrated success a different type of program could be requested in a year or two.

Mr. Sterner asked why a concrete slab was necessary for an existing building. Mr. Battle explained the slab was not poured. Chair Ferber explained there was an existing building which had been rehabilitated, with an addition. The space being considered was in the new construction and had no slab.

Ms. Berry asked if the applicant agreed to the offer for \$50,000. Mr. Battle described his conversations with the applicant, including the CRA not funding the total request, and a recommendation would be made for \$50,000. The applicant expressed to Mr. Battle the necessity of securing funding from another source.

Chair Ferber noted in the business plan, Page Five, applicant provided a summary of financial projections including revenue, gross profit, and net income, showing years one through five. Chair Ferber emphasized this was an area where activity was being incentivized, and supported programs allowing new businesses to start, however, the projections indicated a loan might make more sense than a grant. Mr. Ferber suggested a loan package with repayment upon the business becoming profitable. A loan would allow those funds to be available at a later date for another business.

Mr. Hubert agreed, and suggested a due on sale clause, making the loan payable in full if the business was sold. Ms. Vickery concurred.

Chair Ferber felt if the property owner wanted the business in this building, and the Board agreed to recommend the tenant be given the space, perhaps the property owner should be the applicant, allowing the investment to be protected by the property. Chair Ferber requested comments from the business owners.

Mr. Battle explained the previous \$900,000 investment negated the availability of a lien position on the property, as the investment was more of an equity position than the

owner currently has available. Mr. Battle felt there was a better chance of return on the sale of the business than would ever be seen by sale of the real estate.

Mr. Nigel Alfred, representing Place 4 Taxes, explained the company was currently operating on Commercial Boulevard, and wanted to open a second location. Mr. Alfred explained the redevelopment in the Sistrunk area provided a good opportunity for expansion. Mr. Alfred provided the Board with a brief history of the business.

Mr. Alfred stated the particular building was identified because it was in the heart of the Sistrunk area. Mr. Alfred emphasized the applicant was the tenant, not the building owner. In response to questions by Chair Ferber, Mr. Alfred explained the lease was five years with a five year option. Mr. Alfred stated the business would have no interest in any improvements made in the building, and a loan would present an extra burden for the company. Mr. Alfred noted the financial projections provided in the package were for the two locations combined, not only the office being considered by the Board.

Chair Ferber agreed, with the additional information provided, the application for a grant would be appropriate. Chair Ferber asked about the terms of the grant. Mr. Battle explained there would be no repayment, and the grant would be for the first term of the lease. Chair Ferber summarized the final language would state the CRA would provide the funding initially, and that on a declining basis over time, should the business vacate the premises earlier, the CRA would have a claim for the space, and over time the dollar amount would zero out.

Ms. Mutti asked what type of a claim the Board would have for the space in the event the business left the space. Mr. Battle explained there would be a claim against the business owners for the sum of money to be returned for defaulting on the agreement. Mr. Hubert pointed out there would be no default, however the amount would be amortized over a period of time. Ms. Mutti asked what means the Board would have for collection. Mr. Battle explained there would probably be a personal guarantee on the declining amount. Mr. Battle also noted the personal guarantee would only be as good as the ability to collect on that guarantee.

Chair Ferber noted the Board had a commitment to the Corridor and to this particular location, and the improvements remain in the location for the use of subsequent occupants. Mr. Battle agreed the improvements have a greater life-span than the business being considered.

Ms. Vickery noted the \$50,000 was being used in a building to help the developer collect rent, and though it was important to help the business, the Board was also being asked to invest in the developer's property. Ms. Vickery felt the developer was

receiving yet another improvement, and was able to collect rent from the leasing tenant. Ms. Vickery emphasized the applicant was very legitimate, but felt the developer was almost “double dipping.”

Mr. Hubert asked how much more square footage was available in the building which would be coming before the Board for additional funding. Mr. Battle explained the commercial space was the only undeveloped area in the building. Mr. Hubert suggested the landlord should be guaranteeing the investment along with the tenant. Ms. Vickery suggested some of the lease money be given back as interest.

Mr. Williams asked how the \$900,000 was originally structured. Mr. Battle explained approximately \$360,000, or 40%, was truly a grant. The balance was a loan carrying a 3% interest rate to be paid back over a fifteen year period of time. Mr. Williams asked if this was a cash flow situation. Mr. Battle stated the developer was overextended on the building, and there was a cash flow issue. Mr. Williams noted the Board wanted businesses to be successful on the Corridor, and although he felt uncomfortable with the situation, the business would need some sort of revenue to be successful.

Mr. Battle noted the typical practice was to invest in things the public could see, and the money was being attached to the building improvements so the Board could know the improvements benefit the business and the CRA in general.

Mr. Sterner asked if the grant would assist with exterior and interior improvements. Mr. Battle stated the money was mainly for façade improvements. Mr. Sterner asked if the project would fall under the Façade Program. Mr. Battle explained the money all came from the same pool with the same repayment wording.

Ms. Vickery asked when the developer would begin paying back the 3% loan. Mr. Battle answered the payments would not begin until year five, or 2013.

In a voice vote, the motion was approved with Ms. Vickery and Ms. Mutti opposing.

**IV. Action Item - Funding Request - MODCO Request for Additional Funding for a Mixed Use Project at 1534 NW 6<sup>th</sup> Street**

Mr. Williams recused himself from the discussion, and stated he was the Chair of the MODCO Board.

