


CITY OF HALLANDALE BEACH, FLORIDA
MEMORANDUM
CM18-148

DATE: February 9, 2018

TO: Honorable Acting Mayor and City Commissioners

FROM: Roger M. Carlton, City Manager 

SUBJECT: Acquisition of City Block located between NW 4th to 5th Avenue on Hallandale Beach Boulevard.

Background:

The full block described above has been vacant and unproductive for many years. In fact this block, made up of six parcels, is on the 2017 Broward County Property Assessment Roll for \$776,550 and paid 2016 taxes of \$14,384 in total.

One of the main purposes of the HBCRA is to remove slum and blight and thereby increase the tax roll. This property is a classic example of under utilization. To maximize the opportunity for increasing the contribution of the property to the goals of the HBCRA, staff began discussions with the property owner, Mickey Biss, in late Spring 2017.

Mr. Biss is a long time South Florida property developer, however, his goal is to sell the property and not to develop the site. Therefore he is a willing seller but at a price he finds satisfactory. Based on numerous conversations with Mr. Biss, an appraisal was ordered by the HBCRA. This appraisal suggests a price of \$3.5 million. Mr. Biss, believes the property is worth significantly more.

If the HBCRA owns the property and designs an RFP for a public private partnership project or receives an unsolicited proposal, the scope, scale and uses allowed will be determined by the HBCRA Board. This seems a much better way to energize the renaissance of the West Hallandale Beach Boulevard area than to react to projects proposed at maximum density by property owners. In other words, this project could set the stage for the future of this area.

The Acquisition Process: Transfer of property requires a willing buyer and a willing seller. The HBCRA's appraisal in the amount of \$3.5 million (Ex.1) is not acceptable to the owner. When this occurs it is advisable to request the owner to obtain their own appraisal. Most assuredly this appraisal will be higher than the HBCRA's. When this occurs both parties agree to a third review appraiser who suggests the appropriate value. The parties agree to "collars and cuffs" which means that the third appraisal would not be below or above either of the first two appraisals. With this information, the parties either agree to the sale or not. In this case Lambert Advisers could be brought in to review the agreed upon price to ensure that it is fair

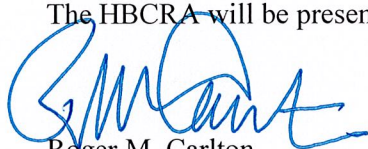
An Additional Consideration: Mr. Biss is willing to give terms of up to 10 years to finance the project. If the HBCRA is able to negotiate a less than market interest rate, the net present value of the savings could be considered in the final acquisition cost. Adjusting price for factors of this nature is a common practice in the real estate industry.

Authorization Request From The HBCRA Board. An opportunity to acquire a full block on Hallandale Beach Boulevard and guide the future redevelopment of this area with a negotiated sales price and favorable financing does not occur very often. The authorization requested is to enter negotiations and attempt to bring the HBCRA Board a recommendation to acquire the property. The HBCRA Board will retain the ability to reject this proposed transaction. This process should be completed prior to the end of FY 17/18 and the outcome if successful will be included in the FY 18/19 HBCRA Budget.

Financial Analysis: If the transaction is concluded, a development project valued at approximately \$30 million would be a reasonable expectation. The current tax revenue of the property is \$14,384. The HBCRA could receive \$300,000 in TIF dollars from this project each year. There would be other benefits as well from a Triple P negotiation.

Conclusion: The HBCRA Board is requested to authorize negotiations for acquiring the parcel and to authorize the retention of Lambert Advisors to analyze the purchase price.

The HBCRA will be presented with a recommendation within approximately three months.



Roger M. Carlton
City Manager



Jeremy Earle,
Assistant City Manager

- Ex. 1. Appraisal
- Ex. 2. Resolution Authorizing Negotiations