

DRAFT MINUTES

DRAFT
MINUTES
NORTHWEST PROGRESSO – FLAGLER HEIGHTS
REDEVELOPMENT ADVISORY BOARD
FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8th FLOOR CONFERENCE ROOM
SEPTEMBER 28, 2016 – 3:30 P.M.

Cumulative Attendance

May 2016 - April 2017

<u>Members Present</u>	<u>Attendance</u>	<u>Present</u>	<u>Absent</u>
Ron Centamore, Chair	P	5	0
Sonya Burrows, Vice Chair	P	5	0
Jessie Adderley	P	5	0
Nikki Austin-Shipp	P	1	1
Leann Barber (arr. 4:22)	P	4	1
Alan Gabriel	P	4	1
John Hart	P	1	0
Mickey Hinton (arr. 3:51)	P	5	0
John Hooper (arr. 3:47)	P	3	2
Dylan Lagi	P	5	0
Steffen Lue	P	2	3
Jacqueline Reed	P	4	1
Scott Strawbridge	P	5	0
John Wilkes (arr. 4:04)	P	4	1

Currently there are 14 appointed members to the Board, which means 8 would constitute a quorum.

It was noted that a quorum was present at the meeting.

Staff

Jonathan Brown, Northwest CRA Manager (via phone)
 Glendon Hall, Northwest CRA Economic Development Manager
 Bob Wojcik, Planner III
 Thomasina Turner-Diggs, NPF Project Coordinator
 Vanessa Martin, CRA Financial Analyst
 Mona Laventure, Recording Secretary, Prototype, Inc.

Communications to City Commission

None.

- I. **Call to Order / Roll Call – CRA Staff**

The meeting was called to order at 3:37 p.m.

Northwest CRA Manager Jonathan Brown, in attendance via phone, explained that the City Commission recently discussed the issue of conflict of interest in relation to advisory entities. Former Board Chair Steve Lucas had presented a conflict of interest waiver request that was denied by the City Commission; as a result, Mr. Lucas resigned from the Board. A waiver request submitted by Board member Jacqueline Reed was also not approved, which means Ms. Reed may also have to make a decision in the future regarding her membership on the Board.

Mr. Brown noted that Board elections were scheduled for today's meeting. As there is currently no Chair, Staff will lead the election process and the newly elected Chair will assume control of the meeting.

II. Nomination and Election of Chair / Vice Chair – NPF CRA Board

Motion made by Mr. Centamore, seconded by Ms. Adderley, to nominate Mr. Gabriel as Chair. Mr. Gabriel declined the nomination.

Motion made by Mr. Gabriel, seconded by Mr. Strawbridge, to nominate Mr. Centamore as Chair. In a voice vote, the **motion** passed unanimously.

Motion made by Mr. Strawbridge, seconded by Ms. Reed, to nominate Ms. Burrows as Vice Chair. In a voice vote, the **motion** passed unanimously.

Mr. Hooper arrived at 3:47 p.m.

New Board members John Hart and Nikki Austin-Shipp introduced themselves at this time. Mr. Hart has served as Mayor and as a member of the City Commission, as well as in several other civic entities. Ms. Austin-Shipp is the Executive Director of New Visions Community Development Corporation, which is an entity of Mount Bethel Ministries.

Mr. Hooper requested additional information regarding the resignation of former Chair Lucas due to a conflict of interest. Mr. Brown replied that Mr. Lucas would have had to resign prior to submitting a funding request application to the Board, but chose to resign at this time instead. The City Commission will address the topic of conflict of interest further at their October 4, 2016 meeting. He recommended that if a member's company plans to submit an application, s/he may wish to seek direction from the City Attorney's Office.

III. Approval of Minutes from August 24, 2016 Regular Meeting

Motion made by Mr. Gabriel, seconded by Ms. Burrows, to approve. In a voice vote, the **motion** passed unanimously.

IV. Joint Workshop with CRA Board – CRA Staff

Mr. Wojcik advised that the Board will hold a joint workshop with the CRA Board on Monday, November 7, 2016, at 12 p.m. Lunch will be provided. Mr. Brown added that a special meeting is also planned for the following week on Thursday, October 6, 2016 at 3 p.m.

V. Budgeted Project Breakdown – Vanessa Martin

CRA Financial Analyst Vanessa Martin distributed an updated budget spreadsheet to the Board members. She pointed out that there are a total of seven incentive programs within the Northwest CRA, consisting of five business and two residential programs. The spreadsheet lists all funding approved by the CRA Advisory Board as well as current funding balances.

Mr. Hinton arrived at 3:51 p.m.

The business incentive programs have the following funding amounts:

- Property Tax Reimbursement Incentive: up to \$2.44 million
- Developmental Incentive: \$5.9 million
- Streetscape Enhancement Incentive: \$1.5 million
- Property and Business Improvement Incentive: \$1 million
- Commercial Façade Incentive: \$1 million
- Total: \$11.4 million

Ms. Martin noted that \$10 million remains in the business incentive programs, with a variance of \$500,000. This variance accounts for the Quantum project that was approved as of September 27, 2016.

The residential programs have the following funding amounts:

- Residential Rehabilitation Incentive: \$450,000
- Purchase Assistance Incentive: \$450,000
- Total: \$900,000

Ms. Martin advised that updated spreadsheets would be provided to the Board members at subsequent meetings in order to keep them abreast of funding levels and approvals.

