POMPANO BEACH
COMMUNITY REDEVELOPMENT AGENCY

Meeting Date: February 17, 2015 Agenda Item 14

REQUESTED CRA BOARD ACTION:

____ Resolution(s) x Consideration ____ Approval ____ Other

SHORT TITLE OR MOTION: CONSIDERATION OF A TERM SHEET FOR A DEVELOPMENT PROPOSAL FROM BOULEVARD ART LOFTS, LLC. TO CONSTRUCT A 45 UNIT MIXED-USE ARTIST BASED HOUSING AND RETAIL DEVELOPMENT ON VACANT LAND OWNED BY THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY, LOCATED ON THE SOUTH EAST CORNER OF MLK BOULEVARD AND NW 5 AVENUE.

Summary of Purpose and Why:

The Pompano Beach CRA received a Term Sheet and development proposal from Boulevard Art Lofts, LLC ("Developer") to construct a 45 unit mixed-use artist based housing and retail development at the southeast corner of Dr. Martin Luther King Jr. Boulevard and NW 5 Avenue. The concept of the proposal is to provide artisan-based housing where the artists could "live and work" in the same environment. Developer owns a 0.41 acre site (Exhibit A) located along Dixie Highway south of NW 15 Ct. The Developer intends to utilize Tax Exempt Bonds, HOME Funds, Tax Credit Equity and Deferred Development Fees to completely fund the project. As part of the proposal, Developer has requested that the CRA donate the property along MLK (Exhibit B) in exchange for the property the Developer owns on Dixie Highway (Exhibit A). Should the CRA Board accept the Term Sheet, a Development Agreement and a Buyback Agreement will need to be negotiated before returning to the CRA Board for Approval.

QUESTIONS TO BE ANSWERED BY ORIGINATING DEPARTMENT:

(1) Origin of request for this action: Staff
(2) Primary staff contact: Nguyen Tran Ext. 7769
(3) Expiration of contract, if applicable: N/A
(4) Fiscal impact and source of funding: N/A

DEPARTMENTAL COORDINATION	DATE	DEPARTMENTAL RECOMMENDATION	AUTHORIZED SIGNATURE OR ATTACHED MEMO NUMBER

X CRA Executive Director
___ CRA Director
___ Finance Director

ACTION PREVIOUSLY TAKEN BY CRA BOARD:

Resolution	Consideration	Other:
Results:	Results:	Results:

P. O. Drawer 1300
Pompano Beach, FL 33061

Phone: (954) 786-5535
Fax: (954) 786-7836

MEMORANDUM

Date: **February 11, 2015**

To: **Community Redevelopment Agency Board**

Through: **Christopher J. Brown, Co-Executive Director**
Kim Briesemeister, Co-Executive Director

From: **Nguyen Tran, Northwest CRA Director**

Subject: **Acceptance of a Term Sheet with Boulevard Art Lofts, LLC for property located at the southeast corner of MLK Blvd. and NW 5 Avenue**

Background

The Pompano Beach CRA received an unsolicited proposal on February 21, 2014 from Boulevard Art Loft, LLC (formerly MFK/REVA Development) for a mixed-use housing and retail development along the West side of Dixie Highway between NW 14 Street and NW 15 Place. The concept of the proposal is to provide artisan-based housing where the artists could "live and work" in the same environment. The proposal was presented before the CRA Board on April 29, 2014 and encountered opposition from the residents living in the Blanche Ely, Sanders Park, Liberty Park and Kendall Green Neighborhoods. The general consensus from the residents was that they were not in opposition with the development nor its concept but of its proposed location and that the development would be more appropriate somewhere along Dr. Martin Luther King Jr. Boulevard (MLK). The neighborhood suggested that this proposed development be located along MLK where the CRA is already developing a cultural arts venue and where this proposed development would have the least impact to any abutting residences. The CRA Board agreed with the concerns from the residents and voted unanimously not to move forward with the development proposal.

CRA staff has been working with the developer and their architects to locate an alternate site along the MLK corridor. Several CRA owned sites were identified as potential locations, but the property located at the southeast corner of NW 5 Avenue and MLK Boulevard was determined to be the most appropriate (Exhibit B). The proposed site is ideally located across the street from the Ali Building and Cultural Arts Complex and adjacent to the E. Pat Larkins Community Center. This location and the proposal for a mixed-use artisan based development compliment the CRA's redevelopment vision for this corridor. In addition, this development would greatly add to the growing synergy created with BaCA and the Ali Cultural Arts Complex.

