

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

TUESDAY, JUNE 17, 2008 – 3:39 P.M.

Chairman Naugle called the meeting to order at approximately 3:39 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 (Arrived at 2:41 p.m.)

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 May 20, 2008- Regular Meeting

Motion made by Member Moore and seconded by Member Hutchinson to approve the minutes of the CRA meeting held on May 20, 2008. Roll call showed: YEAS: Members Moore, Hutchinson, and Teel, Vice Chair Rodstrom, and Chairman Naugle. NAYS: None.

Authorization to Fund Payment To Landmark Title Services, Inc.

Motion made by Member Moore and seconded by Member Hutchinson to authorize funding in the amount of \$26,500 for payment to Landmark Title Services to perform title searches to prepare a Right-of-Way Map for the NE 6th Street/Sistrunk Boulevard Streetscape Enhancement Project. Roll call showed: YEAS: Members Moore, Hutchinson, and Teel, Vice Chair Rodstrom, and Chairman Naugle. NAYS: None.

Authorization To Execute A Third Amendment With Wallace, Roberts and Todd (WRT) For The NE 6th Street/Sistrunk Boulevard Streetscape Enhancement Project.

Motion made by Member Moore and seconded by Member Hutchinson to authorize the proper CRA officials to execute a third amendment with Wallace, Roberts and Todd, LLC (WRT) for utility conflict adjustment as needed for the NE 6th Street/Sistrunk Boulevard Project design in the amount of \$44,470.00.

Member Moore asked when this would be completed.

Alfred Battle, Community Redevelopment Director, said they anticipated providing an update at the next CRA meeting.

Roll call showed: YEAS: Members Moore, Hutchinson, and Teel, Vice Chair Rodstrom, and Chairman Naugle. NAYS: None.

Authorization To Execute A Third Amendment To Sixth Street Plaza Development Agreement and Transfer NPF CRA Funds and Authorization To Execute A Third Amendment To The Lease Agreement With Sixth Street Plaza

Motion made by Member Moore and seconded by Member Hutchinson to authorize a third amendment to the development agreement and lease agreement between the CRA and Sixth Street Plaza, Inc. (“Developer”) including the early release of \$340,571 of Midtown Strategic Investment Fund, increasing a deferred, low-interest loan by \$219,846 and providing an additional project grant of \$70,154 for a total of \$290,000 to cover additional cost increases and funding shortages associated with the renovation of a 14,000 square foot commercial building and the new construction of an 8,000 square foot office building at 912-914 Sistrunk Blvd., known as “Sixth Street Plaza.”

Chairman Naugle asked what is the total debt of the first, second, and third mortgages.

Alfred Battle, Community Redevelopment Director, said the first mortgage was in the amount of \$1.45 Million, and the second mortgage was for \$300,000.

Chairman Naugle asked if there were any other debts. Mr. Battle said their loans would be the final debt in the amount of \$478,000. Mayor Naugle said the value of the property has been set at \$2.4 Million, and if they add the \$400,000 plus they would be way over the value. He is concerned if the project is not successful, and would be more comfortable if the developer was willing to add their name personally to the instrument. This is typically done in business transactions. He said further that the City has a significant stake in the project, and they promised to rent a significant portion of the building, and that no mortgage payments would be collected for 7 years. He understands the developer has encountered various problems, but such things happen.

Member Moore said a grant is a grant, and it should not be called something different in this case. This is a truly blighted area, and to allow development in this area the government needs to take some risk. They are doing that by offering the grant, as well as granting the extension. He said the relationship the lender made in this project was most encouraging, and to have that lender continue investing in projects in the area, it is important that the City show they believe the market would turn and that they are willing to carry the investment. He feels the same thing has happened with the \$300,000 loan. The only way things like this would walk on their own is to provide the leverage. He believes this is a good case scenario of how difficult it is to make a project work.

Chairman Naugle said he is willing to support this because of what Member Moore has stated.

Vice Chair Rodstrom said she feels the developer should be part of the game as well.

Member Moore said that was not done at 7th Avenue and 6th, and he would be willing to continue this for that portion also. This is a true incentive project. He asked how much was the bank loan.

Maria Friedman, President of Sixth Street Plaza, said the loan was for \$1.9 Million.

Member Moore asked who is guaranteeing that amount. Ms. Friedman said that Sixth Street Plaza is guaranteeing the amount.

Chairman Naugle said that earlier they were advised the loan was for \$1.4 Million.

Ms. Friedman said that there was an increase back in December for \$300,000.

Chairman Naugle asked if Ms. Friedman had signed the loan personally. Ms. Friedman confirmed.

Member Moore asked for further clarification of the numbers.

Ms. Friedman said the Regional Bank Loan is for \$1.9 Million and was originally for \$1.4 Million. The South Florida Regional loan was for \$300,000.

Chairman Naugle said the appraisal is for \$2.4 Million, and therefore, they are way over the 100% mark.

Ms. Friedman further said that the City's loan payments would not kick in for 7 years.

Member Teel said that in regard to servicing the loans, how much would the monthly payments equal and how much income would be coming in.

Ms. Friedman said the annual is \$206,000, and the annual debt service is \$189,000.

Chairman Naugle said if they did not ask for a personal guaranty they would be guilty of malfeasance.

Member Teel said that other loans have personal guarantees, and this should not be any different.

Member Moore said he would like to offer the item as proposed by staff.

Mr. Battle said the developer is willing to offer a personal guarantee.

Member Moore said the motion would be made in that manner.

Motion made by Member Moore and seconded by Member Hutchinson to authorize a third amendment to the development agreement and lease agreement between the CRA and Sixth Street Plaza, Inc. ("Developer") including the early release of \$340,571 of Midtown Strategic Investment Fund, increasing a deferred, low-interest loan by \$219,846 and providing an additional project grant of \$70,154 for a total of \$290,000 to cover additional cost increases and funding shortages associated with the renovation of a 14,000 square foot commercial building and the new construction of an 8,000 square

foot office building at 912-914 Sistrunk Blvd., known as “Sixth Street Plaza,” and that the developer offer his personal guarantee.

Roll call showed: YEAS: Members Moore, Hutchinson, and Teel, Vice Chair Rodstrom, and Chairman Naugle. NAYS: None.

Authorization To Execute A First Amendment To Development Agreement Between MoHomes, LLC (“Developer”) and the CRA

Motion made by Member Moore and seconded by Member Hutchinson authorizing a First Amendment to the Development Agreement between MoHomes, LLC and the NPF CRA regarding the construction of 11-single family homes in the Sweeting Estates neighborhoods. Roll call showed: YEAS: Members Moore, Hutchinson, and Teel, Vice Chair Rodstrom, and Chairman Naugle. NAYS: None.

There being no further business to come before this Board, the meeting was adjourned at 3:53 p.m.

Jim Naugle
Chairman

ATTEST:

Jonda K. Joseph
City Clerk