

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

**TUESDAY, JULY 15, 2008 – 3:20 P.M.**

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Chairman Naugle called the meeting to order at approximately 3:20 p.m. Roll was called and a quorum was present.

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

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 June 17, 2008- Regular Meeting**

**Motion** made by Member Moore and seconded by Member Hutchinson to approve the minutes of the CRA meeting held on June 17, 2008. Roll call showed: YEAS: Members Hutchinson and Teel, Vice Chair Rodstrom, Member Moore, and Chairman Naugle. NAYS: None.

**Request For A Streetscape Assistance Grant and Public Infrastructure Contribution For Streetscape Enhancement in the Flagler Village Area**

**Motion** made by Member Hutchinson and seconded by Member Teel to authorize a financial commitment, subject to the negotiation of a Developer's Agreement, for an amount not to exceed \$2,869,567.92 from the CRA Blanket Project Account (P10015/106/6599) to fund improvements for a Large Scale Streetscape project, which includes a Streetscape Enhancement Grant and a contribution to fund additional public rights-of-way infrastructure in the Flagler Village Area.

The City Auditor said that he wants to withdraw this matter from today's agenda due to the fact that there was some question about whether or not this was a grant. He did not believe it to be a grant and thought it was a donation from the developer to the City, and in that case there would be a question as to whether the City would have to go out to bid for the site improvements. They would not be able to sole source this with the developer's site contract. Therefore, he believes they are approaching this from the wrong perspective. He reiterated that this was a donation from the developer to the City for improvements within the City's right-of-way which the City would then own. He

believes there are a number of issues involved in this matter, and has spoken with the City Attorney and feels that further clarification is needed.

Chair Naugle asked if this should be tabled to the next CRA meeting which would be held on September 16, 2008. The City Auditor confirmed.

Member Moore clarified that if this is supposedly a gift to the City, the developer doing the improvements should be put out for bid.

The City Auditor said that the CRA is proposing to fund 50% of the improvements in one part of the area, and 100% of improvements in the other part of the area. The City would be receiving funds from the developer as a contribution toward their 50% of that certain portion. Once those funds are received, it would be the same as if the City received a grant, and the revenue source does not matter. It would all be City tax dollars at that point and the City would be obligated to go out for bid as they would with any other grant or revenue source that the City obtained.

Member Moore said he is hesitant because they have done this before, and supposedly it would be done at a lesser cost. Earlier today, he said that he sent the City Auditor an e-mail regarding the comments received in connection with the review of the financial impacts. He said the agendas are set and they are received on the Thursday before the meeting, and he would think that the City Auditor would see these before they are placed on the agenda. The City Auditor said that he did not see the matters before they were placed on the agenda. He said that he receives some information earlier which are part of the items going before the Assistant City Managers for approval. At this time fund availability would be checked.

The City Manager said that is how the process works because there are 128 agenda items and everyone is working simultaneously. The document is being prepared while everything else is going through the system.

Member Moore said it is being suggested that what was done in the past might not have been appropriate. The City Auditor confirmed and said that such matters should have been handled differently.

The City Attorney said that this is the first time the City has ever paid this amount of money as a percentage of the total project. Previously, the City's maximum payments have been half, and he thought the policy was that the developer has to put in a certain amount of landscaping as part of the project, and that the additional cost for the landscaping would be split. He said they need to find out if the City is paying one-half of the additional portion, or were they paying half of the total amount. In this case, the City is paying 69% of the total amount of landscaping to be installed. He said if they move forward on this matter, they would have to waive the procurement requirements because it this is basically the City's project.

The City Manager asked if it would not make sense to have a presentation regarding the project.

Chair Naugle said the matter should be presented, but should be tabled at this time.

Vice Chair Rodstrom said they are asking the CRA to pay 100% of a portion of the plan, and then 50% of another portion of the plan. She asked if they separate the items would it make things easier.

The City Auditor said the proper accounting for this matter would be the same regardless of whether it was 50/50 or 100%. One of the work items for this project is construction of roadway improvements, and it is the City's road so that would not be a grant. The gift would have to be accounted for in the City's inventory and would have to come in as revenue, and be appropriated by the governing body. The proper expense would have to be done and then it would have to be capitalized. If that was not done in the past, it should now be corrected.

