CITY OF FORT LAUDERDALE

APROVED

INVEST FORT LAUDERDALE, INC
CITY OF FORT LAUDERDALE
April 21, 2025 – 1:00 P.M.
FORT LAUDERDALE, FLORIDA

	Cumulative Attendance March 2025-February 2026		
Board Members	**Attendance**	**Present**	**Absent**
Burnadette Norris-Weeks	P	2	0
Amanda Bartle	P	2	0
Christopher Smith	P	0	2
Danella Williams	P	1	1
Sean F. Jones	P	2	0

Staff

Clarence Woods, CRA Manager
Lizeth DeTorres, Sr. Administrative Assistant
Lynn Solomon, City Attorney

Others

Brian McDonough, IFLINC Legal Counsel (Attending virtually, via Zoom)

Communications to the CRA Board of Commissioners
None.

I. Call to Order Chair Norris-Weeks

Chair Norris-Weeks called the meeting to order at 2:32 p.m.

II. Roll Call CRA Staff

Currently there are 5 appointed members on the Board of Directors, which means three (3) would constitute a quorum. Roll was called and quorum was present.

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III. Approval of Minutes Chair Norris-Weeks

- 02.10.2025 Minutes and 03.17.2025 Minutes

Motion by Ms. Williams, seconded by Mr. Jones, to approve the minutes of February 10, 2025, and March 17, 2025. There was no further discussion. In a voice vote, the motion passed unanimously.

IV. Update: The Aldridge and The Laramore Project **Brian McDonough**
IFLINC Legal

Mr. McDonough said that in 2023, IFLINC entered into an agreement with Magellan concerning the development of the two properties and the core of this agreement involved CRA providing a forgivable loan and contributing the land necessary for the two projects. With land being conveyed, Invest Fort Lauderdale, Inc. would become part of the ownership and developer group, entitling them to 20% of the deal's returns.

He added, Invest Fort Lauderdale, Inc. potentially in its capacity as the CRA, would have the right to lease the commercial space withing the development, estimates to be around 5,000 square feet, at a low rental rate. This represented an additional benefit for Invest Fort Lauderdale undertaking this agreement with Magellan.

He also mentioned that at the conclusion of a 15-year period; Invest Fort Lauderdale would hold the right of first refusal regarding any further development. With Magellan remaining involved and by undergoing through a syndication process, new capital that is brought in for improvements would again involve a partnership with Magellan.

Under the terms of the agreement, Magellan would be responsible for all guarantees related to the project and any funds Magellan contributed would be repaid to them from the project budget at closing, along with an accruing interest rate of 6.5% from the time each advance was made.

Mr. McDonough elaborated on the first right for refusal per Mr. Jones request and explained that when co-owning a project, usually they want flexibility to buy out the partner down the line. He said that for a for-profit entity would typically have an option to purchase the project from a tax credit partner.

He mentioned that Invest Fort Lauderdale, Inc. will have two key rights: the option to buy out the partner's interest at its fair market value and since is tied to a specific tax code that allows nonprofits like Invest Fort Lauderdale to acquire the property for a considerably lower price than the fair market value if a third party makes an offer.

Chair Norris-Weeks asked if there is any alternative in case Invest Fort Lauderdale, Inc., decides to invest in themselves and does not want Magellan involved.

Mr. McDonough said that is the only real business issue. He mentioned that language is content 7.1 of the agreement and it is mentioned that while agreeing in the current deal making the loan, having the land and the 80-20 percent allows participants to the same current terms and conditions. If not, by exercising the 42 i. 7 right, Invest Fort Lauderdale are exercising it on their own.

Ms. Bartle walk into the meeting at 2:44 p.m.

Mr. McDonough continued saying that there is a tremendous amount of benefit that can be achieved and his recommendation to the board that once the Invest Fort Lauderdale, Inc exercise the right of first refusal of 80-20 percent, change it to 50-50 percent instead since Magellan is getting all economic benefits of Invest Fort Lauderdale's nonprofit status.

Ms. Bartle agrees with Mr. McDonough in negotiating something similar with South Florida Community Land, where Magellan gets the right of 50 percent of the economics rather than zero if they continue to make the same guarantees.

Ms. Solomon express her concern and mentioned the agreement sent by Terry to her needs to be reviewed by Mr. McDonough, especially the code development agreement where it stated that the CRA is going to convey the properties to a sole member, who happens to be John Paul Foundation.

