



OAKLAND PARK SQUARE

October 17, 2018



OAKLAND PARK SQUARE



OVERVIEW

This presentation will provide information for the City Commission's consideration regarding the Purchase and Sale Agreement (PSA) and the Development Agreement (DA) for Oakland Park Square:

- ❖ The concerns that shaped the negotiation process
- ❖ The legislative implementation process that was designed to address and mitigate those concerns
- ❖ The key provisions in the Purchase and Sale Agreement
- ❖ The key provisions in the Development Agreement

- ✓ **Mixed-use development**
- ✓ **Centralize municipal operations**
- ✓ **Hardened municipal facilities**
- ✓ **Generation of new taxable value**
- ✓ **Increase property values**
- ✓ **Add additional public parking in the downtown**
- ✓ **Enable the development of residential to support businesses**
- ✓ **Remediation of the environmental issues**
- ✓ **Open other opportunities for potential development**
- ✓ **Conversion of CRA loans to grants**



OPCRA

OAKLAND PARK
COMMUNITY
REDEVELOPMENT
AGENCY

2017 - 2022

CRA STRATEGIC ACTION PLAN



Request for Qualifications
RFQ #121517

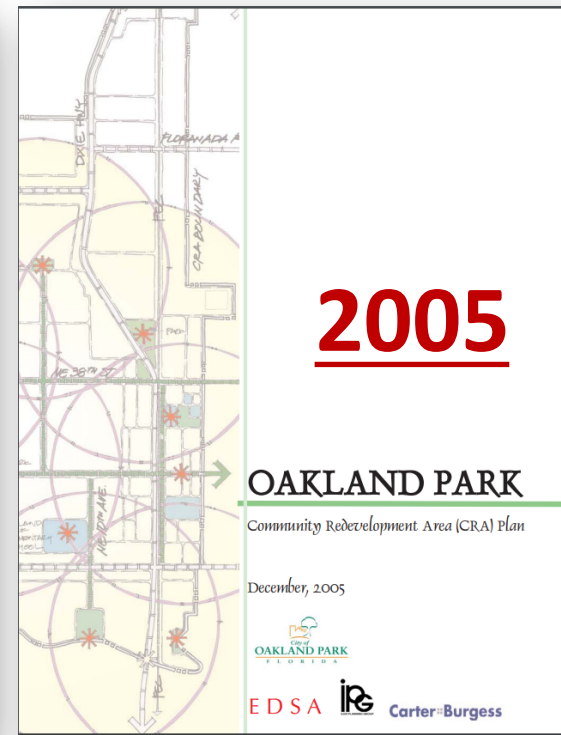
A Development Opportunity in Broward County
WEST DIXIE LOT
REDEVELOPMENT PROJECT

RFQ Date: OCTOBER 16, 2017

City of Oakland Park
Financial Services/Purchasing Division
3650 NE 12 Avenue
Oakland Park, FL 33334
Maggie Turner, Purchasing Manager
Phone: (954) 630-4257
Email: margaret@oaklandparkfl.gov



Prepared by: R. Miller Consulting Group, LLC
April 19, 2017



2005

OAKLAND PARK

Community Redevelopment Area (CRA) Plan

December, 2005



EDSA iRG Carter-Burgess

Oakland Park Downtown Mixed Use District
Design Guidelines



2004



The Realization of 13 Years of Planning

Facilities Master Plan: Executive Summary
City of Oakland Park
ADG Project No. 791-47

Facilities Conditions Assessment

The city facilities surveyed under the scope of this study are of varying age and condition, and many can be generally characterized as having been extended beyond their useful life with only minimal renovation and routine maintenance. Most of the existing buildings were originally constructed 20-40 years ago often for entirely different functional purposes, and subsequently have undergone a series of modifications and "piece-meal" additions that have tended to compromise their functionality. Significant issues that were observed are noted as follows:

1. As indicated by their age, the majority of the buildings are not built to current Florida Building Code and depending upon the level of renovation that may be desired, could require significant investment to upgrade to current codes. This factor alone may substantiate that the construction of a new facility is more economically feasible.
2. Although the City is implementing a plan, all buildings are observed to be non-ADA compliant to varying degrees, failing to meet either Federal or State ADA requirements for accessibility.
3. Critical facilities that do not currently meet minimum building requirements for survivability, design, resilience, as well as be updated to current Florida Building Code.
4. All buildings surveyed, including new renovations, are unsprinklered. State Life Safety Codes, such as NFPA 1, could mandate the retrofit of certain facilities with sprinkler systems, particularly if undergoing a renovation.
5. Facilities are overcrowded, with equipment and storage boxes compromising functional work areas and in some instances, stored in egress paths, a violation of life safety codes.
6. There are visible signs of moisture penetration in several buildings as a result of leaks, inappropriate construction, or deferred maintenance.
7. Many facilities have poorly sealed windows and doors, the source of significant heat and moisture gains and conditioned air loss.

