

OAKLAND PARK SQUARE Project Update Presentation

June 20, 2018



BACKGROUND

❖ Support for a mixed-use development through a public private partnership was a goal of the City Commission and the CRA Board since 2005:

- 2005 Oakland Park CRA Plan
- 2012 Oakland Park CRA Strategic Plan Update
- 2017 Oakland Park CRA Strategic Plan Update

2005 Oakland Park CRA Plan

Support for this mixed use development public private partnership was approved by the City Commission consistently through its plans. It is also important to note that all of these plans included support for then ***estimated up to \$ 3 million dollars in bridge financing***

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.

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 circulation.

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.

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2012 Oakland Park CRA Strategic Plan Update

Sites # 5,6 & 7 -- North Gateway Area Downtown Oakland Park

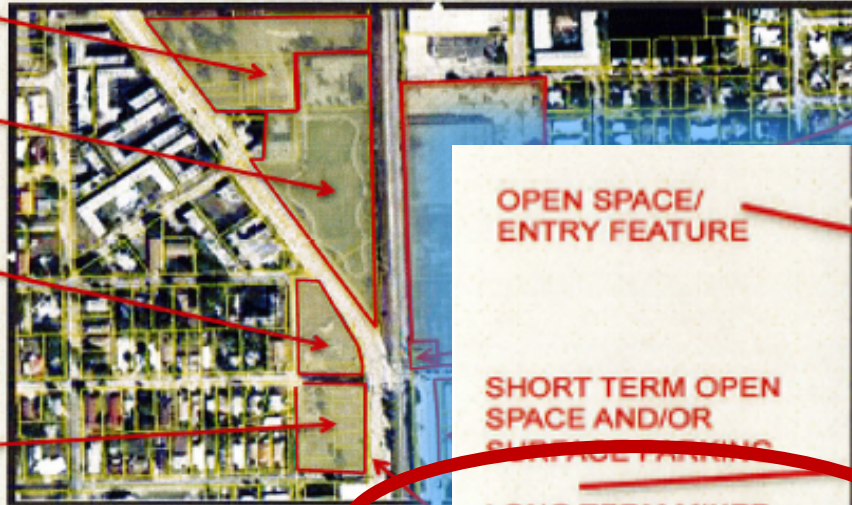
FUTURE PARK
EXPANSION

JACO PASTORIUS
PARK – CULINARY
COMPONENT
OPTION?

OPEN SPACE/
ENTRY FEATURE

SHORT TERM OPEN
SPACE AND/OR
SURFACE PARKING

LONG TERM MIXED-
USE/PARKING



COMPATIBLE
WAREHOUSE -
AQUACULTURE

OPEN SPACE/
ENTRY FEATURE

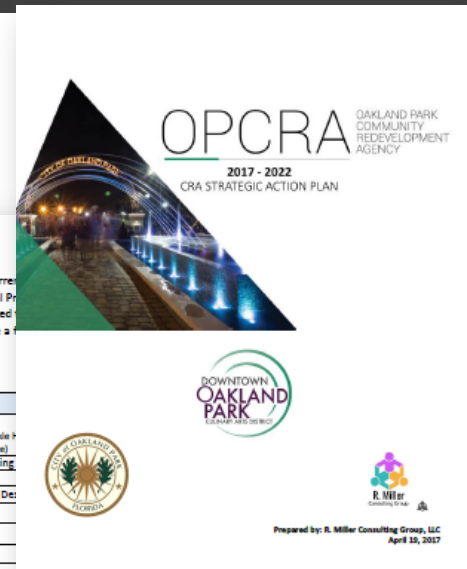
SHORT TERM OPEN
SPACE AND/OR
SURFACE PARKING

LONG TERM MIXED-
USE/PARKING



A City on the Move

2017 Oakland Park CRA Strategic Plan Update



CRA PROJECT LIST

Charts provide a full list of all projects currently being implemented within the CRA district will require a...