CRA
POMPANO BEACH

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Project Narrative

Developer indicated in their proposal that project funding is in place and in lieu of any request to the CRA for construction financing; Developer is seeking CRA lot donations (Folio #'s 484235290050, 484235290060, 484235290090, 484235290100, 484235290120, 484235290130, 484235290140, 484235290141). As part of the proposal, Developer will exchange land owned by the Developer on North Dixie Highway (Exhibit A) with the CRA owned parcels stated above. Project funding will be as follows:

Tax Exempt Bonds:	$3,000,000
HOME Funds:	$2,800,000
4% LIHTC:	$3,203,307
Deferred Dev. Fee:	$ 132,249
Total Sources:	$9,135,556

As previously mentioned, the proposal is to construct artisan-housing to provide artists with a "live/work" space in an affordable housing environment. As a requirement of the financing through the Florida Housing and Finance Corporation's HOME Investment Partnership Program, all apartment units are set aside for tenants with incomes at or below 80% of Area Median Income (adjusting for family size). The project will construct three (3) separate mixed-use buildings consisting of 2, 3 and 4 stories for a total of 45 units. The unit mix will be a total of 5 studio units, 20 one-bedroom units and 20 two-bedroom units. Below is a table depicting proposed unit sizes with associated rental rates:

Floor Plan	Rental Rate	Square Feet
Studio	$726	600
1 Bedroom 1 Bath	$870	850
2 Bedrooms 2 Baths	$1000	1025

The development is located in the Transit Overlay District. The developer indicated that a total of 163 parking spaces will be accommodated and a total of 60 spaces will be on-street. In addition a 6,600 sq. ft. commercial/retail space will be provided.

NW CRA Advisory Committee

Mr. Don Patterson, President/CEO presented this proposal at the November 2014 NWCRA Advisory Committee meeting and the NWCRA Advisory Committee liked the concept and did not have any concerns with the project's location.

Development Agreement

A Development Agreement and Buyback Agreement would need to be negotiated and approved if this project continues.

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Recommendation

CRA Staff recommends acceptance of the Term Sheet for the Proposal submitted by Boulevard Art Loft, LLC and authorization to negotiate a Development Agreement and Buyback Agreement.

Exhibit "A"

LORI PARRISH BROWARD COUNTY PROPERTY APPRAISER

Site Address	DIXIE HIGHWAY, POMPANO BEACH	ID #	4842 35 29 0110
Property Owner	NW 15TH COURT LLC	Millage	1512
Mailing Address	11098 BISCAYNE BLVD #203 MIAMI FL 33161	Use	10

Abbreviated Legal Description	POMPANO TERRACE 10-11 B LOTS 5 THRU 11,LESS PT DESC'D AS,COMM AT SW COR OF LOT 5,ELY 103.83 TO POB,NE 151.36,NWLY 39.86,E 39.17 TO P/C,SELY 27.68, SW 164.57,W 25.97 TO POB BLK 3

The just values displayed below were set in compliance with Sec. 193.011, Fla. Stat., and include a reduction for costs of sale and other adjustments required by Sec. 193.011(8).

Property Assessment Values

Click here to see 2014 Exemptions and Taxable Values as reflected on the Nov. 1, 2014 tax bill.

Year	Land	Building	Just / Market Value	Assessed / SOH Value	Tax
2015	$165,680		$165,680	$165,680	
2014	$165,680		$165,680	$165,680	$3,464.18
2013	$143,290		$143,290	$143,290	$3,046.81

IMPORTANT: The 2015 values currently shown are "roll over" values from 2014. These numbers will change frequently online as we make various adjustments until they are finalized on June 1. Please check back here AFTER June 1, 2015, to see the actual proposed 2015 assessments and portability values.

2015 Exemptions and Taxable Values by Taxing Authority

	County	School Board	Municipal	Independent
Just Value	$165,680	$165,680	$165,680	$165,680
Portability	0	0	0	0
Assessed/SOH	$165,680	$165,680	$165,680	$165,680
Homestead	0	0	0	0
Add. Homestead	0	0	0	0
Wid/Vet/Dis	0	0	0	0
Senior	0	0	0	0
Exempt Type	0	0	0	0
Taxable	$165,680	$165,680	$165,680	$165,680

Sales History

Date	Type	Price	Book/Page or CIN
10/21/2013	WD-D	$170,000	111888668
10/10/2013	DRR-T	$100	111888667
12/28/2010	WD-T	$100	48046 / 693
8/11/2005	WD	$190,000	40300 / 1545
7/31/1997	WD	$100	26789 / 706

Land Calculations

Price	Factor	Type
$9.25	17,911	SF
Adj. Bldg. S.F.		

