



Hallandale Beach Community Redevelopment Agency Agenda Cover Memo

Meeting Date:	May 19,2021		File No.	Item Type: (Enter X in box)	Resolution		Other	
			21-179		x		Click or tap here to enter text.	
Fiscal Impact: (Enter X in box)	Yes	No	Ordinance Reading: (Enter X in box)		1st Reading		2nd Reading	
					N/A		N/A	
		X	Public Hearing: (Enter X in box)		Yes	No	Yes	No
Funding Source:			Advertising Requirement: (Enter X in box)		Yes		No	
							X	
Account Balance:			RFP/RFQ/Bid Number:		N/A			
Contract/P.O. Required: (Enter X in box)	Yes	No	Project Number:					

Redevelopment Goals:

(Enter X in box)

Compact & Urban Development Projects

Goal 1 – Catalytic projects that support the growth of local economy ☐

Goal 2 – Transit supportive Development ☐

Goal 3 – Neighborhood-level enhancements ☒

Improve Connectivity within community

Goal 1 – Development of complete streets ☐

Goal 2 – Facilitate & Identify safe access to multiple modes of transportation ☐

Goal 3- Provide Strategic parking solutions ☐

Create CRA Resiliency

Goal 1- Utilize innovative means to create sense of place to attract residents & visitors ☐

Goal 2- Use diverse architectural styles & messaging to create iconic buildings & destinations ☐

Goal 3- Prepare for sustainable future through smart technology, social & economic development

Programs and environmental measures ☐

Sponsor Name:	Dr. Jeremy Earle, Executive Director	Department:	HBCRA
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SHORT TITLE:

A RESOLUTION OF THE CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY, HALLANDALE BEACH, FLORIDA, APPROVING A THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY AND MEGA DEVELOPERS LLC AND A FIRST AMENDMENT TO THE DECLARATION OF RESTRICTIVE COVENANTS ALLOWING MEGA DEVELOPERS, LLC TO USE THE PROPERTY AS A SINGLE-OWNER MULTI-FAMILY RESIDENTIAL DWELLING AND LEASE UNITS; AUTHORIZING THE EXECUTIVE DIRECTOR AND HBCRA ATTORNEY TO NEGOTIATE AND FINALIZE A THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY AND MEGA DEVELOPERS, LLC AND A FIRST AMENDMENT TO THE DECLARATION OF RESTRICTIVE COVENANTS; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE FIRST AMENDMENT TO THE DECLARATION OF RESTRICTIVE COVENANTS; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL ACTION NECESSARY TO IMPLEMENT THE TERMS OF THE THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT AND FIRST AMENDMENT TO THE DECLARATION OF RESTRICTIVE COVENANTS; AND PROVIDING AN EFFECTIVE DATE.

STAFF SUMMARY:

Background:

On July 15, 2015, Mega Developers, LLC ("Mega Developers") submitted an unsolicited proposal for the development of a residential building consisting of four, 2-bedroom condominium units to be built on lots located on Foster Road, owned by Mega Developers and the CRA.

The below map indicates the location of the land owned by the CRA and by Mega Developers.



At the August 20, 2015 meeting, the HBCRA Board authorized CRA Staff to move forward with negotiating the Development Agreement with Mega Developers, incorporating the financial deal terms agreed upon at that meeting. Subsequently, at the November 16, 2015 HBCRA Board meeting, the Directors by a 5/0 vote approved the Redevelopment Agreement between the HBCRA and Mega Developers, LLC. The agreement was formally executed on March 31, 2016 (Exhibit 2).

On March 19, 2018 the HBCRA Board of Directors approved a first amendment to the development agreement. This amendment allowed for waiver of the bond requirements, as the requirements would significantly increase the cost of the overall project. In order to protect the financial investment, the HBCRA agreed in lieu of the bond requirements Mega Developers would place their developer's equity \$214, 679.41 in an escrow account. The funds would then be disbursed to the general contractor pursuant to the contractor's agreement. The amendment also included a change in contractor. The developer replaced Stuart and Shelby with the same contractor who would be doing the City Center project.

On March 18, 2019 the HBCRA Board of Directors approved a second amendment to the developer's agreement to allow for a reimbursement in the

amount of \$13,240 regarding building area densification services associated with the project.

Current Situation

As of today, Mega Developers LLC. has received its certificate of occupancy. Per the development agreement section 4.7 the developer will be responsible for the marketing and sale of all the condominium units included in the project. On February 24, 2021 Mega Developers LLC's attorney reached out to CRA Attorney Zelkowitz expressing concerns regarding the feasibility of the sale of the condominium units. According to Mega Developers LLC, they have made every attempt to sale the units and unfortunately, they have not had any success.

The developer is proposing to amend section 4.5 of the development agreement to allow for the conversion of the condominium units to a single-owner residential multi-family dwelling to allow for rentals and fulfill their financial obligation. The Developer has also agreed to repay the \$340,000 HBCRA loan plus 2% interest, as well as any legal costs associated with amendments.

In order to protect the HBCRA's investment, staff request the HBCRA Board of Directors approve requested changes from the developer and amend the developer's agreement.

Fiscal Impact:

N/A

Why Action is Necessary:

Per Article 4 of the HBCRA By-Laws section 4.1 the Executive Director shall have the authority to execute all legal documents on behalf of the CRA Board.

PROPOSED ACTION:

Staff recommends that the CRA Board of Directors approve the attached resolution authorizing the Executive Director to execute the third amendment to the Redevelopment Agreement with Mega Developers LLC.

ATTACHMENT(S):

Exhibit 1 – Proposed Resolution

Exhibit 2 - Developers Agreement

Exhibit 3 – First Amendment to Development Agreement

Exhibit 4 - Second Amendment to Development Agreement

Exhibit 5 - Proposed Third Amendment to the Development Agreement

Exhibit 6- Proposed First Amendment to Declaration of Restrictive Covenants