Mr. Brown explained that the \$12 million total budget includes funds that must be either expended or committed by September 30, 2017. It consists of not only tax increment financing (TIF) revenue for the coming year, but old accounts that have been closed. In

the future, when projects are added to the spreadsheet, they will also begin to subtract from the \$12 million total. The spreadsheet will serve as a guide for meeting the requirements of the CRA Board with respect to committing and spending these dollars.

Ms. Burrows requested that the Board be provided with the separate tracking sheet for other projects as well as a list of closed-out projects and their previous funding amounts. Mr. Brown explained that some of these programs were closed out, while others were collapsed into incentive accounts and will be moved over. He confirmed that the Board will see the names and approval dates of these projects in the future.

Mr. Brown further clarified that programs, rather than projects, were closed out; however, the activities funded by these programs have not been closed out.

Mr. Strawbridge noted some individual programs, totaling approximately \$7 million, that were brought before the Board, and advised that these plans do not have the same balances following CRA Board approval. Ms. Martin explained that these monies were transferred to operating funds. Funds were taken from both fiscal year (FY) 2016 and FY 2017 for a total of \$12.3 million, which were moved from the capital improvement program (CIP) to operating funds.

Mr. Brown advised that if CRA funds are not spent or committed, they may be used to pay down debt service on the Wave Modern Streetcar project to which the CRA has made a funding commitment. The goal, however, is to commit these funds to projects. If they are neither spent nor committed to debt service, they may be given back to their funding source.

Mr. Strawbridge recalled that there was discussion of pro-rating the CRA's funding for the Downtown Fort Lauderdale Transit Management Association (DFLTMA); however, once the City Commission approved the CRA budget, the final amount approved was \$360,000 instead of \$261,000 in FY 2016. Ms. Martin explained that the DFLTMA encumbered these funds in a prior year for a viable project, and the monies were rolled over for use on that project.

Mr. Strawbridge expressed concern that allowing these funds to be encumbered by the DFLTMA was contrary to previous dialogue regarding how CRA funds may be used. He felt there were a great many changes between the budget presented to the Board at a previous meeting and the budget approved by the City Commission. Mr. Brown replied that the City Commission requested a breakdown of the budget details, which were provided to the Board by the budget office approximately one month ago. When funds are removed from the CIP and placed in the operating account, a negative is reflected in the CIP to show this removal.

Mr. Wilkes arrived at 4:04 p.m.

Mr. Hart requested clarification of how funds are moved from the CIP to the operating funds, as they are specifically encumbered for either capital or operating purposes. Ms. Martin responded that the funds in this case were incentives and were not encumbered: they were moved into the operating account so they could be used for viable incentive projects. This resulted in a decrease in capital funds.

Mr. Brown added that City Auditors have issued an opinion that an improvement is not considered a capital project if it is not owned by the City. The City does not typically own capital improvements other than underground infrastructure and streetscapes located in rights-of-way. This represents a difference of opinion between the City Auditor's Office and the method under which the Board previously operated.

Mr. Brown continued that CRA Staff has held multiple conversations with the City Auditor's Office, the City Manager's Office, the Budget Office, and the Finance Office. The budget spreadsheet reflects the direction provided by these entities.

Mr. Strawbridge noted that the spreadsheet also reflects a service charge for City services, and that the CRA contracts with the City for additional support services. He requested additional information on this. Ms. Martin replied that the staffing line item covers CRA Staff. Mr. Brown further clarified that CRA Staff are considered to be City employees who are on loan to the CRA. This is reflected in the form of service charges and is based on guidance from the City Auditor's and City Attorney's Offices.

VI. YMCA Presentation – Sheryl Woods

Sheryl Woods, President and CEO of the YMCA of South Florida, showed a PowerPoint presentation on the L.A. Lee Facility, which is located on 14th Terrace and has served the community for over 75 years. The current building is a 22,000 sq. ft. facility that serves 5000 children and families and holds several community events with an average of 500 to 600 participants each. The facility also sponsors multiple events at other locations throughout the community, such as churches, schools, homeowners' associations, and other organizations.

Ms. Woods described some of the programs and events held by the L.A. Lee Facility, including programs for senior citizens, youth, and teens. These include health and wellness screenings and programs. They promote work within and feedback from the surrounding community, and engage with community businesses located along the Sistrunk Corridor. Ultimately, however, the facility does not have a sufficiently large footprint to expand the existing facility onto surrounding land. An area that could be used for expansion is currently used for parking.

Ms. Woods explained that a community survey of Fort Lauderdale residents included requests for additional services, such as assistance for job seekers and community education in addition to recreational programs and health and wellness services. This

led to a discussion of whether or not there is another location to which the YMCA's footprint and services could be expanded in order to better serve the community. The result was an interest in the Mizell Center on Sistrunk Boulevard. While this facility was previously a vibrant community center, it is no longer open to the public due to its age and renovation costs. The YMCA hopes to partner with the City to re-activate this facility and the street.

Ms. Barber arrived at 4:22 p.m.

Ms. Woods requested input from the Board, pointing out that when the Wave Modern Streetcar is implemented, Sistrunk Boulevard may be seen as a greater destination and a priority. She showed a slide of the proposed building, which she characterized as a legacy project within the footprint of the existing building. The new building would serve as a community center that houses and is also operated by the YMCA.

The YMCA's L.A. Lee Advisory Board has met with City Staff and the City Commission, which was supportive of the project. A "think tank committee" has been seated to ensure that the proposal is properly vetted. It was also noted that the proposed center would partner with other community services that align with the YMCA's mission, which will help to better empower the community at large. The sale of the land on which the current facility exists would also bring additional economic development to the community.