Mr. Battle provided a brief recap of the request from Mount Olive Community Development Corporation for additional funding for the mixed use building on NW 6<sup>th</sup> Street. MODCO has been working through the approval system to get the project off

the ground since approximately 2005. MODCO received approval to develop the site at the end of 2007. The developer then received an extension of time based on the fact that they had to re-zone the property for a unified development project. Through the extension of time the developer incurred additional costs in terms of the construction costs. Mr. Battle explained Staff was recommending a funding increase of \$60,000, a portion of the total of \$90,000 in cost increases.

Chair Ferber called for a motion to recommend approval.

**Motion** made by Mr. Hubert, seconded by Ms. Vickery, to approve Staff's recommendations with a due on sale clause for the balance due.

Chair Ferber opened the motion for discussion.

Mr. Battle explained the original funding had the due on sale clause, and this request would add an additional \$60,000 under the same term.

Mr. Sterner expressed concern regarding the lack of a site plan, and asked if there were two separate structures on the site. Mr. Isaiah Roland, representing Civil Cadd Engineering, explained there were three buildings on the parcel of land, one of which was being removed. The existing building consisted of eight two-bedroom apartments and an existing mixed-use building. The proposed mixed-use building would consist of office space and four one-bedroom apartments. Using photographs, Mr. Roland identified each building on the site.

Ms. Vickery asked if the request was for only the undeveloped portion. Mr. Roland stated the funding included redeveloping the entire site, including façade and landscape renovations to the existing buildings. Ms. Vickery asked for a grand total for the project over time. Mr. Williams stated the total was approximately \$600,000, with the total borrowed from the CRA being approximately \$100,000. Ms. Vickery asked if the funding would be a loan or a grant. Mr. Battle stated the funding was a grant which would go totally away if the site was not sold within five years.

Chair Ferber stated the property was a vacant lot, with MODCO already owning the building, and the \$137,000 previously advanced to the project represented CRA funds previously spent to acquire the mid-block piece of land next to the corner. Ms. Vickery asked for the land and cash value total. Mr. Battle stated the cash was \$197,000, and the land value would be separate, and was approximately \$6,000 at the time it was sold. The property was purchased by the City through a tax deed.

Ms. Vickery asked if the public dollars in a five year grant would be used to provide affordable housing and the public good. Mr. Williams explained the majority of the package was funded by the County home loan. MODCO would have raised approximately \$100,000, with the balance coming from the CRA. The rental property is federally mandated to be affordable, and rent raises beyond 120% would not be allowed. The property would be affordable housing in perpetuity, and would be strictly for rental and job training.

In a voice vote, the motion was approved unanimously.

**V. Action Item - Funding Request - Progresso Village Civic Association**

Mr. Sterner disclosed he was an officer of the Progresso Village Civic Association. Mr. Battle suggested the Board discuss the project, have Mr. Sterner explain it, and the matter would go to the Board for approval. Mr. Battle did not recommend the Board vote on the matter due to the appearance of conflict.

Mr. Sterner asked how the matter would advance to the CRA Board. Mr. Battle stated the obligation of the Board was to advise, and even if no action was taken Staff could still take the matter to the Board. Mr. Sterner asked the record reflect a sufficient quorum was not present when the item was discussed.

Chair Ferber asked if the project was on a tight timeline and deferral to next month would cause problems. Mr. Sterner advised it would not. Chair Ferber suggested the Advisory Board take Mr. Battle's recommendation and not take action, allowing Staff to go on to the CRA Board with the issue.

Ms. Berry asked if this was for matching funding. Mr. Sterner explained this was just to allow spending the money to pay someone to do the landscaping. Ms. Mutti felt the issue was confusing, and pointed out in the documentation the Civic Association stated there was sufficient funding available at this time. Mr. Sterner explained there was a typographical error in the documentation, and should read, "... do not have the funds available to cover the needed ..."

**VI. Director's Report**

Mr. Battle provided three streetscape grants were approved, two for the Flagler Village area and one for the Dixie Court project. Purchase of a property at the 1600 block was also approved.

Mr. Battle expected there would be more information regarding permitting and construction status for the Sistrunk area in the November meeting.

Chair Ferber asked if the streetscape funding was done by a super majority of the CRA Board. Mr. Battle stated the votes were all unanimous. Ms. Mutti asked for a description of the approved areas. Chair Ferber stated the streetscape was in Progresso Village, just west of Andrews Avenue. The Dixie Court area was around 4<sup>th</sup> and 5<sup>th</sup> Streets and 14<sup>th</sup> and 15<sup>th</sup> Avenues. Mr. Battle stated the projects in Flagler were around the two projects that are currently being constructed.

Ms. Mutti asked for further information, to which Chair Ferber noted the projects were previously before the Board, presentations were made, and recommendations were made to the CRA Board at the August or September meetings. There followed a brief discussion of the history of the project.

## **VII. Information Item - Old/New Business**

Ms. Vickery requested a status on the supermarket in Regal Trace. Mr. Battle explained there had been a public hearing, which then required the project be sent off to HUD. There was no response from HUD as of yet on amending the action plan. Ms. Vickery asked what HUD needed to move forward. Mr. Battle explained the public hearing needed to be held regarding the grocery store and the residential development. Mr. Battle stated the public hearing was a formality, and a response could be expected in thirty days.

## **XI. Adjournment**

With no further business to come before the Board, the meeting was adjourned at 4:51 p.m.

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