Special Assessments

Fire	Garb	Light	Drain	Impr	Safe	Storm	Clean	Misc
15								

Exhibit "A"

LORI PARRISH
BROWARD COUNTY
PROPERTY APPRAISER

Streets

Parcels

Aerials (2014)

0 77 ft

Exhibit "B"

NW 4TH CT
NW 4TH AVE
NW 4TH ST
NW 4TH ST
NW 3RD AVE
NW 2ND AVE
MARTIN LUTHER KING BLVD
NW 3RD ST
HAMMONDVILLE RD
NE 3RD ST
Contaminated
Site Boundaries
Broward County Transit Station
E. Pat Larkins Community Center
NW 5TH AVE
NW 6TH AVE
NW 2ND AVE
N DIXIE HWY
N FLAGLER AVE
NE 2ND ST
NW 2ND ST
NW 3RD AVE
NW 1ST ST
NE 1ST ST
W ATLANTIC BLVD
S DIXIE HWY

CRA
POMPANO BEACH

100 W. Atlantic Blvd., Room 276
Pompano Beach, FL 33061

Phone: (954) 786-5535
Fax: (954) 786-7836

Boulevard Lofts
Date: January 13, 2015

TERM SHEET
BETWEEN THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY (HEREIN AFTER "CRA") AND BLVD ART LOFTS, LLC (HEREIN AFTER "DEVELOPER") IN ANTICIPATION OF A DEVELOPMENT AGREEMENT REGARDING BOULEVARD ART LOFTS, A MIXED-USE ARTIST BASED HOUSING DEVELOPMENT

Upon execution of this Term Sheet, the parties will immediately enter into good-faith negotiations to resolve any remaining questions and produce the necessary binding agreements, including a property disposition and development agreement, consistent with the terms described below. The CRA and DEVELOPER recognize that any binding agreements will be subject to approval by the Pompano Beach Community Redevelopment Agency Board of Commissioners. Additional issues not addressed in this Term Sheet may be identified and included in the binding agreements.

This Term Sheet does not bind the parties to specific actions, decisions, or approvals, but rather is a commitment to negotiate in good faith a development agreement consistent with the terms described below. The parties will strive to complete the binding agreements expeditiously as possible. If the parties are not able to complete binding agreements consistent with this Term Sheet after negotiating in good faith, neither party shall be further bound by this Term Sheet.

1. Location: The redevelopment site is generally located at the southeast corner of Dr. Martin Luther King Jr. Boulevard and NW 5 Avenue and contains approximately 1.5 acres of vacant land (the "Subject Site").

2. Ownership: All parcels are owned by the CRA and contains the following Broward County Property Folio numbers: 484235220010, 484235220240, 484235220230, 484235220220, 484235220210, 484235220200, and 484235220190.

3. Representations: CRA represents that the northern most Lot (Folio: 484235220010), measuring approximately 150 feet wide by 130 feet deep and contains an area of contamination. This area of contamination was disclosed to the Developer and all environmental reports and studies have been made available. The contaminated Lot is currently being monitored.

4. Lease: No Leases exist.

5. Deposit: $5,000

6. Offering: Developer has offered to exchange landholdings at the SW corner of North Dixie Highway and NW 15th Court (or folio: 484235290110 - contiguous to properties owned by the CRA) valued at approximately $200,000 and associated data reports to include A/E, environmental, geotechnical with a value total of $193,000. Additionally, engineering has estimated $139,000 in "offsite improvements" for the Subject Site for which the Developer will be responsible. Thus, the total value offered by the Developer in exchange for conveyance of parcels at the MLK location indicated above is $502,000.

7. Sources and Uses of Funds: Except otherwise specified herein, Developer shall be solely responsible for securing its financing and other funding sources required for designing, planning, construction and development of the mixed-use development.

8. Pre-Development Expenses: The Developer shall be responsible for project pre-development expenses; provided, that, for the avoidance of doubt, the Developer shall have no obligation to reimburse the CRA for any pre-development expenses incurred by the CRA prior to the date hereof.