Two community town hall meetings are scheduled for October 20 and October 29, 2016 to seek additional input on programs and services. Ms. Woods concluded that she felt the creation of a new Mizell Center would result in a domino effect for future development on Sistrunk Boulevard. She requested the Board's input on other entities to be part of this discussion.

Ms. Reed asked how parking at the Mizell Center would be handled. Ms. Wood stated that because a new building would be constructed within the existing building's footprint, the site would not use any of the surrounding parking in the area. They would address this issue with nearby churches and would also consider the purchase of property to the west for parking purposes.

The proposed building would be roughly 45,000 sq. ft. in size and the project's budget is estimated at \$10 million. Ms. Wood advised that the YMCA would make a funding request of the CRA at an appropriate time.

Ms. Burrows expressed concern with the proposal, stating that she has heard little discussion of the expansion from the Sistrunk Corridor community. She pointed out that the surrounding community has shown concern regarding the potential height of the proposed building. She pointed out that the District's City Commissioner is in favor of repurposing buildings instead of demolishing them, and concluded that the YMCA

broaden the range of participants in its proposed think tank committee to hear a wider range of input.

Chair Centamore advised that zoning in the subject area allows a height of 45 ft. by right and 65 ft. with City Commission approval. It was noted that when the City's zoning Code was amended for the Sistrunk Corridor, this measurement was enacted rather than a set number of stories allowed, as it would allow for greater flexibility within the commercial portion of the Corridor.

Ms. Austin-Shipp stated that Mount Bethel Ministries wished to be involved in discussions of this proposal. She encouraged investment in the Sistrunk Corridor in order to allow it to grow. Mr. Hinton noted that although he is President of the Durrs Homeowners Association, he has not heard the project discussed within the community.

Mr. Hart commented that the YMCA should make sure the Sistrunk community understands and shares in the goals of the proposed project, including its potential for investment in and improvements to the surrounding area. He encouraged the organization to broaden the scope of individuals with whom it discusses the proposed redevelopment. Ms. Reed agreed that the project is commendable and is the result of a great deal of work and partnership that can benefit the community.

Mr. Strawbridge observed that the Housing Authority has a strong partnership with the YMCA, and added that these two entities have encouraged community input on issues such as transportation planning in the past. He emphasized the need for more community input, more education about the services provided by the YMCA, and the economic and social benefits of the proposed community center.

Chair Centamore asked who would own the land on which the proposed building would be constructed. Ms. Woods replied that the City would own the parcel, as the YMCA has not proposed purchasing it. Chair Centamore also pointed out that the Board may not authorize any funding for City-owned buildings, which would need to be addressed before any funding requests are made of the CRA. He also expressed concern with the potential need for parking on the Mizell Center parcel, and noted that the CRA would receive no TIF revenue from City-owned land.

Members of the public present at the meeting also spoke in favor of the proposed project, pointing out its potential for benefits to the community and the need for additional public input.

VII. Visioning – NPF CRA Board

Mr. Wojcik advised that the Board members were provided with information, including surveys, in their backup materials for today's meeting. He asked that these materials be

filled out and brought to a separate meeting dedicated entirely to visioning, scheduled for October 6, 2016.

VIII. Mosaic – Mosaic Group

- i. Mosaic Update**
- ii. Agreement Renewal**

Ann Marie Sorrell, representing the Mosaic Group, showed a PowerPoint presentation on recent marketing efforts, stating that the group has been meeting with CRA Staff in preparation for the official launch of the Fort Lauderdale Village District, which was presented to the City Commission the previous week. This branding rollout began in April 2016 with a business recruitment event and continued with Small Business Week and several other initiatives.

Ms. Sorrell continued that the team is also proceeding with Village Dine Restaurant Week, and other marketing efforts. Continuous updates are in progress to the website FortLauderdaleCRA.com, which is now live, and the economic development toolkit is being finalized, including the CRA's incentive program applications. The marketing plan has been presented to CRA Staff. Ms. Sorrell emphasized the importance of feedback from the Board through the visioning process.

Utility box wraps are planned for Flagler Village and the historic Sistrunk community, with a rollout to begin in December 2016. Mosaic will present photos to both the Board and these communities for final input.

A brief update on marketing efforts was presented to the Flagler Village Civic Association meeting the previous week. Mosaic has been working on a citizen news component for this community's website. This is intended to be a tool that the Board and the community can use to provide updates on neighborhood events. Submissions may include stories and events. Ms. Sorrell added that a new trade show display has been purchased for use at various trade shows and conferences attended by representatives of the CRA's communities. When it is not in use at shows, the display will be featured at Fort Lauderdale Village District community events.

Upcoming events include Food in Motion from October 14-22, 2016, at which the Village Dine event will also be promoted. Eight local eateries have committed to this event and will be promoted on the website as well as through social media. A CRA Open House will be held on October 25 at the CRA offices at 8 a.m. and 5 p.m. Start-Up Weekend is planned for November 11-12 as part of Global Entrepreneurship Month, with a focus on attracting food, art, and retail businesses to the area. Information on all these events will be featured on social media.

The Board discussed the update, with Ms. Barber asking if Mosaic will be involved with an upcoming Cultural Marketplace event. Michael Hall, also representing Mosaic, advised that the group is not familiar with all events planned for the community, and requested that the Board members share information on these events with them so they may promote them more effectively.

Ms. Burrows suggested that businesses applying for licenses within the CRA could be provided with a marketing or information packet about the area. Ms. Sorrell suggested that Mosaic could be alerted to new businesses coming into the CRA so they can be contacted. She also encouraged Board members to assist in keeping Mosaic informed of these businesses.

