



Hallandale Beach Community Redevelopment Agency Board of Directors Meeting Agenda Cover Memo

Meeting Date:	September 19, 2016		Item Type:	Resolution X	Ordinance	Other	
Fiscal Impact:	Yes	No	Ordinance Reading:		1st Reading		2nd Reading
	X		Public Hearing:		Yes	No	Yes
						X	X
Funding Source:	561000 – Land Acquisition		Advertising Requirement:		Yes		No
							X
Account Balance:	\$500,000 (FY 16- 17)						
Project Number:	16305		RFP/RFQ/Bid Number:		N/A		
Contract/P.O. Required:	Yes	No	Strategic Priority (Enter X in box): <div style="display: flex; justify-content: space-between;"> <div> Capital Improvements Goal 1 - Undertake Total Improvements of Public Realm Goal 2 -Promote Public/Public and Public/Private Partnership Promote Projects with Large-Scale Impacts Goal 1 – Issue a Request for Proposals (RFP) for NW infill Housing Goal 2 – Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel Priority Area: North West Quadrant FEC Corridor Southwest Quadrant Northeast Quadrant Southeast Quadrant </div> <div style="text-align: right;"> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> </div> </div>				
	X						
Sponsor Name:	Daniel A. Rosemond, HBCRA Executive Director		Department:		HBCRA		



Short Title:

A RESOLUTION OF THE CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY, HALLANDALE BEACH, FLORIDA, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE NECESSARY DOCUMENTS TO PURCHASE THE REAL PROPERTY LOCATED AT 211 N.E. 3rd STREET WITH FOLIO NO. 5142-22-12-0171 FOR A PURCHASE PRICE OF \$260,000 PLUS CLOSING COSTS, AND AT 215 N.E. 3rd STREET WITH FOLIO NO. 5142-22-31-0070 FOR A PURCHASE PRICE OF \$220,000; AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH ICEBOX CAFE RE, LLC TO REDUCE THE FUNDING COMMITMENT BY \$100,000; AND PROVIDING AN EFFECTIVE DATE.

Staff Summary:

Background:

On March 18, 2015 the City Commission approved the site plan for the ArtSquare project via Resolution No. 2015-16, which is a mixed use development consisting of 10,264 square feet of retail commercial use; 358 residential units (132 one bedroom; 209 two bedroom; 17 three bedroom units and 8 live work units). The site plan also includes a 2-story parking garage with 328 spaces and 210 surface parking spaces. The estimated construction cost is approximately \$48-50 million, and the projected market value is \$80 million. Currently the project is at the permitting stages.

The Art Square project represents significant private investment in this section of the Redevelopment Area. Viewing this project as catalytic in nature, CRA has explored options to leverage the private (and public) investment by expanding options for redevelopment in the immediate area.

Current Situation:

On May 18, 2015 CRA staff informed the Board that the CRA was pursuing the acquisition of a total of four (4) residential properties along NE 3rd Street, between NE 3rd Avenue and NE 2nd Avenue. The properties are the following:

1. 301 NE 3 Avenue
2. 219 NE 3 Street
3. 215 NE 3 Street
4. 211 NE 3 Street

To date, 301 NE 3 Avenue, 219 NE 3 Street, 203 & 207 NE 3 Street have all been acquired by the HBCRA for a combined acquisition cost of \$1,400,300.



All of these properties present a redevelopment opportunity for pedestrian activation and connectivity between the Fashion Art Design District and the upcoming Art Square mixed use project.

211 NE 3 Street and 215 NE 3 Street presented challenges for the acquisitions when the properties were identified and considered for the revitalization of NE 3 Street. For 211, communication with the owners was very difficult. They did not want to discuss the possible sale of their property until a loan modification was completed. Records revealed that the loan for property was being modified to attempt to reduce the loan amount. This process took several months and needed to be completed in order for them be able to sell the property.

The property located at 215 NE 3 Street was bank owned after going through a foreclosure process. CRA staff and Realtor tried numerous times to reach the appropriate person at the bank but unfortunately, the bank would not discuss or entertain the possibility of selling the property. The foreclosure process was not done properly by the bank and the property had to be deeded back to original property owners. This process took several months as well.