9. Development: The CRA and Developer intend to work together in a collaborative and cooperative manner to develop the mixed-use housing development in a fiscally responsible manner. The Development will be named "Boulevard Art Lofts" containing forty five (45) live/work housing units with a preference for artists. The Developer shall be responsible for, and shall lead all phases of the planning, environmental review, design, development, and construction of, the mixed-use housing development and related infrastructure including the the design, development and construction of NW 4 Avenue and a portion of NW 2 Street as depicted in the attached site plan. The CRA shall have the right to provide meaningful input with respect to the development, which input the Developer shall reasonably consider in good faith. CRA approval rights, as well as other standards, requirements, and timing related to design, development, and construction shall be established in the definitive legal documents.

The parties intend that the entire project will be conducted as a cooperative, mutual endeavor in which the parties actively participate and work together with due diligence and in good faith. The parties will put in place and manage a design process for the mixed-use development whereby the CRA will have input and will participate in developing a design that achieves the best possible project within the agreed program description based on the proposed project budget. The CRA will be entitled to provide its input, and to the extent required by existing law will have approval rights, with respect to the design at various stages of the design process, including Site Plan, design development, and construction document phases of the project. Developer proposes the following:

Total Levels (Story):	2, 3, and 4
Total Parking Spaces:	163
Total Spaces on Street:	60
Total Units:	45
Unit Mix:	5 - Studio @ 600 Sq. Ft. 20 - 1 Bd @ 850 Sq. Ft. 20 - 2 Bd @ 1,025 Sq. Ft.

Total Commercial/Retail Space:	6,600 Sq. Ft.
Total Permanent Jobs Created:	5-10 (not including construction)
Total Project Cost:	$9,135,556
Estimated Tax Increase	$27,000 Annual

10. Schedule: The CRA and Developer shall work cooperatively and make all reasonable efforts to complete the mixed-use development as expeditiously as possible. Developer has submitted a schedule of milestones and estimates starting the following milestones according to the timeframes below:

Submit LIHTC Application:	4/15/2015
Receive LIHTC Award:	6/15/2015
Submit Building Permits:	6/30/2015
Receive Building Permits:	9/01/2015
Obtain Gap Funding/Closing:	9/15/2015
Construction Start:	9/30/2015
Construction Completion:	8/31/2016
Leasing Activities:	10/31/2016
Stabilized Operations:	11/30/2016

11. Local Participation: Developer will, to the greatest extent possible, perform community outreach to involve local community participation in the design and construction of this project. Outreach efforts may include but not limited to the marketing of and administering of job fairs, development of training and apprenticeship programs, setting hiring goals, etc.

ACCEPTED AND AGREED TO BY:

AS TO "DEVELOPER"
Boulevard Art Lofts, LLC.

By:_____
Don D. Patterson, Managing Member

By:_____
M. Fred Knoll, Managing Member

AS TO "CRA"

By: _____
Christopher J. Brown, Co-Executive Director

By: _____
Kim Briesemeister, Co-Executive Director

BOULEVARD ART LOFTS - PROJECT NARRATIVE

MFK|REVA Development, LLC and the NW Pompano Beach CRA (as a public/private partnership) proposes to develop a new mixed-use project for arts-based housing and commercial within an economically depressed NW neighborhood.