In summary, many of the existing structures, accommodating critically important functions, are sub-standard and non-compliant with current codes. Their continued utilization, in their present condition, poses specific risks to the City. As an example, the penetration of moisture into the building interior has



CITY OF OAKLAND PARK
Culinary Arts District
**TRANSPORTATION
MOBILITY PLAN**

February 2017



City of Oakland Park, Florida
Retail Recruitment Strategy Update
February 2016



OAKLAND PARK
COMMUNITY REDEVELOPMENT AGENCY

CRA Strategic Action Plan

Prepared by
Redevelopment Management Associates (RMA)



A City on the Move

5 NOVEMBER 16, 2011

2005 Oakland Park CRA Plan

III. Dixie Mixed Use (West) Development. A Request for Proposals should be issued to find an appropriate developer that can create an exciting mixed-use demonstration development including retail shops and public art displays. The Community Redevelopment Agency would provide seed money for this important project. The City owns the triangle-shaped lot north of NE 38th Street west of Dixie Highway within this DMUD sub-area, which may accommodate green space, parking, or traffic improvements. Estimated cost- \$1,000,000 for "gap" funding.

Unlike the 2005 Plan, this project is **NOT** giving away land or money, we are **SELLING LAND** and for the most part pledging revenues that would not be available but for Integras's investment in this development.

A pedestrian bridge crossing the FEC Corridor will ensure that pedestrians will be able to take advantage of both sides of Park Place and cross the FEC and traffic lanes safely. The pedestrian bridge would also augment a potential rail station here. The pedestrian bridge should be constructed with unique and eye-catching architecture to make it Park Place's landmark.

New structured parking facilities on both sides of Dixie Highway are essential for the successful development of the Downtown Mixed Use District, not only for future residents and visitors, but also for a future passenger rail station.

Public art would be placed in plazas as required by the Downtown Mixed Use District Design Guidelines. Other improvements in Park Place include creating a one-way pair using NE 12th Avenue and the extended NE 12th Terrace to improve traffic flow.

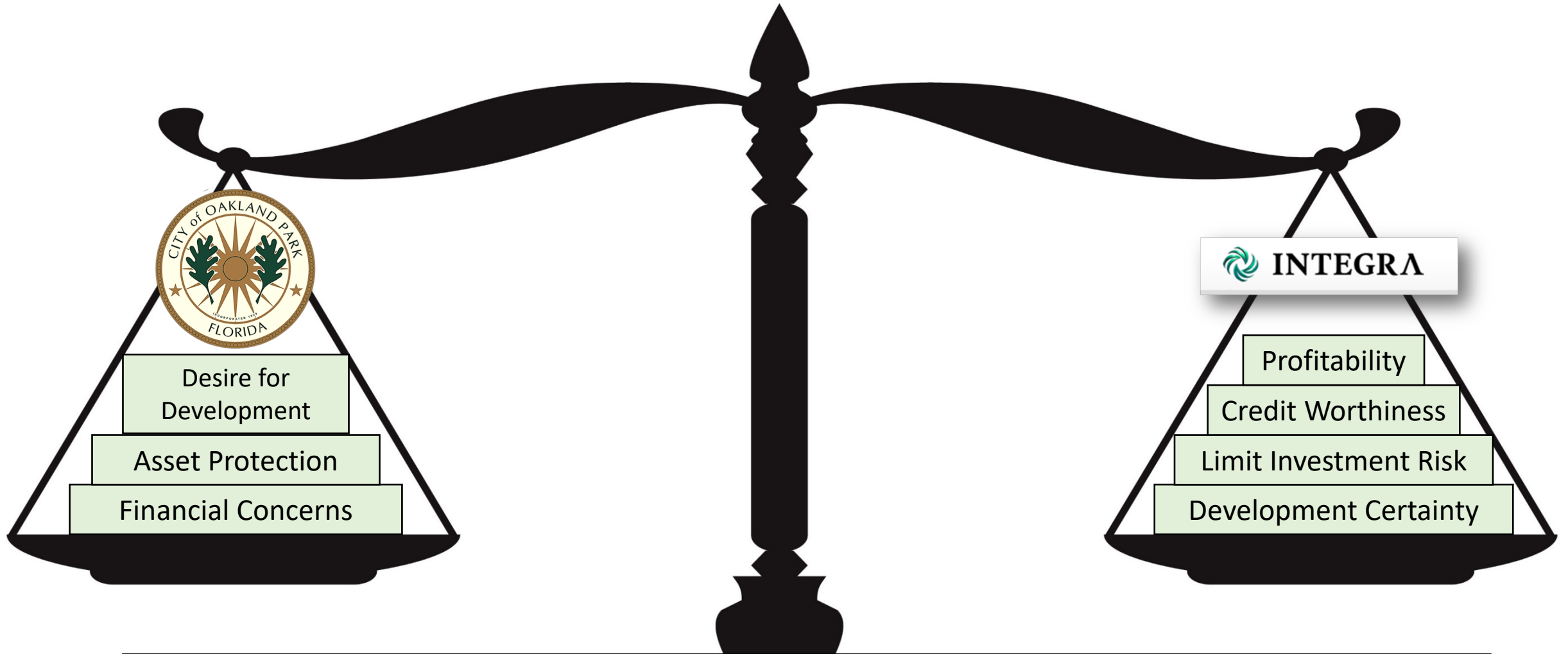
The Community Redevelopment Agency would provide some funding to a qualified developer to cover the needed amenities for Park Place. Estimated cost- \$6,000,000 for "gap" funding.

