



400 South Federal Hwy
Hallandale Beach, FL 33009

City of Hallandale Beach City Commission Agenda Cover Memorandum

Meeting Date:	September 7, 2016		Item Type: <i>(Enter X in box)</i>	Resolution X	Ordinance	Other
Fiscal Impact: <i>(Enter X in box)</i>	Yes	No	Ordinance Reading: <i>(Enter X in box)</i>	1 st Reading		2 nd Reading
	X		Public Hearing: <i>(Enter X in box)</i>	Yes		No
Funding Source:	Development Agreements		Advertising Requirement: <i>(Enter X in box)</i>	Yes		No
						X
Account Balance:	N/A		Quasi-Judicial: <i>(Enter X in box)</i>	Yes		No
						X
Project Number:	N/A		RFP/RFQ/Bid Number:	N/A		
Contract/P.O. Required: <i>(Enter X in box)</i>	Yes	No	Strategic Plan Priority Area: <i>(Enter X in box)</i>			
	X		Safety <input checked="" type="checkbox"/> Quality <input type="checkbox"/> Vibrant Appeal <input type="checkbox"/>			
Sponsor Name:	Daniel A. Rosemond, City Manager		Department:	Office of the City Manager		

Short Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXPEND THE NECESSARY FUNDS, BASED ON THE ESTIMATION OF EXPENSES PREVIOUSLY PROVIDED BY COUNSEL, TO COMPLETE THE EVALUATION AND ASSESSMENT OF THE HIBISCUS ROAD PROJECT INCLUSIVE OF THE RECOMMENDED DESIGN OF A POTENTIAL RIGHT OF WAY IMPROVEMENTS, VALUATION ANALYSIS OF THE LAND NECESSARY FOR PROPOSED RIGHT OF WAY IMPROVEMENTS, INCLUDING POTENTIAL SEVERANCE DAMAGES AND AUTHORIZING OUTSIDE COUNSEL TO RETAIN THE NECESSARY INDUSTRY CONSULTANTS AND UTILIZE SUCH OTHER INTERNAL MEASURES NECESSARY FOR THE PROVIDING AN ANALYSIS AND OPINION ON POTENTIAL BUSINESS DAMAGES; AND PROVIDING AN EFFECTIVE DATE.

Staff Summary:

Background:

This agenda item relates to the City's Strategic Priority of Safety, Organizational Goal 1.1 – to provide for safe, convenient, and reliable connectivity for all forms of travel.

Furthermore, the item seeks City Commission authorization to expend the necessary funds, based on the estimated expenses previously provided by counsel (Exhibit 2), to complete the evaluation and assessment of the Hibiscus Road Project, including the recommended design of potential right-of-way improvements, valuation analysis of the land necessary for proposed right of way improvements and potential severance damages.

At the May 18, 2016, regular City Commission meeting, the City Commission:

- ✚ Authorized payment of preliminary expenses related to due diligence activities pursuant to Hibiscus Road improvements in an amount of \$125,857.50;
- ✚ Directed staff to obtain clarification on the estimated scope of work to conclude the due diligence activities pursuant to Hibiscus Road improvements, including moving forward in collaboration with the Village of Gulfstream Park (VGP), and also to complete an economic impact analysis; and,
- ✚ Directed staff to continue to work with the owners of VPG to enter into an agreement pertaining to the non-admissibility of certain documents created and/or facts discovered through the voluntary exchange of documents between the City and VGP land located to the immediate south of the site of the proposed Hibiscus Street right of way infrastructure improvements.

Current Situation:

Staff has entered into an agreement pertaining to the non-admissibility of certain documents created and/or facts discovered through the voluntary exchange of documents between the City and VGP, and is now ready to continue negotiations with VGP regarding improvements to Hibiscus Road.

Furthermore, as directed by the City Commission during the May 18 Commission Meeting, staff has confirmed the expenses related to the remaining scope of work to conclude the due diligence activities pursuant to proposed Hibiscus Road improvements, including moving forward in collaboration with Gulfstream Park (VGP) as follows:

- ✚ \$262,200.00 -> To complete a valuation and economic analysis of the impact that the proposed improvements to Hibiscus Road may have on Village of Gulfstream Park. Said valuation and economic analysis generally includes an evaluation of the following three considerations:
 1. Estimate of the value of the land that may be required for the public project;
 2. Estimate of damages, if any, to private property owner(s) of the remaining land; and,

3. Estimate of damages, if any, and to the extent made possible through the exchange of information with certain lawful business owners who may be operating on the remainder property.

The above cost estimate also includes the estimate of additional title work, real estate appraisal and business valuation work from retained professionals, and attorneys' fees. The cost estimate, does not, however, include the full amount of attorney's fees associated with an analysis of potential business damages. This is primarily because at this time VGP has not shared any financial or business records with the City as of this date. Therefore, any meaningful analysis of prospective business damages that an operator on the remainder property may have, is uncertain until such information is received from the affected business owner. Now that the City has entered into an agreement with VGP, staff is prepared to enter into good faith negotiations with VGP. To that end, staff will advise the City Commission should additional expenses in excess of City Manager's purchasing authority of \$50,000 need to be incurred. Furthermore, it should be noted that this estimate assumes acquisition and valuation of six (6) parcels. Any additional parcels would increase the estimated costs proportionately.

In addition, staff is recommending an additional \$25,000 be added to the estimate for purposes of securing the necessary gaming/racetrack industry professional consultants to assist in providing analysis and opinions concerning potential business damages. There is also a \$5,000 to \$8,000 increase in the attorney's fee estimate associated with pressing the retained professionals into a full scale ramping up of all the work that needs to be done.

Overall, the cost estimate to complete the due diligence related to improvements to Hibiscus Road is as follows:

\$262,200.00	-> Complete Due Diligence (Exhibit 2)
<u>\$ 25,000.00</u>	-> Securing Necessary gaming/racetrack Consultants**
<u>\$ 8,000.00</u>	-> Additional Fees to Expedite Tasks

TOTAL \$295,200.00

Why Action is Necessary:

The City Commission has authorized staff to explore the construction of a roadway at the current incomplete Hibiscus Road site. In addition, the City Commission, during the May 18, 2016 City Commission Meeting, directed staff to complete the due diligence process, including completion of an economic impact analysis and good faith negotiations with VGP. Furthermore, the City Commission directed staff to obtain clarification on the cost estimates and scope of work to complete the due diligence, and to bring back the information for City Commission consideration. Accordingly, staff is bringing the item for consideration by the City Commission, as well as for approval of the proposed expenditures as these are in excess of the City Manager's spending authority.

Fiscal Impact:

Total estimated costs at this time are as follows:

 \$ 295,200.00 -> To complete tasks as described above
 \$ 125,857.50 -> Previously disbursed payments per May 18 Commission Meeting
TOTAL \$ 421,057.50

Recommendations:

Staff recommends approval of the attached resolution authorizing the City Manager to expend the necessary funds, based on the estimation of expenses provided by counsel, to complete the evaluation and assessment of the Hibiscus Street project.

Attachment(s):

Exhibit 1 - Resolution
Exhibit 2 – Estimate of Costs
Exhibit 3- Clarification of Costs/Scope of Work