Project Title	Estimate
Infrastructure Improvements:	
Reconstruction of Intersection of OPB and Dixie Pkwy	\$ 250,000
NE 12th Terrace Extension (North of Park Lane)	\$ 1,335,000
Improvements to Kimberly Lakes Neighborhood - Planning and Design	\$ 80,000
Improvements to NE 8th Avenue - Planning and Design	\$ 14,945,000
Improvements to NE 12 Terrace (South of OPB) - Planning and Design	
Development of Surface lots	
Watershed Management System	
Public Bicycle Circulation changes NE 12 Ave	
Landscaping Improvements throughout Downtown	\$ 250,000
Shared Bike Share and Station Installation plus annual	\$ 1,335,000
Micro Transit Downtown Circular Plan	\$ 80,000
Other Projects	\$ 14,945,000

Public Private Partnerships

Project Title	Estimate
Development of West Dixie Lots - Long Term Mixed Use	\$ 2,500,000
Jaco Pastorius Park Culinary Marketplace Construction	\$ 3,269,000
Long Term Mixed Use SE Corner of 38th Street and Main Street	\$ 1,300,000
Coastal Link Train Station	TBD
South Gateway Fountain and Plaza	\$ 1,481,200
Redevelopment of Post Office Site	\$ 10,000,000
Total Public Private Partnerships	\$ 18,750,200

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WEST DIXIE LOTS: CHALLENGES

- ✓ Untested Market
- ✓ Contaminated Site
- ✓ Small lots with difficult configurations
- ✓ Being able to identify a development partner that understands and respects our community characteristics (i.e. height, density, design, sense of place)

OAKLAND PARK SQUARE

- ❖ **2018:** thirteen years after the City Commission first set forth the vision for this development, we present an opportunity to realize these goals as well as the potential to unlock further redevelopment in the downtown.
- ❖ On **February 21, 2018** the City Commission approved the Award of the RFQ to Integra Investments of Miami and authorized staff to begin negotiation of a Development Agreement
- ❖ **This evening's presentation seeks to:**
 - **PROVIDE AN UPDATE ON THE DEVELOPMENT NEGOTIATIONS**
 - **OUTLINE THE ELEMENTS OF THE DEVELOPMENT PLAN**
 - **PROVIDE INFORMATION ON THE PROCESS AND OUTLINE NEXT STEP**
 - **NO COMMISSION ACTION IS BEING REQUESTED**

REALIZING THE CITY'S GOALS

- ✓ **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 loan to grant**

HISTORY OF DEVELOPMENT PROPOSAL

- ❖ In 2015, Redevelopment Planning Team convened the Redevelopment Planning team to focus on urban planning and redevelopment efforts in the DMUD.

- ❖ In 2016,
 - Retail Market Study
 - 5 Year CRA Strategic Action Plan
 - Facilities Conditions Assessment Report
 - Transportation and Mobility Report

HISTORY OF DEVELOPMENT PROPOSAL

JULY 2017

Preparation for the Request for Qualification (RFQ) included hiring Zyscovich Architects to provide a **design concept**

OCTOBER 2017

City **released RFQ** West Dixie Lot Redevelopment Project Solicitation.

DECEMBER 2017

City received two **responses** to this formal solicitation from The New Urban Communities of Delray Beach, Florida and Integra Investments of Miami Florida

**JANUARY 8
2018**

Evaluation Committee held its first formal meeting to establish the process by which the proposals would be evaluated

**JANUARY 16
2018**

The Committee held their second meeting to **complete their individual scoring** sheets, and conducted site visits to each of the proposers projects

HISTORY OF DEVELOPMENT PROPOSAL

February 21, 2018 AWARD

On **February 21, 2018** the City Commission **approved the Award of the RFQ** to Integra Investments of Miami.

March 15, 2018 NEGOTIATION

Since **March 15, 2018**, the City's **negotiation** team has been meeting weekly with Integra to vet all information presented and negotiate the most responsible and advantageous development deal.

