APPROVED BEACH REDEVELOPMENT BOARD 100 NORTH ANDREWS AVENUE 8th FLOOR CONFERENCE ROOM FORT LAUDERDALE, FL 33301 MONDAY, NOVEMBER 17, 2014 – 2:30 P.M.

FEB 2014/JAN 2015

MEMBERS	REGULAR MTGS			SPECIAL MTGS	
		Present	Absent	Present	<u>Absent</u>
Anthony Abbate, Chair	Р	6	0	3	0
Ina Lee, Vice Chair	Ρ	5	1	3	0
Thomas B. McManus	Ρ	3	1	3	0
Dan Matchette	Ρ	6	0	3	0
Melissa Milroy (arr. 2:40 p.m.)	Р	4	2	3	0
Andy Mitchell, Jr.	Α	4	2	2	1
Judith Scher	Ρ	6	0	3	0
Tim Schiavone	Ρ	5	1	2	1
Shirley Smith	Р	6	0	3	0
Aiton Yaari	Ρ	4	2	2	1

<u>Staff</u>

Don Morris, Economic Reinvestment Administrator

Eileen Furedi, Clerk II

Jenni Morejon, Deputy Director, Department of Sustainable Development.

Emilie Smith, Budget Manager

Jim Hetzell, Planner, Department of Sustainable Development

Tom Green, Project Manager

Jamie Opperlee, Recording Secretary, Prototype, Inc.

Guests and Presenters

Jim Wade, LOMMXD

Larry Woods, LOMMXD

Rick Padgett, LOMMXD

Stephanie Toothaker, Tripp Scott

Robert Weiss

Andy McAllister, Moss & Associates

Dane Graziano, Show Management

Paul Kissinger, EDSA

Jeff Suiter, EDSA

I. Call to Order/Roll Call – Anthony Abbate, Chair

Chair Abbate called the meeting to order at 2:31 p.m.

Quorum Requirement

As of this date there were 10 appointed members to the Board, which means 6 would constitute a quorum. It was noted there was a quorum at the commencement of the meeting.

Communications to the City Commission - None

II. Approval of Minutes – Anthony Abbate, Chair

October 20, 2014

Motion made by Mr. Matchette, seconded by Vice Chair Lee, to approve the minutes of the October 20, 2014, minutes.

Mr. Seitz stated that the minutes (pg. 8) did not reflect what he said about Joe Cerrone, RCI, and other items. Mr. Morris commented that the minutes are summaries of discussion, not verbatim, and advised Mr. Seitz there would be an extra cost to provide a verbatim record of his remarks. After discussion, it was agreed that Chair Abbate would listen to the audio and revise the minutes to reflect what Mr. Seitz said.

The motion was not voted on, and the Board agreed by consensus to table the minutes approval to the next meeting.

III. Unsolicited Proposal for the Las Olas Marina and Las Olas Marina Parking Lot – Larry Woods, LOMMXD, LLC

Vice Chair Lee asked if there was an RFQ out for the same area. Mr. Morris stated there was discussion about it, and staff would be meeting with the City Commission on the next day. Chair Abbate advised the presentation at this meeting would be informational only.

Jim Wade, LOMMXD, referred to a handout listing the key members of their development team. Mr. Wade said that he and Mr. Woods met with City Manager Feldman earlier in the year about a potential P3 (public/private partnership) type of program on a site on Executive Drive near the airport. That meeting led to them exploring the marina site. He detailed their experience with yachting.

Mr. Wade introduced their concept to create a world-class marina for super-mega yachts that also works for the citizens of Fort Lauderdale. He mentioned they have used the Sasaki Plan and EDSA's plan as the foundation for their plan. Mr. Wade said the following are key concepts of their proposal:

- Highest and best use
- Low density
- Site views
- Public access to the Intracoastal and the beach

- Pedestrian experiences
- Parking for the beach
- Open space
- Revenue to the City
- P3
- Sustainability
- Expanded marina
- Designing for people, not cars
- Enhance the brand
- A "reveal" of the space

Larry Woods thanked Mr. Feldman for asking them to provide an unsolicited proposal. Their resumes were made available to the Board members. Mr. Woods said he employed the law firm of Tripp Scott for counsel on submitting an unsolicited proposal.

