



City of Hollywood

Hollywood City Hall
2600 Hollywood Blvd
Hollywood, FL 33020
<http://www.hollywoodfl.org>

Legislation Text

File #: R-2020-301, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Approving And Authorizing The Appropriate City Officials To Execute A Development Agreement Among The City Of Hollywood, Florida, City Of Hollywood, Florida Community Redevelopment Agency ("CRA"), And BTI Land Acquisitions, LLC ("BTI") Relating To The Block 58 Redevelopment Project Within The Downtown District Of The CRA.

Economic Vitality

Staff Recommends: Approval of the attached Resolution.

Explanation:

BTI is under contract to acquire the former Bread Building property and related sites within Block 58 of Downtown Hollywood (generally located southeast of Young Circle). BTI would like to redevelop the project into a mixed use development including retail, 361 residential units, and correlating amenities.

The redevelopment of this block would greatly contribute to the enhancement of the City's downtown which is part of the CRA's redevelopment plan and is a focus of the City's strategic plan to support economic vitality.

On May 18, 2007, the CRA entered into a Developers Agreement ("Prior Agreement") for the development of sections of Block 58 of the Plat of "Hollywood" as recorded in Plat Book 1, Page 21 ("Property") of the public records of Broward County, Florida, including without limitation Lots 1 through 19 and Lot 24. However the original Developer of the Prior Agreement no longer exists, and that Developers Agreement is null and void and of no further force or effect.

BTI is proposing a residential development for a portion of the Property in accordance with the approved site plan. Once developed, it will significantly reduce blight in the CRA, will significantly enhance the City, and will, in turn, bring significant economic redevelopment to the area.

In recognition of the increased acquisition and development costs associated with the Subject Property, as well as financial and market risks associated with the development of the

proposed Project, a development incentive is warranted.

The CRA has the ability to utilize Tax Increment Financing (TIF), which is a public financing method that is used as a subsidy to encourage redevelopment, enhance infrastructure, and fund other community improvement projects under Florida Statutes and is in use in many cities.

The original intent of a TIF program is to stimulate private investment within a blighted area that has been designated to be in need of economic revitalization and portions of the new TIF generated by the completed Project can serve as a project incentive in the form of an annual reimbursement.

The City and CRA are recommending the use of a TIF reimbursement. The CRA would pay BTI an amount equal to Ninety-five percent (95%) of the annual TIF funds received for the purpose of the mixed use development. Starting when project generates TIF and ending 9/30/2025, the CRA will pay the Developer 95% of TIF generated by project. Thereafter and ending 9/30/2030, the CRA will pay the Developer 95% of what the City's portion of TIF generated by project would be if TIF was still being paid to CRA, plus an amount equal to \$280,000 or what Broward County's portion of the TIF generated by the project would be if TIF was still being paid to CRA, whichever is less. Incentives will not be paid and there will be no financial obligation to the Developer if the project is not substantially complete by December 31, 2024, nor will the annual reimbursements extend beyond September 30, 2030.

Staff Recommends: Approval of Resolution and the Developers Agreement upon the terms and conditions set forth in the Agreement.

Fiscal Impact:

The City and the CRA agree that 95% of the ad valorem or TIF revenue generated from the planned development will be annually reimbursed to BTI starting when the development generates TIF and ending 9/30/2025. Thereafter and ending on September 30, 2030, the CRA will pay the Developer 95% of what the City's portion of TIF generated by project would be if TIF was still being paid to CRA, plus an amount equal to \$280,000.00 or what Broward County's portion of the TIF generated by the project would be if TIF was still being paid to CRA, whichever is less.

The amount of the payments over the seven years is estimated to total \$7,125,000.00 based on an estimated assessed value of \$92,000,000.00. The actual annual reimbursements will be calculated based on 95% of the actual TIF revenue generated from the project for FY 2024 and FY2025 and the equivalent of the City portion of the TIF plus a portion of the County payments to the CRA from FY 2026 to FY2030.

The CRA will be responsible for making the incentive payments to BTI from the time of project completion, planned for FY 2024, through FY 2025, based upon 95% of the TIF

generated by the Project, for an estimated amount of \$2,310,000.00. Thereafter and ending in 2030, the CRA will pay the Developer incentive payments based upon 95% of what the City's portion of the TIF generated by the Project would have been if TIF was still being paid to the CRA, plus an amount equal to \$280,000.00 or what Broward County's portion of the TIF generated by the project would be if TIF was still being paid to CRA, whichever is less, for a total estimated amount of \$4,815,000.00.

Recommended for inclusion on the agenda by:

Shiv Newaldass, Director of Development Services and Chief Development Officer
Raelin Storey, Director of Communications, Marketing, and Economic Development
Gus Zambrano, Assistant City Manager for Sustainable Development