Next Steps FORMAL AGREEMENTS

At this time the City and Integra Investments have come to **substantial consensus** on the major terms of the development deal. Based on feedback from the Commission, the negotiating team will finalize three documents for Commission approval:

- I. **PURCHASE AND SALE AGREEMENT**
- II. **DEVELOPMENT AGREEMENT**
- III. **CITY HALL LEASE**

HISTORY OF DEVELOPMENT PROPOSAL


- **November 2017**- community meeting at Jaco
- **February 2017** – Award of the Request for Qualifications
- **March 2018** – Community meeting at Collins
- **April – May 2018**
 - Open House
 - Neighborhood meetings

THE ELEMENTS OF THE AGREEMENT

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



THE ELEMENTS OF THE AGREEMENT



Purchase of
Land

Land Purchase Price: \$2,550,000

Conditions Precedent to Closing:

- Final Site Plan and Building Permit Approval
- Approval of an Environmental Remediation Plan
- Binding Construction Loan Commitment

WEST DIXIE LOTS



THE ELEMENTS OF THE AGREEMENT: PLANNING AND ZONING MATTERS



SOUTH LOT: 1.2 Net Acres


PROPOSED DEVELOPMENT:

GROUND FLOOR RETAIL:	17,000 S.F.	PARKING STRUCTURE	343 SPACES
LIVE/WORK UNITS:	11 UNITS	HEIGHT	68 feet
CITY HALL OFFICE SPACE	29,000 S.F.		

CENTRAL PARKING STRUCTURE

In total, the development will have **343 structured parking spaces** that will support City Hall, Residential, and Commercial Uses. In addition to designated residential parking of 113 spaces, the development will include 97 spaces for commercial uses and 133 additional public parking spaces (of which **116 will be designated to City Hall** in the South Block).

THE ELEMENTS OF THE AGREEMENT: PLANNING AND ZONING MATTERS



Development
Program

NORTH LOT: 0.9 Net Acres


PROPOSED DEVELOPMENT:

GROUND FLOOR RETAIL: 17,600 S.F

HEIGHT: 68 feet

RESIDENTIAL: 87 UNITS

THE ELEMENTS OF THE AGREEMENT

A green circular logo with the text "City Hall Lease" inside.

City Hall
Lease

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



OTHER ELEMENTS OF THE AGREEMENT

Type	Approximate Amount
Land Purchase Price	\$2,550,000
Waiver of Local Impact Fees	\$260,000
Roadway improvements	\$500,000 (Estimated project cost. Approximately \$300,000 in grant CDBG funding anticipated for improvements)
In Lieu Real Estate Tax Payment (residential units)	\$340,000 (\$68,000 per year)
CRA Retail Tenant Improvement Program	\$260,000 not to exceed in available funding (City budgets annually approximately \$80,000 for the CRA Grant Program)

- ❖ On June 12, the Broward County Commission approved a **funding program of approximately \$1,100,000** (\$220,000 per year) based on the first five years after this project is placed on the Broward County tax roll.