II. Dixie Mixed Use (East) Development. Existing and future businesses need parking to attract customers in Downtown Oakland Park. A public parking facility in this area east of Dixie Highway and south the NE 38th Street would provide needed parking in this area. The CRA might acquire land for parking. Through a public/private joint venture, a developer would construct the parking as a public amenity under the DMUD regulations.

The Community Redevelopment Agency would provide some funding to a qualified developer to cover the parking facility in Dixie Mixed Use (East). Estimated cost- \$3,000,000 for "gap" funding.

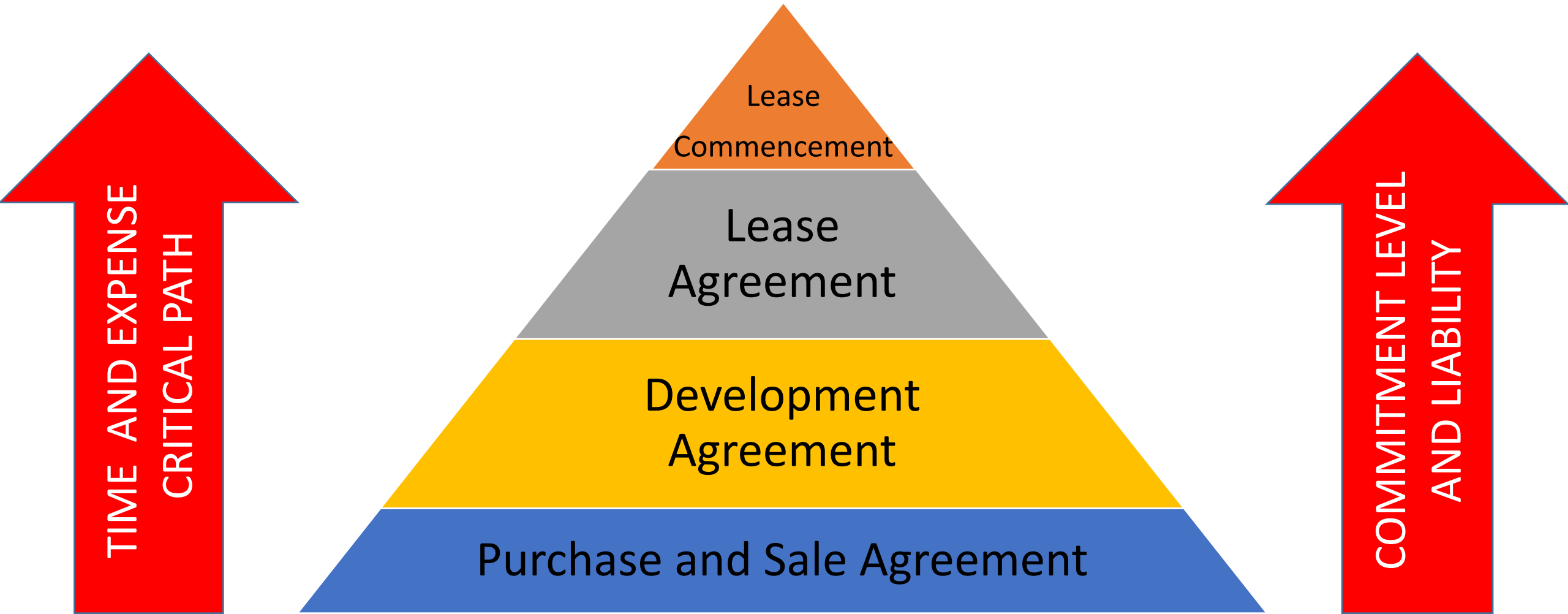
III. Dixie Mixed Use (West) Development. A Request for Proposals should be issued to find an appropriate developer that can create an exciting mixed-use demonstration development including retail shops and public art displays. The Community Redevelopment Agency would provide seed money for this important project. The City owns the triangle-shaped lot north of NE 38th Street west of Dixie Highway within this DMUD sub-area, which may accommodate green space, parking, or traffic improvements. Estimated cost- \$1,000,000 for "gap" funding.

