



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CRA BOARD MEETING

#17-0234

TO: CRA Chairman & Board of Commissioners
Fort Lauderdale Community Redevelopment Agency

FROM: Lee R. Feldman, ICMA-CM, Executive Director

DATE: February 21, 2017

TITLE: Motion Requesting the City Commission to Transfer Three City-Owned Commercial Parcels to the Fort Lauderdale Community Redevelopment Agency for Redevelopment and Authorization to Issue Request for Proposals

Recommendation

It is recommended that the Community Redevelopment Agency (CRA) Board of Commissioners send a request by Motion to the City Commission to transfer to the CRA three (3) City-owned properties zoned for commercial and mixed use in the northwest portion of the CRA area, and for the CRA to authorize the CRA Executive Director to issue Request for Proposals for the properties.

Background

Staff has been working with two developers who are interested in pursuing projects in the NW Regional Activity Center portion of the CRA, west of the FEC Railway. Both projects, to be successful, will need to include vacant underutilized City-owned lots as part of their development site. In order for this to occur, the property will first need to be transferred to the CRA rather than be surplus by the City and be put out to bid to the highest bidder. Section 8.02 of the City Charter allows the City to convey real property owned by the City to another public agency for a public purpose (Exhibit 1). The City property requested to be conveyed to the CRA is identified on Exhibit 2 along with a chart that provides information on the size of the property, the date City originally took ownership, cost and expenses, just market value and the property appraised value. The appraisals for these properties are attached as Exhibit 3.

Both developers are requesting that the CRA expeditiously take the appropriate action for transfer of property to the CRA so that they may work with the CRA to have the property transferred to them for their redevelopment projects. At their meeting of Dec 20, 2016, following the CRA Advisory Board's recommendation on December 13, 2016 to transfer all residential and commercial surplus parcels in the CRA to the CRA for \$10.00, the CRA Board recommended the transfer of the residential parcels for a cost of

\$3,000.00 per property plus expenses, but did not approve the transfer of the commercial parcels to the CRA at that time.

A brief summary of the proposed development projects and request from the developers is provided below:

- **Request #1- Hotel Use**

This request would transfer approximately 18,125 square feet of City property to the CRA to be added to an existing 18,850 square foot site purchased by the Developer, Impact Investments 1 LLC in February, 2016 fronting NW 7th Avenue in order to construct a 100 room hotel with a total estimated development cost of \$14.2 million. The City property faces NW 3rd Street behind the developer's property and would be used for hotel parking and the developer is willing if necessary to purchase the property from the CRA for its appraised value. The project cannot move forward without the additional property.

| <u>Location</u> | <u>Address</u> | <u>Appraised Value</u> |
|--|-------------------------------------|------------------------|
| Parcel ID 5042-10-12-0550 and 5042-19-12-0540 | 713 & 717 NW 3 rd Street | \$115,000.00 |

| | | |
|---------------------------|-------------------------------|-------------|
| Parcel ID 5042-10-12-0520 | 723 NW 3 rd Street | \$75,000.00 |
|---------------------------|-------------------------------|-------------|

A copy of the location map of the property, developer's Letter of Intent to purchase the property for the project and concept plans are attached at Exhibit 4.

- **Request #2 – Retail Center Use**

This request would transfer approximately 4,680 square feet of City property to the CRA to be added to an existing 14,144 square foot site owned by the Developer, Sistrunk LLC – Gilbert Hyatt fronting Sistrunk Boulevard in order to construct a 6,777 square foot five bay retail center. The property would be used to allow for a larger development footprint for the project. This small City owned property is located midblock and has no vehicular access to Sistrunk Boulevard. It would only have development value to the adjacent property owners. Mr. Hyatt is the adjacent property owner to the west of the City lot and the property owner to the east is a convenience store owner which is an existing non-conforming use and cannot be expanded. The vacant City lot has also been difficult to maintain by the City and is a source of loitering. Mr. Hyatt is willing to purchase the problem property and return it to the tax rolls, but at a reduced cost in the amount of \$4,354.83 (City cost and expenses related to the property).

| <u>Location</u> | <u>Address</u> | <u>Appraised Value</u> |
|---------------------------|--------------------|------------------------|
| Parcel ID 5042-04-24-0040 | 1504 Sistrunk Blvd | \$60,000.00 |

A copy of the location map of the property and schematic plans for the project is attached as Exhibit 5. Both projects were reviewed and discussed at the CRA Advisory Board meeting of February 14, 2017 and the advisory board unanimously recommended that all three parcels be conveyed to the CRA. They further recommended that the two parcels proposed for hotel use at 713-717 NW 3rd Street and at 723 NW 3rd Street be conveyed at their appraised value of \$190,000.00, while the property at 1504 Sistrunk Blvd proposed for retail center use be conveyed for City cost and expenses of \$4,354.83.

Following Community Redevelopment Act procedures, the CRA will be issuing a Thirty Day Notice to formally solicit development proposals for the sites from these developers and any other interested parties. This action was also unanimously recommended on February 14, 2017 by the CRA Advisory Board.

CONSISTENCY WITH NPF CRA REDEVELOPMENT PLAN

The projects are consistent with the NPF CRA Community Redevelopment Plan by providing the resources bundled around a basic improvement program designed to stimulate, foster and provide the proper physical foundation necessary to promote and achieve redevelopment within the NPF CRA and to afford maximum feasible opportunities for private participation in undertaking the redevelopment of the NPF CRA.

The CRA 5 Year Program, which is incorporated as part of the Plan, identifies strategic objectives, goals and measurements that include targeting and attracting businesses, retail uses and industries to establish a presence in the redevelopment area and create jobs for area residents. In addition, it calls for investing in development projects that create job opportunities for area residents, promote public private partnerships and investment in the redevelopment area.

The CRA Plan states that from time to time, the CRA may identify opportunities to acquire properties that can be conveyed or assembled for redevelopment. When those opportunities are identified, with approval of the CRA Board, the CRA shall proceed with such acquisitions and dispositions using funds available to the CRA. The CRA shall dispose of property that it acquires to private or public persons for redevelopment purposes and may enter into agreements with such persons to ensure that the redevelopment occurs as provided in Section 163.380, Florida Statutes.

Resource Impact

There is no budgetary impact to the CRA associated with this action at this time.

Strategic Connections

This item is consistent with the Community Redevelopment Plan for the Northwest Progresso Flagler Heights Area, as it addresses the Neighborhood Housing Improvement Program efforts discussed in Section 5 Article B and it addresses the Sistrunk Corridor Area Improvement Programs outlined in Section 5 Article D.

within the Neighborhood Enhancement Cylinder of Excellence, specifically advancing:

- Goal 5: Be a community of strong, beautiful and healthy neighborhoods.
- Goal 6: Be an inclusive community made up of distinct, complementary, and diverse neighborhoods.

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

Attachments

Exhibit 1 – City Charter – Section 8.02

Exhibit 2 – City Owned Properties to be conveyed to the CRA

Exhibit 3 – Appraisal Reports - Calloway and Price, Inc.

Exhibit 4 – Proposed Hotel Project Location, Letter of intent & Concept Plans

Exhibit 5 – Proposed Retail Center Project Location and Schematic Plans

Prepared by: Jonathan Brown, Northwest Progresso Flagler Heights CRA and
Housing & Community Development

Executive Director: Lee R. Feldman, ICMA-CM, City Manager