



OAKLAND PARK SQUARE PSA

September 20, 2018



CREATING VALUE IN THE COMMUNITY









Ground Floor

- ✓ **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 18, 2017

City of Oakland Park
Financial Services/Purchasing Division
3650 NE 12 Avenue
Oakland Park, FL 33334
Maggie Turner, Purchasing Manager
Phone: (954) 630-4267
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OPCRA OAKLAND PARK COMMUNITY REDEVELOPMENT AGENCY
2017 - 2022
CRA STRATEGIC ACTION PLAN

Prepared by: R. Miller Consulting Group, LLC
April 15, 2017

OAKLAND PARK
Community Redevelopment Area (CRA) Plan

December, 2005

EDSA **ire** Carter-Burgess

Oakland Park Downtown Mixed Use District
Design Guidelines

The Realization of 13 Years of Planning

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)

NOVEMBER 16, 2011

Community Meetings and Presentations

- **November 2017**- community meeting at Jaco Pastorius Park
- **February 2018** – City Commission - Award of the Request for Qualifications
- **March 7, 2018** – Presentation at Kiwanis
- **March 14, 2018** - community meeting at Collins Community Center
 - All residents in the City received a notice in the mail
 - Open house with presentation and tables with detailed information.
- **March 17, 18, 24 and 25** – City facility tours with staff at each facility to provide information and respond to questions/comments.



Community Meetings and Presentations

- **April 10, 2018** – Presentation before the Downtown Business Partners and North Andrews Neighborhood Association
- **April 18, 2018** – Presentation before the City Commission on all Facilities
- **April 24, 2018** – Presentation before COPNA Neighborhood Association
- **May 15, 2018** – Presentation before the Rotary Club
- **May 22, 2018** – Oakland Park/Wilton Manor/Uptown Council – update on proposed project
- **May 23, 2018** – Presentation before the Oakland Park Business Group
- **June 12, 2018** - Presentation before the Downtown Business Partners
- **June 20, 2018** – Presentation at City Commission.
- **July 10, 2018** - **Status update presentation for Downtown Business Partners**
- **July 30, 2018** – **Status update presentation for the Community**

“The City has Hosted 15 separate discussions and or meetings to inform and educate the community on the Oakland Park Square Project”

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



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.

High Return Low Cost Investment

Public Investment	
Waiver of City Impact Fees	\$ 260,000
Roadway Improvements	\$ 500,000
In Lieu RE Taxes Payment	\$ 340,000
CRA Retail Tenant Incentives	\$ 260,000
Broward County Funding Program (35% share)	<u>\$ 385,000</u>
Total	\$ 1,745,000

**The City is NOT donating land for this project.
Lots will be sold to the developer for \$2.55 million**

Return On Investment

Public - Private Investment Oakland Park Square

		Estimated Total Project Cost	Private Investment	Public Investment	Leverage Ratio
Total	1	\$ 45,000,000	\$ 43,255,000	\$ 1,745,000	25
City Only	2	\$ 45,000,000	\$ 43,940,000	\$ 1,060,000	41
City Cash Only	3	\$ 45,000,000	\$ 44,200,000	\$ 800,000	55

1. Includes all Public Investment (Broward County Funding Program and City Initiatives)
2. Excludes Broward County Funding
3. City Initiatives (Cash Outlays Only)

For every \$1 the City spends the developer spends \$55 when compared to the City Cash Only Investment.

Longterm Financial Forecast

TIMELINE		CITY REVENUE AND OTHER RESOURCES				CITY EXPENSE		Net 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 Net Annual Costs								\$6,298,622
WDL Cost of City Provided Incentive (Less Anticipated CDBG)								\$800,000
Estimated Civic Campus Sales Value								(\$7,000,000)
Estimated Civic Campus Tax Revenues, FY 25 to FY 35								(\$7,813,419)
Redevelopment Capital Loan Conversion								(\$1,600,000)
GRAND TOTAL COST								(\$9,314,797)

*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.

PURCHASE AND SALES AGREEMENT SUMMARY

- **Purchase Price:**
- Sets purchase price at **\$2,550,000** with earnest money deposit provisions:
 - Price is appraised value.
 - **Not discounted for potential environmental issues.**
- **Inspection Period:**
 - 180 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 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 and additional environmental conditions be discovered:
 - The City has committed to placing \$1M of the \$2.55 M purchase price in an interest bearing escrow account controlled by the City to front load unforeseen environmental conditions until BSRA reimbursement is received.

PURCHASE AND SALES AGREEMENT SUMMARY

NEXT STEPS

- If the PSA is approved, the second reading of this Ordinance will be scheduled.
- At the second reading of the PSA, staff will present for Commission consideration the Development Agreement.
- The Development Agreement will establish the provisions and requirements for the Development of the Oakland Park Square Project.

TIMELINE