WHAT GUIDED THE NEGOTIATION



Without the City's commitment to be an anchor tenant this redevelopment project would not be financially viable and would not be built.

Implementation Phases and Liability



The Purchase and Sale Agreement and the Development Agreements have been structured to limit liability for both parties. However, as the Developer completes more of the project as defined in the critical path, the City's commitment and liability to the Developer grows.

WHAT IS THE PURCHASE AND SALE AGREEMENT

Purpose:

The Purchase and Sale Agreement established the terms and conditions under which the developer will purchase the West Dixie Lots from the City.

Why is it necessary:

In addition to facilitating the transition of property, the PSA works together with the DA to protect the City's assets and ensure that the project is implemented as planned before release of the property.

What are the Key provisions:

Purchase Price, Inspection Period, Timeline for Approvals, Repurchase Provisions, and Environmental Remediation Provisions.

PURCHASE AND SALES AGREEMENT SUMMARY

- **Purchase Price:**

- Sets purchase price at **\$2,550,000** with earnest money deposit provisions:
 - Price is for the appraised value
 - **Not discounted for potential environmental issues**

- **Inspection Period:**

- 120 days or longer to conclude environmental testing and plan

PURCHASE AND SALES AGREEMENT SUMMARY

- **Timelines and Development Approvals:**

- Sets timelines for required approvals
- Defines and restricts the ability for material changes to the development program and design

- **Option to Repurchase:**

- Establishes the City's sole right to repurchase the property if the Developer does not perform in a timely fashion; cost will not exceed original sale price

PURCHASE AND SALES AGREEMENT SUMMARY

CONDITIONS PRECEDENT TO CLOSING:

This provision seeks to protect the City's assets, requiring the following **before** the transfer of the property:

1. Development Agreement
2. Environmental Approved Plan and Permits
3. All necessary Development Approvals and associated requirements
4. Lease Agreement with the City
- 5. Closing**

PURCHASE AND SALES AGREEMENT SUMMARY

ENVIRONMENTAL ISSUES AND REMEDIATION PROVISIONS

The costs and strategy to address the environmental issues will be determined using a mutually agreed upon process for testing, assessment, and permitting.

- Sets process for Purchaser and Seller to:
 - Review permitting requirements and assess the costs. Parties either commit to the costs necessary to fulfill permitting requirements or terminate the agreement under certain conditions.
- If after the Environmental Approval Plan and Permit have been issued and the closing of the property has taken place, if any additional environmental conditions are discovered the following is provided:
 - The City has committed to placing \$1M of the \$2.55M purchase price in an interest bearing escrow account controlled by the City to front load unforeseen environmental conditions until BSRA reimbursement is received.

How Does the PSA Relate to the Development Agreement?

OCTOBER 17, 2018

DEVELOPMENT AGREEMENT

Purchase and Sale Agreement

Due Diligence

Pre-Development Approvals

Environmental Permits and Plans

Lease Agreement

Closing and Escrow

WHAT IS THE DEVELOPMENT AGREEMENT

Purpose:

The Development Agreement will provide the terms and conditions under which the developer will develop the Oakland Park Square Project.

Why is it necessary:

As illustrated in the previous slide, this agreement will survive the Purchase and Sale Agreement and govern the project after the transfer of the West Dixie Lots Property, through construction, and up to Lease Commencement on the new City Hall space.

What are the Key provisions:

Developer Timelines, Developer Obligations, City Obligations, Lease Terms, Default, Termination, and Remedies.