Ms. Sorrell continued that efforts such as this proposal could be included in the next phase of the marketing plan, which is consistent with the City Commission's priorities on record for the Northwest CRA and Sistrunk areas. Key audiences for the next phase of the marketing plan will include location advisors, developers, and regional organizations. There will also be a greater focus on the website, which will feature a data portal for property availability, geographical data, and area data for businesses interested in expanding to or beginning in the CRA. The incentive application will also be made interactive so applicants may submit these forms online.

Another feature of the website will be project highlights and testimonials, which will focus on projects funded through the CRA. The marketing strategy will also address media relations, as an advertising budget is now available. Mosaic will be able to work directly with various publications as well as with social and digital media. Ms. Sorrell emphasized the need for prominent signage placement, pointing out that there is currently no signage identifying projects funded by the CRA.

With regard to community outreach and engagement, Ms. Sorrell advised that it is important for the CRA to have representation at local, state, regional, and international conferences. She emphasized the importance of promotional events such as Village Dine and Small Business Week to show that the CRA is open to innovation and new business.

There is currently no mobile app for the Northwest CRA, although the website allows access via mobile devices. Because City apps are relatively underused, Mosaic did not feel it would be a wise use of resources to develop an app without first determining how these apps might be better used.

Ms. Sorrell advised that while the City Commission wants Mosaic to be more interactive and engaged with the Board, time constraints can be a challenge. She asked the members how involved they would like Mosaic to be with regard to presenting concepts or ideas, as well as how much time should be allocated to this involvement at the Board's monthly meetings. Mr. Hall also emphasized the importance of interaction

between Mosaic and the Board, and encouraged greater Board participation at CRA events.

It was determined that the proposed agreement renewal with the Mosaic Group would be discussed at next month's meeting.

IX. Communication to CRA Board

None.

X. Old / New Business

Mr. Wojcik advised that the City Commission had expressed interest in a joint workshop with the Board, and would determine the Agenda for this workshop. Mr. Lagi noted that in the past, any joint workshops with the Commission were scheduled at the Board's request rather than at the request of the Commission.

Mr. Strawbridge stated that he perceived a disconnection between the Board and the City Commission: for example, while the Commission advised the Mosaic Group to have more open communication with the Board, he recalled that at the previous month's meeting, the Board was informed that Mosaic may not always have items on which to report on a monthly basis. He pointed out that if the members are regularly kept up to date, the reports will take up less time each month.

XI. Public Comment

None.

XII. Adjournment

There being no further business to come before the Board at this time, the meeting was adjourned at 5:46 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

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


**BUDGETED
PROJECT
BREAKDOWN**

Northwest Progresso Flagler Heights Project Tracking
Community Redevelopment Agency (beginning October 1, 2016)

CRA Focus Area/Project	BUSINESS INCENTIVES	Assignee	BASIS	% Done	Total Residential Incentives Funding		Total Paid to Date	Beginning Balance	Remaining Funds
					Advisory Board Recommended Funding	CRA Board Approved Funding			
					Total Business Incentives Amount Remaining \$ 26,450,000 \$ 2,885,000		Total Residential Incentives Amount Remaining \$ 900,000 \$ -		
NO	Property Tax Reimbursement CRA091705	B. Wojcik	Annual reduction based on approval	0%	\$ 1,711,020	\$ -	\$ -	\$ -	\$ -
	Flagler Village Hotel		Reimbursement is based on the actual property taxes generated	0%	\$ -	\$ -	\$ -	\$ -	\$ -
	Development Incentive CRA091704		Terms based on approval				\$ 5,950,000.00		
	Streetscape Enhancement CRA091703		Up to 70% or 90%/ \$500,000		\$ -	\$ -	\$ -	\$ -	\$ -
NO	Quantum	B. Wojcik	Approved prior to the new incentive requirements	0%	\$ 500,000	\$ 500,000	\$ -	\$ -	\$1,000,000.00
NO	Rechter Holdings (913 NE 4 Ave)	B. Wojcik	Previously awarded project	0%	\$ -	\$ 91,267	\$ -	\$ -	\$908,733.00
NO	Moody Insurance (725 Prog. Dr.)	B. Wojcik	Previously awarded project	90%	\$ -	\$ 20,000	\$ -	\$ -	\$888,733.00
NO	Fairfield Flagler LP	B. Wojcik	Previously awarded project	0%	\$ -	\$ 329,503	\$ -	\$ -	\$559,230.00
NO	Flagler Village Hotel Property & Business Improvement CRA091702	B. Wojcik	Funding Assistance	0%	\$ 329,933	\$ -	\$ -	\$ -	\$ -
			Up to 75% or 90%/ \$500,000				\$ 1,000,000.00		
NO	Rechter Holdings (913 NE 4 Ave) Moody Insurance (725 Prog. Dr.)	B. Wojcik	Previously awarded project	10%	\$ -	\$ 100,000	\$ -	\$ -	\$900,000.00
	Commercial Façade Improvement CRA091701		Previously awarded project	90%	\$ -	\$ 50,000	\$ -	\$ -	\$850,000.00
			Up to 75% or 90%/ \$125,000				\$ -		\$ -
							\$ 1,000,000.00		
NO	728 NW 7 Terr.	B. Wojcik	Previously awarded project	0%	\$ -	\$ 15,000	\$ -	\$ -	\$985,000.00
NO	901 Progresso Dr. (Progresso Plaza)	B. Wojcik	Previously awarded project	50%	\$ -	\$ 15,000	\$ -	\$ -	\$970,000.00
NO	723 NE 2 Ave	B. Wojcik	Previously awarded project	100%	\$ -	\$ 15,000	\$ -	\$ -	\$955,000.00
NO	731 NE 2 Ave	B. Wojcik	Previously awarded project	100%	\$ -	\$ 15,000	\$ -	\$ -	\$940,000.00
NO	737 NE 2 Ave	B. Wojcik	Previously awarded project	100%	\$ -	\$ 15,000	\$ -	\$ -	\$925,000.00
NO	Rechter Holdings (913 NE 4 Ave)	B. Wojcik	Previously awarded project	0%	\$ -	\$ 15,000	\$ -	\$ -	\$910,000.00
NO	Moody Insurance (725 Prog. Dr.)	B. Wojcik	Previously awarded project	90%	\$ -	\$ 7,500	\$ -	\$ -	\$902,500.00
CRA Target Area Project RESIDENTIAL INCENTIVES									
	Residential Rehabilitation Program (Single-Family Homes) CRA091706	Assignee	BASIS	% Done	Advisory Board Recommended Funding	CRA Board Approved Funding	Total Paid to Date	Beginning Balance	Remaining Funds
			Up to \$55,000/\$75,000	0%	\$ -	\$ -	\$ -	\$ 450,000.00	\$ -
				0%	\$ -	\$ -	\$ -	\$ -	\$ -
				0%	\$ -	\$ -	\$ -	\$ -	\$ -
	Purchase Assistance Program (Single-Family Homes) CRA091707		Up to \$45,000/Affordability need	0%	\$ -	\$ -	\$ -	\$ 450,000.00	\$ -
				0%	\$ -	\$ -	\$ -	\$ -	\$ -
				0%	\$ -	\$ -	\$ -	\$ -	\$ -
				0%	\$ 2,540,953	\$ 1,188,270	\$ -	\$ 12,390,000	\$11,201,730.00

