

## REPORT OF INVESTIGATION

K #: K07-012

Date Opened: February 5, 2007

Name of investigator: Breno Penichet

### **Allegation:**

**This Investigation is predicated upon information received in the form of a newspaper article that appeared in the Miami Sun Post titled “Miami Lot Handover”.**

**In the article it was reported that the Miami Community Redevelopment agency (CRA) was going to allow Mr. Albert Milo Jr. (dba) Urban Development Group (UDG) to build on a City owned lot an affordable housing complex replacing an existing parking lot now serving the public, in the area of NW 10<sup>th</sup> Street and Third Avenue.**

### **Investigation:**

COE Investigator Penichet became aware that Mr. Milo Jr. had approached the director of the CRA and had presented an unsolicited proposal for a project known as Jazz Village. The proposal presented by Mr. Milo Jr. on behalf of his company UGD called for the CRA to give the land which served as a parking lot to UGD for free and for the CRA to also pay for a parking garage. In return the developer would deliver a mixed use development consisting of between 40-49 affordable condominium units, between 10,000 and 12,000 square feet of ground floor retail space, between 24,000 and 28,000 square feet of office space, and between 72 and 85 affordable tax credit rental units.

- COE Investigator Penichet became aware that Mr. Milo Jr. was not a registered lobbyist but may have acted as one when he solicited the CRA on behalf of his company and possibly other partners yet unnamed.
- COE Investigator Penichet and Skinner contacted the City of Miami Clack's office and after records check it was revealed that Mr. Milo Jr. was not registered as a lobbyist in the City of Miami.
- COE Investigators Rosario and Penichet interviewed Mr. Frank Rollason the Executive Director of the Community Redevelopment Authority (CRA). Mr. Rollason advised he was approached by Mr. Alberto Milo Jr. / dba Urban Development Group (UGD) with an unsolicited proposal for a mixed used development consisting of affordable housing along with ground floor retail space. The project was to be built partly on City of Miami property parking lot P-3 located in the Overtown CRA. Mr. Rollason advised that Mr. Milo presented the proposal without it being advertised or any type of RFP solicitation for the project having been announced. Mr. Rollason indicated that he was under the impression that Mr. Milo was acting under the direction of CRA Chair Michelle Spence-Jones, Rollason advised that Milo was very forceful in his presentation.
- According to the paper work provided by the CRA the original unsolicited proposal was placed on the SEOPW & Omni Board of commissioners meeting July 31, 2006 as Item # 1. The proposal is accompanied by a letter submitted by Mr. Milo Jr. as President of UDG, requesting that the package be placed in the agenda for the meeting.
- COE Investigators Skinner and Penichet interviewed Mr. James Villacorta the Executive Director for the City of Miami CRA at the present time. Mr. Villacorta advised that he took over after Mr. Rollason left to run for political office, He (Villacorta) was well aware of the "Jazz Village Project" due to the fact that he was the City Attorney overseeing the progress of the proposal and was well aware that

this was unsolicited. Mr. Villacorta further advised that since this project was introduced, many changes have occurred. The most significant one is the fact that Mr. Milo's project did not have all the units within the property that the City was going to turn over to Milo for the project. The other point of contention was the fact that Milo wanted the City to finance a parking garage to be built on the property by the City using City funds.

- A committee set up to study the impact of the project on the area also recommended that the parking lot remain as is and that the Jazz Village project be put on hold.
- Mr. Villacorta advised that after several meetings with the CRA board and the advisory board it was decided that the project was advertised again and a new set of specs are accepted taking into account all the requirements set forth by the Overtown advisory Board.
- The Jazz Village Project was the one that was accepted due to the fact that after it was reintroduced it met all the requirements. The project also included other minority vendors, and would create business opportunities in the area.
- COE Investigators Rosario and Penichet interviewed Mr. Alberto Milo Jr. accompanied by his attorney Mr. Samuel "Clay" Reiner. Mr. Milo advised that he is the president of Urban Development Group (UDG) and he specializes in Affordable-Housing Projects. Mr. Milo advised that he has completed several other Government sponsored projects such as "Spring Gardens, Sunset Palm Villas in Little River and Lake View Villas in Opa-Locka. Mr. Milo advised these projects some were results of RFP and some were unsolicited proposals presented to the Respective CRA'S.
- Mr. Milo along with his Attorney stated that they believed there was no restriction as far as approaching the CRA and meeting with the Staff and including the actual Board members, in fact Mr. Milo advised he appeared in front of the Board on this issue several times, and met independently with Board members particularly

Commissioner Michelle Spence-Jones. Mr. Milo advised he would comply with any request made by the COE in order to be in compliance.

- All the information concerning this Investigation was reviewed by the Advocate and it was decided that Mr. Milo would need to register with the City as a Lobbyist. This information was relayed to Milo via certified letter. Mr. Milo attempted to register and was turned away by the City Clerk citing Legal opinion # 06-008. The City of Miami's Legal Department reviewed the applicable laws and Ordinances and determined that persons appearing in front of the CRA did not have to register as lobbyist.
- The Advocate reviewed the paper work forwarded to the COE by Mr. Milo's Attorney and a decision was made to follow the City's Legal Opinion.

**CONCLUSION:**

Case Closed.