VIEW LOOKING NORTH

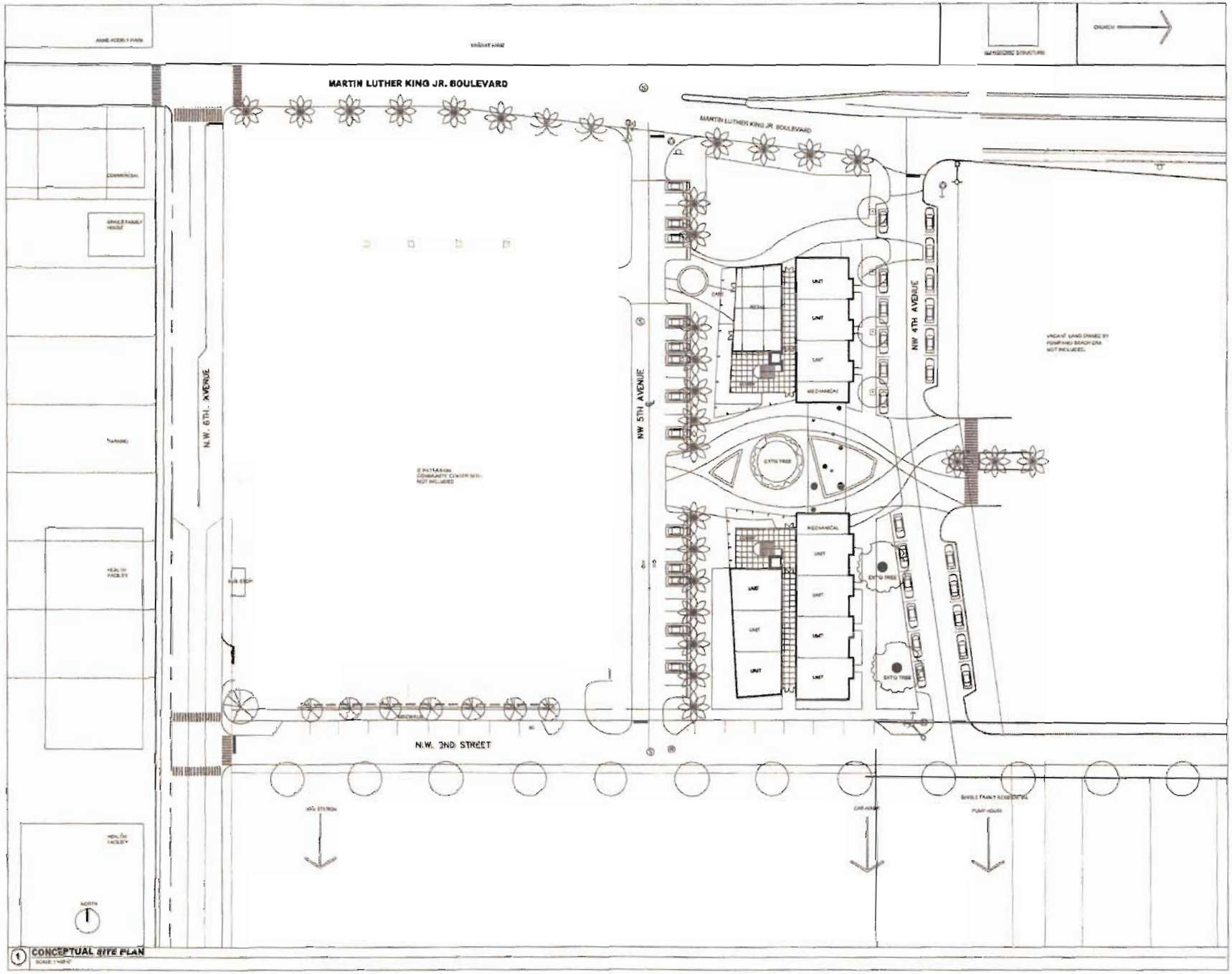
Consistent with the Northwest Pompano Beach CRA Master Plan, MFK|REVA Development, LLC intends to develop loft-styled apartments and commercial/retail space on MLK Boulevard. The "Boulevard Art Lofts" project is a 45-unit mixed-use "live/work" design in a workforce/business environment. All 45-units will be built on vacant land adjacent to an existing E. Pat Larking Community Center. This approximately $9.1 million development will also include galleries, studios, a community business center managed by a property management professionals and artists, and a 15,000 square feet community center. In addition to proving an attractive high-quality living environment, this development seeks to cultivate and sustain an artist-based community, support the initiative to grow a cultural arts district , and generate the momentum necessary to stimulate local economies and stabilize existing and future CRA programs.

Currently, infrastructure, hardscape, and landscape improvements are well underway on MLK Blvd. The Project is located within the CRA boundary at 5th Avenue and MLK Blvd. The CRA and MFK|REVA have identified a development site consistent with the NWCRA Master Plan for Redevelopment. In addition to live/work apartments, this development seeks to incorporate a MLK Arts & Technology Training program within the project's commercial space. This program will offer an after-school visual arts programs for at-risk K-12 students, and an introduction to a variety of art-based career training programs. And finally, this facility will also include a professional business center in a co-work space environment for professionals and entrepreneurs.

