



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#16-0154

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

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

DATE: February 16, 2016

TITLE: Public Hearing to Consider the Adoption of a Resolution Designating a
Site-Specific Green Reuse Area – Wisdom Village Crossing- located at
615 North Andrews Avenue

Recommendation

It is recommended that the City Commission hold the second of two public hearings designating approximately 0.77 acres of property controlled by Wisdom Village Crossing, LP (Wisdom Village Crossing), located at 615 North Andrews Avenue, Fort Lauderdale, FL 33311 (Subject Property) a Green Reuse Area pursuant to Section 376.80, Florida Statutes.

Background

Wisdom Village Crossing, LP seeks the City Commission's designation of the Subject Property, owned by Wisdom Village Crossing, LP (also referenced herein as Applicant), a Green Reuse Area pursuant to Section 376.80, Florida Statutes. If granted, the designation will enable Wisdom Village Crossing, LP to manage the environmental complexities associated with the Subject Property and facilitate redevelopment of a former lumber yard and boat sales and repair facility as new and much needed affordable housing.

When fully constructed, Wisdom Village Crossing will have invested approximately \$29 million into the Subject Property and have constructed 105 studio, one-bedroom, and two-bedroom apartments, a community room with kitchen, a fitness center, a business center with high speed internet access, a pool and patio above the parking garage, and management and leasing offices, all built to the Florida Green Building Coalition's standard for energy efficiency.

The Subject Property is comprised of two separate parcels, totaling approximately 0.77 acres. According to a detailed historical investigation conducted by the Applicant's environmental consultant, the Subject Property was first developed in 1926 as a private lumber operation. Broward County Lumber operated there from approximately 1926 to 1934 and Tarpon Lumber from 1934 to 1943. Beginning in approximately 1950, the northern portion of the Subject Property was occupied by a warehouse while the

remainder was vacant. In 1955, the Subject Property was used by the Bollinger Marine Service until approximately 1980 when a foreign car dealership began operating the site. Beginning in 1985, various sports related businesses operated at the Subject Property. From 1988 until August 2014, the Subject Property had been used as a boatyard and boat service facility operated by Joel's Outboard Marine.

As a result of this history, as well as other concerns identified during a pre-acquisition due diligence investigation, a decision was made to sample and analyze soil and groundwater in order to determine the presence or absence of contamination that could complicate redevelopment or reuse of the Subject Property. The first phase of this investigation, conducted in June of this year, revealed slightly elevated levels of arsenic in the groundwater at two locations. The follow-up investigation, which took place in July and August of this year, detected concentrations of arsenic in soil above the regulatory standard for residential use in three samples and above the allowable limits for groundwater in three monitoring wells. As a result of these findings, the Applicant will be excavating and disposing arsenic impacted soil off-site and remediating arsenic impacted groundwater through Natural Attenuation Monitoring. All contamination data developed to date by the Applicant has been submitted to the Broward County Environmental Protection and Growth Management Department (EPGMD). The Applicant has also obtained an Environmental Assessment and Remediation License from Broward County EPGMD to more formally conduct site rehabilitation in order to fully protect human health and the environment and make the Subject Property safe and appropriate for residential reuse. Finally, if the request for designation is approved, the Applicant will be entering into a Brownfield Site Rehabilitation Agreement with Broward County EPGMD, which contains strict timeframes for performance of all statutorily mandated assessment and cleanup tasks.

Accordingly, 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, Wisdom Village Crossing will have to spend considerable time and money. In the absence of the state-based economic and regulatory incentives provided by a designation under Section 376.80, Florida Statutes, the success of the project is unsure.

Overview

The purpose of approving a request for designation under Section 376.80, 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 November 13, 2015, 383 areas covering approximately 264,146.31 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 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 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 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 Subject Property as the Wisdom Village Green Reuse Area is appropriate and concludes as follows:

1. The Applicant owns the proposed Green Reuse Area and has agreed to rehabilitate and redevelop it. The applicant has provided sufficient documentation to the City in its Green Reuse Area Designation Request, submitted via email on November 16, 2015 (Green Reuse Area Designation Request) that it owns the Subject Property and provided a Warranty Deed to evidence same. Further, Wisdom Village Crossing has agreed that it will redevelop and rehabilitate the Subject Property. Accordingly, Staff concludes that the applicable criteria have been met.
2. Designation of the Subject Property will result in economic productivity for the City. Wisdom Village Crossing has presented to the City that its capital budget for this project is approximately \$29 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. Accordingly, City staff concludes that the project will result in significant economic productivity for the City, thus this criteria has been met by Wisdom Village Crossing.
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. The applicant has provided sufficient documentation to the City in its Green Reuse Area 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 Wisdom Village Crossing 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, Wisdom Village Crossing 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. All of the aforementioned notices were published in accordance with the applicable statutory requirements found in Section 376.80, Florida Statutes. In addition, Wisdom Village Crossing held a community meeting on December 3, 2015, at the offices of the Northwest-Progresso-Flagler Heights Community Redevelopment Agency, 2nd Floor Conference Room, 914 Sistrunk 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 Wisdom Village Crossing.

5. The Applicant has provided reasonable assurance that it has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment of the Subject Property. Wisdom Village Crossing satisfies this fifth criterion in that it has the necessary capital to fund the budget for and then construct the project. Specifically, the Applicant's parent company, Turnstone Development (Turnstone) has developed over 1,450 affordable housing units at a total capital cost of more than \$210 million with leveraging of more than \$185 million in private and public investment capital sources, such as low-income housing tax credit equity, County HOME funds, Public Housing Authority capital funds, American Reinvestment and Recovery Act Stimulus funds, traditional banking and lending institutions' loans, and grant assistance from such organizations as the Federal Home Loan Bank and the Department of Commerce and Economic Opportunity. The Applicant also submitted its Consolidated Financial Statements and Independent Auditor's Report for the Year Ended December 31, 2014. Based on the current financial position of the Applicant's parent, its proven history of leveraging its assets with other capital sources, its impressive track record of success, and the fact that the Subject Property has the requisite land use approvals it needs to complete the project, City staff concludes that Wisdom Village Crossing has the necessary resources to implement and complete the rehabilitation agreement and redevelopment plan for the Subject Property.

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 - Green Reuse Area Designation for the Subject Property

Exhibit 4 - Resolution

Prepared by: Jeremy Earle, Deputy Director, Sustainable Development

Department Director: Jenni Morejon, Sustainable Development