Member Moore said that he would agree to table this matter, but he hopes staff would meet with the Board Members prior to further dialogue occurring on this matter. He said that he does not understand why the City should be paying 100% of anything for this project. If it is undeveloped Upland property and the person is not willing to pay the 50%, then he does not know why they are doing it. He wants a commitment that the property owner agrees to pay the 50%.

Chair Naugle said that a special assessment could be done.

Member Moore said that he is very concerned about this matter.

The City Manager said they may have some timing issues, and the questions involved need to be answered and the issues resolved. It would be helpful to see what concerns there are regarding this item because there has been no previous discussion of this item with this body. He is concerned about tabling the entire matter due to possible time constraints.

Chair Naugle said that the Charter was amended to give the City Auditor a seat at the table and empowered him to remove things from the agenda. Therefore, he noticed something that appears to require more time so there is not much to discuss in that matter. The idea of moving forward is inoperable, but a discussion could occur at this time. He feels that a \$4.2 Million subsidy from the CRA is too much. Recently, the City has limited developers to \$250,000. In this case there are three developers. He is also concerned about the City paying 100%. He feels the CRA could participate, but the subsidy being proposed is too rich.

Member Teel said it would be helpful to see a presentation because it might stimulate some questions that would be beneficial, and then staff could work on the matter during the break between Commission meetings.

Member Moore said he would not object, but when they are doing the presentation he hopes someone would attempt to justify the undeveloped Upland property owners getting the improvement without codifying the fact that they would pay the 50%.

Vice Chair Rodstrom said that even with the presentation, they still need to address the issues raised by the City Auditor. She said further that she supports his comments.

The Board Members agreed.

Robert Lochrie, attorney, said he believes this is the 5<sup>th</sup> or 6<sup>th</sup> time such an item has come before the Board. He said this is the first time he heard this being described as a gift to the City. In many ways it is like most conditions of site plan approvals.

Mr. Lochrie said this is different from past incentive programs that have come before the CRA. There is no request for a TIF incentive which is unlike the Avenue Lofts project or the JPI project which received incentives. However, they are asking for the CRA to assist them in finishing the streetscape project for an entire area. The other thing which makes this request unique is that in the past there has been one developer and one property owner, in this case there are four separate property owners. The specific request centers around the commons project and the courtyard project. He proceeded to explain the location on a map. The developer is required to make certain streetscape improvements around the individual sites. In this case the four developers would make improvements adjacent to their site, and improvements in the overall vicinity of the project, along with some across the street where there were individual property owners who would not or could not contribute to a program of this nature.

Mr. Lochrie further said the specifics of the areas where they are being requested to make such improvements were centered around the courtyard project and the commons project. He proceeded to show the location of those projects on the map. He said that the areas shown in blue on the map were where they were requesting a 50% contribution towards the cost of the infrastructure. The areas in red are ones they were requesting a 100% contribution. The reason they are requesting these contributions was not unlike other projects done in the past, such as JPI where the overall split was about 80/20. The CRA in that case contributed \$710,000 towards the cost of the streetscape program, and the total cost was \$890,000.

Mr. Lochrie said the CRA dollars would be driven by these projects, and they would realize a net gain of about \$1.2 Million per year from the tax increment produced by the properties, and such revenue could be used appropriately on streetscape projects. He further said that in this case there are some timing issues. He said they are under construction and they need to complete the improvements, and they do not feel it makes sense to just improve their sides of the streets. This would allow them to come in with one contractor to do the improvements, and all invoices would be reviewed by the City, as well as all the improvements. Also, the work would be completed all at the same time.

Member Moore asked if there were several property owners in the area from 6<sup>th</sup> Street down. Mr. Lochrie said there was about a total of 4-5 different property owners. Member Moore asked if those property owners are unwilling to deal with this. Mr. Lochrie said it makes sense for them to go ahead and make the improvements due to the dollars that would be generated from the project. He said they did not want one or two property owners to stop this project. They had not asked them to contribute towards the project.

Member Moore asked staff if the property owners were asked to participate in this program.

Al Battle, Community Redevelopment Director, said they had not spoken with the property owners.