PARTIAL EAST ELEVATION

BOULEVARD ART LOFTS - PROJECT DETAILS SUMMARY

LOCATION:	408 Martin Luther King Boulevard (Hammondville Road), Pompano Beach, Florida – Qualified Census Tract 304.02
PRODUCT TYPE:	Mixed-Use - Live/Work Housing Development for Artists
PROPOSED PROJECT:	The project is a 45 unit mixed use, live/work development on 7 Parcels owned by the Pompano Beach CRA. The Project is targeted for households making up to 60% of Median income. The proposed development is consistent with the Pompano Beach CRA Master Plan and supports the initiative to develop a sustainable cultural arts district, spur economic revitalization, create opportunities for small businesses, and entrepreneurs, while providing sustainable housing for artists.
DEVELOPMENT COST:	$9,135,556
ACCESSIBILITY:	Properties are located between NW 5th and NW 4th Avenues, fronting NW 2nd Street to the south and MLK Boulevard to the north
ZONING:	The subject property is zoned Transit Oriented/Overlay Which permits mixed use housing/commercial
SIZE:	The combined subject parcels total approximately 1.51 acres
TOPOGRAPHY:	The site appears to be at level grade, and require no fill or export
UTILITIES:	Public utilities are to the property and consist of water, sewer, electricity, and telephone, with possible upgrades
DEVELOPER/GP:	MFK|REVA Development LLC
OWNER:	BLVD ART, LLC
FINANCING:	Florida Housing Finance Corporation multi-family non-Competitive bond program with 4% tax credit and HOME program
CONSULTANTS:	Tim Talbert, JW Anthony Construction
ARCHITECT:	John Tice, Gallo Herbert Architects
GEN. CONTRACTOR:	TBD



1 CONCEPTUAL SITE PLAN

SALLO HENNEPT ARCHITECT

1511 W NEWPORT CENTER DRIVE
DEERFIELD BEACH, FLORIDA 33442
PH. 954.794.5200 FX. 954.794.5201
AA-0003852

A MIXED USE DEVELOPMENT FOR
MFK / REVA DEVELOPMENT

MFK / REVA DEVELOPMENT, LLC
POMPANO BEACH, FLORIDA

CRA REVIEW SET	7-17-14

9-9-14

29-10-14

AS NOTED

AD BH

CONCEPTUAL SITE PLAN

SP-1

LORI PARRISH
BROWARD COUNTY
PROPERTY APPRAISER

Site Address	408 HAMMONDVILLE ROAD, POMPANO BEACH	ID #	4842 35 22 0010
Property Owner	POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY	Millage	1512
		Use	28
Mailing Address	100 W ATLANTIC BLVD POMPANO BEACH FL 33060		

Abbreviated Legal Description	BEVILL & SAXONS ADD 3-2 B LOT 1 TO 3,LESS BEGIN NW COR OF LOT 3,E 150 TO E/L LOT 1, S 36.46,W 150.47 TO W/L LOT 3, N 24.70 TO POB,43,44 AKA: PARCEL A CASE #02-018487

The just values displayed below were set in compliance with Sec. 193.011, Fla. Stat., and include a reduction for costs of sale and other adjustments required by Sec. 193.011(8).

Property Assessment Values

Click here to see 2014 Exemptions and Taxable Values to be reflected on the Nov. 1, 2014 tax bill.

Year	Land	Building	Just / Market Value	Assessed / SOH Value	Tax
2015	$149,580	$13,640	$163,220	$163,220	
2014	$149,580	$13,640	$163,220	$163,220	
2013	$149,580	$13,640	$163,220	$163,220	

IMPORTANT: The 2015 values currently shown are "roll over" values from 2014. These numbers will change frequently online as we make various adjustments until they are finalized on June 1. Please check back here AFTER June 1, 2015, to see the actual proposed 2015 assessments and portability values.

2015 Exemptions and Taxable Values by Taxing Authority

	County	School Board	Municipal	Independent
Just Value	$163,220	$163,220	$163,220	$163,220
Portability	0	0	0	0
Assessed/SOH	$163,220	$163,220	$163,220	$163,220
Homestead	0	0	0	0
Add. Homestead	0	0	0	0
Wid/Vet/Dis	0	0	0	0
Senior	0	0	0	0
Exempt Type 15	$163,220	$163,220	$163,220	$163,220
Taxable	0	0	0	0

Sales History

Date	Type	Price	Book/Page or CIN
6/1/2006	QC*	$100	**42227 / 771**
5/1/1989	WD	$100	**16721 / 462**
12/1/1986	WD	$35,000	