DEVELOPMENT AGREEMENT SUMMARY

Developer Timelines

Day 1:	Executed Contract
45 days from Contract Execution:	Developer to File Pre-Development Review Application for Additional Building Height & Allocation of Flexibility Units
120 days from Contract Execution:	Environmental Assessment Plan and Permitting
No later than the expiration of the Inspection period:	Long Term Lease to be executed by parties

DEVELOPMENT AGREEMENT SUMMARY

Developer Timelines

W/in 90 Days Inspection Period:

Developer will file its Development Review Application with the City within ninety (90) calendar days of Inspection Period

W/in 9 months of Development Application Date:

Developer shall use commercially reasonable efforts to obtain the City Development Approval within nine (9) months after the Development Review Application Date.

18 Months from Development Review Application Approval:

Developer to obtain all permits for construction

Prior to Closing

Memorandum of Closing

DEVELOPMENT AGREEMENT SUMMARY

Developer Timelines

CLOSING

60 calendar days after Developer has obtained City Development Approvals & permits, securing of construction financing , or earlier date specified by written notice.

90 days from Closing:

Commence construction work

30 Months from Closing:

Substantial Completion

36 Months from Closing:

Final Completion

120 Days after Project Final Completion Date:

Developer to provide City with As-Built drawings for Civic Spaces and Infrastructure

DEVELOPMENT AGREEMENT SUMMARY

DEVELOPER OBLIGATIONS

- Design, Finance, Construct, and Complete the Oakland Park Square Project as defined in the agreement, to include the Parking Structure
- Complete (at City Expense) Tenant Improvement for Civic Component
- Market, Lease, and Operate the Development
- Enter into Long Term Lease with the City as defined in the agreement

THE ELEMENTS OF THE DEVELOPMENT

Residential Apartments	87 units
Live/Work Rentals	11 units
Ground Floor Retail/Commercial	34,600 sf
City Hall Office and Public Space	29,000 sf
Parking	343 spaces
Height	68 feet



**Note a 5% variance is allowed per the agreement. This provision does not apply to the Height , City Hall Offices, and Parking

THE ELEMENTS OF THE LEASE AGREEMENT

CITY HALL LEASE:

- 29,000 square feet of office space on the ground floor and 6th floor of the South Block
- Includes 133 public parking spaces of which 116 will be designated to City Hall in the South Block

LEASE TERM:

- Initial: 15 years
- Option to Extended: Two (2) options to renew for 5-years

LEASE RATE:

Lease Years 1-5: \$26.07 per sq.ft.

Lease Years 6-8: \$35.83 per sq.ft.

Lease Years 9-10: \$38.57 per sq.ft.

Lease Years 11-15: Mark to Market for Lease Year 11

Lease Years 12 & 13 at a fixed rate

Lease Years 14 & 15 at a fixed rate



Will come before Commission for approval prior to closing on the property.

DEVELOPMENT AGREEMENT SUMMARY

CITY OBLIGATIONS

- If all Conditions Precedent to closing are met, Transfer the property
- Provide Public Incentives as Defined in the Agreement
- Enter into Long Term Lease with the Developer as defined in the agreement
- Ensure timely review of the development applications and approvals.

DEVELOPMENT AGREEMENT SUMMARY

Default, Termination ,and Remedies:

During Inspection Period:

- The City or the Developer can terminate the Agreement for reasons of Environmental Concern based on information obtained from the Environmental Consultant's Assessment. The City and the Developer would share the cost of the Environmental Assessments and the City would retain all documents and studies for its future use.
- It should be noted that the Developer may terminate the agreement during the inspection period, for reasons other than environmental.

DEVELOPMENT AGREEMENT SUMMARY

Default, Termination, and Remedies:

After Inspection Period and Prior to Closing of the PSA:

- The City may Terminate the Development Agreement if the Developer Defaults. The City's remedy would be to retain the Developer's earnest Money Deposit of \$100,000.
- The Developer may terminate the Development Agreement if the City fails to provide the necessary approvals **(this does NOT include pre-development approvals i.e. height and the allocation of flexible units)** to support the development of the Project as submitted pursuant to the City's RFQ.
- In the event development approvals are not provided by the City, the Developer would be entitled to receive 18 months rent.

PURCHASE AND SALES AGREEMENT SUMMARY

NEXT STEPS

- If the PSA is approved this evening on second reading **AND** the Development Agreement is approved; the Inspection Period under the PSA will begin.
- Staff will begin working with Integra to finalize the Lease Agreement which will be brought back to this body.

OAKLAND PARK SQUARE