Member Moore asked if the park was publicly owned property. Mr. Lochrie said it is City owned property. Member Moore said he did not object to making streetscape

improvements to the City's property, and that was part of the reason for having the CRA. Another purpose of the CRA is to capture the TIF, but it is not mandated that TIF must be spent on the properties. He believes this would provide incentive for developers to come into the blighted area and make an investment. No guaranties are being provided. He asked if there were several property owners in the red area. Mr. Lochrie explained what properties were in that area and who owned them.

Member Moore said if they are doing a streetscape program that a not-for-profit could not afford to participate in, why should they be designed into the streetscape.

Mr. Lochrie said that finishing off the street, which in this case is located on the north side, would add to the overall feel of the development of the area. If anyone would come in and develop the area, such improvements would be there and they would not have to wait on someone to come in and do them. There would be a unified sidewalk with unified lighting.

Chair Naugle said if this would be done as a special assessment, they would pick up the 50% for the City park, and the other property owners could pay 50%.

Member Moore said if there would be a lien for the improvements, he could understand the development wants everything done and forcing them to make immediate payment would not be any different than what they did in regard to the WaterWorks Program.

Mr. Lochrie further said they did not have any difficulty with the City's funding. Their problem is time.

Member Moore asked when the development would receive their COs. Chair Naugle said they would receive their COs in 2009.

Dan Weinstein, Trammell Crow, said they are the developer for the Flagler Commons project, and that they would go for their first CO in about two months.

Member Moore asked if this matter is passed today, what would be their next step.

Mr. Lochrie said they would return with a Developer's Agreement.

Member Moore asked if tabling the matter would hold up the process. Mr. Weinstein said there is a timing issue involved, and they want to begin as quickly as possible.

Chair Naugle asked for further clarification of the map being shown. Mr. Lochrie explained. Chair Naugle said they are not planning on improving both sides of 6<sup>th</sup> Street because there would be another project in that area. He said since this is such a large amount and the monies could not be recovered for more than 3 years, he felt if they want to look at cutting the City's contribution 4<sup>th</sup> Street would be the way to go. Developers could then make improvements on both sides of the street at a later date. In that way, all the streets leading to the new development would have been improved.

Member Moore said that doing what is being proposed could reduce the percentage amount.

Chair Naugle said that one of the problems with the CRA funds is that there are a lot of other needs in the CRA. He said this is not a case where the City is being asked for a commitment in order to get an increment because the increment is coming in 2009.

Member Moore said the City needs to live up to the fact that they told the development community that they would utilize the increment in order to provide the infrastructure so their projects could work. He does not want to provide a mixed signal. He further said that this project is worthy of consideration and he would like to see it implemented, but he wants to see the Upland property owners pay their portion of the project. If they are unwilling or could not do so, they would need to come up with a lien or special assessment.

The City Auditor suggested that they also look at the DDA for funding because this project is within their district and these are DDA approved streetscape designs. Therefore, there would be no reason for them not to be a partner in this endeavor.

Member Moore asked if a motion is necessary in this matter since it is being pulled by the City Auditor.

The City Attorney said he believes the Charter states that he may request to have an item pulled.

**Motion** made by Vice Chair Rodstrom and seconded by Member Teel to table this matter until September 16, 2008. Roll call showed: YEAS: Members Hutchinson and Teel, Vice Chair Rodstrom, Member Moore, and Chairman Naugle. NAYS: None.

**Authorization To Execute An Easement Deed From The CRA To The City of Fort Lauderdale**

**Motion** made by Member Hutchinson and seconded by Member Moore to authorize the execution of an easement deed from the CRA to the City of Fort Lauderdale for a monument sign in the River Garden/Sweeting Estates neighborhood. Roll call showed: Members Hutchinson and Teel, Vice Chair Rodstrom, Member Moore, and Chair Naugle. NAYS: None.

**Walk-On – Authorization to Execute a Fourth Amendment To The Sixth Street Plaza, Inc. Development Agreement**

**Motion** made by Member Moore and seconded by Member Hutchinson to authorize the execution of a Fourth Amendment to the Sixth Street Plaza, Inc. Development Agreement between Sixth Street Plaza, Inc. (“Developer”) and the CRA. Roll call showed: YEAS: Members Hutchinson and Teel, Vice Chair Rodstrom, Member Moore, and Chair Naugle. NAYS: none.

There being no further business to come before this Board, the meeting was adjourned at 3:47 p.m.

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Jim Naugle  
Chairman

ATTEST:

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Jonda K. Joseph  
City Clerk