* Denotes Multi-Parcel Sale (See Deed)

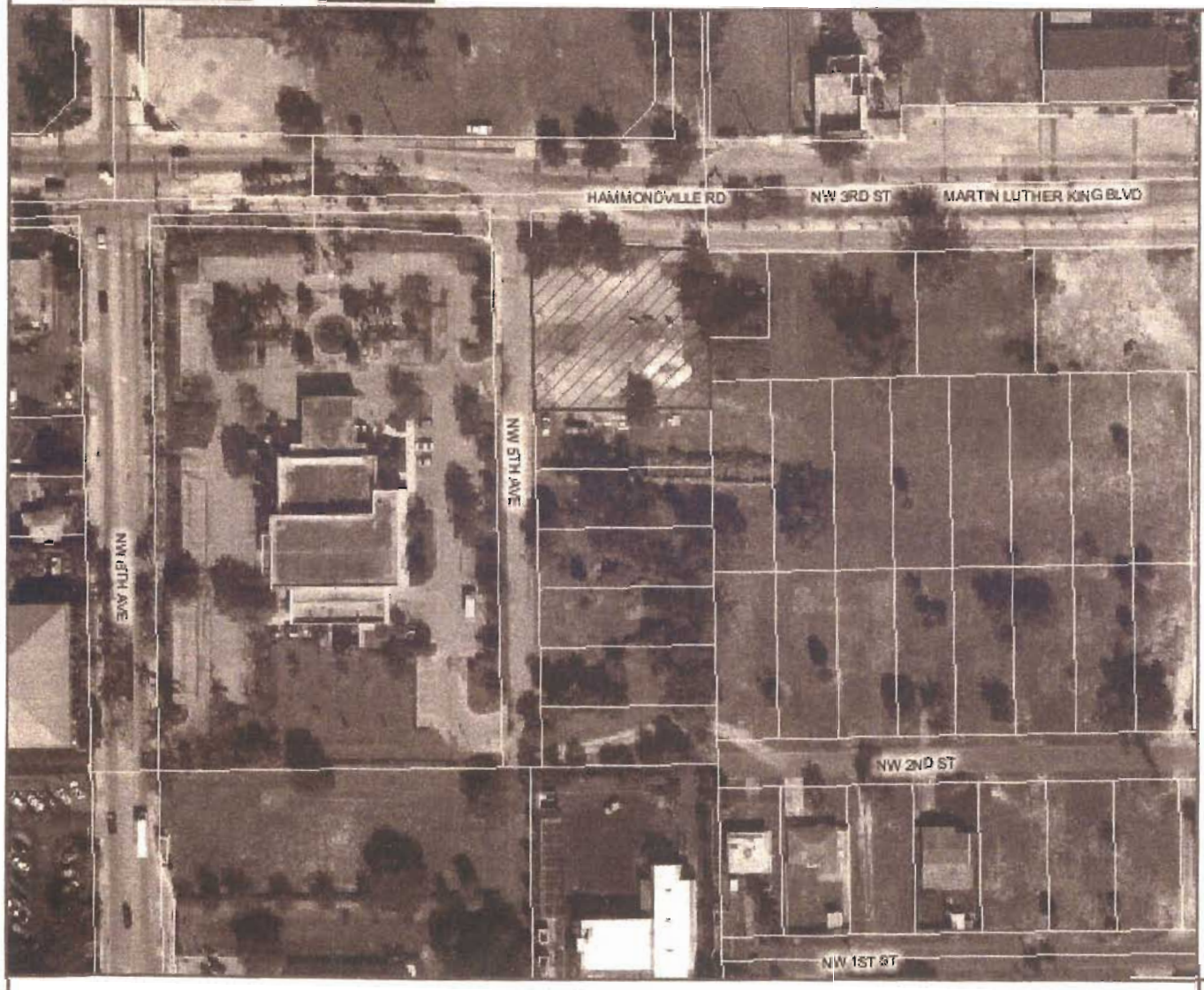
Land Calculations

Price	Factor	Type
$7.25	20,632	SF
Adj. Bldg. S.F. (See Sketch)		

Special Assessments

Fire	Garb	Light	Drain	Impr	Safe	Storm	Clean	Misc

LORI PARRISH
BROWARD COUNTY
PROPERTY APPRAISER



Streets
Parcels
Aerials (2014)
County Boundary

Map

0 62 ft