



Hallandale Beach
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400 South Federal Hwy
Hallandale Beach, FL 33009

City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	November 19, 2018		Item Type: <small>(Enter X in box)</small>	X First Reading	Resolution	Ordinance	Other
Fiscal Impact: <small>(Enter X in box)</small>	Yes	No	Ordinance Reading: <small>(Enter X in box)</small>	1 st Reading		2 nd Reading	
		X					
Funding Source:	N/A		Advertising Requirement: <small>(Enter X in box)</small>	Yes		No	
				X			
Account Balance:	N/A		Quasi-Judicial: <small>(Enter X in box)</small>	Yes		No	
				X			
Project Number:	N/A		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"/> Quality <input type="checkbox"/> Vibrant Appeal <input type="checkbox"/>				
		X					
Sponsor Name:	Nydia Rafols-Sallaberry, Interim City Manager		Department:		Keven R. Klopp, Director Development Services		

Short Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, MAKING CERTAIN FINDINGS AND DESIGNATING THE REAL PROPERTY LOCATED AT 601 NORTH FEDERAL HIGHWAY, HALLANDALE BEACH, BROWARD COUNTY, FLORIDA 33009, FOLIO NUMBER 5142 22 35 0010, AS A BROWNFIELD AREA PURSUANT TO SECTION 376.80(2)(C), FLORIDA STATUTES, AND FORMALLY DESIGNATING THE PROPERTY AS THE "ATLANTIC VILLAGE GREEN REUSE AREA" FOR THE PURPOSE OF REHABILITATION, JOB CREATION AND PROMOTING ECONOMIC REDEVELOPMENT; AUTHORIZING THE CITY OF HALLANDALE BEACH TO NOTIFY THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION OF SAID DESIGNATION; PROVIDING FOR AN EFFECTIVE DATE.

Staff Summary:

Background:

As a part of the efforts of the City of Hallandale Beach to spark environmental rehabilitation and increase resilient, sustainable redevelopment premised on green construction principles, the City's Development Services Department recommends City Commission approval of designating the property, approximately 2.52 acres in size, located at 601 North Federal Highway, a Brownfield Area pursuant to Section 376.80(2)(c), Florida Statutes, of Florida's Brownfields Redevelopment Act; and formally designating the property as the "Atlantic Village Green Reuse Area" for the purpose of rehabilitation, job creation and promoting economic redevelopment. The Subject Property is under contract to Atlantic Village 3, LLC, (Atlantic Village/Applicant). If granted, the designation will enable Atlantic Village to manage the environmental complexities associated with the Subject Property and facilitate redevelopment of a former automotive dealership and gas station with significant soil and groundwater contamination to a vibrant, impactful mixed-use development designed to emphasize health, wellness, walkability, commerce, modern housing options, and economic opportunity. When fully constructed, the proposed Atlantic Village will have invested approximately \$49.5 million into the Subject Property and have constructed 39,000 square feet of office space, 24,000 square feet of commercial and retail space, and 49,000 square feet of market rate residential space in six buildings. Accordingly, City staff recommends the City Commission approve designation of the Subject Property as a Brownfield Area and as the "Atlantic Village Green Reuse Area".

Overview

The purpose of approving a request for designation under Section 376.80(2)(c), Florida Statutes, of Florida's Brownfields Redevelopment Act, is to promote environmental restoration, economic redevelopment, and more sustainable growth patterns, among other purposes. Environmental restoration of vacant or underutilized property has been historically proven to remove stigma, reduce blight, improve air and storm water quality, eliminate environmental health hazards, and in turn, spur redevelopment and revitalization. By statutory definition, brownfields encompass real property where expansion, redevelopment, or reuse of which has been or may be complicated by actual or perceived environmental contamination.