**FUNDING
REQUEST
ID FLAGLER**



DATE: October 26, 2016
TO: CRA Advisory Board Members
FROM: Jonathan Brown, NPF CRA Manager 
SUBJECT: Streetscape Enhancement Program Funding Request – \$251,078
FLL Land Holdings, LLC
ID Flagler Village – 103 East Sistrunk Blvd

FLL Land Holdings, LLC is requesting CRA Streetscape Enhancement Program funding for ID Flagler Village located at 103 NE 6th Street (East Sistrunk Blvd) in the Flagler Village portion of the Northwest-Progresso-Flagler Heights Community Redevelopment Area, (NPF CRA). The request is for \$251,078 which is 70% of the total cost of streetscape improvements of \$358,683. A copy of the Location Map is attached as **Exhibit A** and Broward County Property Appraiser Information is attached as **Exhibit B**. A copy of the Request for Funding/Application is attached as **Exhibit C**.

BACKGROUND

FLL Land Holdings, LLC is a family owned and operated business. The company's Principal, Michael Bedzow has over 15 years' experience in real estate development including the Cosmopolitan Towers, a 223 unit mixed-use project in Miami Beach, Brickell on the River North, a 42 story, 384 unit mixed-use project in Miami, Brickell On the River South, a 46 story 327 unit mixed-use project in Miami, Aventura Corporate Center, a 250,000 square foot Class A Office in Aventura and Mosaïque, a luxury 12 story apartment complex in Montreal Canada. The development team includes Adache Group Architects and Miller Construction Company.

ID Flagler Village is a 24 unit rental townhouse development consisting of four building each with six units. 6 units are 2 bedroom – 2.5 baths, 6 units are 3 bedroom – 3.5 baths and 12 units are 3 bedroom – 3.5 baths with terrace. Each unit is three stories, contains a private 2 car garage, and an open floor plan with second floor of living and entertainment space. The units range from 2,012 to 2,089 square feet with 1,557 to 1,624 square feet under air. These larger units in a three story townhouse are designed to provide a lower density rental housing option to midrise apartment living as we have seen developed throughout the area. They are of modern design at a pedestrian scale to diversify the look and feel of the neighborhood architecture. The projected rents will range from \$2,980 to \$3,950 per month. The 38,496 square foot site fronts East Sistrunk Boulevard, NE 1st Avenue and NE 2nd Avenue.

Streetscape improvements include decorative pedestrian lighting, decorative paver sidewalks, on-street parking along NE 2nd Avenue, landscaping, pavers, bike racks, utility upgrades, paving and other improvements. The developer was asked to provide a ten foot sidewalk and utility easement along East Sistrunk Blvd. The project has received development review (DRC) approval under Case R15040, has been presented to the civic association and has received their support. The developer expects to break ground by January 2017 and complete the project by December 2017. A copy of the Project Plans are attached as **Exhibit D**.

In accordance with the CRA Streetscape Enhancement Program, applicants can request reimbursement for up to 70% of the cost of improvements not to exceed \$500,000, secured by a forgivable mortgage subordinated to the Developer's lender. The funding request is consistent with the program requirements and will complete streetscape improvements to this north side of East Sistrunk Boulevard between NE 1st Avenue and NE 2nd Avenue, improving the walkability and aesthetics along this stretch in addition to NE 1st and 2nd Avenues, resulting in over 550 feet of improved streetscape. The developer purchased the property in 2015 for \$1,257,500. They are currently in advance negotiations for a construction loan in the amount of \$8,624,000 and have contributed \$1,996,045 in owner equity to date toward the project.

