



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	June 29, 2018		Item Type: <small>(Enter X in box)</small>	X	Resolution	Ordinance	Other
Fiscal Impact: <small>(Enter X in box)</small>	Yes	No	Ordinance Reading: <small>(Enter X in box)</small>		1st Reading	2nd Reading	
		X	Public Hearing: <small>(Enter X in box)</small>		X	required	
					Yes	No	
Funding Source:	N/A		Advertising Requirement: <small>(Enter X in box)</small>		X		
Account Balance:	N/A		Quasi-Judicial: <small>(Enter X in box)</small>		Yes	No	
						X	
Project Number:			RFP/RFQ/Bid Number:	N/A			
Contract/P.O. Required: <small>(Enter X in box)</small>	Yes	No	Strategic Plan Priority Area: <small>(Enter X in box)</small>				
			Safety <input type="checkbox"/>				
		X	Quality <input checked="" type="checkbox"/>				
			Vibrant Appeal <input type="checkbox"/>				
Sponsor Name:	Roger Carlton, City Manager		Department: Development Services		Keven Klopp, Development Services Director		

SHORT TITLE

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF HALLANDALE BEACH, FLORIDA, APPROVING THE FOURTH AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR THE DIPLOMAT HOTEL AND COUNTRY CLUB; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDED DEVELOPMENT AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

REQUEST

City Commission approval to amend Section 29 of the Development Agreement related to the Diplomat Hotel and Country Club's approved major development plan is requested.

STAFF SUMMARY

Background

This item went before the City Commission on June 20, 2018 for first reading and was passed on a 3-1 roll call vote. The Development Agreement, as approved by the City Commission in 2016, contained a clause – Section 29 -- requiring a payment to the City if the project was sold to a new developer. The amendment will remove that clause from the agreement. The City will receive a \$500,000 payment in exchange for the removal of Section 29.

Why Action is Necessary

Amendments to Development Agreements, by Florida Statute, require two public hearings for approval by the City Commission.

Analysis

Section 29 of the Development Agreement required that the developer pay the City \$2,000,000 if its entire interest in the project was sold to an unrelated party. The language does allow the original developer to sell the *majority* of the project while maintaining a small interest in it and thereby avoid having to make the agreed upon payment. In fact, that is what the developer has done – as explained in the attached letter (Exhibit 1)

Steve Sirang of Wilshire Properties, representing the seller in this matter, sought the City's support of the sale and the buyer, as well as the option of withdrawing entirely from the project. In order to do so, a proposed amendment to the existing agreement whereby the City would receive \$500,000 in exchange for the removal of Section 29 was offered by the seller and accepted by the City Administration, subject to City Commission approval. This recommendation, and the negotiations with the old and new owners, was reviewed by the City Attorney as the negotiations were underway. Proposed amendments to Development Agreements require two public hearings prior to consideration by the City Commission.

The City Commission, at its meeting on June 6, 2018, received a summary of the proposed settlement and authorized the City Manager to schedule the public hearings. The \$500,000 is in possession of the City and will be deposited subsequent to City Commission approval on second reading. These funds will be helpful in the goal of balancing the FY 17/18 Budget.

Staff Recommendation

Staff recommends approval of removing Section 29 of the Development Agreement subsequent to the second public hearing scheduled for June 29, 2018.

Attachment(s):

- | | |
|-----------|---|
| Exhibit 1 | Resolution approving Amendment 4 to the Development Agreement |
| Exhibit 2 | Proposed Amendment 4 |
| Exhibit 3 | Letter dated May 11, 2018 and City's response |

Prepared by I:

A handwritten signature in blue ink, appearing to read 'Klopp', written over a horizontal line.

Keven R. Klopp, Director
Development Services