Mr. McDonough said that somebody may have articulated the terms Ms. Solomon is referring to. He said he didn't see the John Paul Foundation, as a member of the Sistrunk Lender, and by understanding the sequence of actions described, thar is a proposed deal that happens in a lot on this kind of deal.

Ms. Bartle said she is not comfortable with making a forgivable loan to another nonprofit that gets the loan to them. She suggests requesting an org chart to confirm its legitimacy.

Mr. Woods said that the Sistrunk Departments has done the same. The 5 million dollars funding given to their project will come back to them.

Ms. Bartle asked if the 501 c3 status is needed to operate since they are considered a business, other than tax benefits they are still able to make negotiations.

Mr. McDonough said Invest Fort Lauderdale needs to make sure that the receipt of the of the nine million grant to the organization is taxable income. Running the trust funds through Invest Fort Lauderdale itself needs to be a non-taxable entity.

Mr. McDonough mentioned they need to acknowledge the need to satisfy the tax code run it through a nonprofit to get the grant over the ultimate beneficiary and it has to be cleansed that way. Additionally, he said that the real issue is clarify the legitimacy of John Paul Foundation and why they are getting the full benefit of the deal.

Mr. McDonough said in response to Mr. Woods' question that getting the 501 c3 status by the end of the tax year will be sufficient while they continue negotiations regarding the Laramore and Aldridge deal.

Mr. McDonough confirmed that someone from his office can assist on filling and submitting to the IRS the 501c3 status for Invest Fort Lauderdale, Inc.

Chair Norris-Weeks said the board would like to have clarification on what will be communicated to the Magellan group after this board meeting discussing the project update and late negotiations.

Mr. McDonough mentioned there are two key components that were mentioned, how the grant and the forgivable loan will flow, how Invest Fort Lauderdale view it flowing and the exercise of the 42 i 7 to flip to a 50/50 percent securing same guarantees and other services. Mr. McDonogh left the meeting at 3:22 p.m.

Ms. Solomon said the nine million funding for the project is going to the fiscal agent. Who is going to make the drawing, and they are negotiating with the finance authority as well as the fiscal agent.

Also, she clarified that while there is a purchase and sales agreement between Magellan Housing and CRA, additional agreements like the co-developer agreement and operating agreement that are negotiable, and they are almost at construction closing.

V. Conflict of Interest Approval **Lynn Solomon**
Assistant City Attorney

Ms. Solomon said as legal representation of the CRA the conflict of interest presented is based on her legal opinion and according to the Schwab test, Invest Fort Lauderdale, Inc. is an alter ego of the city and otherwise, Invest Fort Lauderdale, Inc. needs to live by the government.

Ms. Solomon referred to the nine point test information provided as a backup that in her opinion is the appropriate analytical tool outlined by:

1. Level of funding
2. Comingling of funds
3. Activity conducted on publicity owned property
4. Services are an integrated part of the CRA decision making process
5. Private entity is performing a public function
6. CRA involvement, regulation, control over the board
7. Private entity created by the Public Agency
8. Public Agency has a substantial financial interest in Private Entity
9. For who's benefit is the private entity functioning.

Ms. Bartle said that as for the conflict of interest she is not opposed to leaving it as is and at some point, in the organization to review it.

Ms. Solomon mentioned she is going to turn over the 501c3 file and application to Mr. McDonough firm and Ms. Bartle can continue providing support in the process.

Chair Norris-Weeks requested clarification on the legal counsel fees that Mr. McDonough provides to Invest Fort Lauderdale, Inc.

Motion by Ms. Bartle seconded by Mr. Jones to approve the Conflict of Interes Policy. There was no further discussion. In a voice vote, the motion passed unanimously.

Ms. Solomon mentioned that Mr. McDonough's firm must be familiar with the 1023 form and most of the questions related to policy and procedures. She added that the relationship created with Magellan has to be part of the disclosure document application, as well as what kind of charity Invest Fort Lauderdale, Inc. will be.

Ms. Bartle asked if it is possible to present to the CRA Board meeting now that the policies in place like articles, bylaws, and conflict of interest are approved. She recommended not waiting for the 501c3 status and adding the item to the next Commissioner's agenda meeting.

Ms. Solomon said the first meeting in June will be possible.

VI. Old/New Business

Motion by Ms. Bartle and seconded by Mr. Jones to reopen the adoption of February 10, 2025, minutes and revise to "approve the revised articles and bylaws" and strike "conflict of interest policy". There was no further discussion. In a voice vote, the motion passed unanimously.

VII. Adjournment

There being no further business to come before the abord at this time, the meeting was adjourned at 3:48 p.m.