Fortunately, after several efforts and the challenges mentioned above PRAG Realtors was able to secure sales commitments as follows:

- **211 NE 3 Street**
 - **Homesteaded:** No
 - **Owner:** Perez, Ralph & Donna Friedman
 - **Appraised Value:** \$190,000
 - **"As is" agreed purchase price:** \$260,000 (subject to HBCRA Board approval and environmental report)
 - **Amount over appraised value:** \$70,000 (approx. 37%)
 - **Notes:** Property is an income source for the owners and did not agree to sell for less than \$260,000.
- **215 NE 3 Street**
 - **Homesteaded:** Yes
 - **Owner:** Curry, Whitney & Valerie
 - **Appraised Value:** \$190,000
 - **"As is" agreed purchase price:** \$220,000 (subject to HBCRA Board approval and environmental report)
 - **Amount over appraised value:** \$30,000 (approx. 16%)
 - **Notes:** Property owners have lived in this property for over 20 years and will not sell for less than the \$220,000.

The map below reflects the location of the properties and their proximity to the ArtSquare project.



On May 16, 2016 the CRA Board of Directors approved the Development Agreement between the HBCRA and Icebox Café, LC for the construction of a 9,300 SF commissary facility, and a 1,900 SF greenhouse (Phase I). The acquisition of the two subject properties will allow Icebox Café to implement the Phase II of the project, which consists of the creation of the required parking spaces to operate the business.



As shown in the image above, the acquisition of the properties located at 211 NE 3 Street and 215 NE 3 Street allows the proprietor of the Icebox to develop the full site now without having to use off-site parking to meet their requirements. To that end, the Icebox has agreed to amend their existing agreement with the HBCRA by reducing the HBCRA's funding commitment by \$100,000, which is the amount over the appraised value for both properties combined.

The image below is a conceptual image for the Icebox project.



Analysis:

The impetus behind acquiring the 2 remaining properties being proposed as follows:

- ArtSquare project includes an extensive streetscape improvement component of N.E. 3 Street
- 1 of the 2 properties is non-owner occupied.
- Code Enforcement cases:
 - 215 NE 3 Street – Work without permit, landscape and parking deficiencies, bulk trash on site and roofing issues.
 - 211 NE 3 Street – Work without permit, landscape, general maintenance and parking deficiencies.
- Acquisition of these properties will allow for the demolition of the existing structures and assemble the land needed to accomplish the phase I & II for the Icebox Café project.
- Redevelopment of these 6 parcels, combined with the streetscape improvement will allow for pedestrian activation and connectivity between ArtSquare and Fashion Art and Design District

Fiscal Impact:

The total for both property acquisitions is \$480,000 plus closing costs (estimated at \$3,000 for each property).



Why Action is Necessary:

According to Florida Statute 163.370(2)(c)(1) the CRA is authorized to purchase property; and according to the 2012 CRA Implementation Plan, Programmatic Goal R – Land Acquisition, Development and Related Activities. It is a goal of the CRA to implement the full spectrum of land acquisition and demolition including the purchase of developed and/or vacant properties for purposes of affordable housing, economic development, assemblage and sale, the actual development/redevelopment of properties, environmental assessments and/or remediation of contaminated properties.

According to Administrative Policy No. 2027.011, Policy and Procedures Related to Real Estate Acquisition, Disposition and Lease by the Hallandale Beach Community Redevelopment Agency – All acquisitions of real property for a purchase price in excess of \$25,000 (either individually or in the aggregate) shall require the approval of the HBCRA Board.

Proposed Action:

Staff recommends the Board of Directors to authorize the HBCRA Executive Director to purchase the real property located at 211 NE 3 Street, Hallandale Beach, FL 33009 for the amount of \$260,000; and to execute all necessary documents related to the purchase of the same real property; and to purchase the real property located at 215 NE 3 Street, Hallandale Beach, FL 33009 for the amount of \$220,000; and to execute all necessary documents related to the purchase of the same real property. Further, Staff recommends an amendment to the executed Development Agreement between the HBCRA and Icebox, reducing the funding commitment by \$100,000.

Attachment(s):

- Exhibit 1 – Resolution
- Exhibit 2 – Appraisal for 211 NE 3 Street
- Exhibit 3 - BCPA Report for 211 NE 3 Street
- Exhibit 4 – Sales/Purchase Agreement for 211 NE 3 Street
- Exhibit 5 – Appraisal for 215 NE 3 Street
- Exhibit 6 – BCPA Report for 215 NE 3 Street
- Exhibit 7 – Sales/Purchase Agreement for 215 NE 3 Street