



Hallandale Beach
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City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 st Reading	2 nd Reading
12/4/2019	<input checked="" type="checkbox"/> Resolution (First Reading) <input type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	Click or tap to enter a date.	12/4/2019
		Public Hearing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Advertising Required	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Quasi Judicial:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
N/A	N/A	N/A	Application#Z-19-03166 Gulfstream Point Brownfield Designation	
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input type="checkbox"/> Yes <input type="checkbox"/> No		Vanessa Leroy Development Services Director	Development Services	
Strategic Plan Focus Areas:				
<input type="checkbox"/> Financial	<input type="checkbox"/> Organizational Capacity	<input type="checkbox"/> Infrastructure	<input checked="" type="checkbox"/> Development, Redevelopment and Economic Development	
Implementation Timeline				
Estimated Start Date: 11/20/2019 Estimated End Date: 12/4/2019				

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 918 SOUTH FEDERAL HIGHWAY, HALLANDALE BEACH, BROWARD COUNTY, FLORIDA 33009, FOLIO NUMBER 5142-27-52-0010, AS A BROWNFIELD AREA PURSUANT TO SECTION 376.80(2)(C), FLORIDA STATUTES, 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 THE DESIGNATION; PROVIDING AN EFFECTIVE DATE.

Staff Summary:

Background:

As a part of the efforts of the City of Hallandale Beach (City) 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 located at 918 South Federal Highway, approximately 0.89 acres in size, which is owned by Hallandale First, LLC, a Brownfield Area pursuant to Section 376.80(2)(c), Florida Statutes, of Florida's Brownfields Redevelopment Act. If granted, the designation will enable Hallandale First to manage the environmental complexities associated with the Subject Property and facilitate reuse of a former nursery 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, Hallandale First will have invested approximately \$129 million into the Subject Property and have constructed 1,600 square feet of retail or restaurant space, 297 residential rental units, and community amenities including a recreation area, rooftop swimming pool, gym, meditation garden, and social/function rooms. Accordingly, City staff recommends the City Commission approve designation of the Subject Property as a Brownfield Area.

On November 20, 2019 the City Commission approved of the Resolution by a 4/0 Roll Call vote (Commissioner Mike Butler was absent from the meeting).

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 August 1, 2019, 481 areas covering approximately 271,684 acres have been designated as brownfields, generating over \$2.8 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 facts here evidence that the Subject Property falls within the definition of the term "brownfield site" in that arsenic contamination has been documented in soil and groundwater which has significantly complicated redevelopment and reuse 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 Hallandale First's exposure to environmental and regulatory liability with respect to the project.

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 permitted 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. Hallandale First owns 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 10, 2019 (the "Designation Request") that it owns the Subject Property. Further, Hallandale First 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 Hallandale First.
2. Designation of the Subject Property will result in economic productivity for the City. Hallandale First has presented to the City that its capital budget for this project is approximately \$129 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 440 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 up to 30 permanent, full-time equivalent positions not associated with the implementation of the rehabilitation agreement and not associated with redevelopment project 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 Hallandale First.

3. Redevelopment and reuse of the Subject Property as proposed is consistent with the local comprehensive plan and is a permitted use under the applicable local land development regulations. Specifically, the Subject Property is located in the City's Central 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, in close proximity to the planned Tri-Rail Coastal Link station. The development being proposed by Hallandale First includes this exact mix of shopping, dining, entertainment, and residential uses contemplated by the City to enhance the Central RAC. Moreover, on December 3, 2014, the proposed development on the Subject Property was found consistent with all applicable standards of the Zoning and Land Development Code and approved by the Hallandale Beach City Commission for such a mixed-use development known as Gulfstream Point. Accordingly, because the contemplated development is consistent with the current comprehensive plan and permitted under the applicable local land development regulations, City staff concludes that this third set of criteria has been met by Hallandale First.

4. Hallandale First has provided neighbors and nearby residents of the proposed area an opportunity to provide comments and suggestions about rehabilitation. Specifically, Hallandale First satisfies this fourth criterion in that it posted notice at the Subject Property, published notice in the Sun-Sentinel Newspaper on September 18, 2019, 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, Hallandale First held a community meeting on September 25, 2019, at the Hampton Inn Hotel, 1000 South Federal Highway, Hallandale Beach, FL 33309, for purposes of providing additional opportunity for comments and suggestion. Signage regarding the designation and providing contact information for Hallandale First's representatives will stay up through the end of the designation process to provide ongoing opportunity for comments and suggestion. For these reasons, City staff concludes that this fourth set of criteria has been met by Hallandale First.

5. Hallandale First has provided reasonable assurance that it has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment of the Subject Property. Hallandale First 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 \$129 million is fully funded through the resources of Hallandale First's principal and majority interest-holder, Mr. Tibor Hollo, in his individual capacity. Further, Hallandale First's principal and affiliates, including Florida East Coast Realty, LLC, are renowned nationwide for their development successes with over 60 years of experience and over 60 million square feet of residential, commercial, and industrial projects constructed to date. Based on this demonstration as well as Florida East Coast Realty's track record of successfully bringing projects to fruition

throughout South Florida, City staff concludes that this fifth and final set of criteria has been met by Hallandale First.

Why Action is Necessary:

This action is necessary to allow the developer of the Subject Property to overcome the significant environmental, regulatory, engineering, legal, and financial challenges associated with arsenic contamination in the soil and groundwater 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 in redevelopment along the Federal Highway corridor.

Cost Benefit:

There is no expenditure by the City for this action. The cost benefit of approving the designation of this parcel will result in economic productivity for the City and allow for rehabilitation and redevelopment of a brownfield site into a vibrant mixed-use development.

Proposed Action:

Staff recommends approval of the attached Resolution designating the subject property a Brownfield Area pursuant to §376.80(2)(c), Florida Statutes on Second Reading.

Attachment(s):

Exhibit 1 – Resolution
Exhibit 2 – Request for Brownfield Area Designation