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MEMORANDUM

DATE: October 24, 2019

TO: Greg Harrison, City Manager

VIA: Earl Bosworth, Assistant City Manager *EB*

FROM: *CC* Chris Clemens, Economic Development Manager

SUBJECT: Request brownfield area designation for 2700 Gateway Drive and 1441 SW 27th Avenue, Pompano Beach (collectively the "Properties")

This summarizes my review of the brownfield designation application submitted by Belmont Porten Properties, LLC on the above referenced Properties that you requested staff review. This application differs from previous applications insofar as we are using a different provision of the relevant state statute to make the designation. Specifically, this designation is based on Section 376.80(2)(a), F.S. entitled "Local government-proposed brownfield area designation outside specified redevelopment areas" whereas our previous designation requests have been pursuant to Section 376.80(2)(c), F.S. entitled "Brownfield Area designation proposed by persons other than a governmental entity." The applicant has requested the City propose the brownfield designation because of its inability to satisfy the economic productivity requirement under Section 376.80(2)(c), F.S.

Pursuant to Section 376.80(2)(a), at a public hearing to designate the proposed brownfield area, the City must consider the four factors set forth below.

1. Whether the brownfield area warrants economic development and has a reasonable potential for such activities;

Yes, as depicted in the attached aerial, a 45,500+ square foot building already exists at the 2700 Gateway Drive property and the adjacent 1441 SW 27th Avenue property is a vacant 2-acre parcel. Currently, Cushman Wakefield's most recent 3rd Quarter figures list Pompano Beach's industrial area as having a sub-5% vacancy rate which is actually rather high compared to the historically low rates the City has experienced over the past few years. The City has had over 500,000 sf developed in the past year and has 1.5 million square feet being developed through the next year. Very few parcels of industrially zoned land remain in the City.

2. Whether the proposed area to be designated represents a reasonable focused approach is not overly large in geographic coverage;

Yes, again a 45,500+ square foot building currently exists and a vacant 2-acre parcel exists behind it. Staff believes that 4.37 acres represents a reasonable focused approach for the City and market. For the industrial market, it's actually a rather small parcel.

3. Whether the area has potential to interest the private sector in participating in rehabilitation; and

Yes, the parcel is currently owned by a private sector entity who has agreed to clean up the site and has already commenced remedial activities. Also, the historic low vacancy rates in the sector are evidence that private sector interest is evident.

4. Whether the area contains sites or parts of sites suitable for limited recreational open space, cultural, or historic preservation purposes.

Staff believes this factor is not applicable because Belmont, the owner, intends to develop the site once the clean-up is complete.

Staff believes the Properties qualify for designation as a brownfield area based on their location, existing land use and zoning designations, and the current market conditions for industrial properties. While jobs may not be created initially, it is highly likely that pursuant to the ongoing remediation activities, the Properties will be productive and ultimately result in job creation. Further, making the designation will not fiscally cost the City anything or expose it to any liability but it has the potential to provide the owner of the Properties access to a number of financial, regulatory and technical assistance incentives granted by Section 376.84(1-3), F.S. and also allow it recoup costs spent on past and future remedial activities. Further, as detailed in the documentation provided in the application, the applicant has satisfied public notice requirements by posting notice at the Properties, in the Sun Sentinel and in the Broward County community bulletin section of Craigslist. Belmont Porten Properties, LLC also hosted a public meeting on October 18, 2019 at the Ft. Lauderdale Marriott North located at 6650 North Andrews Avenue in Ft. Lauderdale although no one from the public attended.

Staff believes the Properties qualify for designation as a brownfield area pursuant to Section 376.80(2)(a), F.S.