



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#15-1232

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: October 6, 2015

TITLE: Consideration of the Adoption of a Resolution Designating a Site-Specific
Brownfield Area - 5.5 Acres in the Vicinity of NW 7th Street Between NW
11th Avenue and NW 14th Avenue

Recommendation

It is recommended that the City Commission hold a public hearing and adopt a resolution designating approximately 5.5 acre property controlled by Northwest Properties V, Ltd. (NW Properties V), NW Gardens V site, located in the vicinity of NW 7th Street between NW 11th Avenue and NW 14th Avenue (Subject Property), a brownfield area pursuant to Section 376.80, Florida Statutes.

Background

As a part of the City of Fort Lauderdale (City) efforts to spark environmental rehabilitation and increase redevelopment, the City's Sustainable Development Department (DSD) recommend City Commission approval of designating the approximately 5.5 acre property controlled by NW Properties V (also referenced herein as "Applicant"), NW Gardens V site, located in the Subject Property, a brownfield area pursuant to §376.80, Florida Statutes. If granted, the brownfield designation will enable NW Properties V to manage the environmental complexities associated with the Subject Property and facilitate redevelopment of aging public housing facilities. When fully constructed, Northwest Properties V will have invested approximately \$26 million into the NW Gardens V site. Accordingly, City staff recommends the City Commission approve the Brownfield designation.

The Subject Property is comprised of four separate parcels, totaling approximately 5.5 acres. Historical records document that from the late 1940s through the late 1950s the Subject Property was used for agricultural purposes, including pastureland and reported cattle dipping operations. Site assessment activities to date document soil exceedances of benzo(a)pyrene equivalents, benzo(a)anthracene, and total arsenic in soil at concentrations above their respective residential soil cleanup target levels. Soil impacts have not yet been addressed and will likely involve a lengthy and complicated regulatory process.

In order to fully and properly investigate these issues and work through the complications that they present for development from a planning, permitting, and construction perspective, NW Properties V will have to spend considerable time and money. In the absence of the state-based economic and regulatory incentives provided by a brownfield designation, the success of the project is unsure.

Overview

The purpose of designating a brownfield area 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 24, 2015, 380 areas covering more than 264,124.35 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 Designation Process and Analysis

Pursuant to Florida Statutes, to initiate the brownfield area designation process, a person that owns the real estate parcel must follow the applicable procedures specified in Section 376.80, including: 1) have the local jurisdiction where the brownfield area is located pass the resolution attached hereto as Exhibit B, 2) have the local jurisdiction notify the FDEP of its decision to adopt the brownfield area designation resolution, and 3) provide notice to the public in accordance with Section 376.80(1)(c) and Section 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 NW Gardens V Brownfield Site is appropriate and concludes as follows:

1. The Applicant controls the proposed brownfield area and has agreed to rehabilitate and redevelop the brownfield area. The applicant has provided sufficient documentation to the City in its Brownfield Designation Request, submitted via email on June 8, 2015 (Brownfield Designation Request) that it controls the subject property through an executed Ground Lease Agreement with the Housing Authority for the City. Further, NW Properties V has agreed that it will redevelop and rehabilitate the Subject Property. Accordingly, Staff is confident that the applicable criteria have been met.
2. Designation of the Subject Property will result in economic productivity for the City. NW Properties V has presented to the City that its capital budget for this project is approximately \$26 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. Additionally, while the job creation requirement does not apply to the rehabilitation and redevelopment of a brownfield area providing affordable housing, NW Properties V has represented that its project will create approximately six permanent non-construction full time jobs. Accordingly, City staff is confident that the project will result in significant economic productivity for the City, thus this criteria has been met by NW Properties V.
3. The proposed brownfield area is consistent with the local comprehensive plan and is a permissible use under the applicable local land development regulations.

The applicant has provided sufficient documentation to the City in its Brownfield Designation Request that its proposed construction of an affordable housing development at the Subject Property is consistent with the current zoning of the property and the City's Comprehensive Plan. 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 NW Properties V has met this criterion.

4. The Applicant has provided neighbors and nearby residents of the proposed area an opportunity to provide comments and suggestions about rehabilitation. Specifically, NW Properties V satisfies this fourth criterion in that it posted notice at the Subject Property, published notice in the Sun-Sentinel Newspaper, and posted notices in the community bulletins maintained by Craigslist and the New Times Newspaper. All of the aforementioned notices were published in accordance with the applicable statutory requirements found in 376.80, F.S. In addition, NW Properties V held a community meeting on June 30, 2015, at the Robert P. Kelley Building, 500 W Sunrise Boulevard, Fort Lauderdale, FL 33311. The purpose of the meeting was to provide those receiving notice an additional opportunity for comments and suggestions about rehabilitation. Based on the foregoing City staff concludes that the notice requirements found in Section 376.80, Florida Statutes, have been met by NW Properties V.
5. The Applicant has provided reasonable assurance that it has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment of the brownfield area. NW Properties V satisfies this fifth criterion in that it has the necessary capital to fund the budget for and then construct the project. The applicant's affiliated entity, Atlantic Pacific Communities, LLC (APC), has a lengthy record of accomplishment for successfully funding and developing a broad array of multifamily projects. APC is consistently ranked among the top ten developers nationwide and is a premier advisor and development partner for municipalities, housing authorities, non-profits, faith-based institutions, and private sector partners. To date, APC has completed over 80 affordable housing developments totaling more than 9,000 units across the Southeastern region of United States. In addition, APC has collaborated with non-profits, housing authorities, and faith-based organizations to complete 29 developments, including over 3,000 housing units. Based on its credentials and record of success in consummating the development of various residential properties, Northwest Properties V has the necessary resources to implement and complete the rehabilitation agreement and redevelopment plan for the brownfield area.

Resource Impact

There is no resource impact associated with this action.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Public Places Cylinder of Excellence, specifically advancing:

- Goal 3: Be a community that finds opportunities and leverages partnerships to create unique, inviting, and connected gathering places that highlight our beaches, waterways, urban areas, and parks.
- Objective 1: Improve access to and enjoyment of our beach, Riverwalk, waterways, parks, and open spaces for everyone.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Here*.

Attachments

Exhibit 1 – Site Map for the Subject Property

Exhibit 2 – Applicant's Request for Designation

Exhibit 3 – Resolution

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