TAX INCREMENT REVENUE EVALUATION

The Streetscape Grant Program has been utilized since 2001 as a tool to leverage private capital investment into the NPF CRA and in turn produce a significant tax increment return on investment. To date the CRA has issued 12 Streetscape Grants totaling over \$5.1 million dollars for projects within the CRA.

The total projected capital investment of ID Flagler Village is placed at approximately \$11.5 million. The current assessment of the property is \$1,119,420. Therefore based on the assumption of an 11.65 millage rate, the project is estimated to generate up to \$132,500 of tax increment revenues for the CRA in the first year after completion.

CONSISTENCY WITH THE NPF CRA COMMUNITY REDEVELOPMENT PLAN

Pursuant to the NPF CRA Community Redevelopment Plan, immediate upgrades and improvements to infrastructure are proposed within the Flagler Village area to induce private investment and support development. The Plan recommends use of incentives for quality development. In addition, the CRA Five Year Strategic Plan, which was incorporated as part of the 2016 Redevelopment Plan Modification, recommends that the CRA invest in development projects that improve the quality of life, create job opportunities for area residents, promote sustainability, promote public/private partnerships, and enhance tax increment revenues for redistribution and investment in the redevelopment area.

RECOMMENDATION

CRA staff recommends approval of Streetscape Enhancement Program funding in an amount not to exceed \$251,078 for ID Flagler Village.

Attachments

Exhibit A: Location Map

Exhibit B: Broward County Property Appraiser Information

Exhibit C: Developers Request for Funding- Funding Application

Exhibit D: Project Plans


Author: Bob Wojcik, Planner III

**FUNDING
REQUEST
TRIANGLE SERVICES**



DATE: October 26, 2016

TO: CRA Advisory Board Members

FROM: Jonathan Brown, NPF CRA Manager 

SUBJECT: Triangle Services, Inc. Southeast Regional Headquarters –
550 West Sunrise Boulevard - LPF Realty FL. LLC
Redevelopment and Economic Development
Incentive Funding - \$1.5 million

FUNDNG REQUEST

Triangle Services Inc./LPF Realty FL LLC is requesting a \$1.5 million dollar funding assistance package from the CRA to establish their Southeast Regional Headquarters at 550 West Sunrise Boulevard in the Northwest Regional Activity Center-Progresso Village neighborhood portion of the Northwest-Progresso-Flagler Heights Community Redevelopment Area. A copy of the Location Map is attached as **Exhibit A** and Broward County Property Appraiser Information is attached as **Exhibit B**. A copy of the Request for Funding/Application is attached as **Exhibit C**.

This is an incredible opportunity for the CRA to bring a well-established, highly diversified Company with operations in 43 states to the CRA which directly employs over 2,500 persons nationwide and provides an economic engine that specifically targets the CRA.

They propose:

- to make a \$6,384,184 investment in the CRA in the purchase and redevelopment of the property at 550 West Sunrise Boulevard
- create over 300 permanent jobs over the next 5 years, conservatively projecting ongoing job growth of 20% annually consistent with their past average annual growth rate, with additional jobs varying from entry level to middle and upper management positions; and
- provide job training and benefits for permanent employment with the majority of the jobs available to persons with a high school education.

Based on economic impact modeling performed by the Greater Fort Lauderdale Alliance, the direct economic impact of job creation and capital investment to the area is over \$21 million over the next 5 years with over \$39 million in direct, indirect and induced impacts over a 5 year period. A copy of their analysis and summary report is attached as **Exhibit D**. David Coddington, Vice President of Business Development at the Greater Fort Lauderdale Alliance will be available to answer any questions regarding their analysis in support of the project.

COMPANY BACKGROUND AND BUSINESS PLAN

Triangle Services Inc. is a managed facilities and aviation support provider that serves Fortune 500 and global clients and local businesses in North America. The company was founded in 1960 and is based in Valley Stream, New York with additional operations in Phoenix, Arizona, Whittier California, Miami, Fort Myers, Hollywood and Tampa Florida, Boston Massachusetts, Roseville Minnesota, Somerset New Jersey, Jamaica New York and New York City. Triangle Services started and remains a family owned and operated business and is a JD Power Award Winner. Profiles of the company's key management personnel are attached as **Exhibit E**.

The company engages in maintaining, preserving, and enhancing assets, such as transportation and fleet facilities, corporate office buildings, manufacturing and industrial facilities, multi-tenant buildings, college campuses, institutions, universities, government properties, retail properties, shopping centers, malls, airport terminals, and aviation facilities. It also provides project maintenance services; interior and exterior landscape management services; aviation support solutions, including passenger baggage handling, skycap services, flight operations, jet bridge maintenance, load control, terminal and concourse cleaning, GSE fueling and maintenance, interline baggage services, airline passenger services, ramp handling, cabin cleaning, baggage system maintenance, cabin search security, wheelchair and disabled services, and cargo warehousing; and security services, including guard services, automated access controls, security console operators, patrols and inspection, concierge and receptionist services, alarm response, and specialized client risk mitigation. A sampling of companies that they serve include Copa Airlines, American Airlines, Jet Blue, General Electric, Federal Express and the NFL. A more comprehensive client listing is attached as **Exhibit F**.

- Triangle Services has an excellent recruitment process for hiring, with significant outreach to the lower income and underserved population;
- New hires will be trained on location and placed in jobs providing these services throughout the area; and
- Triangle Services is committed to best efforts to fill new jobs created with CRA residents and to hiring a minimum of 55 persons from the CRA.

