

APPROVED
MINUTES
NORTHWEST PROGRESSO – FLAGLER HEIGHTS
REDEVELOPMENT ADVISORY BOARD
FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
APRIL 22, 2009 – 3:30 P.M.

<u>Members Present</u>	<u>Attendance</u>	Cumulative Attendance	
		<u>Present</u>	<u>Absent</u>
Michael Ferber, Chair	P	7	0
Ella Phillips, Vice Chair	A	5	2
Phyllis Berry (Arr. 3:48)	P	7	0
James Brady	P	5	2
Jerry Carter	A	3	4
Ron Centamore	P	7	0
Mickey Hinton	P	7	0
Bradley Hubert	P	7	0
Laura Mutti	P	7	0
Doug Sterner	P	7	0
Claire Vickery	A	4	3
Alan Gabriel	A	2	5
Jerry Heniser	P	6	1
Samuel Williams	P	5	2
Jesse Adderley	P	6	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 3:35 p.m. by Chair Ferber. As of this date there were fifteen appointed members to the Committee, which means eight would constitute a quorum. Following a roll call it was determined that a quorum was present.

II. Approval of January 28, 2009 Minutes

Motion made by Mr. Brady, seconded by Mr. Williams, to approve the minutes of the January 28, 2009 meeting.

Mr. Hubert noted a correction on Page 2, the fifth paragraph. The sentence should be corrected to read, "Mr. Hubert requested the motion be amended to require a personal guarantee from the borrower."

On page 2, the sixth paragraph, Mr. Hubert noted the sentence should read, "... a personal guarantee would make the City a lender and not a partner."

Mr. Sterner requested the address of the property discussed on page of the minutes. Mr. Battle stated the address could be found in the backup packet provided to the Board members. Mr. Sterner suggested the addresses be added to the minutes for convenience when reading the minutes at a later date. Mr. Battle explained if the address was not spoken in the meeting, it was not going to be included in the minutes. However, Staff would attempt to include the property address in the future.

Chair Ferber noted on Item V – Old/New Business, the first paragraph, the sentence should read, "... the developer would lose residential unit allocation." In the second paragraph, the sentence should read, "... requiring developers to rebuild in a timely manner."

In a voice vote, the motion with the recommended corrections, was approved unanimously.

III. Action Item – Smart Choice Group, Inc DBA "Sistrunk Pharmacy"

Mr. Battle requested the item be deferred to the May meeting, as the negotiations with the applicant were not complete. Mr. Battle provided examples of issues being discussed with the applicant, including personal guarantee, full term capability, and cost oversight. Mr. Sterner expressed concerns with paying to improve the owner's property, and asked if the applicant tried to negotiate with the landlord for the requested improvements. Mr. Battle confirmed the applicant requested the improvements from the landlord, however the landlord did not have financial resources to perform the improvements.

Mr. Brady asked if Staff had compared the location with the other locations and performed market comparisons. Mr. Battle stated there were no other locations "neatly fitting" what was being done in the applicant's location. Mr. Battle felt the applicant would be able to provide better and more professional service than the last pharmacy business in the location. Mr. Brady noted the CVS and Walgreen in the vicinity and expressed concern with the applicant being able to "take on" the competition.

Mr. Hubert noted tenant improvements should benefit subsequent tenants, and suggested any special features required by the tenant should be paid for by the tenant. Chair Ferber noted an itemized list in the backup information, including a variety of

improvements that would benefit any tenant, but also cabinetry specific to the pharmacy business.

Mr. Williams noted independent pharmacies were having a difficult time due to the competition, and those doing well usually cater to a specific clientele. Mr. Williams suggested a customer base be identified by the applicant, and an outline of expenses and soft costs. Mr. Battle explained the applicant was operating other pharmacies, and the existing business model seemed to be working, albeit in a different marketplace. Mr. Hinton agreed there was too much competition in the area.

IV. Information Item – CRA Expansion

Mr. Battle provided a copy of the memorandum given to the CRA Board at the April 7, 2009 meeting providing an update on the proposed expansion of the CRA into the Middle River Terrace area north of Sunrise Boulevard, near the 13th Street Business Corridor. Mr. Battle reminded the Board members the expansion discussion was raised in 2004, then raised again in 2008.