Ms. Toothaker, attorney with Tripp Scott, stated this was their first public presentation on the proposal. The proposal was submitted under Florida Statute 287-05712, which addresses public/private partnerships. Ms. Toothaker said that pursuant to passage of the Statute, LOMMXD submitted an unsolicited proposal for a public/private partnership to construct, develop, and operate the Las Olas Marina. She stated that the required application fee of \$25,000 was paid to the City.

Ms. Toothaker mentioned that the City has not codified its own guidelines regarding the Statute, other than the application fee, but she believed the City is required to follow the guidelines established by the State. She reviewed the discussion the City went through regarding the Statute.

At this point, Ms. Toothaker addressed the stipulations of the Statute and their meaning for this project, including notification requirements, allowance for other developers to submit proposals, and ranking specifications of proposals.

Ms. Toothaker noted that she distributed copies of a letter regarding their application process from LOMMXD to the City Commission for the Board's perusal.

Ms. Toothaker addressed that their plan complies with the goals and objectives of the CRA by offering a mixed-use, urban beach village feel, specialty retail complex, hotel, and marina.

Robert Weiss, LOMMXD, began a PowerPoint presentation at 2:54 p.m. covering the highlights of the project, concentrating on renderings of the features such as hotel, retail shopping, parking, office space, and expanded marina that will accommodate megavachts. He concluded the PowerPoint presentation at 3:16 pm.

Andy McAllister, Moss & Associates (general contractor), spoke about his company. He and Rick Padgett produced a number of market surveys for the project to ensure the project costs were in line with potential construction costs. Mr. McAllister mentioned he was a project manager for Bahia Mar 15 years ago, and said that the company (Moss & Associates) was also familiar with the P3 arena.

Mr. Padgett, who was chiefly responsible for the numbers as presented in the proforma, stated he has been involved in many public/private partnerships. He believed there is a market for the project, and it could meet the public's goal to at least break even.

Mr. Padgett said that, furthermore, Mr. Feldman would like to see a 7% return annually on the City's investment. Mr. Padgett said the project will cost close to \$200 million, and financing would be based on a 72% loan to total cost ratio. He continued that their company structured a two-year plan with guaranteed payments of a set amount that would cover any potential revenue losses, such as parking or slip revenue for the first two years. From then on out, the 7% return on investment would be about \$5.3 million per year; over 15 years, the return would be 8.1% (\$223 million). After 50 years, the amount would add up to over \$400 million.

Mr. Woods summarized the key features of the proposal:

- 30,000 square feet of retail
- 33,600 square feet of restaurant space
- 25,000 square feet of office space
- 220 keys at a luxury hotel
- Crew lodging for super-yacht owners
- 620 garage parking spaces
- 124 surface parking spaces
- 106 marina slips

Mr. Woods emphasized that they have a way of providing revenue from their project, which might then be used for other projects, such as the EDSA plan or the Aquatics Center.

Ms. Scher confirmed that the property was the same land recommended for the Palazzo in 2001. She was also informed the maximum hotel height to the penthouse is 110 feet.

In response to a question by Ms. Scher, Mr. Weiss explained that a round-about (at Las Olas Circle) is not part of the scheme, since they provided for pedestrians, not vehicles. He said they could, however, reconfigure the access, making a different kind of pedestrian promenade.

Mr. Matchette pointed out that a person leaving that building could only go east, and could only approach it from the west. Mr. Weiss stated their firm can do traffic engineering.

Ms. Scher was disappointed that the plan showed so much concrete instead of green, open space. Mr. Weiss pointed out that 1.7 acres of the open space is allocated to water space.

Mr. Woods said there would be crew lodgings (20 keys) for a total of 70 people in a specified area of the hotel, plus a lounge for food service, TV, internet, etc. Mr. Padgett added that the hotel would not want to mix the guests with the crew, as the crew rooms are dormitory style.

Mr. Matchette wondered who would occupy the office space, as it is such a premium location. Mr. Woods commented several yacht brokers have already expressed interest, and the internal return on investment of the office space is 16%; he also mentioned a number of businesses he knows who would be interested.

In response to a question about who would be operating the marina, Mr. Woods mentioned that LOMMXD would be running the marina and parking facilities.