The property proposed as Triangle Services Southeast Regional Headquarters at 550 West Sunrise Boulevard was previously occupied by a motorcycle retail and repair company and consist of a one story commercial building with loft space zoned a combination of B-1 (Boulevard Business) and B-3 (Heavy Commercial Light Industrial) with a total of 26,936 sq. ft. on a 38,475 sq. ft. site. It is located between and adjacent to the Broward County Homeless Assistance Center and the offices of the Housing Authority of the City of Fort Lauderdale. This building along with similar buildings in the CRA primarily located directly south of Sunrise Boulevard in the industrial area were constructed in the 1970s as "showcase warehouse space" consisting primarily of warehouse space with a small portion of the building set aside for retail or offices. Over the years, these properties have generally not attracted large employers or first rate retail tenants and many of the buildings are in need of major repairs and modifications for repurposing to attract higher grade commercial or corporate tenants.

LPF Realty, FL LLC purchased the building in May 2016 for \$ 3,150,000. The property was appraised as of April 6, 2016 for \$3,170,000. The proposed 2016 Broward County Assessment of the property is \$2,793,020. The owner's desire is to redevelop and retrofit the building to the equivalent of Class A space to house the Regional Headquarters for their company Triangle Services along with:

- Content Critical Solutions, a technology company purchased by Triangle Services in 2014 that provides innovative business communication solutions to large blue chip corporate clients in the form of cost effective print marketing solutions including digital printing and check printing using state of the art document production and data processing platforms. They also provide data processing and multichannel electronic and paper delivery for clients in the financial services, retail and health care fields, and production management outsourcing services with fully integrated secure document services. In addition, they will offer large format image creation for backlit signs, vehicle wraps, and building size displays and intelligent mailing, letter shop and bindery services. This operation is estimated to provide a variety of well-paying jobs starting from entry level digital print technicians to production managers. Job training will be provided. The Sunrise Boulevard location will serve as their Southeast Regional and Latin American and Caribbean headquarters. The business will utilize 4,715 square feet for design and production space along with 3,620 square feet for product storage. They will need to purchase over \$2 million in specialized equipment required for their business. A copy of their Southeast Region Business Plan is attached as **Exhibit G**.
- 11,490 square feet of modern Class A type showroom retail space targeted to a business in the marine Industry, luxury automotive category or design studio. The property is just 500 feet east of the corporate and production offices of SAT Specialty Automotive Treatment and Yacht Chandlers. The renovation will help further transform the Sunrise corridor into a dynamic gateway and attract further growth for preferred uses and targeted industries in the area.
- Establishing a Triangle Real Estate Development and Investment affiliate in the CRA that invests in the adaptive reuse of commercial sites. This will include

repurposing and stabilizing properties by tenanting them with Triangle businesses or other businesses that Triangle Services has a long relationship with. Triangle's principal and project developer Perry Fine, whose offices will be located at the Sunrise location has over 20 years experience in the development of real estate along with Chere Burdette, who will head up the Triangle Real Estate Development and Investment office at 550 West Sunrise Boulevard. Her real estate background includes providing real estate advisory services for government municipalities and Fortune 500 companies with experience in mixed use development projects, entertainment studios and research and development campuses. Based on successes in working with public officials in New York and New Jersey in investing in and developing properties, Triangle Services will continue implementing this business model in the CRA to redevelop other sites to realize the area's full potential.

PROJECT COST, CLIENT RISK AND FINANCIAL ANALYSIS

Renovation cost for the project are conservatively estimated at \$2,121,972 and the Developer is currently evaluating the additional cost associated with floodplain mitigation and other expenses that may bring the cost up to \$2.8 million . The improvements are proposed to occur over a three phase program consisting of:

- Phase I - \$721,972: Build-out for Content Critical Solutions for a state of the art printing and production studio. Work needs to commence by November 1, 2016 and be completed by January 31, 2017 (62 days). This is the most critical phase of the project since Content Critical Solutions has existing client contractual obligations that makes it imperative to be in service by this date or may be forced to seek another site which can be leased as a turn-key location.
- Phase 2 - \$650,000: Triangle Services office build-out, new west lobby office entrance, elevator and windows. Work to commence in January 2017 and be completed by May 15, 2017 (75 days)
- Phase 3 - \$750,000: Complete façade improvements, signage, site improvements, streetscape/infrastructure improvements and retail interior build-out. Work to commence March 15, 2017 and be completed August 8, 2017. (100 days).

The project has gone through development review under Case # 16032 **Exhibit H** and has the support of the Progresso Village Civic Association A copy of the Project Plans are attached as **Exhibit I**.

The total project cost/total required investment is estimated at \$7,884,182.including:

\$3,725,210 Building Cost, Due Diligence, Carrying Cost, Soft Cost, etc.
\$2,121,972 Renovation Cost
\$2,037,000 Equipment Cost
\$7,884,182 TOTAL REQUIRED PROJECT INVESTMENT

In the absence of CRA financial assistance, there is significant client risk associated with the project and it's redeveloped as proposed. The developer was able to secure permanent bank financing from Sterling National Bank in New York in the amount of \$2,306,250 to cover in part the purchase of the property. The applicant has inquired about further bank financing for the project but has received a negative response to their inquiry (**Exhibit J**). The area is perceived as high risk with contributing factors including higher than average crime, poor environmental conditions and depressed property values compared to other areas of the City.

In the absence of CRA assistance, the developer would need to provide cash investment (owner equity) of \$5,577,932. The developer has provided an Operating Analysis of three development scenarios (**Exhibit K**): 1) A Do Nothing scenario where they do not undertake the project as proposed, but rather just lease the existing building at market rate to a tenant for primarily warehouse use. 2) Undertake the redevelopment project as proposed, requiring owner equity of \$5,577,932 and 3) Undertake the redevelopment project as proposed, with CRA assistance of \$1,500,000 million and owner equity (cash) of \$4,077,930.

