

**MEETING OF THE FORT LAUDERDALE
COMMUNITY REDEVELOPMENT AGENCY
8TH FLOOR CONFERENCE ROOM
CITY HALL**

TUESDAY, APRIL 15, 2008 – 2:37 P.M.

Chairman Naugle called the meeting to order at approximately 2:37 p.m. Roll was called and a quorum was present.

Present: Chairman Jim Naugle
Vice Chair Charlotte Rodstrom
Member Carlton Moore
Member Cindi Hutchinson
Member Christine Teel

Absent: None

Also Present: George Gretsas, City Manager
John Herbst, City Auditor
Jonda K. Joseph, City Clerk
Harry A. Stewart, City Attorney
Alfred Battle, Director, Community Redevelopment Agency

Minutes of the March 11, 2008- Regular Meeting

Motion made by Member Moore and seconded by Member Hutchinson to approve the minutes of the CRA meeting held on March 11, 2008. Board unanimously approved.

Authorization to File CRA Annual Report

The City Auditor said that comparisons are being done between the information in the CAFR, which is also part of today's presentation, along with the information being included in the annual report compiled by the Department of Community Affairs. There are some discrepancies in the numbers, but they are attempting to work those out.

Chair Naugle asked if they should hold up the transmittal. The City Auditor said that is not necessary, but suggests that it be approved with the understanding that they would work on getting some comfort with the consistency between the numbers being presented.

Motion made by Member Hutchinson and seconded by Member Moore to authorize the proper CRA officials to file the CRA Annual Report as required by Chapter 163.356(3) of the Florida Statutes with the condition that it is subject to verification and if that is not done the matter would be brought before the Commission. The Board unanimously approved.

First Amendment to E.E.C. Group, LLC Development Agreement

Motion made by Member Moore and seconded by Member Hutchinson to authorize the proper CRA officials to execute a first amendment to the development agreement with E.E. C. Group LLC. The Board unanimously approved.

Approval of the Purchase of 535 and 539 NW 22nd Avenue

Motion made by Member Hutchinson and seconded by Member Moore to approve a contract for the purchase of real property at 535 and 539 NW 22nd Avenue from Isabel Laos and authorization to fund related costs as more accurately described in CRA Memo 08-083.

Commissioner Teel said she is concerned because the property was illegally converted into a triplex, and is on the Unsafe Structures Board agenda for discussion. She feels they should wait and see the outcome of that meeting before approving this. She believes the one property is not worth the value placed on it.

The City Auditor said the appraisals provided by the CRA were reviewed, and the property was valued in a restored condition. Therefore, it would have to be brought back to a single-family use and all illegal work would have to be ripped out. According to the Unsafe Structures Board, the owner had 60 days to bring forth plans for its remediation or demolition, and the property had to be boarded in the mean time. The representative for the property owner opined at the time that they thought it would cost about \$50,000 to bring the property back into compliance. The Chair of the Unsafe Structures Board believed it would cost five times that amount. Therefore, the cost to bring the property back into compliance was more than the value of the appraisals. He feels the only value would be the land. He understands that this is an important part of the strategic plan for the Northwest Progresso CRA, and therefore, there may be some value to the CRA that is above and beyond what the appraisal value of the property itself would otherwise dictate, but would be a policy decision.

Vice Chair Rodstrom said she would like this matter to go before the Unsafe Structures Board before a decision is made.

Chair Naugle said that another way to handle this would be to offer a counter proposal in a lesser amount. He did not want the City to be in the position where it would be perceived that they were using the Unsafe Structure Board to threaten, but if the value is inflated due to the fact that the appraisal assumed the property was livable, there should be some recognition of that fact.

Member Teel said the purchase price was \$500,000, but there were also closing costs, demolition costs, and other expenses. Possibly \$400,000 would be more in keeping with its value.

Alfred Battle, Community Redevelopment Director, said this involves two properties. One was illegally used as an apartment building, and the property in question is the one located on the corner (539) that had code issues, and there had also been over 30 police calls to the site within the last year. He said that the appraised value was around \$250,000 give or take \$20,000 to \$30,000 for that piece of property.

Vice Chair Rodstrom asked about the size of the property. Mr. Battle said that the rooming house was less than 3,000 sq. ft., and the single-family house is about 2,500 square feet.

Member Hutchinson asked about the size of the land. Mr. Battle said it is 7,000 square feet. Member Hutchinson asked about the amount of the appraisal. Mr. Battle said it was \$250,000.

Vice Chair Rodstrom said they should offer less than \$400,000.

Member Moore said this government allowed an illegal transformation of property to occur that destroyed property values in the area. Every time they attempted to use the law to gain control of the property, nothing was done. He said the properties were cited for an illegal use, but not for the fact that the structures were unsound. The owner would not put the money into the structure to rehabilitate it and sell it as a single-family home. He said a counter offer could be made, but the government should pay a price due to their negligence towards the site and the community. He would like a value to be proposed that would help bring this matter to a close.

Mayor Naugle said the purchaser in 2004 paid \$400,000 for both parcels.

Member Teel said that \$400,000 is above what it should be, but remedies are available for the property. Member Moore agreed, but said that in the meantime the community would be delayed in regard to the redevelopment.

The motion was amended as follows:

Motion made by Member Hutchinson and seconded by Member Moore to approve a contract for the purchase of real property at 535 and 539 NW 22nd Avenue from Isabel Laos in the amount of \$400,000.

Vice Chair Rodstrom asked what would be the next process if this matter were approved, and who would pay to demolish the building.

Mr. Battle said that one issue is that if the seller did not accept the offer and refused to spend money for its rehabilitation, the structure could still get demolished at the cost of the seller. If the CRA acquires the property, they would be demolished and make the parcels available for redevelopment.

Vice Chair Rodstrom asked what happens depending on the decision of the Unsafe Structures Board. Mr. Battle said that the Board's recent discussions were that they were recommending demolition. Vice Chair Rodstrom asked about the costs involved regarding Option #2. Mr. Battle said that it could cost about \$25,000 per building. Vice Chair Rodstrom asked about the timeframe that would be involved in the demolition. Mr. Battle said it could take a few months if they use an existing contract.

The City Auditor said there is a mortgage holder in the amount of \$180,000 and he does not know what impacts that could have on the site. He would assume the mortgage holder would foreclose on the property immediately.

Member Moore said it would be in everyone's best interest if an amount would be offered so that they could gain control of the site.

The City Manager asked if the Commission is willing to walk away from this because there would be a risk once the Unsafe Structures Board meets.

Mayor Naugle said there would be a 30-day time limit.

Member Moore said he would recommend that if the majority desires to offer a lower amount that it is done and they would not have to wait 30 days.

Chair Naugle suggested they give 48 hours.

Mr. Battle said the owner is not in the country due to a family death. Chair Naugle said that she would probably receive an extension from the Unsafe Structures Board.

Member Moore said the owner would be offered \$400,000 and has 30 days to accept or reject the offer.

Chair Naugle said the City has the obligation to relocate tenants, and asked if that had been done.

Mr. Battle said the boarded building was vacant.

Chair Naugle asked if all the laws had been followed in connection with the tenants. Mr. Battle confirmed and said all applicable laws were complied with regarding this matter. Member Moore said this is not a Community Development purchase.

Roll call showed: YEAS: Members Teel, Moore and Hutchinson, and Chair Naugle.
NAYS: Vice Chair Rodstrom.

There being no further business to come before this Board, the meeting was adjourned at 2:53 p.m.

Jim Naugle
Chairman

ATTEST:

Jonda K. Joseph
City Clerk