Since 1997, the Florida Brownfields Program (FBP) has made a wide array of financial, regulatory, and technical incentives available to local governments, businesses, and communities to catalyze environmental cleanup and economic redevelopment of marginalized or otherwise underutilized properties. In doing so, the FBP has encouraged confidence in neighborhood revitalization and investment of private capital in land reuse and job creation in hundreds of communities throughout Florida. According to figures provided by the State of Florida Department of Environmental Protection (FDEP), as of February 21, 2018, 452 areas covering approximately 267,935.66 acres have been designated as brownfields, generating over \$2.7 billion in private capital investment. Brownfield areas have enjoyed a wide range of redevelopment uses, including affordable housing, community health clinics, retail and commercial, renewable energy, transportation facilities, and conservation and recreation.

The discharge of petroleum products on the Subject Property is documented in site assessment reports conducted in recent years and evidence that the Property falls within the definition of the term "brownfield site" in petroleum contamination. According to the applicant, the presence of actual contamination in soil and groundwater has significantly complicated redevelopment and reuse of the property by (i) making it materially more expensive and time consuming to move

forward with the project; (ii) imposing a host of design and construction changes on the project that would not be required but for the presence of actual contamination; and (iii) increasing Atlantic Village's exposure to environmental and regulatory liability with respect to the project.

The Designation Process and Analysis

Pursuant to Florida Statutes, to initiate the designation process, a person that owns the real estate parcel must follow the applicable procedures specified in Section 376.80, Florida Statutes, including: 1) have the local jurisdiction where the proposed brownfield area is located pass the resolution attached hereto as Exhibit A, 2) have the local jurisdiction notify the FDEP of its decision to adopt the designation resolution, and 3) provide notice to the public in accordance with Sections 376.80(1)(c) and 166.041(3)(c)2, Florida Statutes. Additionally, the local jurisdiction must determine that the following five criteria have been met:

1. The applicant owns or controls the proposed brownfield area and has agreed to rehabilitate and redevelop the brownfield area;
2. The rehabilitation and redevelopment of the proposed brownfield area will result in economic productivity of the area, along with the creation of at least five new permanent jobs at the brownfield area (however, per Section 376.80(2)(a)(4)(c)(2), Florida Statutes, the job creation requirement does not apply to the rehabilitation and redevelopment of a brownfield area that will provide affordable housing);
3. The proposed brownfield area is consistent with the local comprehensive plan and is a permissible use under the applicable local land development regulations;
4. The applicant has provided neighbors and nearby residents of the proposed area an opportunity to provide comments and suggestions about rehabilitation; and
5. The person proposing the area for designation has provided reasonable assurance that he or she has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment of the brownfield area.

Staff has considered the factors in making this recommendation that the proposed designation of the Subject Property as a Brownfield Area is appropriate and concludes as follows:

1. Atlantic Village controls the proposed Brownfield Area and has agreed to rehabilitate and redevelop it. It has provided sufficient documentation to the City in its request for designation submitted via email on September 26, 2018 (the "Designation Request") (Exhibit 2) that it controls the Subject Property. Further, Atlantic Village has agreed that it will redevelop and rehabilitate the Subject Property. For these reasons, City staff concludes that this first set of criteria has been met by Atlantic Village.
2. Designation of the Subject Property will result in economic productivity for the City. Atlantic Village has presented to the City that its capital budget for this project is approximately \$49.5 million, with a significant portion of that amount being spent on local labor, contractors, consultants, construction and building materials, infrastructure improvements, and impact fees. The direct and indirect financial ripple effects of the project are expected to result in major economic productivity for the area. Specifically, the project will draw in local income, taxes and other revenue for the City. Specifically, through delivery of the project, development activity will support approximately 500 temporary construction jobs. The construction workers will spend a percentage of their salaries with local merchants who, in turn, will reinvest locally

in their respective businesses, as well as the businesses of other local merchants. In addition, the retail and commercial aspect of the Project, once completed, is anticipated to create no less than 30 - 40 permanent, full-time equivalent positions not associated with the implementation of the rehabilitation agreement and not associated with redevelopment project demolition or construction activities. Such job creation will result in the payment of significant payroll taxes and salaries, thereby benefitting the local economy and increasing the economic productivity of the area. For these reasons, City staff concludes that this second set of criteria has been met by Atlantic Village.