Mr. Matchette brought up a question about the origin of the 7% return on investment, and Mr. Padgett commented that it comes partially from the \$20 million that they hope the City will contribute for the infrastructure and the marina. The \$20 million would include an option for repurposing the two parking lots. Mr. Padgett stated they are not buying the land, they would be leasing it. They would be leasing the marina and purchasing the right to build and operate it for 50 years.

Boardmember Smith wondered how the Boat Show would work around the buildings. Dane Graziano, Show Management, commented that the Boat Show staging involves about 45 days.

Boardmember Smith spoke in opposition to the proposal, citing harm to the beach hoteliers and the buildings being too "big." Mr. Woods remarked that having more hotels attracts more patrons. He also said they could stage the Boat Show equipment.

Mr. Yaari spoke positively about the effects of the project on the CRA, but did not like the idea of giving up the land and paying \$20 million for it. He suggested LOMMXD pay for it, and the CRA could take the \$20 million to build the garages in different areas. Mr. Yaari suggested they build the parking garages for the City to run, and Mr. Woods said that was an option. Mr. Woods continued that the rate of return on the parking garage would be 11.1%, 40% on the marina, and 19% on the retail.

Mr. Morris commented that the City did a full appraisal of the property, which was \$39 million. Mr. Woods advised that if there is a fair market value increase, they would take that into consideration on their rates of return. He continued they have built-in CPIs.

Vice Chair Lee confirmed that at this point, the \$20 million would come out of the CRA fund. She continued that the proposal's reception at the Marine Advisory Board would be critically important. Regarding the parking, Vice Chair Lee was curious what the net parking would be (minus what was needed for hotels and restaurants) compared with what they are being asked to provide already. Mr. Woods replied that the total parking would be 744 spaces versus 743 spaces outlined by Sasaki. Chair Abbate commented that the master plan shows about 455 plus 72 spaces; Mr. Morris reminded them that they are directed by the City Commission to have "no net loss parking." Paul Kissinger, EDSA, said 837 public parking spaces are projected for the garage parking (either option) in his plan. Mr. Woods stated that they would have 438 spaces open to the public that would not be dedicated to the hotel or FIMA.

Vice Chair Lee commented that the traffic flow would be critically important for the Boat Show. Mr. Woods assured the Board they would work with the Boat Show people to give them the space they need. He also stated that he and his partner made a presentation to Mr. Feldman and the City Auditor in October. Mr. Feldman told them he would provide them with a "source and means" by which the infrastructure would be underwritten. Mr. Woods added that does not all necessarily come from CRA money. He emphasized that where the money comes from is not his purview, but that of the City.

In response to a question by Vice Chair Lee, Mr. Morris commented that they will be continuing the dredging study, and at some point there will be a request for matching dollars for the actual dredging. Regarding sea grass mitigation, an environmental feasibility study is now underway.

Vice Chair Lee further commented that, although she liked the opportunity for redevelopment, her concerns centered on the marine interest, Boat Show interest, the residential interest, utilization of the green space, Las Olas Circle, and the particulars of the funding. Mr. Woods reiterated that the \$20 million has the internal rate of return on the investment. He was hopeful other sources would be found other than the CRA for the \$20 million. Mr. Woods continued that the City's real estate advisors suggested that the City pursue an RFP.

Mr. Schiavone remarked that the proposal deserves their attention and consideration regardless of "how it got here." He commented that the items needing to be addressed are the turn-around for the residents, the compliance with the Boat Show, and how it fits the existing, ongoing projects such as the Hall of Fame. Mr. Schiavone thought they may be able to be more creative with the CRA financing towards the end. Furthermore, he favored letting the City do their job and give this a fresh look.

Ms. Milroy wondered where all the money would come from for other projects such as the garage at the Aquatics Center. She desired to hear more from Mr. Graziano and the impact on the Boat Show.

Mr. Yaari stated that accessibility to Poinsettia Drive is very important to facilitate traffic flow in the whole area. He cautioned against disconnecting the east from the west.

Chair Abbate commented that the P3 is a good and tested model whenever there is the lack of ability to pay for infrastructure. He thought this project directly hits two economic drivers for the region, the marina district and tourism, and therefore, the goals of the CRA. The City will work out the details of the money. He agreed with points of discussion raised by the Board and felt those were design problems which could be solved by a top-notch architect.

