



## City of Hallandale Beach City Commission Agenda Cover Memo

<b>Meeting Date:</b>	<i>March 20, 2019</i>		<b>Item Type:</b> <i>(Enter X in box)</i>	<b>Resolution</b> <div style="text-align: center;"><b>X</b> <small>(2nd Reading)</small></div>	<b>Ordinance</b>	<b>Other</b>
<b>Fiscal Impact:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> <i>(Enter X in box)</i>	<b>1<sup>st</sup> Reading</b>	<b>2<sup>nd</sup> Reading</b>	
	<b>X</b>		<b>Public Hearing:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	
				<b>X</b>		
<b>Funding Source:</b>	<b>N/A</b>		<b>Advertising Requirement:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	
<b>Account Balance:</b>	<b>N/A</b>		<b>Quasi-Judicial:</b> <i>(Enter X in box)</i>	<b>1<sup>st</sup> Reading</b>		
				<b>Yes</b>	<b>No</b>	
					<b>X</b>	
<b>Project Number:</b>	<b>N/A</b>		<b>RFP/RFQ/Bid Number:</b>	<b>N/A</b>		
<b>Contract/P.O. Required:</b> <i>(Enter X in box)</i>	<b>Yes</b>	<b>No</b>	<b>Strategic Plan Priority Area:</b> <i>(Enter X in box)</i>			
	<b>X</b>		Safety <input type="checkbox"/>			
			Quality <input checked="" type="checkbox"/>			
			Vibrant Appeal <input checked="" type="checkbox"/>			
<b>Sponsor Name:</b>	Nydia M. Rafols Sallaberry, Interim City Manager		<b>Department:</b> <b>Development Services</b>	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 EIGHTH AVENUE PARTNERS, LLC FOR THE PROJECT LOCATED AT 200 NW 8<sup>TH</sup> AVENUE, IN SUBSTANTIALLY THE SAME FORM AS ATTACHED EXHIBIT “2”; PROVIDING FOR AN EFFECTIVE DATE. (SECOND READING)**

### Staff Summary:

This staff report explains the proposed Development Agreement associated with the Eighth Avenue Commons project. The applicant, Eighth Avenue Partners, LLC is requesting Major Development Approval via a Planned Development Overlay. Projects approved pursuant to such zoning are required by City Code to enter into a Development Agreement (DA) with the City to ensure that the impacts of the project are properly mitigated. The DA proposed for this project sets forth the terms and conditions upon which the property can be developed. The proposed development is a 200-unit apartment complex on the northeast corner of NW 8 Avenue and NW 2 Street.

## **Background**

Two public hearings are required by Florida Statute 163.3225 prior to City Commission approval of a Development Agreement. The first hearing was held on December 12, 2018 at which time the Commission voted, 4-1, in favor of scheduling the second public hearing for January 23, 2019. The Commission held the second Public Hearing as scheduled, and then deferred the item to coincide with the zoning approvals.

The proposed DA had initially been drafted during the development review process. Subsequent to the public hearings, City staff and the applicant continued to refine the terms of the proposed DA to address the requests and concerns of the City Commission. The discussion focused on affordable housing and funding for community benefits. The City and the applicant mutually accept that there is a rational nexus between the proposed agreement's terms and the project's impacts. The City and the applicant also agree that there is reasonable proportionality between the impacts of the project and those development agreement terms aimed at mitigating those impacts.

## **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."

## **Analysis**

In order to mitigate the impacts of the project on the City, the Development Agreement now includes an affordable housing component. As a result, 30 of the 200 units constructed within the project will be permanently set aside for affordable housing. Out of those 30 affordable units, 10 of them will be specifically designated for seniors.

The proposed Development Agreement also includes the following monetary contributions:

	<u>Description</u>	<u>Contribution</u>	<u>Timing</u>
1	Public Safety Improvements	\$84,200	Prior to permit
2	Parks and Open Space	\$195,000	Prior to permit
3	Transportation Mitigation	\$500,000	Prior to permit
4	Parking	\$325,500	Prior to C.O.
5a	Community Benefit Payment #1	\$132,500	Prior to permit
5b	Community Benefit Payment #2	\$132,500	Prior to C. O.
6	Water	\$201,500	Prior to permit
7	Sewer	\$277,300	Prior to permit
	<b>TOTAL</b>	<b>\$1,981,000</b>	

**Item 1** is a fee of \$217 per unit for capital improvements related to expanding Police Services and \$204 per unit for capital improvements related to expanding Fire/Rescue Services.  $[(200 \text{ units} \times 217) + (200 \text{ units} \times 204)] = \$84,200$

**Item 2** is a fee of \$975 per unit for capital improvements related to expanding Parks and Open

Space – particularly land acquisition.  $[200 \times 975] = \$195,000$

**Item 3** is a fee that is typically calculated by applying a formula that takes the traffic generated by the project and the location of the project into account. In this case, that calculation would require a payment of \$103,585. Instead, due to the need for an additional east-west connector in the neighborhood, and considering the traffic that this project will generate, the applicant has agreed to contribute \$500,000 toward future NW 3<sup>rd</sup> Street's design and construction. NW 3<sup>rd</sup> Street doesn't currently exist between NW 8<sup>th</sup> Avenue and NW 6<sup>th</sup> Avenue, and the portion that does exist between NW 6<sup>th</sup> Avenue and Dixie Highway is due for improvements. The cost estimate for construction of the project is in excess of \$2 million dollars. The cost estimate for the engineering, design, and permitting is in excess of \$500,000. This project's contribution of \$500,000 toward these costs is approximately 25% of the funding needed. The City has applied for a grant in an effort to gather additional funds toward the project.

**Item 4** is a fee of \$10,500 per parking space deficiency. The project provides 31 spaces less than the zoning code for this location requires. The funding will be used by the City to construct new on-street surface parking spaces within the Northwest quadrant of the City where public parking spaces currently do not exist.  $[31 \times 10,500] = \$325,500$ .

**Item 5** is a contribution toward social services provided by the City. This "Community Benefit" contribution of \$132,500 prior to permit was offered by the developer and added to the agreement for purposes of ensuring it is collected and utilized as intended. Another payment of \$132,500 must be paid prior to the issuance of a Certificate of Occupancy. The housing fee no longer applies because the developer will be fulfilling that requirement, as explained above, by providing affordable housing within the development.

**Item 6** is the City's standard water impact fee, calculated based upon the units and the Gallons Per Day the project is estimated to need. The funds will ensure the City's system has the capacity to provide water service. Spreadsheet showing calculation is available upon request.

**Item 7** is the City's standard sewer impact fee, calculated based upon the number of units and the Gallons Per Day of wastewater the project is estimated to generate. The funds will be utilized to ensure the City's sanitary water system has adequate capacity to provide sewer service. Spreadsheet showing calculation available upon request.

#### **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.

#### **Attachment(s):**

**Exhibit 1** - Resolution.

**Exhibit 2** - Proposed Development Agreement

*Keven R. Klopp*

Prepared by:

Keven R. Klopp, Development Services Director