The Mayor wrote a letter to the County, and the County subsequently asked for additional information. The additional information was provided to the County, and the item was on the agenda for the County Commission in February 2009. A resolution was passed allowing the CRA to be expanded with certain conditions and provided certain pieces of information and milestones were met. The conditions were:

- No expansion of the term of the existing CRA (beyond 2025).
- No utilization of taxing district funds. The new area would only be allowed to utilize the City portion of the TIF revenue.

Mr. Battle explained a pending legal question regarding using the existing CRA funds in the newly expanded area. The City Attorney requested further clarification from the State Attorney General.

The resolution also outlined the following:

- Need to provide updated information relative to documenting the deteriorating conditions of the area. Mr. Battle explained the documentation was provided to the County.
- A public hearing to be held to allow input from the community.

Mr. Battle explained the information provided to the Board members was provided to the City CRA Board on April 7, 2009. The CRA Board requested the County Commission reconsider the expansion request to include giving all of the TIF to the CRA area. Mr. Battle provided a brief description of the process to bring the request back before the County Commission, and agreed to provide follow up information as it became available.

Chair Ferber noted the Advisory Board chose to remain silent on the issue in the past, as the Board felt it inappropriate to make comments prior to the newly elected leaders coming into office. Chair Ferber suggested it might be appropriate to have a general discussion regarding the principal of expanding the CRA.

Mr. Williams asked for information regarding the driving force behind the expansion. Mr. Battle stated the request was made in 2002, although as early as 1995 there was a desire to go back and "fix" the original boundaries by the 13th Street Alliance.

Mr. Williams asked why the County would not include the TIF money. Mr. Battle explained the County had a standing policy regarding new CRAs being formed and not providing Tax Increment resources from their taxing district. The policy had been in effect since 2004, and the County was not interested in revisiting the issue.

Mr. Williams asked if, considering the current Staff responsibilities, this was something Staff was really interested in doing. Mr. Battle felt if the area was increased the Staff would need to add one or two people to handle the new requests.

In response to Mr. Williams' question regarding prioritization of existing CRA area versus the new area, Mr. Battle stated although he was unable to provide a definite answer, he felt if the area was expanded, the Board would need to provide direction regarding analyzing deals in order to prioritize. Mr. Williams stated there was great potential in the current area, and the funds were not unlimited. Mr. Williams stated even if the expansion was a good thing, it might not be practical. Mr. Battle noted if the area was expanded the composition of the Board would also change to include people from the new area.

Ms. Berry felt the Board had not agreed to be silent on the issue, but had not been provided the opportunity to weigh in. Ms. Berry felt going to the County Commission before a public hearing was backwards. Ms. Berry asked, with the dwindling resources, had anyone looked at the impact on the existing CRA to accomplish the expansion. Ms. Berry expressed concern with current funding being expended in a new area and felt the practice was unfair. Ms. Berry felt the Advisory Board should have been allowed to

give a recommendation to the CRA Board. Ms. Berry suggested the Board take a strong stand against the expansion.

Mr. Sterner referred to Exhibit D in the packet provided to the Board, a letter from Ricky Lewis, the Vice Chairman of Fort Lauderdale Midtown Business Association in which Mr. Lewis posed a number of questions. Mr. Sterner asked if the City Manager responded to Mr. Lewis' questions.

Mr. Sterner also emphasized the expansion was not simply the addition of a couple of blocks, rather represented almost 25% expansion over the existing area. Mr. Sterner expressed concern regarding what the expansion would mean for the existing CRA. Mr. Sterner requested clarification, and asked if a study or evaluation was being done to look at how the proposed expansion would affect the existing areas.

Mr. Brady was pleased to hear the concerns regarding protecting the existing CRA. Mr. Brady was opposed to the expansion, and did not want to see the efforts in Sistrunk minimized at all. Mr. Brady felt the promises made to Sistrunk were the Board's first responsibility.

Mr. Centamore agreed with the opinions expressed by the other Board members. Mr. Centamore stated if the expansion was passed he would be opposed to any improvements in the new area that did not generate money.

Chair Ferber asked about the expectation regarding the assessed valuation of the proposed expansion. Mr. Battle noted there were two schools of thought:

- The base year would be 2002, when the initial request was made. Mr. Battle explained going back to 2002 some money may be generated for the last seven years, however the amount would be small due to the City of Fort Lauderdale being the only contributor.
- The request as considered and approved by the County is a 2009 base year request. If the 2009 base year was used there would be nothing to subsidize an operation, let alone any TIF. Any value return would be a long way down the road. Mr. Battle pointed out the current area took almost five years to show any value return.