Chair Abbate opened the floor to public comment on this item at 4:03 p.m.

Abby Lublin, Central Beach Alliance, said the area does not need more parking – it needs an attraction, such as an aquarium. She thought that would enhance the brand of Fort Lauderdale. Ms. Lublin addressed the most recent iteration of the deed restriction on the land and wondered how that would fit in with the project.

George Platt, LSN Partners, LLC, stated that this proposal came as a surprise, but he appreciated the effort that went into it. He spoke about the history of The Palazzo project (which he worked on), pointing out that this project is "way too much" for the property. Mr. Platt said there has not been a competitive process so far, and hoped the plan would spend the residents' money wisely. He expressed concern that they might not get to the finish line before the CRA time runs out.

Fred Carlson, Past President of the Central Beach Alliance, spoke in opposition to the project. Mr. Carlson said that boating is the major industry, and he did not see this project maximizing the impact for them. He called it a "mish mash" trying to please everybody without an economic focus. Mr. Carlson also criticized the "crew house" idea, saying that should be by the water, and said they need the Las Olas Circle.

Frank Herhold, Marine Advisory Board, was curious how the proposal would benefit the Boat Show and how many 80- to 100-foot vessels would fit in the new marina. He pointed out yachts are getting bigger and bigger, and owners have choices where to go.

Jack Newton, Assistant Community Outreach person for the Venetian Condo, spoke in opposition to the proposal, stating it is more of a hotel than a marina. IN addition, he cited the following:

- Not enough room for the Boat Show staging
- Reduction of parking from 525 spaces to 200
- Both sides of Las Olas Circle would be blocked.
- Do not need more retail retail on the beach is already struggling
- Not enough spaces/room for mega yachts
- Yacht owners will run the marina, not the City

Dane Graziano, Show Management, said he is also representing Phil Purcell, Executive Director of MIASF, owners of the Boat Show. Mr. Graziano stated they have never asked for City or County funding for the show. Citing the economic benefit to the City from the Boat Show, he said they want to work with the developers and wants the City to make a profit on the property they use. Mr. Graziano was concerned their situation (annual lease with the City) might be jeopardized by private development involvement. He expressed appreciation to all in the community in assisting them.

Art Seitz, long-time resident, suggested they give part of the \$40 million slated for the Aquatics Center to this group. Mr. Seitz called the Aquatics Center a "debacle." He also stated that infrastructure was #1 priority on the Visioning Committee's 2012/2013 survey, but the City is going to spend less on that than on the Center, which was not rated important. He questioned why the City subsidized an Aquatics Center that went under due to mismanagement. Turning to the marina project, Mr. Seitz noted the following:

- A parking garage is needed at South Beach more than at the marina
- The project should go out for an RFP so they could get more than a hotel with a crew quarter and a walkway (needed anyway)
- Restaurants at ground level would be of extremely poor quality because patrons would be looking at sterns of numerous yachts
- Could do more with south property

Barry Flanigan, Marine Advisory Board, said ideas have been floating around for several years about what to do with the property. Mr. Flanigan recalled the history of the Palazzo project. He said the City Manager said they did not have money to build the marina, and wondered why they have the money now. Other points made by Mr. Flanigan included:

- The marina's low occupancy is due to the submerged land lease with the State, which stipulates 48% occupancy for six months of the year
- The Docks at Palm Beach run between 93-108% leased occupancy
- AMR ran at 85% occupancy during the summer
- Other funding sources are favorable, such as the one that funded Lauderdale Marine Center
- Already have competent people to run the marina
- Yacht captains love the beach and go to the hotels that are already here
- Crew quarters are not needed
- Formerly, boats could stay when the Boat Show was over

Bob Dean, Marine Advisory Board, said a 40% return on investment would be a "gold mine." He said the two years of construction will impact the Boat Show; he said it has to be built in 11 months. The first day of the marina will be 100% occupied for 30 days due to the Boat Show. Mr. Dean commented the City has done an "incredible" job over the years of running marinas, and wondered if the project would be a mega-yacht marina or a hotel.