3. Redevelopment and reuse of the Subject Property as proposed is consistent with the local comprehensive plan and is a permissible use under the applicable local land development regulations. Specifically, the Subject Property is located in the City's Regional Activity Center ("RAC") Corridor subdistrict. According to Section 32-195(a) of the City's Code of Ordinances, the RAC Corridor subdistrict is the most intense subdistrict in the Central RAC, accommodating a wide range of uses, including major employment, shopping, civic, and entertainment destinations as well as residential uses. Located along wide, existing commercial corridors, this subdistrict is designed to have the largest scale of redevelopment and create a vibrant, pedestrian-friendly, mixed-use district along main transit routes. The development being proposed by Atlantic Village 3 includes a mix of shopping, dining, entertainment, and residential uses contemplated by the City to enhance the Central RAC. As proposed, it will satisfy the zoning criteria governing lot size, lot coverage, building setbacks, and building frontage as required by Section 32-195(b), building size and height as required by Section 32-195(c), building uses and density as required by Section 32-195(c), frontage standards as required by Section 32-195(e), and all other applicable standards as incorporated by reference at Section 32-195(f). Accordingly, because the contemplated development is consistent with the current comprehensive plan and permissible under the applicable local land development regulations, City staff concludes that this third set of criteria has been met by Atlantic Village.
4. Atlantic Village has provided neighbors and nearby residents of the proposed area an opportunity to provide comments and suggestions about rehabilitation. Specifically, Atlantic Village satisfies this fourth criterion in that it posted notice at the Subject Property, published notice in the Sun-Sentinel Newspaper on September 24, 2018, and posted notice in a community bulletin. All of the aforementioned notices were published in accordance with the applicable statutory requirements found in Section 376.80, Florida Statutes. In addition, Atlantic Village held a community meeting on September 27, 2018, at the Hampton Inn Hotel, 1000 South Federal Highway, Hallandale Beach, for purposes of providing additional opportunity for comments and suggestions. Signage regarding the designation and providing contact information for Atlantic Village's representatives will stay up through the end of the designation process to provide ongoing opportunity for comments and suggestions. For these reasons, City staff concludes that this fourth set of criteria has been met by Atlantic Village.
5. Atlantic Village has provided reasonable assurance that it has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment of the Subject Property. Atlantic Village satisfies this fifth criterion in that it has the necessary capital to fund the budget for and then construct the project. Specifically, the total capital budget of approximately \$49.5 million is fully funded through a combination of equity and debt. Specifically, the Development will be funded by approximately \$9.7 million in cash on hand and a forthcoming equity contribution for the balance by the same group of investors that provided approximately \$32 million in capital for the first two phases: Atlantic Village 1, which has already been constructed and Atlantic Village 2, which is presently under construction. Based on this demonstration as well as Atlantic Village's track record of successfully bringing

projects to fruition in Hallandale Beach, and the fact that the Subject Property has already the requisite land use designation it needs to build the project, City staff concludes that this fifth and final set of criteria has been met by Atlantic Village.

Why Action is Necessary:

Pursuant to Florida Statutes, City Commission adoption of a resolution on two readings and notification to the FDEP of its adoption is required in order to designate a property as a Brownfield Area.

Conclusion

Designation of the Subject property as a Brownfield Area will allow the developer of 601 North Federal Highway to overcome the significant environmental, regulatory, engineering, legal, and financial challenges associated with soil and groundwater contamination that remains at the site. Approval of the requested action will also result in a quicker and more complete remediation of the soil and groundwater that remains at the site, which will improve public health protection, restore natural resources, and encourage increased investment by the private sector in redevelopment along the North Federal Highway corridor.

Fiscal Impact:

There is no expenditure by the City for this action.

Proposed Action:

Staff recommends approval of the attached Resolution on First Reading designating the subject property a Brownfield Area pursuant to §376.80(2)(c), Florida Statutes. Second Reading will be scheduled for the City Commission meeting of December 12, 2018.

Attachment(s):

Exhibit 1 – Resolution

Exhibit 2 – Request for Brownfield Area Designation

Prepared by:


Christy Dominguez
Principal Planner

Concurred with:


Keven R. Klopp, Director
Development Services