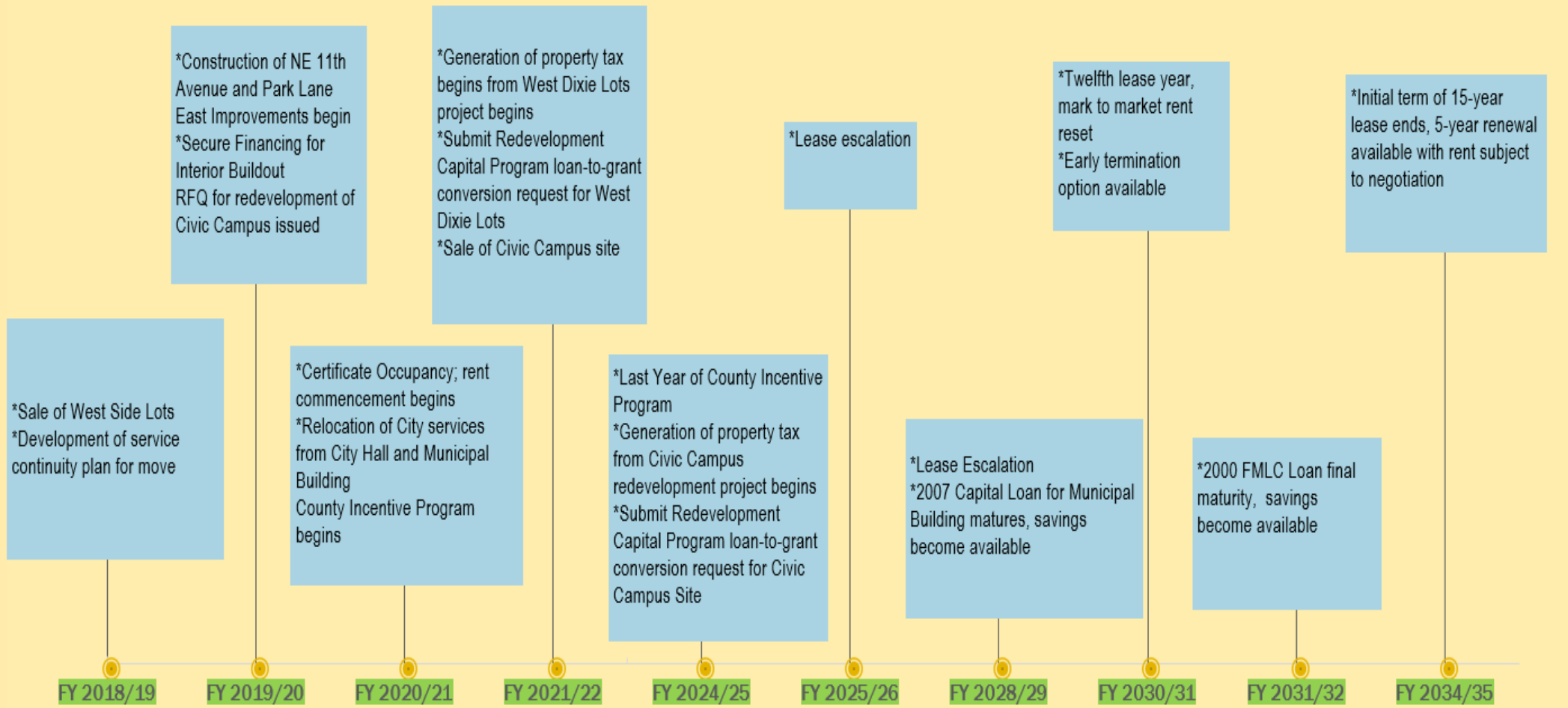
Longterm Financial Forecast West Dixie Lots (WDL) and Civic Campus								
TIMELINE		CITY REVENUE AND OTHER RESOURCES				CITY EXPENSE		Annual Financial Impact
Lease Year	Estimated Fiscal Year	WDL Property Tax Revenues*	WDL Sale Value Offset to Rent**	Other Resources	Total	Annual Lease Costs	Interior Build Out Debt Service ***	
Year 1	2021	\$ -	\$ 631,236	\$ -	\$ 631,236	\$ 756,030	\$ 280,000	(\$404,795)
Year 2	2022	\$ 241,013	\$ 270,530	\$ -	\$ 511,542	\$ 756,030	\$ 280,000	(\$524,488)
Year 3	2023	\$ 250,653	\$ 180,353	\$ -	\$ 431,006	\$ 756,030	\$ 280,000	(\$605,024)
Year 4	2024	\$ 260,679	\$ 180,353	\$ -	\$ 441,032	\$ 756,030	\$ 280,000	(\$594,998)
Year 5	2025	\$ 271,107	\$ 180,353	\$ -	\$ 451,460	\$ 756,030	\$ 280,000	(\$584,570)
Year 6	2026	\$ 281,951	\$ 270,353	\$ -	\$ 552,304	\$ 1,039,070	\$ 280,000	(\$766,766)
Year 7	2027	\$ 293,229	\$ 270,353	\$ -	\$ 563,582	\$ 1,039,070	\$ 280,000	(\$755,488)
Year 8	2028	\$ 304,958	\$ 220,353	\$ -	\$ 525,311	\$ 1,039,070	\$ 280,000	(\$793,759)
Year 9	2029	\$ 317,156	\$ 140,353	\$ 301,500	\$ 759,009	\$ 1,118,530	\$ 280,000	(\$639,521)
Year 10	2030	\$ 329,843	\$ 140,353	\$ 301,500	\$ 771,696	\$ 1,118,530	\$ 280,000	(\$626,834)
Year 11	2031	\$ 343,036	\$ 140,353	\$ 301,500	\$ 784,889	\$ 1,152,086	\$ 280,000	(\$647,197)
Year 12	2032	\$ 356,758	\$ 80,353	\$ 1,073,500	\$ 1,510,611	\$ 1,186,648	\$ 280,000	\$43,962
Year 13	2033	\$ 371,028	\$ -	\$ 1,073,500	\$ 1,444,528	\$ 1,222,248	\$ -	\$222,280
Year 14	2034	\$ 385,869	\$ -	\$ 1,073,500	\$ 1,459,369	\$ 1,258,915	\$ -	\$200,454
Year 15	2035	\$ 401,304	\$ -	\$ 1,073,500	\$ 1,474,804	\$ 1,296,683	\$ -	\$178,121
TOTAL		\$4,408,583	\$ 2,705,295	\$ 5,198,500	\$ 12,312,378	\$ 15,251,001	\$ 3,360,000	(\$6,298,622)
						Total Lease Expense Over 15 Years	(\$6,298,622)	
						WDL Cost of City Provided Incentive (Less Anticipated CDBG)	(\$800,000)	
2007 Capital One Loan Final Maturity (\$301,500)						Estimated Civic Campus Sales Value	\$7,000,000	
2000 FMLC Loan Final Maturity (\$772,000)						Estimated Civic Campus Tax Revenues, FY 25 to FY 35	\$7,813,419	
Mark-to-market occurs; estimated at 3% rent increase						ESTIMATED NET VALUE	\$7,714,797	