Seth Platt, LSN Partners LLC, was opposed to the project, stating that the plan did not conform to the City consultant's plan, the Board's, or the City Commission's direction. He expressed concern about the lack of parking, and wondered who would set the parking rate in the structures and if it would be affordable to the public. Mr. Platt was concerned about lack of available mitigation inventory for the dredging impact. He wanted more open space from the south Las Olas lot and wanted to "green it up." Mr. Platt wondered what level of service is proposed for the hotel, and believed the crew quarters was a "ridiculous idea" for a barrier island.

Bradley Deckelbaum, former chair of this Board, spoke in favor of the item. He said two of his frustrations serving on the Board were: 1) it was an endless process with no clear direction or path, 2) there has been a lack of a good idea/solution for this property. He liked the P3 concept for getting good communication between parties. Mr. Deckelbaum also thought this was the first viable idea which addressed the mega yacht capacity on the barrier island; he said it would be a great use for the property. He acknowledged the concerns voiced, but advised there are always concerns with something different. He encouraged the Board to "embrace" the project, noting it would be a valuable use of the City's and the CRA's resources to maximize the value to the community.

Emilie Smith, Budget Manager, reminded everyone that this was an unsolicited proposal. Part of the State Statute requires the City to solicit other proposals for the same project, and the City will decide whether to do an RFP (which would take about three to six months). Ms. Smith stated no general funds are set aside for the marina. She said they did six different scenarios for the Las Olas Marina, factoring in various circumstances. The City Auditor concluded that each scenario considered all options on the table. She said the bonding capacity was about \$7 million based on some reasonable assumptions. Mr. Morris advised that the information on the six scenarios is in the backup material for the joint meeting with the City Commission. He mentioned that they looked at what happened at Palm Beach and Emery - where there were a number of years that they did not have full capacity – and that was factored into the proforma.

Ed Smoker, LOMMXD, spoke as a 50-plus year resident of Fort Lauderdale. He emphasized he has been developing projects for 30 years, and demands top quality. Mr. Smoker said the marina has 6,000 linear feet of dockage. He also mentioned that infrastructure is necessary to create the activity for the beach - the mega yachts need something to bring them and keep them there. Mr. Smoker continued that the balancing act is keeping it at low density and meeting all the other parts such as pedestrian needs, views, etc. He finished by stating that the plan is a process, and he asked for cooperation.

Chair Abbate closed the floor to public comment on this item at 4:51 p.m., and called for a short break. Chair Abbate reconvened the meeting at 4:59 p.m.

IV. Beach CRA Projected Revenue FY2016 - FY2020 - Emilie Smith, Budget Manager

Ms. Smith explained that her purpose at this meeting was to arrive at consensus as to what assumptions they want to use going forward in terms of values of the properties. She showed a five-year projection using a 5.6% increase in (CRA) property values year over year. She said the City as a whole is showing a 6.9% increase for the current year.

Ms. Smith then showed the five-year CIP, what is budgeted and what is planned. \$46 million is budgeted in projects and another \$34 million that is anticipated over the next 5 years, based on the 5.6% annual increase. There is probably an extra \$1.4 million as a buffer over the 5-year period.

Mr. Morris pointed out that the 5.6% is consistent with what was presented in the budget.

In response to a question by Vice Chair Lee, Mr. Morris stated that if they add up all the projects that the Board has been discussing, including the marina, it would come to about \$160 million. Mr. Morris clarified that the \$160 million is not all CRA dollars – there are different funds involved. Ms. Smith said that the net deficit would be \$53 million.

Mr. Morris elaborated that they came forward with a proposal based upon assumptions they had in the past, and how they would conform with the CCNA. The numbers shown can fluctuate, as they may change their minds about projects. Mr. Morris commented that they gave EDSA the nod to move forward with ideas, and it was understood there would be a finite amount of money. Now it is time to decide on priorities.

Chair Abbate reminded the Board that, although all monies have to be allocated in five years, not all projects have to be completed by then. Furthermore, the Board has to be careful about how they establish priorities now, referring to the master plan.

Motion made by Mr. Yaari, that they will not accommodate the new marina project or spend money towards it because it is confusing/distracting them at this time. Motion died for lack of a second.

Ms. Milroy pointed out there is almost \$9 million in the budget for dredging and the promenade, so it would not be quite \$20 million. Discussion ensued on whether the \$20 million would come out of the CRA budget, with Ms. Smith stating that nothing is set aside in the budget for that. She said perhaps the City Manager was thinking of the P3 when he mentioned alternate funding. Ms. Smith clarified that the \$53 million deficit does include \$18.8 for the Las Olas Marina expansion as one possible project.