The scenario that brings the greatest Return on Owners Equity of 6.874% is the Do Nothing Scenario, with Return on Owners Equity of 6.511% on the scenario where CRA assistance is provided and Return of Owner Equity of 4.7% where No CRA assistance is provided to the project. Therefore, without CRA assistance as requested, the low return and high risk associated with the project leaves the developer with the most logical alternative of not undertaking the development project as planned, but instead to lease the turnkey warehouse property at 550 West Sunrise Boulevard at its current market rental rate for warehouse use, and seek alternative accommodations elsewhere for Triangle Services and their affiliate Content Critical Solutions.

RECOMMENDATION

Staff recommends a two pronged approach to providing the \$1.5 million contribution by the CRA to allow the redevelopment and economic/job creation project proposed by the Developer to move forward to the benefit of the developer and the CRA without risking CRA funds:

Redevelopment Incentive Recommendation: The Developer is requesting a total of \$613,117 from the Façade Improvement Program, the Property and Business Improvement Program and The Streetscape Enhancement Program. This includes:

- \$125,000 Façade Improvement Program incentive forgivable loan. The program provides for a maximum façade incentive of 75% of the facade improvement cost not to exceed \$125,000. The facade and site improvement cost of the project of \$899,340 qualifies it for the maximum amount.
- \$225,000 Property and Business Improvement Program (PBIP) forgivable loan. The program provides for a maximum PBIP incentive of 75% of the improvement

cost for build-out of the space not to exceed \$225,000. The build-out cost of the project of \$1,609,724 qualifies it for the maximum amount.

- \$263,117 in Streetscape Enhancement Program forgivable loan. The program provides for a maximum incentive of 70% of the surface and subsurface improvement cost not to exceed \$500,000. The streetscape improvement cost of the project of \$375,882 qualifies it for the requested amount of \$263,117.

A copy of the estimated construction cost is attached as **Exhibit L**. The CRA proposes that the project be awarded a \$613,117 Redevelopment Incentive using the three above stated programs secured by a 5 year forgivable mortgage against the property subordinated to the first mortgage lender.

Economic/Job Creation Incentive Recommendation: The new CRA incentive programs approved by the CRA Board in June 2016 allows staff to structure a customized incentive to meet the needs of the project where the total project cost is at least \$5 million. This project qualifies for this incentive under the DIP Program. The Developer has requested and CRA Staff recommends that this consist of an additional Economic/Job Creation incentive in the amount of \$886,883.

The Northwest Progresso Flagler Heights CRA area has a significantly higher unemployment rate compared to the City as a whole and percentage of workforce holding fewer professional degrees as compared to the City (**Exhibit M**). The Developer's commitment to hire from within the CRA, providing permanent employment and job training supports the economic health and wealth of residents in the CRA District.

The incentive will be received by the Developer as a reimbursement upon completion of the three phase renovation project secured by a five year forgivable subordinate mortgage on the property. Full forgiveness of the mortgage will be based on the creation of 55 new full time equivalent jobs filled by CRA residents during the mortgage period by Triangle Services Inc. and its affiliated companies, that will need to be maintained for a period of three years or equivalent for employees who terminate their employment before three years, where successive hires that result in a total combined employment of three years satisfies the obligation. The average salary of all jobs to be created is estimated to be \$34,908 based on a Projected Employment Analysis (**Exhibit N**) provided by the developer. Employee positions that require training will be provided the necessary training and Triangle Services will use best efforts to fill other new hires with residents of the CRA when possible. The developer will provide annual reporting over the five year period to document hires, salaries, positions, training and duration of employment. The Developer will provide a recruitment and outreach plan and the CRA will assist in securing possible CRA area job candidates through direct mailing, job fairs and working with other agencies.

CONSISTENCY WITH THE NPF CRA COMMUNITY REDEVELOPMENT PLAN

The project is consistent with the NPF CRA Community Redevelopment Plan which identifies Progresso Commercial Revitalization as a comprehensive program to redevelop this largely deteriorated industrial area of the City that has the potential to serve as a major source of investment and employment for the surrounding community. Per the CRA plan, the CRA will establish incentive programs to address redevelopment obstacles. The CRA 5 Year Program, which is incorporated as part of the Plan, identifies strategic objectives, goals and measurements that include targeting and attracting businesses, retail uses and industries to establish a presence in the redevelopment area and create jobs for area residents. In addition, it calls for investing in development projects that create job opportunities for area residents, promote public private partnerships and investment in the redevelopment area.

COMMENT

Staff enthusiastically supports the project and a redevelopment culture that works to bring multiple companies and investment in the area to create opportunities for jobs and development of job skills for area residents.

Attachments

Exhibit A Location Map

Exhibit B Broward County Property Appraiser Information

Exhibit C Triangle Services/LPF Realty FL LLC Funding Application

Exhibit D Greater Fort Lauderdale Alliance Economic Impact Model for Project

Exhibit E Triangle Services Key Management Personnel

Exhibit F Client List

Exhibit G Content Critical Solutions Business Plan

Exhibit H Development Review Case #16032

Exhibit I Project Plans

Exhibit J Rehabilitation Financing Inquiry

Exhibit K Operating Analysis – Pro Forma

Exhibit L Estimated Construction Cost

Exhibit M NPF CRA /City of Fort Lauderdale Workforce Profile

Exhibit N Projected Employment Analysis

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