*Assumes current millage and 4% annual increase in property values

** Sale value of West Side Lots can be applied to lease payments to offset costs on an annual basis.

**Interior build-out of Dixie Lots City Hall to be financed through new external debt, approximately \$2.5 million in principal.

West Dixie Lots Project & Civic Campus Forecast of Milestones by Fiscal Year



CITY GOALS REALIZED

- ✓ **Achieve decade long goal of mixed use development**
- ✓ **Centralize municipal operations**
- ✓ **Ensure a hardened facility**
- ✓ **Attract new development of the Downtown**
- ✓ **Add additional public parking in the downtown**
- ✓ **Add residential to support businesses**
- ✓ **Remediation of the environmental issues**
- ✓ **Generation of additional ad valorem revenues**
- ✓ **Opportunity to unlock the value of the Civic Complex**
- ✓ **CRA Loan to Grant conversion**

NEXT STEPS

Finalize Negotiations and bring to Commission:

Purchase and Sale Agreement - To formalize the sale of the property to Integra under the conditions discussed. Two Readings.

The Development Agreement – To set forth all of the requirements and responsibilities surrounding the project, including a summary of the lease terms.

The Lease Agreement – To be executed closer to the completion of the City Hall Space by the developer. The Lease Agreement will incorporate the provisions that were included in the summary of lease terms section of the Development Agreement.

CITY COMMISSION DEVELOPMENT ACTIONS:

- Brownsfield Site Remediation Agreement (if required for remediation/mitigation of site)
- Ordinance to make **Civic Use** by right in the DMUD (currently conditional use)
- Ordinance to define **Live/Work** units
- **Building Height incentive** approval
- **Flex Unit** approval
- Approval of **CDBG Project**
- Approval of **Incentive Grant funding** (budget) and applications
- **Site Plan** approval



