



FINANCE DEPARTMENT

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Real Property Manager #21-015

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To: Mark Berman, City Attorney

Through: Gregory P. Harrison, City Manager

Through: Suzette Sibble, Assistant City Manager

From: Cassandra LeMasurier, Real Property Manager *CL*

Subject: Request for Resolution to Enter into Lease and Development Agreement with the Sonata Apartments Ltd. for the Development of a Mixed-Use and Mixed-Income Rental Housing Project

Please prepare a resolution for the City to enter into a lease with Sonata Apartments Ltd. for a portion of six (6) City-owned parcels and a Development Agreement with Sonata Apartments Ltd. and the Pompano Beach Community Redevelopment Agency for the Sonata Apartments Project.

Sonata Apartments Ltd. (“Developer”) has received site plan approval to construct a 121-unit mixed-use and mixed-income rental community at Dixie Highway and NW 8th Street with 3,500 square feet of commercial space fronting the west side of Dixie Highway. The project area consists of three (3) privately owned parcels identified as Broward County Property Appraiser (BCPA) folios 484235000120, 484235000130 and 484235110070 and a portion of six (6) City-owned parcels BCPA folios 484235001210, 484235001220, 484235001230, 484235001240, 484235001251 and 484235001250. The project was awarded one hundred (100) residential flex units with Resolution 2020-43 approved at the October 22, 2019 City Commission meeting. On July 19, 2020, the CRA Board approved a Conditional Term Sheet in anticipation of a Development Agreement for the Sonata Apartments Project.

Leasing the parcels owned by the City will allow the developer to provide new affordable housing to serve the residents of Pompano Beach. The six (6) parcels owned by the City are vacant lots located on the west side of Dixie Highway between NW 6th Street and NW 8th Street. The properties are zoned General Business (B-3) on the west portion and Transportation (T) on the east portion which includes Dixie Highway. The properties are currently providing drainage for Dixie Highway via a catch basin and detention area. An aerial showing the catch basin and detention area has been included as Exhibit A. A map showing the properties has been included as Exhibit B. The approved site plan for the project, which includes the City property, has been included as Exhibit C.

The City-owned properties have potential for development, but relocation of the drainage is required before any development can occur. The CRA will reimburse the Developer up to \$420,000 of its costs for relocating the drainage by relocating the existing dry retention pond further west and installing a new Stormtech drainage system. The CRA will also contribute

\$1,500,000 toward public infrastructure costs payable in the amount of \$300,000 per year for a period of five years commencing on October 1, 2022, and thereafter on each consecutive October 1 until paid in full. The Developer will lease the CRA the retail space proposed in the Project and agrees to construct and install up to \$150,000 in tenant improvements as directed and required by the CRA.

The City will enter into a fifty (50) year lease with the Developer for the lease area of the six (6) City-owned parcels, with the Developer's capital improvements being the construction of a 121-unit mixed-use and mixed-income rental community and 3,500 square feet of commercial space. The Developer will pay \$1,000 per year to the City for the lease of the City parcels.

The City, CRA and Developer will enter into a Development Agreement, included as Exhibit B to the lease, to formalize the commitment of the City to lease the City-owned property to the Developer and provide a \$783,250 Affordable Housing Loan from the City's Affordable Housing Trust Fund to the Developer, the CRA to reimburse the Developer drainage relocation and the CRA contribution of \$1,500,000 toward public infrastructure costs. It will also formalize and Developer's commitment to lease the retail space proposed in the Project to the CRA and to construct and install up to \$150,000 in tenant improvements as directed and required by the CRA.

The lease and Development Agreement are contingent upon the Developer's Request for Funding Application submitted to the Florida Housing Finance Corporation for tax credit funding approved for complete funding for the project. If the Developer does not obtain the required funding the agreement and lease will terminate effective immediately.

EXHIBIT A
Aerial Catch Basin and Detention Area



EXHIBIT B
Map of City-Owned Properties to be Leased

# ON MAP	FOLIO	STREET ADDRESS
1	484235001210	N DIXIE HWY
2	484235001220	717 N DIXIE HWY
3	484235001230	N DIXIE HWY
4	484235001240	N DIXIE HWY
5	484235001251	621 N DIXIE HWY
6	484235001250	N DIXIE HWY

***Areas east of green line are not included in lease area.**



EXHIBIT C Approved Site Plan

