



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#18-0616

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

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

DATE: June 5, 2018

TITLE: Adoption of a Resolution Designating a Site-Specific Brownfield Area - 1615
NW 23rd Avenue - Second Public Hearing

Recommendation

It is recommended that the City Commission hold a public hearing and adopt a resolution, on second hearing, designating an approximately 8.5 acre property owned by the Housing Authority of the City of Fort Lauderdale and controlled by Suncrest Court Redevelopment, LLC (Suncrest) via a land lease, located at 1615 NW 23rd Avenue, Fort Lauderdale FL 33311 (Subject Property), a brownfield area pursuant to §376.80, Florida Statute.

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) recommends City Commission approval to designate the approximately 8.5 acre property controlled by Suncrest (also referenced herein as "Applicant"), located at 1615 NW 23rd Avenue, Fort Lauderdale FL 33311, a brownfield area pursuant to §376.80, Florida Statutes. If granted, the brownfield designation will enable Suncrest to manage the environmental complexities associated with the Subject Property and facilitate redevelopment of aging public housing facilities. When fully constructed, Suncrest will have invested approximately \$28.7 million into the site. Accordingly, City staff recommends the City Commission approve the Brownfield designation.

The Subject Property is currently listed under a single folio number developed with a 68-unit public housing community on 8.5 acres. The Subject Property falls within the definition of the term "brownfield site" in that the Subject Property is located in close proximity to properties with actual soil contamination arising from the former City of Fort Lauderdale Wingate Incinerator and historical in-filling and/or dumping activities. The presence of actual contamination in close proximity to the Subject Property has significantly complicated redevelopment and reuse by (i) making it materially more expensive and time consuming to move forward with the Development; (ii) imposing a host of design and construction changes on the Development that would not be required but for the presence of actual contamination; and (iii) increasing Suncrest's exposure to environmental and regulatory liability with respect to the Development.

Suncrest proposes to redevelop and rehabilitate the Subject Property as an affordable multifamily residential rental community consisting of 6 buildings with a total of 116 units. The

budget for rehabilitation and redevelopment is approximately \$28.7 million, which will be spent in part on local labor, contractors, consultants, construction materials, furnishings, infrastructure improvements, and impact fees. This work will support approximately 100 temporary construction jobs over the period of development. 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. Further, according to the National Association of Home Builders (NAHB) report, The Local Economic Impact of Typical Housing Tax Credit Developments, the estimated recurring impacts of building 100 affordable residential rental apartments include \$2.4 million in local income and 30 local permanent jobs. Extrapolating the NAHB model data to the 116-unit redevelopment planned for the Subject Property, the annually recurring impacts are estimated to be \$2.78 million in local income and 35 local jobs.

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. 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, Florida Statutes, including: 1) have the local jurisdiction where the brownfield area is located pass the resolution attached hereto as Exhibit 3, 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 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.

The Applicant's Brownfield Designation Request was submitted via email and delivered in hard copy via FedEx on April 2, 2018. Staff has evaluated the Brownfield Designation Request and determined that the Applicant's request is appropriate and compliant to Section 376.80, Florida Statutes, based on the following criteria:

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 that it controls the subject property through an executed Ground Lease Agreement with the property owner, the Housing Authority for the City. Further, Suncrest 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. Suncrest has presented to the City that its capital budget for this project is approximately \$28.7 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 generate 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, Suncrest has represented that its project will create approximately 35 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 Suncrest.
3. The proposed redevelopment in the brownfield area is consistent with the local comprehensive plan and is a permitted 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 permitted under the applicable local land development regulations, City staff concludes that Suncrest 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, Suncrest 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 Section 376.80, Florida Statutes. In addition, Suncrest has published notice that a community meeting will be held at the Holy Tabernacle United Church, located at 1151 NW 27th Avenue, Fort Lauderdale, FL 33311 on April 16, 2018. The purpose of the meeting is 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 Northwest Properties V.

5. Suncrest satisfies this fifth criterion by providing a detailed description of its financial resources (a combination of debt and equity), sufficient to complete the rehabilitation and redevelopment of the brownfield area. In addition, Suncrest's principals, through their various development affiliates, have an extensive track record of success in financing, building, and managing major affordable and market-rate residential communities. One such affiliate, for example, Atlantic Pacific Companies, has a well-deserved reputation as one of the leading real estate companies in Florida, Georgia, Texas, and California. Based on its credentials and record of success in completing the development of numerous residential properties, Suncrest 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.

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 - Housing Authority of the City of Ft. Lauderdale Commitment Letter
Exhibit 4 - TD Bank Tax Credit Commitment
Exhibit 5 - Brownfield Area Designation Resolution

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