In response to a question by Ms. Scher, Project Manager Tom Green stated there are two components to the Aquatics Center, originally with \$24 million coming from the CRA and the next item to the right, \$7.5 million, was coming from a parking lot. It is roughly \$32.5 million if the Board goes with the ultimate design, just swapping the pools, the \$40.5 million would include swapping the diving levels and skinning on the garage. Chair Abbate did not want further discussion on the Aquatics Center, but wanted to study the spreadsheet in the packet.

Vice Chair Lee sought clarification on what has been approved so far, and Mr. Green pointed out that the projected CRA/CIP fund shows items that are encumbered. There are two categories - one showing monies budgeted for construction and one for monies budgeted for design. Mr. Morris commented that they will need direction on what the priority is and where the money is spent. Mr. Green further explained the spreadsheet.

Chair Abbate stated they need to focus on the mission of the group, the redevelopment of the beach, and what is going to accrue to the economic revitalization of the beach. He added they would need to make a recommendation at the next meeting.

Mr. Morris recommended that EDSA be involved in the discussion to "figure things out" since that is one of the things they were hired to do. Chair Abbate agreed, but mentioned that the elements involved include the esthetic improvement to the beach and revitalization, and the economic basis (return anticipated) if they go ahead with the marina. Mr. Schiavone requested the Board receive a copy of the report that was on the screen and also what items are approved/earmarked. Mr. Morris advised that staff knows they will have to make adjustments according to the Board's priorities.

Jeff Suiter, EDSA, stated that the plan allows for the preservation of the opportunity for both the South Lot and what is north of the lot to have a future best and highest use. He continued there will be development opportunities on those two lots.

Discussion ensued on what the Board should do in the immediate future, with Mr. Yaari wanting to see the creation of a platform that would attract P3 partners, Boardmember Smith wanting each Board member to bring written opinions on each project, and Vice Chair Lee requesting that Ms. Smith attend the meeting and have information on the room nights generated by the aquatics complex.

It was decided by consensus that a special meeting in January would be devoted to the discussion.

V. Central Beach Regional Activity Center (RAC) Land Use: Proposed Land Use Plan Amendment Funding Request \$34,726.00 - Ella Parker, AICP, Urban Design & Land Use Manager

Jim Hetzell, Department of Sustainable Development, stated that the purpose of the request is to amend the land use process for the particular area to remove vehicular

trips for monitoring development to doing a development threshold attached to multimodal transportation analysis. Mr. Hetzell explained that the underlying land use for the beach is called the Regional Activity Center; it allows for a mix of uses that promote a tourist destination such as the beach. Mr. Morris added that the land use actually allows the zoning to occur.

Chair Abbate mentioned that vehicular trips are an outdated mode of monitoring, since the beach is a multimodal transportation environment.

Mr. Morris pointed out that they are asking for the funding of the study, which would come out of the operating budget (professional services). Ms. Morejon added that the request is not meant to fund the entire study through the CRA, but a proportionate amount for vacant or under-utilized land in the entire barrier island that falls in the Beach CRA. Mr. Hetzell said 84% of that was in the CRA, and Ms. Morejon said the consultant fee was applied proportionately to the total of \$41,000.

Motion made by Mr. Yaari, seconded by Mr. Schiavone, to approve the request.

Mr. Matchette asked if the money was earmarked for anything else, and Mr. Morris replied there is money earmarked for studies, and it would come out of that.

In a voice vote, the motion passed unanimously.

VI. Communications to the City Commission - none

VII. Old/New Business - none

Hearing no further business, Chair Abbate adjourned the meeting at 5:31 p.m.

[Minutes prepared by J. Rubin, Prototype, Inc.]

Attachments:

Resumes of LOMMXD team – Larry Woods, LOMMXD
Handout listing key members of their development team - Jim Wade, LOMMXD
Copy of a letter from LOMMXD to the City Commission – Stephanie Toothaker, Tripp Scott
PowerPoint presentation on project – Robert Weiss, LOMMXD
PowerPoint presentation on budget including spreadsheet – Emilie Smith