Mr. Battle emphasized the City also had budget issues, and it was not a foregone conclusion that any TIF would go to the CRA. Chair Ferber felt there could not be a unified budget, and precise bookkeeping would be necessary. Mr. Battle agreed two separate trust funds would be needed. Chair Ferber acknowledged even with two

separate budgets the CRA Board could vote to shift dollars from the existing CRA to the annexation area.

Mr. Hubert commented costs to run the City were rising, with the revenue in the expanded area frozen, which would create a burden for other areas of the city. Chair Ferber stated the same argument was made regarding the existing CRA. The argument given was if nothing was done no value was created. Revenue used would ultimately benefit the entire City.

Mr. Heniser opposed the expansion, felt the issue was being “forced down”, and saw little value.

Mr. Sterner felt the two sets of books suggested earlier would be fair, but expressed concern with potential “legal wrangling”. Mr. Battle explained a resolution would have to be passed to authorize the City siphoning off a portion of the tax base for the TIF, then a trust fund would need to be established. The Staff felt the resolution would have to allow for a second trust fund because the base year differential was so distant.

Mr. Brady suggested the Chair write a letter summarizing the thoughts and feelings of the Advisory Board.

Chair Ferber called for a motion.

Motion made by Mr. Brady, seconded by Mr. Hinton, to authorize the Chair to write to the CRA Board advising them of the unanimous opposition of the Advisory Board to the proposed expansion.

Chair Ferber opened the motion for discussion.

In a voice vote, the motion was approved unanimously.

V. Information Item – DDA Resolution – One Stop Shop

Mr. Battle provided a draft resolution from the DDA discussed at the March 12, 2009 meeting. Mr. Battle reminded the Board members of earlier discussions regarding future utilization of the 200 block of Andrews and 2nd Street.

Chair Ferber explained there were two overlapping jurisdictions, a small portion of the CRA and a small portion of the DDA. Chair Ferber outlined the following options for the Board regarding the resolution:

- Advisory Board could remain silent and say nothing.
- Advisory Board could concur with the DDA conclusions.
- Advisory Board could oppose the DDA conclusions.

Chair Ferber noted the Board could also fall somewhere in between any of the above scenarios. Chair Ferber recalled one of the issues considered earlier, there would be requirements for green space in parks and Board members in previous discussions felt the area could be better used as a development parcel to further the CRA goal of increasing the assessed valuation and the tax increment.

Chair Ferber noted another argument made earlier was by creating a park value would be created on the perimeter sites surrounding the park. Chair Ferber stated since those discussions the Hampton Inn on Andrews Avenue and the apartment building were funded, perhaps proving the argument to be true.

Mr. Brady felt it was premature to make the decision. The property was being used as a bargaining chip with the County for the expansion of the downtown governmental facility. Mr. Brady reminded the Board when a property was perceived as a park the property tended to lose any other development possibilities. Mr. Brady noted a park located six blocks away, and felt the proposal was a bad business decision. There followed a discussion of locations of One Stops and parks in the area, including the old South Side School area.

Mr. Centamore agreed the government center wanted to move near the bus station, and making the property a park would tie the area up for future development. Mr. Centamore felt more planning was needed. Ms. Mutti expressed surprise that the DDA drafted the resolution, and noted more planning was needed.

Chair Ferber explained the driving force behind the resolution was the unoccupied buildings in the area. Ms. Berry felt with the information provided the Board should definitely oppose the resolution. There followed a discussion regarding existing buildings in the area. Chair Ferber asked the Board to consider if the building were to be demolished, signage being placed stating the site was for possible future redevelopment to avoid people seeing the area as a park.

Mr. Brady offered another option, leaving the building in place to be used for the County benefit. Ms. Mutti asked what the prior use was for the building. Chair Ferber explained the building was the old City Hall. Mr. Centamore noted the City was trying to use the building, however the building proved to be too small for the City's proposed use. Ms.

Berry understood the need to use the space, but objected to the space being an open public space. There followed a discussion regarding the building being left versus the building being demolished.

Mr. Hinton asked about the master plan for the City and the future planning for the next ten years for the space. Mr. Battle explained the City did a facility study plan in May 2008 regarding the future of this building and other municipally owned buildings, and how to consolidate and be more efficient.

