



Legislation Text

File #: P-2020-10, **Version:** 1

Presentation By Shiv Newaldass, Director Of Development Services, Regarding A Possible Acquisition Of The Property Located At 2727 Johnson Street, Also Known As The Former Sunset Golf Course.

Staff Recommends: For Commission Consideration

Explanation:

The property formerly known as Sunset Golf Course, located at 2727 Johnson Street, is a privately owned parcel of land in central Hollywood adjacent to I-95. At 45.3 acres, it is one of the few large parcels of land in Hollywood that remains undeveloped.

In 1952, utilizing a Red Lawrence of the American Society of Golf Course Architects design, the Sunset Golf Course was opened.

In 2010, the golf course was closed and eventually marketed for sale as a residential development opportunity.

In 2013, a developer acquired the land with the intention of building a residential community on the property. However, the project did not move forward through the entitlement process.

In February of 2015, the Friends of Hollywood Florida, Inc., a group of concerned residents, submitted a report to the City Commission, along with a request for the Commission to acquire the Sunset Golf Course property to be used as open green space and allow it to serve as a public utility for stormwater retention. The importance of the Sunset Golf Course property as a public utility was detailed within their proposal. The proposal also suggested that the City Commission pursue eminent domain to acquire the property.

The City reviewed the Friends of Hollywood's proposal as it related to flooding and stormwater retention. The property is among the lowest land areas in the vicinity and includes drainage ditches/canals within easements dedicated to the City of Hollywood. The ditches direct stormwater runoff from the adjacent neighborhood roadways and from the property itself to a stormwater pump station located on the northwest corner of the property. The pump station draws water from the drainage ditches and discharges it to an adjacent finger canal outside of the property boundary that leads into the C-10 canal.

The City determined that irrespective of property ownership, drainage benefits can be maintained since the appropriate mitigation efforts on the property will always be mandatory. All development requires compliance with applicable codes and proper design to ensure the least amount of impact to the floodplain and neighborhood drainage.

As part of the entitlement process for any development proposed on the site, Broward County's Environmental Protection and Growth Management Department, Environmental Engineering and Permitting Division reviews existing site conditions against the proposed development in order to measure the quantity of stormwater runoff. At minimum, post-development standards require runoff to be less than or equal to pre-development conditions. Furthermore, with this specific property, the City will maintain existing drainage easements and conveyances to the City's stormwater pump station.

In March of 2016, Richgreens LP, led by Mr. Richmond Italia, purchased the land for \$2,000,000.00 and later bought out the leasehold interest and building from an entity known as the Sunset Club Lease. Richgreens LP envisioned the land being developed into a "sports park" to include paintball, a skate area and rock climbing, as well as more passive, open areas along the perimeter of the site.

When conceptual plans for the "sports park" were submitted in 2017, a determination was made that the project would require a zoning change, in addition to the site plan review process. The property owner appealed this determination to the Planning and Development Board, which later upheld the City's position.

Property Acquisition Efforts

In response to requests from Hollywood residents to preserve the property as public open space, funding to acquire and develop this property into a passive public park with nature trails and other amenities was included as part of the General Obligation Bond (GOB) initiative. On March 12, 2019, voters approved the GOB initiative, including funding for the acquisition of the property.

After the GOB referendum, the City began negotiations with the property owner to purchase the site. In accordance with the City Charter, an appraisal was done, indicating an as-is valuation of the site of \$7.5 million. A conditional offer in this amount was provided to the property owner. The condition mandated that any purchase agreement will require a super majority approval by the City Commission. Such deliberations are required to occur at a public City Commission meeting.

A counter offer from the property owner in the amount of \$14.3 million was received by the City. The appraisal performed for the property owner was provided with a valuation of \$18.5 million. This appraisal assumed that a Site Plan permitting residential development would be approved and in place on the property and that the site could be developed with up to 344 total units.

In January of 2020, the City provided a conditional second offer of \$9 million to the property owner along with an adjusted as-is appraisal that included the remediation work being undertaken on the site. The condition mandated that any purchase agreement would require a super majority approval by the City Commission and such deliberations are required to occur at a public City Commission meeting.

A counter offer from the property owner in the amount of \$14.5 million was received by the City.

In accordance with the City's Code of Ordinance, any purchase of real property by the city in an amount in excess of \$250,000 must be approved by a five-sevenths (5/7) vote of the total commission membership.

Recommended for inclusion on the agenda by:
Shiv Newaldass, Director of Development Services
Gus Zambrano, Assistant City Manager for Sustainable Development