



CITY OF FORT LAUDERDALE
Commission Agenda Memo
REGULAR MEETING

#19-1071

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: November 5, 2019

TITLE: Resolution Designating Real Property Located at 1801 SW 1 Avenue, Fort
Lauderdale, FL 33315 as a Green Reuse Area Pursuant to Florida's
Brownfields Redevelopment Act – **(Commission District 4)**

Recommendation

It is recommended that the City Commission adopt a resolution designating an approximately 2.31 acre property owned by the Housing Authority of the City of Fort Lauderdale ("HACFL") and being developed by Poinciana Crossing, Ltd. ("Poinciana Crossing"), located at 1801 SW 1st Avenue, Fort Lauderdale, Broward County, FL 33315, Folio Number 504215110020 ("Subject Property") (Exhibit 1), a "Green Reuse Area" pursuant to §376.80(2)(c), Florida Statutes. For the purpose of rehabilitation, job creation and promoting economic redevelopment.

Background

As a part of the efforts of the City of Fort Lauderdale ("City") to spark environmental rehabilitation and increase redevelopment, staff recommends City Commission approval of designating the Subject Property, approximately 2.31 acres in size, controlled by Poinciana Crossing, a "Green Reuse Area" pursuant to Section 376.80(2)(c), Florida Statutes, of Florida's Brownfields Redevelopment Act. If granted, the designation will enable Poinciana Crossing to manage the environmental complexities associated with the Subject Property and facilitate redevelopment for affordable housing designed to emphasize health, wellness, safety, and economic opportunity. When fully constructed, Poinciana Crossing will have invested approximately \$36.14 million into the Subject Property and have constructed 113 units in a single building with an array of community amenities including a community/recreation room, a business center with computers and high-speed internet access, a fitness center, on-site laundry facilities, and lush landscaping. The development will also feature a National Green Building Standard certification. Accordingly, City staff recommends the City Commission approve designation of the Subject Property as a Green Reuse Area.

Overview

The purpose of approving a request for designation under Section 376.80(2)(c), 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.

The Subject Property falls within the definition of the term “brownfield site” in that soil and groundwater on the Subject Property are contaminated as a result of the property’s historical use as a Florida East Coast Railway facility. The presence of actual contamination on 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 Poinciana’s exposure to environmental and regulatory liability with respect to the Development.

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 proposed 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 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;
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 Poinciana Crossing Green Reuse Area is appropriate and concludes as follows:

1. Poinciana Crossing controls the proposed Green Reuse Area and has agreed to rehabilitate and redevelop it. It has provided sufficient documentation to the City in its Green Reuse Area Designation Request that it controls the Subject Property and provided a Ground Lease Agreement with Housing Authority of the City of Fort Lauderdale, the owner of the Subject Property, to evidence same. Further, Poinciana Crossing has agreed that it will redevelop and rehabilitate the Subject Property.
2. Designation of the Subject Property will result in economic productivity for the City. Poinciana Crossing has presented to the City that its capital budget for this project is approximately \$36.14 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 concludes that the project will result in significant economic productivity for the City. In addition, Poinciana Crossing has also demonstrated that the project will “provide affordable housing as defined in Flat. Stat. § 420.0004,” which exempts it from the job creation requirement.
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. Poinciana Crossing 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.
4. Poinciana Crossing has provided neighbors and nearby residents of the proposed area an opportunity to provide comments and suggestions about rehabilitation. Specifically, Poinciana Crossing satisfies this fourth criterion in that it posted notice at the Subject Property, published notice in the Sun-Sentinel Newspaper, and posted notices on the Fort Lauderdale community bulletin section of Craigslist. All of the aforementioned notices were published in accordance with the applicable statutory requirements found in Section 376.80, Florida Statutes. In addition, Poinciana Crossing held a community meeting on June 18, 2019, at the Crowne Plaza Fort Lauderdale Airport at 455 SE 24th St, Fort Lauderdale, FL 33316.
5. Poinciana Crossing has provided reasonable assurance that it has sufficient financial resources to implement and complete the rehabilitation agreement and redevelopment of the Subject Property. Poinciana Crossing satisfies this fifth criterion in that it has the necessary capital to fund the budget for and then construct the project. The total capital budget of approximately \$36.14 million is fully funded through a combination of equity and debt. Specifically, the Development will be funded by a \$7.2 million permanent first mortgage, \$28.81 million in limited partner tax credit equity, and a \$125,000 contribution from Broward County.

Resource Impact

There is no resource impact associated with this action.

Attachments

Exhibit 1 – Site Map for the Subject Property
Exhibit 2 – Applicant's Request for Designation
Exhibit 3 – Resolution

Strategic Connections

This item supports the *Press Play Fort Lauderdale Strategic Plan 2024* Plan, specifically advancing:

- The Neighborhood Enhancement Area
- Goal 3: Build a Thriving and Inclusive Community of Neighborhoods
- Objective: Ensure a range of affordable housing options

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

Prepared by: Luisa Agathon, City Manager's Office

Department Director: Chris Lagerbloom, ICMA-CM, City Manager