

# City of Hallandale Beach City Commission Agenda Cover Memo

Fiscal Impact: (Enter X in box)  Yes No Ordinance Reading: (Enter X in box)  TBD Public Hearing: (Enter X in box)  Advertising Requirement: (Enter X in box)  Advertising Requirement: (Enter X in box)  Yes No  Advertising Requirement: (Enter X in box)  Yes No  XX  Account Balance:  N/A Quasi Judicial: (Enter X in box)  RFP/RFQ/Bid Number:  N/A  RFP/RFQ/Bid Number:  N/A  Contract/P.O. Required: (Enter X in box)  Yes No  Strategic Plan Priority Area: (Enter X in box)  Safety  Vibrant Appeal  Sponsor Name:  City Manager Roger M. Carlton  Cathie Schanz, Director	Meeting Date:			Item Type:	Resolution	Ordinance		Other			
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Discussion of the North City Beach Park Center short term and long term operations.

## **Staff Summary:**

#### Background:

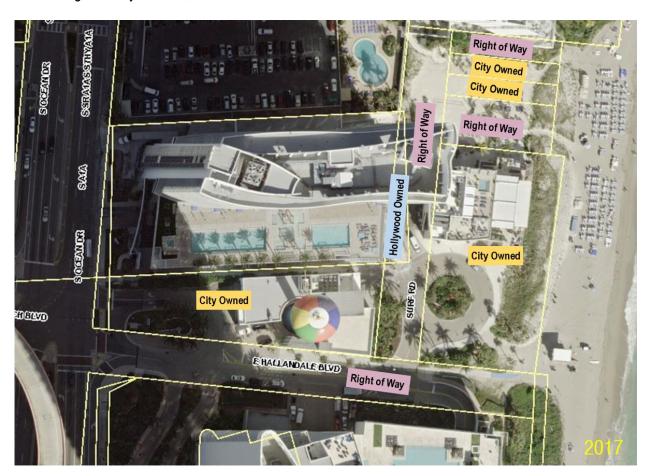
The North City Beach Park Center is a 6,000 square foot facility that wraps around the iconic Hallandale Beach 'Beach Ball' Water Tower. The building also houses the beach Fire Station. The North City Beach Park Center was originally built on City Property by the Beach Club Condominiums for use as a Sale Center in 2004. Once turned over to the City, the North City Beach Park Center was renovated by Public Works and opened to the public for City use and rentals in May, 2011.

Records on the use of the facility in 2011 show four rentals in July, 2011 with \$3,758 in revenue and four rentals in October, 2011 with \$5,975 in revenue. No other records were found.

On December 6, 2012, the City Commission entered into an Operating and Management Agreement with PRH Beachwalk Beachclub, LLC to provide for the construction, operation, and management of North City Beach Park improvements and facilities. On October 10, 2012, the City Commission entered into a Lease Agreement with PRH-2600 Hallandael Beach, LLC for the lease of the North City Beach Park Center for use as a Sales Center for its Beachwalk project. This lease agreement was amended to extend the lease terms, allowing the developer to use as a Sales Center for the Hyde Beach Resort. The term of the initial amended agreement ended on October 9, 2016. The tenant continued to occupy the property and remit the lease payment in accordance with the Agreement. The lease was again extended until July 31, 2017.

The North City Beach Park Center parcel is one of seven parcels that comprise North City Beach Park. Four of the seven parcels are City Owned, four are right-of-ways, and one is owned by the City of Hollywood as follows:

City of Hallandale Beach: 514226010150, 514226010160, 514226010170, 514226010210 Public Land % City of Hollywood Office of Business & International Trade: 514226230020 Right-of-way: Surf Rd, E Hallandale Beach Blvd



Currently, the Hollywood owned parcel and a portion of the Surf Road right-of-way parcel are under a License Agreement with the City of Hollywood. This license agreement provides for the accommodation of City park facilities including beach volleyball courts, landscaping, pedestrian enhancements, and vehicular driveway for the restaurant facility located on Surf Road.

