



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	<i>May 2, 2018</i>		Item Type: <i>(Enter X in box)</i>	Resolution <div style="text-align: center;">X <small>(Second Reading)</small></div>	Ordinance	Other
Fiscal Impact: <i>(Enter X in box)</i>	Yes	No	Ordinance Reading: <i>(Enter X in box)</i>	1st Reading		2nd Reading
	X		Public Hearing: <i>(Enter X in box)</i>	Yes X	No	
Funding Source:	N/A		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 :			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> <div style="display: flex; justify-content: space-between;"> <div>Safety</div> <input type="checkbox"/> </div> <div style="display: flex; justify-content: space-between;"> <div>Quality</div> <input checked="" type="checkbox"/> </div> <div style="display: flex; justify-content: space-between;"> <div>Vibrant Appeal</div> <input checked="" type="checkbox"/> </div>			
		X				
Sponsor Name:	Roger M. Carlton City Manager		Department: Development Services		Keven Klopp, Development Services Director	

Short Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HALLANDALE BEACH AND ROMAGNOLE INVESTMENT PROPERTIES, LLC; FOR THE HALLANDALE OASIS PROJECT AND PROVIDING AN EFFECTIVE DATE. (Second Reading)

Staff Summary:

This staff report explains the proposed Development Agreement associated with the Hallandale Oasis project. The applicant, Romagnole Investment Properties, LLC, is requesting Major Changes to the approved Development Plan for the Hallandale Oasis project, a mixed use development consisting of 500 high-rise residential units, 34,691 square feet of office space, and 59,219 square feet of commercial space at 1000 E. Hallandale Beach Blvd. The plan is a major amendment from a previously approved development pursuant to the City's Planned Development Overlay (PDO) zoning regulations. A property which is granted PDO Overlay must have a development agreement (DA) which sets forth the terms and conditions upon which the property can be developed. (See related agenda item regarding the detail of the major amendments to the plan.)

Background

Final action regarding the Development Agreement will be appropriate at the second reading of the Resolution approving the Revised Major Development Plan. Two public hearings regarding the amended Development Agreement prior to approval are required by Florida Statutes.

Why Action is Necessary

Section 32-186(d)(2) of City Code requires a Development Agreement to govern any development approved pursuant to PDO. The overlay district, according to its stated purpose in Section 186 of the Code, "encourages flexibility in the design and negotiation of land development in order to promote its most appropriate use."

During the negotiations, City staff and the applicant reached agreement regarding the rational nexus between the project and the terms in the development agreement, as well as the reasonable proportionality between the impacts of the project and those development agreement terms aimed at mitigating those impacts.

Analysis

The proposed Development Agreement would require that a full set of construction plans for all city-reviewed trades, as well as the appropriate permit fees, be submitted to the Building Division prior to September 28, 2018. This requirement provides an additional milestone – beyond those established in the City's Land Development Regulations, for the developer to accomplish in order to avoid expiration of its entitlements.

The proposed Development Agreement recognizes the applicants right to extend its entitlement period in the event that a Governor declared emergency impacts Broward, Miami-Dade, Monroe, and Palm Beach counties. The agreement specifies that the applicant will not seek such extensions in the event of an emergency which does not directly affect those counties.

In order to mitigate the impacts of the project on the City, the proposed Development Agreement, as submitted by staff for Commission consideration, includes the following:

	<u>Description</u>	<u>Contribution</u>	<u>Timing</u>
1	Public Safety Improvements	\$277,176	Prior to permits, proportionally on square ft.
2	Sewer System Improvement	\$736,150	Prior to permits, proportionally
3	Water & Sewer Impact Fees	\$1,408,126	Prior to permits, proportionally
4	Transportation Mitigation	\$1,000,000	½ at C.O. 1 st tower, ½ at C.O 2 nd tower
5	Mini-Bus Contribution	\$300,000	In 3 installments as buildings receive C.O.s
6	Affordable Housing Fee	\$662,500	Prior to C.O (\$8,833 * total units * 15%)
7	Community Benefit Plan	\$570,000	½ at permit, ½ at C.O. for 1 st building
8	Bus Shelters (2)	\$50,000	Prior to 1 st permit for a building
	<u>Total</u>	<u>\$ 5,003,952</u>	

The applicant previously committed to fulfilling the City's Community Benefit and Local Workforce Utilization requirements by creating and following the Community Benefit Plan for Local Workforce and Local Vendor Utilization in place at the time. Rather than those aspirational percentages, the payment listed above for the Community Benefit Plan will be dedicated to funding the implementation of a variety of programs listed in the recently adopted Community Needs Analysis pursuant to the Commission's directive which reformed the program. The details of the specific expenditures will be determined in the annual budget cycle.

Not listed above are the contingent fees that the developer will pay to the City in the event that the project is sold, or a cash out refinancing occurs, either prior to permitting for the two residential buildings or for a period of 15 years following the issuance of a certificate of occupancy for a commercial building.

	<u>Description</u>	<u>Amount</u>
1	Conveyance fee	\$825,000 if sold before permitting is completed
2	Cash-out upon refinancing fee	\$250,000 on a 5-year diminishing schedule

Other Fiscal Impacts

The current total assessed value of the East Parcel, (1100 EHBB) on the 2018 tax roll is \$11,656,000. The 2018 assessed value of the West Parcel, (1000 EHBB) on the 2018 tax roll is \$6,183,000. Both parcels are within the Hallandale Beach Community Redevelopment Area (HBCRA). Together they pay approximately \$87,000 in local ad valorem tax each year.

The project, when fully built, is estimated to generate approximately \$2.2 million in real estate taxes annually via City millage, \$2.1 million of which will enure to the CRA each year until 2027. Additionally, approximately \$1.9 million from real estate tax revenue will be paid to the CRA by other Broward County taxing authorities as Tax Increment Revenue for the next 8 years.

The estimated building permit fees will be more than \$1.5 million. Upon project completion, it is estimated that the development will pay \$127,000 annually for Non-Ad-Valorem Fire Assessment Fees and \$45,000 annually in Storm Water Utility Fees.

Proposed Action:

The City Commission may:

1. Approve the Development Agreement as presented.
2. Approve the Development Agreement with amendments.
3. Deny the Agreement and, in essence, the Planned Development Overlay request.

If approved on first reading, the item will be scheduled for April 4, 2018 final approval after the second public hearing.

Attachment(s):

Exhibit 1 - Resolution approving the Development Agreement for the Project and Authorizing the City Manager to execute the Development Agreement.

Exhibit 2 - Proposed Development Agreement

Exhibit 3 – Project Renderings

Prepared by:

Keven R. Klopp

Keven R. Klopp,
Development Services Director