Chair Ferber called for a motion.

Motion made by Ms. Berry, seconded by Mr. Brady, to write a letter opposing the DDA's resolution, but would support a review of the site for an appropriate best use.

Chair Ferber opened the motion for discussion.

Mr. Sterner suggested the motion include the reuse or demolition of the building. Ms. Berry felt mentioning alternative uses was acceptable, but giving specific recommendations was premature at this point. There followed a discussion regarding wording of an amended motion.

Motion amended by Ms. Berry, seconded by Mr. Brady, to direct the Chair to write a letter to the CRA Board rejecting the DDA's resolution, study long-term alternatives for the site, and near term options to eliminate blight to the neighborhood.

Chair Ferber opened the amended motion for discussion.

Ms. Mutti asked if the motion included the possibility of a park. Chair Ferber stated the motion excluded the possibility of a park. Mr. Battle stated the study of the long term alternatives was comprehensive, but felt the Board members opposed the park.

In a voice vote, the motion was approved (with Ms. Mutti opposing).

VI. Director's Report

Mr. Battle summarized a Board meeting providing the following updates:

- Unanimous approval given for an incentive package for the Lynn LLC property.
- With regard to contributions to facilitate applications for low income housing tax credit projects, a contingent allocation of \$250,000 local contribution was made

to the site at Andrews and NE 6th Street. No money would go to the project unless the tax credit was received.

- The Sistrunk consultant was asked to provide more technical design work regarding utility conflicts, including water lines, Comcast, FPL, and a few other underground utilities in order to finish up the designs and receive the necessary permits from the County and from the State.

Chair Ferber commended Mr. Battle for his persistence regarding the permitting issues and keeping the process moving.

Mr. Williams suggested the technical and utility issues would change the existing site plans for other buildings, and asked if the builders were being consulted. Mr. Battle stated easements were being established up front from a realty standpoint. Mr. Battle stated there was a lot of coordination throughout the process.

VII. Communication to CRA Board

Mr. Battle suggested possible communications to the Board, and agreed to provide wording for the communication. There followed a discussion regarding the formatting and wording for the communications. Mr. Battle suggested summaries be provided at future meetings.

VIII. Old/New Business

Mr. Battle explained two years ago the City Auditor performed a review of the folios related to the CRA. In this review the Auditor found some folios had not been properly accounted for, and TIF dollars were not accurately received. Mr. Battle felt the problem stemmed from the condo conversions at the beach, with the bulk of the dollars due to the CRA went to beach money. Mr. Battle stated the issue went back a number of years, and there were legal questions regarding the statute of limitations.

Mr. Sterner asked if the issue was corrected going forward. Mr. Battle assured the Board the folios were corrected at the time they were found.

Chair Ferber provided a handout regarding the Trammel Crow residential building and the Zom built between East 4th and 5th Avenue, between North 4th and 6th Street. The buildings were 95% finished, and Chair Ferber suggested all members of the Board go by to see the buildings. Chair Ferber noted the project was the “single largest creation of that increment”, and represented a showcase kind of project.

Chair Ferber stated the developer requested the CRA match funds to build out some of the right-of-way, including sidewalks, curbs, guttering, and landscaping. Chair Ferber noted the requested street lamps were not installed, and suggested some of the funding be reduced since the street lights were omitted. Chair Ferber pointed out the lights provided safety, and the cobra head lights were not sufficient. Mr. Battle stated a cost estimate referring to the lights was included in the original packet. Mr. Battle noted there were discussions being held to remedy the situation.

Mr. Sterner reminded the Board of a previous discussion regarding Flagler Village developers holding off on demolishing buildings so the "clock would not start". Mr. Battle and Chair Ferber were to meet with City Staff. Chair Ferber stated Wayne Jessup from the Planning Department clarified the issue by stating under the current zoning law individual property owners have no vested rights to unit allocation. When an existing structure is demolished, it immediately would go back into the pool. Chair Ferber stated, "In the absence of a zoning change, that is the status quo."

Chair Ferber suggested changes might be possible administratively, and stated discussions would need to be held with elected officials to determine whether the issue should be brought to the Planning and Zoning Board as it would call for changes in the zoning code. Mr. Battle suggested the issue, along with other potential zoning issues, be brought to the next meeting.

IX. Adjournment

With no further business to come before the Board, the meeting was adjourned at 5:14 p.m.

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