In addition, several of the right-of-way and City owned parcels are under a thirty year Operation and Management Agreement with PRH Beachwalk Beachclub, LLC for the construction and operation of the Developer Improvements to the North City Beach Park property including the soon to be reopened Beach-Chu restaurant.

#### Why Action is Necessary:

The North City Beach Park Center is scheduled to be returned to the City in July, 2017, after required lease-end upgrades are completed. To prepare for the return to City operations, staff has evaluated possible uses for the North City Beach Park Center and/or the entire North City Beach Park property. This assessment has identified the following constraints, strengths, and opportunities for use of the property:

#### Constraints:

- The existing water tower is an iconic structure in Hallandale Beach. It is operational and provides water pressure to customers east of the Intercoastal. Moving the water tower would require hydraulic engineering and an alternative for providing water pressure east of the Intercostal.
- The existing Fire Station which shares the structure with the North City Beach Park Center is functioning and required to provide adequate fire rescue protection to the beach area.
- There are no Zoning provisions that allow for Air Rights.
- Overlap of property uses complicates competitive bidding for use of building/ property.
- Any assembly use will require identification of adequate alternative parking for users. Onsite parking is extremely limited and additional parking generated by use of the North City Beach Park Center is unavailable onsite without the construction of a parking garage.

The overriding concern regarding use of the center is the lack of adequate parking for current use and current lack of space to accommodate additional parking needs generated by use of the North City Beach Park Center. The North City Beach Park public parking is located under the Beach Club Condominium and consists of eighty (80) public spaces. The public parking spaces are currently operated under the Operating and Management Agreement between PRH Beachwalk Beachclub, LLC and the City which expires on August 17, 2045.

This operating agreement provides forty (40) spaces exclusively to the Beachwalk operator to provide valet parking for visitors to the beach and restaurant. The remaining forty (40) spaces are operated by the City until 7:00pm then by the Beachwalk operator until close.

## Strengths:

- The Related Group is currently underway with an estimated \$300,000 in repairs and improvements to the North City Beach Park Center and Fire Station.
- Desirable. Beachfront Location
- Size: 6,000 Square Feet

Building Capacity: Approximately 400

## Alternative Opportunities for Use:

- Reopen existing North City Beach Park Center for City use and rentals
  Rental fees previously approved, in the City's Fee Booklet. Staffing required. Equipment, tables, chairs, etc will need to be secured estimated Cost \$15,000. Alternative off-site parking plan required for use and/or rentals. Revenues will be limited until use is ramped up. This alternative most likely will not return it's costs.
- Release Request for Proposal for the operation of existing North City Beach Park Center under a
  partnership with a government, non-profit, and/or educational entity for public use such as a
  Coastal Research Center.

Use would require alternative/ off-site parking plan. City subsidy may be required.

- Release Request for Proposal to Open Market for best use to lease North City Beach Park Center for public/ private use or for long term development of entire North City Beach Park area.
  - Use would have to address public parking, public beach access, fire rescue station and water tower. Existing operational agreement would need to be addressed in any proposal.
- Hold on any action for six months. Reopening this building is not a priority as there are many other demands on staff time.

## **Proposed Action:**

The NCBP Center is scheduled to be returned to the City in July, 2017 after required lease-end upgrades are completed. To prepare for the return to City operations, Commission direction is requested on the best use for the short term and long term operations and use of the facility.

## Attachment(s):

Exhibit 1 – NCBP Task Force Memo 041017

Exhibit 2 – NCBP Beachwalk Operating Agreement 120612

Exhibit 3 – NCBP Lease NCBC – Beachwalk 101012

Exhibit 4 – NCBP Hollywood License Agreement 071013

Prepared by: Concur:

Cathie Schanz
Parks & Recreation Director

Roger M. Carlton City Manager